Registration Document 2012

including annual financial report

BY PEOPLE FOR PEOPLE

Registration Document **2012**

Annual Financial Report and Management Report

This Registration document includes (i) all the items of the Annual Financial Report mentioned in section I of Article L. 451-1-2 of the Monetary and Financial Code, and in Article 222-3 of the General Regulations of the *Autorité des Marchés Financiers* (AMF), the French Financial Markets Authority, (in Appendix B of this Registration document is a comparison table between the documents mentioned in these texts and the corresponding headings in this Registration Document), (ii) all the mandatory information included in the Management Report of the Board of Directors to the Annual Shareholders' Meeting of Tuesday, April 23, 2013 as provided for in Articles L. 225-100 and L. 225-100-2 of the French Commercial Code (the items corresponding to this mandatory information are referenced in the comparison table in Appendix B of this Registration Document).

Incorporation by reference

In accordance with Article 28 of European Regulation No. 809/2004 of April 29, 2004, this Registration Document incorporates by reference the following information, to which the reader should refer:

- in relation to the GDF SUEZ fiscal year ended on Saturday, December 31, 2011: the management report, consolidated financial statements prepared according to IFRS and the related Auditors' reports appearing on pages 242 to 258 and 261 to 394 of the Registration Document filed with the AMF on March 23, 2012 under number D.12-0197;
- in relation to the GDF SUEZ fiscal year ended on December 31, 2010: the management report, consolidated financial statements prepared according to IFRS and the related Auditors' reports appearing on pages 156 to 171 and 287 to 415 of the Registration Document filed with the AMF on March 28, 2011 under number D.11-0186.

This information should be read in conjunction with the comparative information as of December 31, 2012.

The information included in these Registration Documents, along with the information mentioned above, is replaced or updated, as necessary, by the information included in this Registration Document. These Registration Documents are available under the conditions described in Section 7.3 "Documents available to the public" in this Registration Document.

Forward-looking information and market data

This Registration Document contains forward-looking information including in Section 1.1.4 "Strategic priorities", Section 1.1.5 "Improving performance", Section 1.1.6 "Competitive positioning", Section 1.3 "Description of business lines in 2012" and Section 6.1.1.8 "Outlook". This information is not historical data and therefore should not be construed as a guarantee that the events and data mentioned will occur or that the objectives will be achieved, since these are by nature subject to external factors, such as those described in Section 2 "Risk factors."

Unless otherwise stated, the market data appearing in this Registration Document comes from internal estimates by GDF SUEZ based on publicly available data.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the Autorité des Marchés Financiers and registered on March 22, 2013, in accordance with the provisions of Article 212-13 of the General Regulations of the AMF.

It may be used in support of a financial transaction if supplemented by an information memorandum approved by the *Autorité des Marchés Financiers*.

This document has been prepared by the issuer, and its signatories are responsible for its content.

NOTE

In this Registration Document, the terms “GDF SUEZ”, the “Company”, the “Issuer”, and the “Enterprise”, refer to GDF SUEZ SA (formerly known as Gaz de France), as resulting from the merger-absorption of SUEZ by Gaz de France on July 22, 2008. The term “Group” refers to GDF SUEZ and its subsidiaries.

A list of units of measurement, short forms and acronyms and a glossary of the frequently-used technical terms are featured in Appendix A of this Registration Document.

Copies of this Registration Document are available at no cost from GDF SUEZ, 1 place Samuel de Champlain, 92400 Courbevoie (France), on the Company website (gdfsuez.com), as well as on the website of the *Autorité des Marchés Financiers* (http://www.amf-france.org).

1

Presentation of the Group

1.1 PROFILE, ORGANIZATION AND STRATEGY OF THE GROUP

1.1.1 GENERAL PRESENTATION

GDF SUEZ is one of the world's leading industrial companies and a benchmark in the fields of gas, electricity, energy services and the environment.

It is active throughout the entire energy value chain, in electricity and natural gas, upstream to downstream in:

- purchasing, production and marketing of natural gas and electricity;
- transmission, storage, distribution, management and development of major gas infrastructures;
- energy and environmental services.

It is also the reference industrial shareholder of SUEZ Environnement, the world leader in environmental services (water and waste).

GDF SUEZ operates a well-balanced business model:

- through its presence in complementary business activities across the value chain (balanced breakdown of revenues between gas, electricity and energy services);
- through its presence in regions exposed to different business and economic cycles, with a strong presence in emerging markets with their greater prospects for growth, a position that was further strengthened in 2011 and 2012 with the integration of International Power. While the Group still intends to maintain its position as a key player in Europe, it is now a benchmark energy provider in the emerging world;
- through its presence allocated between activities that are exposed to market uncertainties and others that offer recurring revenue (infrastructure, services, PPA-type contracts, etc.);
- through a balanced energy mix with priority given to low- and zero-carbon energy sources.

In 2012, GDF SUEZ was ranked first among listed utilities worldwide by Forbes magazine in its annual ranking of the 2,000 largest listed global companies (47th in the general category, 4th among French companies).

Listed in Brussels and Paris, GDF SUEZ is represented in the major stock indices (see Section 5.1.1.1 "Share capital").

The Group's fundamental values are drive, commitment, daring and cohesion.

1.1.2 HISTORY AND EVOLUTION OF THE COMPANY

GDF SUEZ is the result of the merger-absorption of SUEZ by Gaz de France, following the decision of the Combined General Shareholders' Meetings of Gaz de France and SUEZ of July 16, 2008. The merger took effect on July 22, 2008.

Initially incorporated in 1946 as an EPIC (French public industrial and commercial enterprise), it became a limited liability company with a 99-year term under Law 2004-803 of August 9, 2004 on the electricity and gas public service and electricity and gas companies (amending Law 46-628 of April 8, 1946) whose provisions were aimed at organizing the change in the Company's legal status. Unless the Company is dissolved earlier or its term is extended, it will cease trading on November 19, 2103.

On July 7, 2005, the Company publicly floated its shares on the stock market. The Company's shares, under its former name, Gaz de France, were first listed on July 7, 2005.

Law 2004-803 of August 9, 2004, as amended by Law 2006-1537 of December 7, 2006 governing the energy sector and providing that the State henceforth hold more than one-third of the Company's share capital, and Decree 2007-1784 of December 19, 2007, authorized the transfer of the Company from the public to the private sector. On July 22, 2008, the Company absorbed SUEZ in a merger which entailed transferring the majority of the company's share capital to the private sector. The new company took the name "GDF SUEZ".

SUEZ itself was the result of the merger in 1997 of Compagnie de Suez and Lyonnaise des Eaux. At the time, Compagnie de Suez – which had built and operated the Suez Canal until its nationalization by the Egyptian government in 1956 – was a holding company with diversified stakes in Belgium and France, particularly in the finance and energy sectors. Lyonnaise des Eaux was a diversified company in the management and treatment of water, waste, construction, communications and technical facility management. SUEZ became an international industrial and services group whose objective was to meet essential requirements in electricity, gas, energy and industry services, water and waste management.

The deregulation of European energy markets in the early 1990s promoted the international development of both Gaz de France and SUEZ, which progressively expanded their activities beyond their respective traditional markets, both in Europe and internationally.

The approval of the merger by the European Commission given on November 14, 2006 was conditional on the implementation of remedial action in certain areas. The principal remedies required for EC approval were duly carried out.

On February 3, 2011, the Company completed a merger with International Power. In 2012, GDF SUEZ confirmed its strategy as a global energy player, finalizing the purchase of shares held by the minority shareholders of International Power on June 29, 2012 (see Section 6.2, "Consolidated financial statements" – Note 2.1.1). GDF SUEZ now has its head office at 1, Place Samuel de Champlain, 92400 Courbevoie, France. Its phone number is +33 (0) 1 44 22 00 00. GDF SUEZ is listed in the Paris Trades and Companies Register under reference number 542 107 651. Its NAF (French business sectors) code is 3523Z.

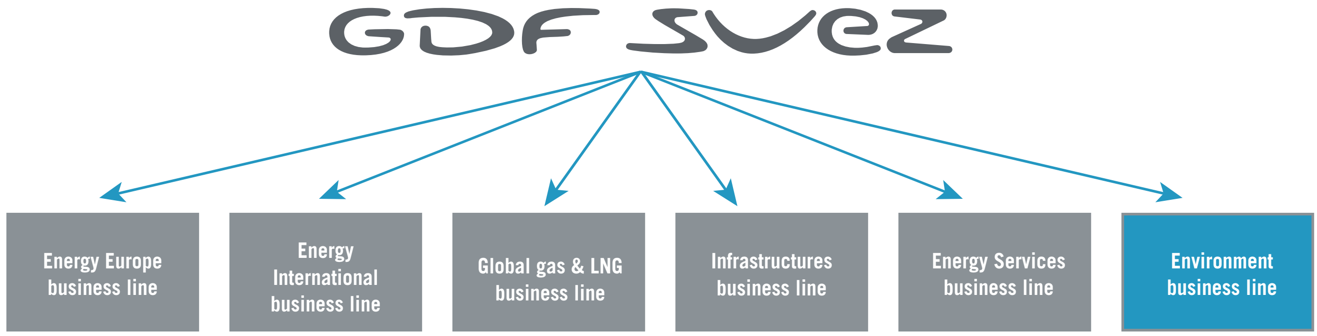
GDF SUEZ is a public limited liability company (*société anonyme*) with a Board of Directors subject to the laws and regulations governing public limited companies and any specific laws governing the Company, and to its bylaws.

GDF SUEZ is subject in particular to Law 46-628 of April 8, 1946 governing the nationalization of electricity and gas, Law 2003-8 of January 3, 2003 governing gas and electricity markets and energy public service, Law 2004-803 of August 9, 2004 governing electricity and gas public service and electricity and gas companies, and Law 2006-1537 of December 7, 2006 governing the energy sector.

The Company's fiscal year is 12 months and runs from January 1 to December 31 of each year.

1.1.3 ORGANIZATION

As at December 31, 2012, GDF SUEZ is organized at operational level into six business lines (five wholly–owned energy business lines and an environmental business line that is 35.76%-owned):



- **the Energy Europe business line** is in charge of electricity production, energy management, and electricity and natural gas sales (all segments) in continental Europe. It is also in charge of natural gas distribution and storage in part of Europe(1).

  This business line, which was created on January 1, 2012, comprises activities that until the end of 2011 belonged to the Energy Europe and International business line (the GDF SUEZ Energy Benelux & Germany and GDF SUEZ Energy Europe business areas), the Energy France business line and the Global Gas & LNG business line (gas supply and key accounts business units);
- **the Energy International business line** is organized into six geographical regions (Latin America; North America; the United Kingdom and Europe; the Middle East, Turkey and Africa; Asia; and Australia). It is active in electricity production and closely associated activities such as LNG regasification, seawater desalination and international retail sales outside continental Europe(2);
- **the Global Gas & LNG business line** is in charge of the exploration and production of gas and oil, and the supply, transportation and sale of liquefied natural gas;
- **the Infrastructures business line** pools the activities of networks and infrastructures, mainly in France: transmission of natural gas, gasification of LNG, storage of natural gas and distribution of natural gas;
- **the Energy Services business line** offers its customers – industrial and tertiary companies and local authorities – sustainable energy and environmental efficiency solutions in engineering, installation and energy services;
- **the Environment business line** provides water management (drinking water, industrial water and sanitation) and waste management (collection, sorting, recovery and elimination).

  This activity takes place through the Group's interest in SUEZ Environnement. On January 22, 2013, the Group announced that it would not renew the shareholders' agreement for SUEZ Environnement, which will expire in July 2013 (see Section 1.1.4 "Strategic priorities").

The GDF SUEZ Center (based both in Paris and Brussels), is responsible for guidance and control, and also provides expertise and service missions for its internal customers.

The Company operates its own business; it has the organisation of an integrated industrial group. At the end of 2012, the number of the Company's direct or indirect subsidiaries (controlling interest) was approximately 2,400. The Group's main consolidated companies are listed in Section 6.2 "Consolidated financial statements – Note 29 (List of main consolidated companies at 31.12.12)". For a list of major subsidiaries and affiliates directly owned by the Company, see Section 6.4 "Parent Company Financial Statements – Note 27 (Subsidiaries and affiliates)".

The presentation of the Company's activities and the strategic economic assets of its main subsidiaries as well as their geographical location are presented in Section 1.3 "Presentation of the business lines".

(1) Mainly in Hungary, Romania and Slovakia. Regarding the interest in Slovakian gas operator SSP, see Section 1.3.2.3.
(2) As well as activities associated with ex-International Power's assets in continental Europe.

1.1.4 STRATEGIC PRIORITIES

The energy and environmental solutions markets in which the Group operates are long-term growth markets that are currently undergoing profound change. The crisis of demand in Europe caused by the economic slowdown, the revolution in the energy supply in the US with unconventional gases, and surging demand in the emerging markets are delineating a new global energy landscape. Recently, there has also been strong regulatory and fiscal pressure on the Group's traditional markets, as well as increasing overcapacity in European electricity production.

In view of this situation, the Group's three strategic priorities are:

- accelerating its development in the emerging world, in the two key areas of independent power production and the gas chain, around LNG;
- refocusing and rationalizing its European asset portfolio, while preparing for the future in the two key areas of energy efficiency and renewable energy;
- strengthening activities that generate recurring revenues (infrastructures and services).

The Group's strategy is also based on two broad principles: balance, to mitigate risk, and flexibility, to adjust to shocks and seize opportunities.

In financial terms, the Group prioritizes profitability over growth and constantly maintaining a sound financial structure ("A" rating). This is partly achieved through strict investment criteria. GDF SUEZ's financial objective is to offer its shareholders attractive returns while maintaining a solid financial structure and robust cash flow generation. On December 5, 2012, the Board of Directors confirmed that it has confidence in the Group's dividend policy and that it is committed to it: it will propose an unchanged dividend of €1.5 to the General Shareholders' Meeting of April 23, 2013 for fiscal year 2012.

Two major transactions carried out by the Group in 2012 made this a pivotal year for implementing its strategic priorities, and affirmed its identity as a global provider of energy and environmental solutions:

- the purchase of shares held by the minority shareholders of International Power, on June 29, 2012, meaning that GDF SUEZ now owns 100% of the capital of the world's leading independent power producer. This transaction is a strategic development and reinforces GDF SUEZ's unique development platform in high-growth countries, where the Group aims to increase the share of its growth investments from 30% to 40-50% in the medium term;
- the creation of the Energy Europe business line on January 1, 2012, giving the Group the resources to tackle the challenges of the European markets, which will demand more integration and rationalization. It has considerably enhanced the Group's ability to synergize its activities in the area. The Group still intends to maintain its position as a key energy player in Europe, making a lasting contribution to the European energy transition.

In addition, as the SUEZ Environnement shareholders' agreement will expire in July 2013, the Group announced on January 22, 2013 that, in view of the various withdrawal notifications issued by the parties, the agreement will not be renewed when it expires on July 22, 2013. The Group will therefore intensify its focus on energy activities. GDF SUEZ will use the equity method to record SUEZ Environnement's activities in its financial statements, rather than full consolidation, from July 2013.

GDF SUEZ intends to maintain its role as a long-term partner of SUEZ Environnement and as its majority shareholder. The guiding principles of the industrial and commercial agreements signed between GDF SUEZ and SUEZ Environnement were confirmed in January 2013, and form the basis of a framework agreement between the two companies. They relate to reciprocal preference in purchasing/sales, development of synergies between industrial activities, development of joint commercial offerings, partnership in sustainable development policy and commercial coordination of marketing, innovation and R&D.

GDF SUEZ's strategic priorities are implemented through its various activities.

In international energy, the aim is to capture growth and value on diversified markets outside the OECD countries, by strengthening the Group's positions in South America, South-East Asia and the Middle East, where it is already present, and by seeking sources of growth in new and carefully selected countries.

In energy in Europe, the aim is to rationalize and refocus the Group's positions, and to prepare for the future by:

- refocusing its activities around integrated positions that are rationalized on a continental scale;
- developing a competitive gas supply portfolio for the Group which is diversified and secure;
- finding new sources of growth in renewable energy and energy efficiency.

In Global Gas & LNG, the aim is to strengthen the E&P and LNG positions, in order to develop on growth markets:

- by developing the Group's global position in the LNG market, particularly by strengthening its presence in the Asia-Pacific region, which should see stronger growth;
- by leveraging know-how in gas exploration-production, which will also serve the LNG strategy and the Group's supply needs (links with major suppliers).

In infrastructure, the Group aims to develop positions:

- by maintaining and growing strong positions in France, through the safe operation of facilities and the promotion of gas as an essential part of the French energy mix;
- by selectively developing activities outside France: in Europe, in markets where the Group already has assets, and outside Europe, in line with the Group's global strategy.

In energy services, the aim is to make this activity a new source of growth at the center of energy and environmental issues:

- by developing the energy efficiency offering through the services, installation and maintenance and engineering businesses;
- by strengthening the Group's leadership in Europe and developing activities in targeted countries outside Europe (e.g. China and the Middle East).

In environmental services, SUEZ Environnement's aim is to develop new sources of growth, primarily by strengthening existing positions, with stronger synergies with GDF SUEZ's other activities:

- by developing modernized and enhanced business models in mature markets centered on the greater water cycle, waste recycling and energy recovery, smart metering and resource protection;
- by targeting international development in North America and the Middle East for water, and in Australia, Central Europe and China for water and waste.

Within GDF SUEZ, sustainable development plays an integral part in the Group's strategy formulation. To contribute fully to Group value-creation, it is taken to be a combination of:

- sustainable business, which involves identifying environmental and social issues and transforming them into opportunities for the Group's businesses;
- and the management of non-financial risks, which involves managing the risks associated with GDF SUEZ's activities and facilities that relate to the environment, local and international acceptability, health and safety, human resources management, ethics, etc.

Sustainable development contributes to corporate value creation, thanks to the development of new solutions and processes more appropriate for the sustainability challenges faced by society in general, and to more effective and efficient management of non-financial processes.

To ensure this contribution to value-creation for GDF SUEZ, the Group's sustainable development policy has three key areas:

- Innovating for development and anticipating changes in energy, water and waste management markets;
- Ensuring continuity and local acceptance of our operations;
- Enhancing GDF SUEZ's attractiveness, effectiveness and cultural cohesion.

1.1.5 IMPROVING PERFORMANCE

In 2012, the Group continued its policy of continuous performance improvement. The Efficio process and Quick Wins actions – initiated mid-year as part of the multiyear Perform 2015 plan – had a gross positive impact on the income statement of €0.8 billion; €0.6 billion related to the reduction in operating costs.

The Perform 2015 plan was launched over the 2012-2015 period to support the deployment of the strategy across the Group and to improve its performance in a lasting way. It aims to meet challenges the Group faces in the short term, with 2013 foreseen as an arduous year in Europe, as well as transforming the Group in the medium to long term. The name of the plan expresses its ambition: it aims to increase performance at all level to benefit from the expected upturn in 2015.

Perform 2015 includes all the actions conducted previously as part of the Efficio process, and covers three cornerstones.

The first aims to improve operational efficiency. This will be achieved through the implementation of actions to reduce costs and increase income. Implementation of an ambitious purchasing policy and a significant reduction in overheads are two essential ways of improving efficiency. Optimization of work methods will also be a source of performance. Over the 2012-2015 period, these actions will represent a gross contribution to the income statement of €3.5 billion per year by 2015, and an additional contribution of €1 billion by optimizing CAPEX and working capital requirements.

The second cornerstone is the increase in strategic and financial flexibility, with a reduction of nearly 20% in investments. The Group will reduce its investments in 2013-2015, with a budget of €7-8 billion per year, and will reallocate them in high-growth countries, with a target of 40 to 50% of developmental investments in high-growth countries in the medium term. In Europe, growth will be driven by the development of energy efficiency activities and the launch of renewable energy capacities.

Finally, the third cornerstone aims to reduce debt by a third in two years, with a net debt target of around €30 billion by the end of 2014 (after SUEZ Environnement has been consolidated using the equity method). It will be achieved through the asset optimization program, that will cover some €11 billion over the 2013-2014 period. Deconsolidations (disposals and deconsolidation of assets) will focus primarily on mature markets in line with the Group's strategy.

The plan also calls for a strengthening of the Group's future segments such as bioenergy, cities of the future, electricity storage and hydrogen production, smart energy or unconventional gas.

1.1.6 COMPETITIVE POSITIONING

Electricity production and marketing and gas marketing are business sectors that are broadly open to competition in Europe, while their regulation continues to vary by country, especially when it comes to prices for residential customers. Activities that constitute natural monopolies – such as the transmission and distribution of electricity and, to a large extent, of gas – are more tightly controlled by domestic regulators and European rules.

Elsewhere in the world, with few exceptions, markets are less open to competition and private players often operate under long-term contracts issued on a tender basis.

Environmental activities are much less open to the private sector, including in Europe. In only a few countries is the private sector's share of the market predominant (France and Spain in environmental services, United States for waste management) or exclusive (United Kingdom). There is a growing trend in emerging countries to privatize the waste management market.

GDF SUEZ is a European and world leader in electricity and gas:

- in Europe, GDF SUEZ is the No. 2 buyer of natural gas, with the unique capacity to supply customers in 13 countries. In LNG, GDF SUEZ is a global player, being No. 1 importer in Europe and No. 3 importer[1] world-wide. It is also a major player in exploration-production (No. 3 utility company);
- the Group is the leading gas infrastructure operator in Europe: it has the No. 1 transmission network, and is No. 1 in distribution and capacity storage (in terms of useful storage) and the No. 2 operator/owner of LNG terminals;
- the merger of GDF SUEZ and International Power created the world's leading independent power producer (IPP). The transaction also reinforces the Group's international standing as the No. 1 producer-developer in the Gulf States, the No. 1 IPP in Brazil and Thailand and No. 2 IPP in Peru and Panama. In electricity, the Group is the No. 4 producer and No. 5 marketer[1] in Europe.

This global and European leadership is fortified by the Group's deep Franco-Belgian roots:

- in France, GDF SUEZ is the historic leader of gas marketing and the No. 2 producer and marketer[1] of electricity. In renewable energy, GDF SUEZ is the No. 2 hydropower operator in France[2] and the leader in wind power[3];
- in Belgium, GDF SUEZ, through its subsidiary Electrabel, is the No. 1 power producer and the main supplier of electricity[4].

The Group is also the European leader in energy services: the Energy Services business line is ranked No. 1 in France, Belgium, the Netherlands and Italy. GDF SUEZ also has a strong position in neighboring countries and has some initial bases for expansion in more distant countries such as those of Central Europe.

In the environmental market, SUEZ Environnement is a benchmark player on a global scale, with operations on every continent. The Group is the No. 2 operator in water and No. 3 in waste management[1].

(1) Source: GDF SUEZ internal analyses of 2011 data.

(2) Source: RTE, 2012.

(3) Source: IHS EER study, 2012.

(4) Source: CREG, 2011 data.

1.2 KEY FIGURES

1.2.1 GROUP FINANCIAL DATA

In millions of euros	GDF SUEZ pro forma 2008	GDF SUEZ reported 2008	GDF SUEZ 2009	GDF SUEZ 2010	GDF SUEZ 2011	GDF SUEZ 2012
1. Revenues	**83,053**	**67,924**	**79,908**	**84,478**	**90,673**	**97,038**
of which generated outside France	52,708	47,156	49,184	52,976	59,517	61,124
2. Income						
• EBITDA	13,886	10,054	14,012	15,086	16,525	17,026
• Current operating income	8,561	6,224	8,347	8,795	8,978	9,520
• Net income, Group share	6,504	4,857	4,477	4,616	4,003	1,550
• Net recurring income, Group share [a]	N/A	N/A	N/A	N/A	3,455	3,831
3. Cash flows						
Cash flow from operating activities	7,726	4,393	13,628	12,332	13,838	13,607
of which cash generated from operations before financial income, income tax and working capital requirements	13,287	9,686	13,016	14,736	16,117	16,612
Cash flow from investment	(11,845)	(7,348)	(8,178)	(7,783)	(7,905)	(8,451)
Cash flow from (used in) activities financing	3,084	5,528	(4,282)	(3,683)	(2,496)	(8,322)
4. Balance sheet						
Shareholders' equity [b]	**57,748**	**57,748**	**60,194**	**62,114**	**62,930**	**59,745**
Total equity [b]	62,818	62,818	65,436	70,627	80,270	71,207
Total assets [b]	167,208	167,208	171,198	184,430	213,410	205,498
5. Per-share data (in euros)						
• Average outstanding shares [c]	2,160,674,796	1,630,148,305	2,188,876,878	2,187,521,489	2,221,040,910	2,271,233,422
• Number of shares at period-end	2,193,643,820	2,193,643,820	2,260,976,267	2,250,295,757	2,252,636,208	2,412,824,089
• Earnings per share [c]	3.01	2.98	2.05	2.11	1.80	0.68
• Dividend paid [d]	1.40	1.40	1.47	1.50	1.50	1.50
6. Total average workforce	**234,653**	**234,653**	**242,714**	**236,116**	**240,303**	**236,156**
• Fully consolidated entities	194,920	194,920	201,971	213,987	218,905	219,253
• Proportionately consolidated entities	31,174	31,174	35,294	16,943	17,610	12,477
• Entities consolidated by equity method	8,559	8,559	5,449	5,186	3,788	4,426

(a) Financial indicator used by the Group in its consolidated financial statements as at Dec. 31, 2012 (see Note 8 in Section 6.2 "Consolidated financial statements"). The 2011 comparative figure has been calculated.

(b) December 31, 2010 and December 31, 2009 data restated; see Note 1.2 in Section 6.2 "Consolidated financial statements" in 2011 Registration Document.

(c) Earnings per share is calculated based on the average number of shares outstanding, net of treasury shares. Previous years' figures are not restated in case of payment of dividend in shares.

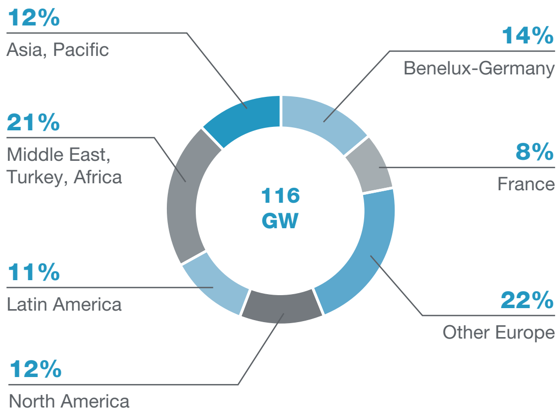
(d) 2012 dividend: proposed dividend, including an interim dividend of €0.83 paid in October 2012.

1.2.2 OPERATIONAL INDICATORS

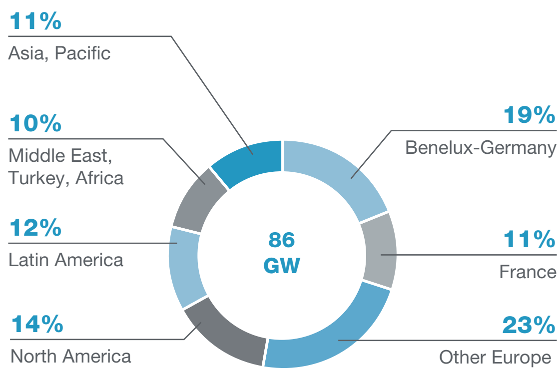
1.2.2.1 Electricity production

GDF SUEZ owns and develops a flexible and efficient generation fleet in its key markets: Europe, Latin America, the Middle East, Asia-Pacific and North America. The Group's installed capacity as of December 31, 2012 was 116 GW(1) on a 100% basis or 86 GW(2) on a Group share basis.

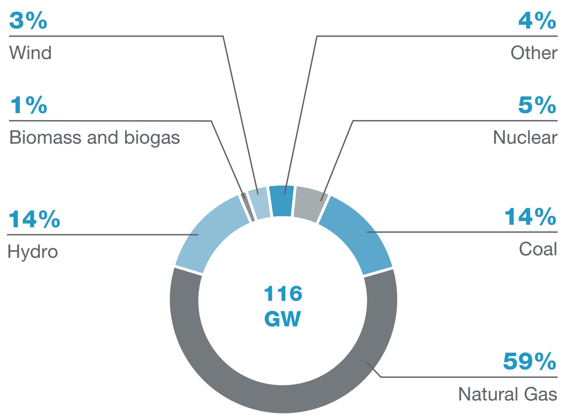
BREAKDOWN OF GENERATION CAPACITY BY REGION (AT 100%)



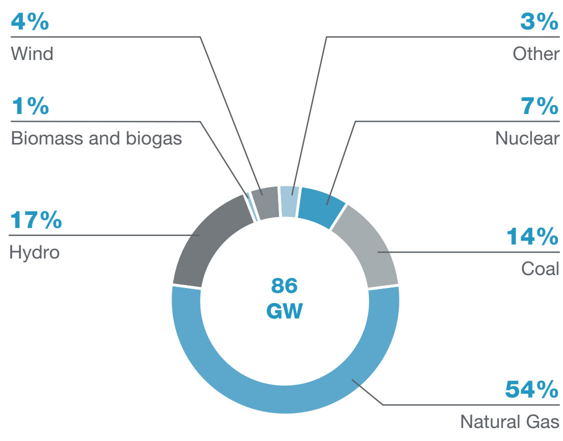
BREAKDOWN OF GENERATION CAPACITY BY REGION (GROUP SHARE)



BREAKDOWN OF GENERATION CAPACITY BY FUEL (AT 100%)



BREAKDOWN OF GENERATION CAPACITY BY FUEL (GROUP SHARE)

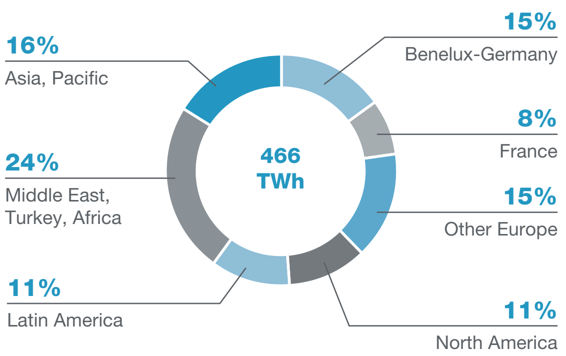


In 2012, the Group produced 466 TWh on a 100% basis (346 TWh per the Group share calculation).

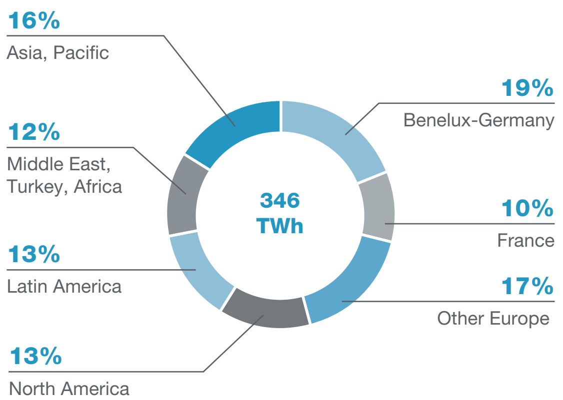
(1) «At 100%» refers to the total capacity of all facilities held by GDF SUEZ irrespective of the actual percentage stake of the holding, except for drawing rights which are included in the total if the Group owns them and deducted if they are granted to third parties.

(2) The group share calculation includes the capacities at their percentage of consolidation for full and proportionally consolidated affiliates and at their percentage of holding for equity consolidated companies.

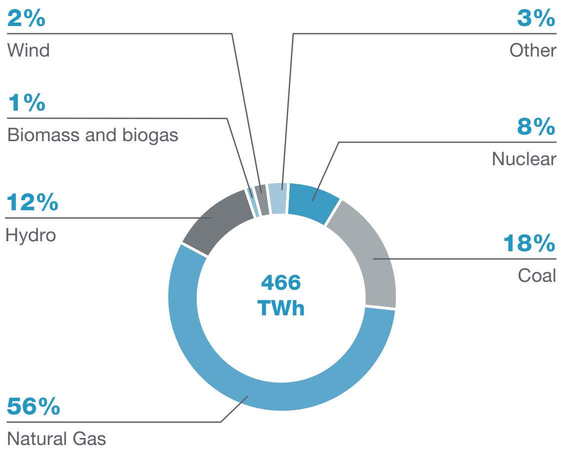
POWER GENERATION BY REGION (AT 100%)



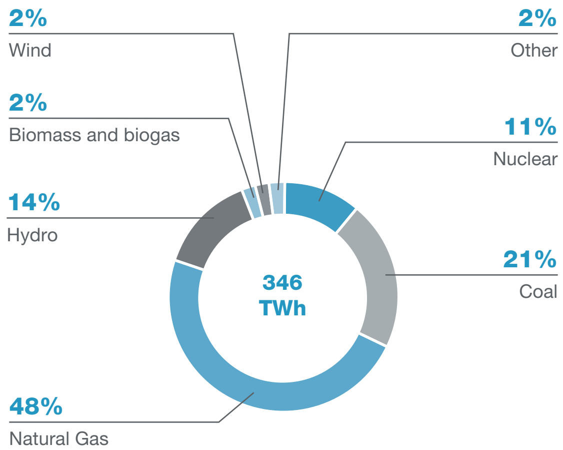
POWER GENERATION BY REGION (GROUP SHARE)



POWER GENERATION BY FUEL (AT 100%)



POWER GENERATION BY FUEL (GROUP SHARE)



The combined power of Group projects under construction at December 31, 2012 was 9.6 GW on a 100% basis, with almost 27% of this from natural gas.

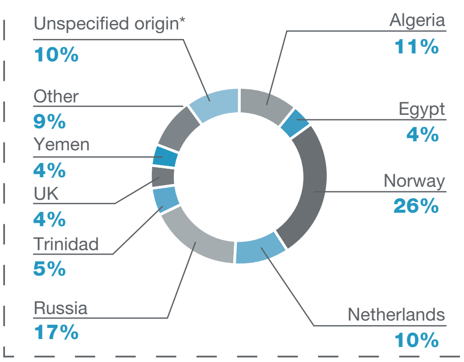
GDF SUEZ believes that this structure guarantees robust competitiveness in terms of the energy efficiency of its power plants, its flexibility, and its environmental impact. The Group's centralized power generation fleet has a low carbon footprint, with an average 337 kg CO_2/MWh recorded for Europe in 2011, below the 338 kg/MWh European average estimated by PricewaterhouseCoopers (PwC). GDF SUEZ's emissions were nevertheless higher than in 2010 (325 kg/MWh), which reflects contrasting developments: on the one hand, the integration in 2011 of the assets of International Power, whose European fleet emitted, on average, more CO_2 than that of GDF SUEZ; and on the other, a marked increase in electricity production from renewable energy for GDF SUEZ between 2010 and 2011. Worldwide, at the end of 2011, the Group's assessed power plant emissions were 411 kg/MWh.

1.2.2.2 Natural gas portfolio

Most of the Group's natural gas is supplied via one of the most diversified portfolios of long-term contracts in Europe, sourced from more than 10 countries. These contracts give GDF SUEZ the necessary visibility to ensure its development and secure its supplies. SUEZ is also one of the biggest spot market players in Europe. It can therefore rationalize its supply costs by adjusting its purchasing to match its needs.

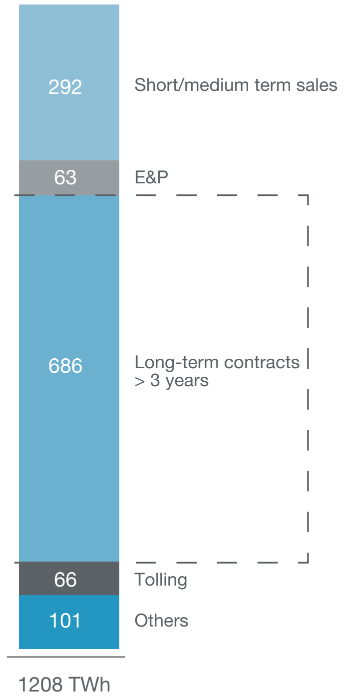
GDF SUEZ portfolio, which represents approximately 1,208 TWh (calculated on a financial consolidation basis), or about 112 billion m^3, is among the most diversified in Europe. LNG represents about 15% of the portfolio, increased to a 26% share on the long-term contracts portfolio.

BREAKDOWN OF PORTFOLIO (ON A FINANCIAL CONSOLIDATION BASIS)

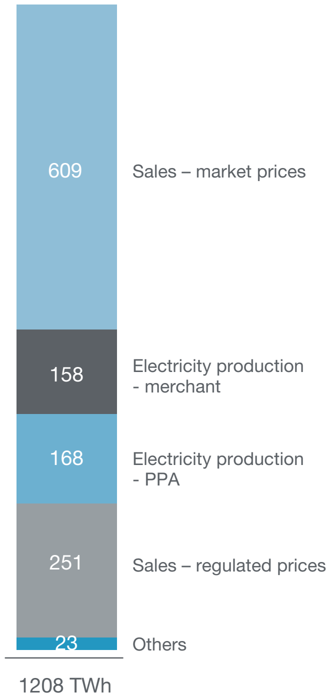


** Long-term purchases from operators that have a diversified portfolio*

Geographical breakdown of long-term contracts

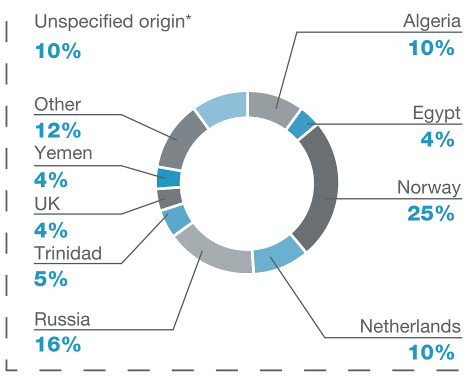


Portfolio breakdown by type of contract



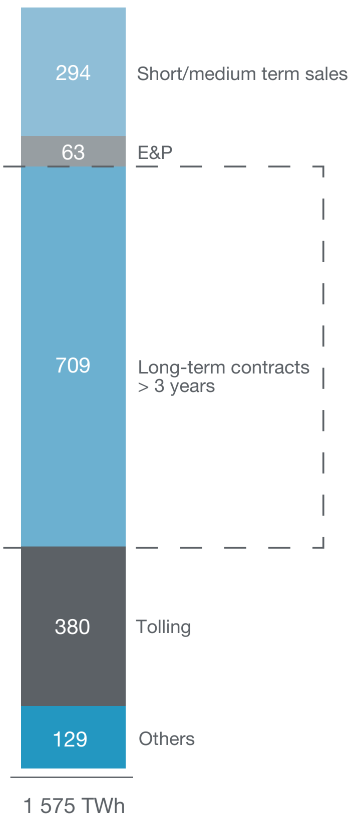
Portfolio breakdown by type of use

BREAKDOWN OF PORTFOLIO (ON A 100% BASIS)

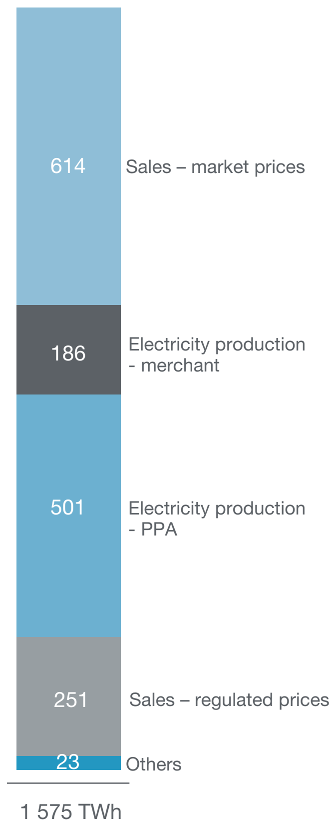


** Long-term purchases from operators that have a diversified portfolio*

Geographical breakdown of long-term contracts



Portfolio breakdown by type of use



Portfolio breakdown by type of use

1.2.3 NON-FINANCIAL INDICATORS

Sustainable development is seen as the combination of sustainable business and the management of non-financial risks. Sustainable business involves identifying environmental and social issues and transforming them into opportunities. Management of non-financial risks covers several areas, including the environment, local and international acceptability of activities, health, safety, human resources management and ethics.

The Group's non-financial performance is based on dated and quantified targets and an overall assessment organized around different resources (high level of governance, reporting, scorecard, performance reviews and non-financial indicators).

Non-financial performance is monitored at several levels of the Group. The Board of Directors' Ethics, Environment and Sustainable Development Committee has established an ambitious scope for sustainable development, covering the policies implemented, the outlook and the action plans (see Section 4 "Corporate governance"). The Group's General Management Committee and Executive Committee, coordinated by the Chairman and Chief Executive Officer, decide on matters of sustainable development policy (see Section 4 "Corporate governance"). The role of the Group Sustainable Development Steering Committee[1] is to prepare annual action plans, monitor their implementation, gather experiences across the various entities and encourage exchange on major sustainable development strategies (including the fight against climate change and corporate social responsibility). Lastly, the Sustainable Development Network[2] disseminates the Group's policies and the good practices of the BUs.

The sustainable development scorecard measures the degree of implementation of the sustainable development policy. It contains indicators that ensure the balanced coverage of the three areas of the policy (see Section 1.1.4 "Strategic priorities"). Each year, the scorecard is presented to the Board of Directors' Ethics, Environment and Sustainable Development Committee and to the Executive Committee by the Sustainable Development Department, to provide a progress report on implementation of the policy and achievement of the Group's non-financial objectives.

The Group's corporate reporting (see Section 3.2 "Corporate information"), environmental reporting (see Section 3.3 "Environmental information") and social reporting (see Section 3.4 "Social information"), which are a statutory obligation under Article L-225-102-1 of the Commercial Code, form the basis of a published group of indicators that is verified by an independent third party. Each year, the Group aims for a "reasonable" level of assurance for a growing number of indicators.

Using the ISO 26000 standard, the key principles of the OECD, the principles of the Global Compact and the Global Reporting Initiative as a basis, GDF SUEZ has formalized its sustainable development commitments, mainly through the publication of 10 dated and quantified objectives in 2011.

These objectives can be divided into the various themes within the policy's three main areas:

- renewable energy: increasing installed capacity in renewables by 50% between 2009 and 2015;
- biodiversity: implementing a biodiversity action plan in each sensitive site in the European Union by 2015;
- health and safety: achieving an accident frequency rate (FR) of less than 6 in 2015;
- gender equality: four targets by 2015:
  - 1 in 3 senior managers appointed will be a woman,
  - 25% of women executives,
  - 30% of women in recruitments,
  - 35% of high-potential women;
- training: maintaining the level of employees receiving at least one training per year at two-thirds;
- employee shareholders: achieving and maintaining a level of employee shareholding in the company's share capital of 3% by 2015;
- sustainable development investment criteria: incorporating sustainable development investment criteria into 90% of business development projects presented to the Commitments Committee by the end of 2012.

In 2012, following the analysis performed by non-financial rating agency Vigeo, GDF SUEZ was confirmed for the fifth consecutive year as a member of the ASPI Eurozone® (Advanced Sustainable Performance Indices). GDF SUEZ was given a C+ rating by Oekom in 2011.

The Group ranks third among 34 companies in the "Electric & Gastilities Europe" sector according to Vigeo's latest assessment, and ranks first among the integrated energy companies in this category. The non-financial rating agency emphasized the Group's very good performance in corporate social responsibility, assigning a "Good" rating with a higher score than for the previous assessment. GDF SUEZ registered a better performance on average in five of the six domains analyzed by Vigeo, and was in line with the sector average in the sixth.The Group's response rate of 89% during the assessment process, which was the highest of the sample, shows the efforts being made in terms of transparency.

GDF SUEZ has also been on the following three indices since they were created in November 2012 and is categorized as:

- 5th on the "Vigeo France 20";
- 14th on the "Vigeo Europe 120";
- 16th on the "Vigeo World 120".

(1) Made up of the business lines' Sustainable Development managers, representatives of the Sustainable Development Department and representatives from the functional departments (Human Resources, Health and Safety and Management Systems, Ethics and Compliance, Research and Innovation, Purchasing and Group Sales & Marketing).

(2) Comprises Sustainable Development department representatives and sustainable development managers and teams in the business lines, BUs and subsidiaries, as well as in the functional departments and divisions (such as Purchasing, Human Resources, Health and Safety, Communications, International Affairs, Research and Development, French regional office delegates).

The Group is the leading integrated energy company on each of these three indices.

GDF SUEZ completes a Carbon Disclosure Project questionnaire every year. In 2012, GDF SUEZ achieved a score of 92 out of 100 for the quality component of its reporting (up 5 points) and a "B" score for the performance component (on a scale from A to E, "A" being the highest score).

The Group has published its 2011 Sustainable Development Report, which was rated "B+" by the Global Reporting Initiative (GRI).

1.3 DESCRIPTION OF BUSINESS LINES

1.3.1 ENERGY EUROPE BUSINESS LINE

1.3.1.1 Role

The Energy Europe business line is responsible for the Group's energy activities in continental Europe[1]. Electricity and natural gas are the core businesses with activities in generation, energy management and trading, marketing and sales. GDF SUEZ Energy Europe generation portfolio is made of 36.9 GW of power capacity in operation with a further 1.6 GW under construction. With industrial presence in 13 countries and commercial in 15 countries[2], GDF SUEZ Energy Europe serves 22 million customers, including industry, the tertiary sector (commercial & public undertakings) and residential energy users.

1.3.1.2 Strategy

Context

The Energy Europe business line has been set up to create an organization adapted to the European scope of the Group, in a context of increasing integration of the electricity and gas markets at European level, with greater interconnection between countries, emergence of new technologies allowing new customer behaviours & expectations and the market entry of new competitors.

Current environment appears challenging and is characterized by a flat energy demand, a difficult regulatory context in most countries, lower power prices and spark spreads impacting negatively our gas assets.

Strategy priorities

In that context, the main strategy priorities of Energy Europe can be summarized as following:

Keep a diversified energy mix

GDF SUEZ Energy Europe has a diversified energy mix that stands among the most balanced across Europe. This enables to seize market opportunities and to spread risks in an uncertain environment.

Focus on operational excellence and cost reduction

GDF SUEZ Energy Europe leads an ambitious performance plan implemented throughout the organization. In Generation, that plan pursues a continuous improvement and adaptation of the fleet to reduce costs and increase efficiency, availability and flexibility. In Energy Management Trading, the objective is to carry on a pan and cross commodity portfolio improvement to optimize value and develop new business. Achieving an all-encompassing and dynamic renegotiation of gas supply contracts is also a step towards further optimizations. In Marketing and Sales, GDF SUEZ Energy Europe aims to leverage on an important customer base, by reducing cost through operational excellence and reshaping offers to new customer expectations and new market conditions with innovative developments.

Pursue selective and capital-efficient development

On a capex development standpoint, GDF SUEZ Energy Europe will pursue a selective development focused mainly on renewable energy and on Eastern European countries. Priority is given to wind onshore and hydro within an appropriate regulatory framework. Meanwhile, GDF SUEZ Energy Europe aims to reduce its capital intensity by promoting innovative and capital efficient business models.

(1) Excluding GDF SUEZ BEI assets in continental Europe and infrastructure assets belonging to the Infrastructure business line.

(2) Including Slovakia at year end 2012.

1.3.1.3 Organization

With effect from January 1, 2012, the Energy Europe Business Line was set up by regrouping all gas and electricity physical and commercial assets in continental Europe[1] into one Energy Europe business line. Until the end of 2011, these activities were included in the Energy Europe and International business line (GDF SUEZ Energy Benelux & Germany and GDF SUEZ Energy Europe business areas), the Energy France business line and the Global Gas and LNG business line (gas supply and key accounts business units).

The Energy Europe business line is organized as a matrix, to combine market experience and knowledge related to the various European countries with the synergies leveraged through the business line's three activities:

- energy management and trading, which covers fuel supply, trading and portfolio management;
- power generation;
- marketing and sales.

Role of Metiers

Energy Management Trading (EMT) is responsible for the optimization of the GDF SUEZ Group's assets in continental Europe. The role of EMT is to ensure competitive sourcing while optimizing value creation, within a consistent risk framework. EMT teams negotiate natural gas procurement contracts, optimize the assets (power plants, long-term gas contracts, Virtual Power Plants, transmission capacity, storage, re-gasification capacities, etc.), and provide sales entities with natural gas and electricity, as well as energy price risk management services. The teams manage one of the largest and most diversified energy portfolios in Europe, including electricity, natural gas, coal, oil products, biomass, CO_2 and environmental products. EMT manages the Group's portfolio on a day-to-day basis for all GDF SUEZ activities, customers and external counterparts, particularly through its trading activities and presence in Europe's key energy marketplaces.

The Generation business includes the construction, operation and maintenance of the Group's power plants in Europe, covering all power sources (thermal, nuclear & renewable energy). It is in charge of the steering of the generation country organizations through transversal overview, monitoring and governance policies. The Generation business elaborates strategic orientations in order to increase transversal synergies and facilitates the mutualization of resources. It also provides technical support to Business Development.

Marketing and Sales (M&S) activities cover the supply of gas and electricity and associated services to customers ranging from residential customers to giant industrial customers. The scope of M&S also comprise some infrastructure activities, such as gas distribution, gas transport or gas storage, mainly in Hungary, Romania and Slovakia. The aim of the transversal function is to roll out an operational vision throughout the European markets, thereby stimulating both commercial growth and synergies in close cooperation with the local business entities. For Giant customers, Energy Europe has opted for a transversal approach aiming at responding to the tailor-made needs of national and pan-European large industrial customers. GDF SUEZ Global Energy provides complex multi-energy, multi-site tailor-made solutions including innovative offers, prices, risk management and energy optimization solutions, thus contributing to customers' economic performance.

Key Affiliates

GDF SUEZ Energy Europe operates through affiliates in its countries of presence. The main affiliates are listed per country below:

- **EMT:** GDF SUEZ Trading;
- **France:** Compagnie Nationale du Rhône, COGAC, Groupe Savelys, SHEM;
- **Belux:** Electrabel, Electrabel Customer Solutions, Synatom;

(1) Excluding GDF SUEZ BEI assets in continental Europe and infrastructure assets belonging to the Infrastructures business line.

- **Germany:** GDF SUEZ Energie Deutschland, Energie SaarLorLux, Gasag;
- **Netherlands:** GDF SUEZ Energie Nederland, Electrabel Nederland Retail, GDF SUEZ Portfolio Management;
- **Poland:** GDF SUEZ Energia Polska, GDF SUEZ Zielona Energia, GDF SUEZ Bioenergia;
- **Hungary:** GDF SUEZ Energia Magyaorszag, Dunamenti Eromu, Egaz-Degaz Földgazeloszto;
- **Romania:** GDF SUEZ Energy România, Distrigaz Sud Retele, Distrigaz Confort;
- **Slovakia**(1)**:** SPP, Nafta, Pozagas;
- **Italy:** GDF SUEZ Energia Italia, Tirreno Power, GDF SUEZ Energie;
- **Greece:** Heron 1, Heron 2;
- **Spain:** GDF SUEZ Energía España, GDF SUEZ Energía Cartagena, Castelnou Energía;
- **Portugal:** Eurowind, Generg, Portgás.

1.3.1.4 Key figures

In millions of euros	2012	2011	Total change *(in %)*
Revenues	44,418	41,269	+ 7.6%
EBITDA	4,180	4,078	+ 2.5%

Electricity capacities by fuel (in MW) – data at 100%	CWE*	Other Europe
Coal	1,648	1,891
Natural gas	9,500	8,816
Hydroelectric power plants	5,270	106
Wind	1,394	931
Other renewable energy sources	559	364
Other non renewable energy sources	647	0
Nuclear (including drawing rights)	5,746	0
TOTAL	**24,764**	**12,107**

Electricity capacities by country *(in MW)* – data at 100%	Installed capacities	Capacities under construction
Central Western Europe*	24,764	1,526
Other Europe	12,107	76
TOTAL	**36,871**	**1,602**

Electricity production *(in TWh)* – data at 100%	CWE*	Other Europe
Coal	8.7	10.4
Natural gas	29.1	20.8
Hydroelectric power plants	18.4	0.2
Wind	2.6	1.8
Other renewable energy sources	3.0	1.2
Other non renewable energy sources	2.4	0.0
Nuclear (including drawing rights)	37.4	0.0
TOTAL	**101.6**	**34.4**

(1) On January 15, 2013 GDF SUEZ and E.ON have signed an agreement with Energetický a Prumyslový Holding (EPH) for the sale of their combined 49% indirect stake in SPP. The deal was closed on January 23, 2013.

Sales to final customers *(in TWh)* **– accounting consolidation method**	**Electricity**	**Gas**
France	19.2	281.2
Belgium	47.3	58.9
Rest of Europe	22.3	159.1
TOTAL *including Global Energy: power 25 TWh & gas 141.5 TWh*	**88.8**	**499.1**

Number of contracts *(in thousands)* **– data at 100%**	**Electricity**	**Gas**	**Services**
France	1,676	9,649	1,499
Belgium	2,809	1,479	39
Rest of Europe	949	4,975	638
TOTAL	**5,433**	**16,104**	**2,176**

Breakdown of gas supply portfolio for the Business Line** *(in TWh)*	
Long term contracts with third parties	454
Purchases from the LNG BU	72
Purchases from the Exploration-Production BU	13
Short term purchases	203
TOTAL	**742**

All information as of December 31, 2012.

* *Central Western Europe (CWE): Belgium, France, Germany, Luxembourg, Netherlands*

** *Excluding GDF SUEZ Trading.*

1.3.1.5 2012 highlights

The Energy Europe business line was established as from January 1, 2012.

- *In Energy Management Trading:*
  - April: Opening of a new trading floor in Singapore.
  - October: Inauguration of the second section of the Nord Stream pipeline.
- *In Generation:*
  - April – France: With the commissioning of the Guerville facility, GDF SUEZ exceeds the 1,000 MW in operating wind energy in France and strengthens its position as the country's wind energy leader.
  - November – Romania: Commissioning of the Gemenele windfarm, Energy Europe first power generation asset in the country (48 MW).
  - December – Poland: Commissioning of the Pagow windfarm (51 MW) and of the Green Unit of Polaniec power plant (190 MW).
  - In 2012, GDF SUEZ finalized the decommissioning or the mothballing of the following units: Ruien 3-4 (252 MW, Belgium), Dunamenti F (826 MW, Hungary), Bergum (504 MW, Netherlands), Harculo (263 MW, Netherlands) & Eems (530 MW, Netherlands). GDF SUEZ also announced its intention to close Ruien 5-7 & 6 (627 MW, Belgium) and Awirs 5 (294 MW, Belgium) in 2013.
- *In Marketing & Sales, the following innovative offers have been successfully launched:*
  - June – France: Vertuoz, a GDF SUEZ Energy France/Cofely joint offer to better manage building performance for professionals.
  - September: Launch of the GDF SUEZ Global Energy mobile website followed by “mobile” e-services to be closer to pan-European customers' needs.
  - October – Italy: Energia 3.0, an online & eco-responsible offer for the residential market.
  - January, March, October – Belgium: Electrabel Car Plug, Smart Energy Box & Smart Thermostat Touch.

New brands have been launched to strengthen the Group position on its markets, including:

- GDF SUEZ HOME PERFORMANCE, dedicated to home services in France.
- GDF SUEZ DolceVita (B to C) and GDF SUEZ Energies France (B to B), which become the reference brands for energy sales in France.

1.3.1.6 Description of the activities

1.3.1.6.1 Central Western Europe

Central EMT (Energy Management Trading)

Central Portfolio Management, GDF SUEZ Trading and Gas Supply Gas Optimization primarily serve Energy Europe business in Central Western Europe (Belgium, France, Germany, Luxembourg, Netherlands), but may also operate in other regions and for other business lines.

Central portfolio management

Central Portfolio Management (CPM) is in charge of developing hedging strategies for the European asset base of Energy Europe. By having an integrated view and strategy on power generation, gas contracting and sales activities over a three year forward horizon, CPM can optimize the risk reward profile of the portfolio. Given to its experience and scope, CPM offers products and services combining the physical supply of electricity and natural gas with financial instruments, together with GDF SUEZ Trading.

The portfolio teams manage the commodity price risk linked to power generation, gas and coal procurement and sales. Given the growing liquidity and convergence of European energy markets and the sizeable positions of GDF SUEZ in continental Europe, this is a key activity to secure and enhance the profitability of Energy Europe core business, while respecting a state of the art risk framework.

In addition, CPM is in charge of the physical procurement of internationally traded coal and biomass for the power plants of GDF SUEZ Energy Europe, with operations in Belgium, the Netherlands, Germany and Poland.

CPM can also rely on Local Portfolio Management teams (LPM) under countries' responsibilities.

GDF Suez Trading

GDF SUEZ Trading has an "investment services provider" status. The subsidiary is overseen by the French (ACP and AMF) and Belgian (FSMA) banking and financial authorities, which supervise compliance with regulation. This status is in line with European regulation, notably entailing strict rules on capital requirements, the fair treatment of customers and the respect of best practices. The subsidiary, wholly owned by the Group, has more than €1 billion in equity capital.

GDF SUEZ Trading primarily helps to improve the competitiveness of the Energy Europe business line activities:

- in gas supply, by helping to optimise the long-term portfolio through buy/sell transactions on European physical hubs for balancing and arbitrage, financial management of the portfolio's indexations, and deriving value from residual flexibility;
- in electricity production of European plants (hedging, tolling agreements and carbon-neutral solutions);
- in the marketing of energy to key accounts in Europe, by creating, together with GDF SUEZ's sales teams, innovative price engineering solutions (risk management) enabling to embed pricing formulae in natural gas supply contracts that are adapted to the risk profiles of industrial groups aiming to hedge exposure to unfavorable price fluctuations;
- in marketing energy to certain segments of the customer base in France.

In addition, GDF SUEZ Trading serves GDF SUEZ other business lines, especially:

- in exploration-production, via financial strategies to hedge gas and oil production, access to short-term gas markets and contribution to the design of financing schemes for the purchase of production assets;
- in LNG, with hedging for LNG spot transactions, thanks to its ability to deal in European, US and Asian markets.

GDF SUEZ Trading is also developing its own activity, by:

- developing its own customer base, to which it diversifies and extends its range of services;
- proprietary trading and asset-backed trading activities, within strict limits.

In order to be close to its customers and internal partners, GDF SUEZ Trading is based in two locations, Paris and Brussels, with an extensive commercial presence in Europe (branches in Germany and the Czech Republic). A trading floor opened in Singapore mid 2012, a platform for future development.

A dedicated and specialised risk control system

A dedicated Risk Department is under the responsibility of a Chief Risk Officer (CRO). The CRO's responsibilities in terms of market and credit risk notably include defining risk assessment procedures, reviewing credit quality, proposing credit and market limits, and monitoring risk assessment tools. The Risk Department also coordinates operational feasibility reviews for new activities and organises the New Products Committee. The CRO reports to the Audit Committee of GDF SUEZ Trading and to the Energy Market Risk Committee at GDF SUEZ Group level.

This system is incorporated in GDF SUEZ's governance system through a Trading Risk Committee, chaired by the CRO and comprising senior managers of GDF SUEZ Trading and representatives of the Group and the business lines. The Trading Risk Committee reports to the Audit Committee and the Board of Directors of GDF SUEZ Trading.

At operational level, GDF SUEZ's team of risk managers monitors **market risks** on a daily basis (commodity prices, FOREX rates and interest rate risks) and **physical risks** (asset failure risks). The **market risk** indicators are based on VaR (value at risk) and stress test models.

Regarding **credit risks**, lines of credit are allocated counterparty by counterparty. Defined limits are based on Credit Value at Risk models. These risks are reduced through the implementation of various tools: e.g. netting agreements and margin calls, obtaining first demand guarantees and parent company guarantees, transaction clearing, etc.

Operational risks are assessed and managed by a specialized team. Periodic reviews and failure analyses ensure systematic improvement in internal procedures.

Liquidity risk is assessed by stress tests. Surpluses are invested in highly liquid products.

The risk-exposure limits defined for the activities of GDF SUEZ Trading are measured and monitored daily, and General Management and the Risk Committee are automatically notified if a limit is overrun.

In accordance with the Basel II regulations, GDF SUEZ Trading tracks equity capital needs on a daily basis and reports them to the ACP.

The efficiency of the risk control framework is regularly tested in audits supervised by the internal auditors and the banking supervisory authorities.

Gas Supply Gas Optimization

GDF SUEZ Gas Supply acquires the volumes of natural gas from the major gas suppliers (including Norway, Russia, Algeria and the Netherlands) as well as the transport capacities required by its customers in Europe (marketing entities or producers of electricity). It manages the balance between customer requirements and resources on all time horizons.

GDF SUEZ Gas Supply also acquires LNG from GDF SUEZ LNG to complement its gas portfolio.

The purpose of GDF SUEZ Gas Supply is to (i) ensure supply to the Business Line's entities at a competitive price, (ii) do this with a level of supply security that is adequate, notably by the geographical diversification of resources, and (iii) enable fluctuations in demand to be managed and respond to the specific requirements of some customers, notably by calling on the markets or on short term resources.

Gas purchases

GDF SUEZ Gas Supply brings to the Group one of the largest, most diversified and flexible contract portfolios in Europe, representing a real competitive edge in the natural gas market in Europe.

It consists largely of long-term contracts lasting about 20 years. At December 31, 2012, the average residual term of these long-term contracts (weighted by volume) was 13.3 years. This portfolio is balanced through purchases in short-term markets via GDF SUEZ Trading. GDF SUEZ Gas Supply thus adjusts its supplies to the Group's requirements by optimizing its purchasing costs.

According to market practice, the long-term purchase contracts include take-or-pay clauses, according to which the buyer agrees to pay for minimum gas volumes each year, whether or not delivery occurs (except in the event of supplier default or *force majeure*). Most contracts also stipulate flexibility clauses: these are compensation mechanisms that allow volumes already paid for but not taken to be carried over to a subsequent period (make-up) or limited volumes to be deducted from the take-or-pay obligation, when the volumes taken over the course of previous years exceeds the minimum volumes applicable to these years (carry forward).

The price of natural gas under these contracts has historically been indexed to the market price of energy products (mainly oil products). In addition, these contracts provide for periodic revisions of price and indexing formula to account for market changes. Finally, most contracts provide for the possibility of adjusting prices in exceptional circumstances, over and above the periodic reviews.

In certain cases, it is possible to change other contractual provisions in response to exceptional events affecting their economic balance (hardship clause).

The parties are then required to negotiate in good faith and can, in the event of disagreement, revert to arbitration.

GDF SUEZ constantly seeks to match its portfolio to the market situation. This entails drawing up new contracts and performing price reviews. In a context marked by the decoupling of oil prices, on which long-term contracts are indexed, from those of the gas sold in the market place, GDF SUEZ Gas Supply has pursued negotiations with all its principal suppliers to reduce the spread and improve competitiveness of these contracts in the new market conditions.

At December 31, 2012, references to the price of gas sold on the marketplace concerned more than a third of the volumes in the long-term contract portfolio in Europe.

Optimized management of Group supply

GDF SUEZ Gas Supply manages its natural gas portfolio on the various European markets at different time scales, in order to minimize its total supply costs.

Long-term contracts give the buyer a certain flexibility in delivery volumes. Short- or medium-term purchases allow it to fine-tune the balance between the needs of its internal customers and the Group's resources.

GDF SUEZ Gas Supply performs arbitrage transactions by buying and selling on the short-term markets and carries out transactions in which it buys and sells energy-related derivatives as part of its risk management policy.

It makes short- and long-term sales to European gas operators. The table below shows the variation in sales to operators and in short-term markets over the last three years.

GAS SALES*

	Fiscal year ended December 31		
TWh	**2012**	**2011**	**2010**
Operator sales	12	20	23
Short-term market sales	115	90	63
Unspecified	2	2	5
TOTAL	**129**	**111**	**90**

* *Excluding exchange contracts and swaps.*

NB: Amounts are rounded by the database: there may therefore be small variances between the line-items and the total.

GDF SUEZ Gas Supply uses its booked capacity in underground storage facilities as a management tool. Gas stored over the summer, using volume flexibility allowed in the supply contracts, helps meet additional customer demand in winter by guaranteeing supply continuity to the Group's customers, thus complying with the legal requirements governing all natural gas suppliers: in France, GDF SUEZ must be able to supply all its customers without contingency clauses, to deal with severe weather conditions that statistically occur no more than twice a century – a condition known as the "2%" risk.

France

GDF SUEZ Energy France is a major player in the French energy sector. It carries out a set of activities, from power generation to marketing natural gas, electricity and related energy services. The close coordination of the activities alongside with Energy Management Trading, combined with diversified and efficient power assets, enables it to provide its customers with a range of competitive energy and services offers.

GDF SUEZ Energy France ambition is to forge a new relationship with energy, with a strong focus on energy efficiency, based on a unique combination of economic performance, diversified generation mix, industrial safety and high environmental concern. This is consistent with the governmental commitments to promote the development of renewable and to put a strong emphasis on energy efficiency, in particular for house renovation.

Priorities in power generation include to pursue growth in renewable and reinforce performance and efficiency of the fleet. Installed capacity in France amounts to 8,455 MW (including nuclear drawing rights) at the end of 2012, making GDF SUEZ the largest French operator of combined cycle gas plants, the second-largest producer of hydroelectric power and the largest wind farm operator in France. The production base in France is carbon-light, with 70%(1) of facilities having no emissions.

In 2012, GDF SUEZ increased its capacity by 246 MW, including wind farms (184 MW), photovoltaic solar power plants (4 MWc) and a cogeneration converted into peak turbine in Montoir-de-Bretagne (43 MW).

In July 2012, GDF SUEZ succeeded in the French government tender for the creation of photovoltaic solar power plants: 10 of the Group's projects have been selected, for a global capacity of 84.3 MWc.

In Marketing & Sales, GDF SUEZ Energy France priorities are to defend its leading position as a gas provider, assert its leadership in alternative power supply, and provide customers with solutions to their energy efficiency needs, in particular through smart technologies.

GDF SUEZ maintained strong commercial positions in gas sales (281.2 TWh sold in 2012) and successfully developed its electricity sales (19.2 TWh sold in 2012), despite an increased competition, in particular on the B to B segment – including small and medium sized business customers. In 2012, GDF SUEZ consolidated its strong positioning in the French household energy performance sector in which GDF SUEZ is active throughout the country and across the entire value chain (diagnosis, consulting, financing, conception, installation and maintenance).

In order to reaffirm the Group's position as a multi-energy supplier and to develop brand awareness while improving sales performance, GDF SUEZ revisited and rationalised its branding strategy around three commercial brands launched in 2012:

- GDF SUEZ Energies France, dedicated to the supply of energy & related services to professional customers;
- GDF SUEZ DolceVita, dedicated to the supply of energy & related services to residential customers;
- GDF SUEZ Home Performance, federating all energy efficiency offers in individual housing, promoting a large range of high performance solutions (equipments, renewable energy, thermal renovation of buildings).

Customer' satisfaction is going up from the high levels reached in 2011, with 72% of satisfaction in 2012 for B to C customers compared to 65% in 2011.

Regulatory Framework

Regulation of administrative rates

64% of GDF SUEZ Energie France's gas sales are priced on the basis of regulated tariffs, which are established by the government through various laws, decrees and regulatory decisions. Tariff decisions are likely to impact the profitability of the sales and marketing activities in France, depending on the extent to which costs are passed through to gas tariffs.

Sale price of natural gas

GDF SUEZ sells gas on the basis of two pricing systems: regulated tariffs and negotiated prices for customers who have opted out from regulated tariffs in favour of market offers from energy suppliers.

Administrative rates

There are two types of administrative tariffs:

- public distribution tariffs for customers who consume less than 5 GWh per year and are connected to the distribution network;
- subscription rates for customers who consume more than 5 GWh per year and are connected either to the distribution network or directly to the transmission network.

The overall pricing structure is fixed in France by the Energy Law and the decree of December 18, 2009 related to administrative rates for gas sales. These provisions state that prices must cover corresponding costs. The decree clarifies the roles of government and the French Energy Regulatory Commission (CRE). The government publishes an order, after having taken advice from the CRE, setting out the formula representing the evolution in supply costs and the level of other costs.

In the interval between any two governmental orders, GDF SUEZ, after review by and advice from the CRE, can pass on changes in supply costs resulting from the application of the pricing formula.

The 2010-2013 public service agreement between the French State and GDF SUEZ has set out the framework for rate changes by taking into account the following principles:

- changes in supply costs are taken into account each quarter, based on the prices of oil products (heating oil and heavy fuel oil in Rotterdam, Brent) and the dollar/euro exchange rate over the six-month period ending one month before the price revision date;

(1) *Excluding nuclear drawing rights.*

- changes in non-supply costs (including a reasonable profit margin for this type of activity) are calculated based on the necessary costs in supplying natural gas to public distribution customers.

Formula representing supply costs

In its opinion of August 31, 2010, the CRE confirmed that the formula used from 2008 to 2010 for the public service agreement is a correct approximation of GDF SUEZ's supply costs. This formula incorporates the result of agreements to that date with suppliers on long-term contracts supplying the French market. The formula was adapted in line with the renegotiation of long-term contracts, this formula includes now a market indexation on natural gas price of 26% in 2012, and 35.6% as of January 1, 2013.

Public distribution rates

Public distribution rates apply to approximately 9 million customers. There are currently six main categories of public distribution rates: four for residential use or small shared boiler rooms, as well as two seasonally adjusted rates (gas prices being higher in winter than in summer) for medium and large shared boiler rooms. The B1 rate (and similar) applies to residential heating, cooking and hot water. This applies to the majority of customers, approximately 6 million as of December 31, 2012.

Change in public distribution rates

The French government decreed an insufficient increase of gas tariffs for household customers in July and October 2011. Following this decision, the National Association of Retail Energy Operators (Anode) introduced two legal actions, the first against the July 2011 increase and the second, in interim, against the October 2011 increase. GDF SUEZ also introduced a legal action against the October 2011 increase.

Following the interim action introduced by Anode, the Council of State requested that the government decide again on the setting of administrative rates for gas supplied by GDF SUEZ public distribution networks. Following this decision, the government decided on a 4.4% increase on January 1, 2012 for all public distribution rate customers.

After the final decision on the order concerning October 2011 by the Council of State on July 10, 2012, the government issued an order to increase the rate from October 1, 2011 to January 1, 2012 so that tariffs reflect GDF SUEZ costs for this period. Subsequently, the public distribution rates were increased by the government by 2% in July and 2% in October 2012, whereas CRE considered that these increases should have been fixed respectively at 7.3% in July and 6.1% in October to cover GDF SUEZ costs.

GDF SUEZ and Anode introduced respectively judiciary actions with the Council of State to obtain adequate coverage of GDF SUEZ costs in the July 2012 and October 2012 tariffs. Following the decision of the Council of State on January 30, 2013, these actions will result with tariffs being revised consistently with GDF SUEZ costs for the third and fourth quarters of 2012. The Council of State also requested the government to revise tariffs for the third quarter of 2011. On the whole, these judiciary decisions will allow GDF SUEZ to bill its customers retroactively to compensate for the loss of revenues incurred in the third and fourth quarters of 2011 and 2012. These bill adjustments will be paid out by customers over a 18 month period starting at the beginning of 2013.

In order to improve tariff predictability and prevent multiplication of legal actions against tariffs, the government has announced a reform of the tariff setting mechanisms, resulting in the following developments: proper coverage of all GDF SUEZ costs in accordance with European and national laws and regulations, extensive audit of GDF SUEZ costs by CRE on an annual basis, annual revision of the tariff formula by the government, automatic tariff revision by GDF SUEZ on a monthly basis through application of the tariff formula and under CRE scrutiny, possibility for the government, under exceptional circumstances and by decree, to set up tariffs below GDF SUEZ costs temporarily and for a period which cannot exceed one year.

The Parliament is considering introducing new legislation to impose taxation on "excessive" gas, electricity and heat consumption with the revenues collected from this tax to be used to finance subsidies on "basic" energy consumptions. This "*bonus/malus*" mechanism is expected to be put in place in 2016. The project also envisages the expansion of beneficiaries from the "*Tarif Spécial de Solidarité*" to help low income consumers pay their energy bills and prevent energy poverty situations. This future legislation reflects the government's commitment to pursue environmental and social objectives.

Subscription Rates

As of December 31, 2012, subscription rates applied to 570 customers. These rates change quarterly, as proposed by GDF SUEZ after advice from the CRE – following the rules defined by the decree. The rate paid by any particular customer depends on consumption volume and maximum daily flow, as well as the distance between the primary transmission system and the point of delivery (for customers connected to the transmission network) or between the transmission network and distribution network to which the customer is connected.

On October 1, 2012, the pricing structure and rates levels were updated to reflect infrastructure costs and marketing costs. Subscription rates moved upwards during 2012, from 1.1 to 1.4 €/MWh.

Belgium-Luxembourg

In Belgium, GDF SUEZ' fully owned subsidiary Electrabel is the leading player in the power sector with a diversified generation capacity of more than 10,000 MW, including nuclear power units, fossil fuel fired power plants (mainly gas-fired), renewable energy installations and pumped storage facilities.

In 2012, Electrabel has commissioned several wind farms totalizing 7 MW. The total renewable energy capacity of Electrabel reaches 490 MW. Conversely, it shuts down the units 3 and 4 of its Ruien coal-biomass power plant (252 MW) and also intends to shut down in 2013 the Ruien units 5-7 and 6 and unit 5 of the Awirs power plant (together 921 MW) for economic reasons.

In July 2012, the State Secretary for energy has awarded a concession to the Mermaid consortium (Electrabel 35%) for an offshore wind park of minimum 450 MW off the Belgian coast.

Electrabel has an important portfolio of business customers (industrial and tertiary sectors), mainly for the supply of electricity and natural gas, but also for heat and energy services. Electrabel is also active in the electricity and gas retail market segments, with approximately 2.8 million electricity and 1.5 million gas customers (among which about 580,000 customers with a green tariff). Electrabel market share dropped in 2012, a trend already observed in 2011. At year end 2012, market shares are estimated at 59% in electricity and 42% in gas.

Electrabel started a large scale information campaign to stabilize its market share and to emphasize innovative energy efficiency products and services.

As part of its commitment to sustainable development, Electrabel had launched in 2008 its plan "Together for less CO_2", with ten concrete commitments aiming at reducing its carbon footprint and helping its customers to reduce their energy consumption and carbon emissions. The company has pursued this policy in 2012, amongst others by increasing the efficiency of its generating facilities, by developing several renewable energy projects and by launching new energy-efficient products for its customers such as the Smart Energy Box to save energy and the Car-Plug, a solution to recharge electric vehicles.

The company also pursued in 2012 its Customer Care campaign focusing on customer services, which has substantially improved since full market liberalization but which remains a constant objective for the company. The Belgian regulators recurrently compare the quality of services provided by the different suppliers and they position Electrabel amongst the best ones. Moreover, Electrabel guarantees the quality of services through the presence of a call center in Belgium, close to its customers.

Following the nuclear accident that occurred in March 2011 in Fukushima, the European and Belgian authorities imposed stress tests in order to assess the risks of the nuclear power plants[1]. In 2012, the Federal Agency for Nuclear Control (FANC) confirmed in its report to the European Nuclear Safety Regulation Group (ENSREG) that the nuclear power plants Doel & Tihange can face extraordinary triggering events (such as earthquake, floods…) and can ensure essential security constraints. Belgium is positioned among the best in class. ENSREG has endorsed its summarized report in April 2012.

Operators are required to carry out periodic inspections of the structure and systems of their nuclear power plants. As asked by the FANC, Electrabel agreed, in addition to the regular inspections, to subject the vessels to specific additional inspections during the 10 years overhauls. Doel 3 was the first Belgian power station to undergo this new inspection. During its control in June, a new examination method (based on an advanced ultrasound measuring technique) revealed flaw indications in the basic steel material of the vessel. Similar indications were also detected in September in Tihange 2 (for which the vessel was built by the same manufacturer as the one at Doel 3). The indications (raised by hydrogen flakes) were likely formed inside the steel during the forging of the tank about 38 years ago and are not due to the use of the units. Experts confirmed that the indications in the vessels did not lead to any radiation leakage. The examinations and the analyses have been submitted to the FANC. The latter communicated on January 15, 2013 that no elements require a permanent shutdown but asked for additional information. FANC stressed the profound piece of work that was conducted in all transparency by Electrabel. Before giving its final decision, FANC also requested Electrabel to make additional tests. The FANC's requests include conducting pressure tests in the primary circuit of Doel 3 and Tihange 2, as well as mechanical tests on the material. On February 4, 2013 Electrabel submitted its action plan with a detailed planning for approval by the Agency. According to the estimations, these tests would be realized by the end of March and the results communicated to the FANC on a short notice.

In July 2012, the State Secretary for Energy published the long term government's energy plan which legislated to ensure the energy security of supply in Belgium as well as a stable legal framework needed to support generation investments. The government confirmed the nuclear phase-out but partially reviewed the planning so as to try to avoid jeopardizing the security of supply. The activities of Tihange 1 will be extended by 10 years to 2025. GDF SUEZ will invest if the investment criteria of the Group are respected[2]. The government also decided that 1,000 MW of nuclear power should be made available to the competition, to set up a mechanism facilitating investments in new capacities as well as to set up intervention mechanisms in case of existing capacities' decommissioning.

By refusing the lifetime extension of Doel 1 & 2 and by raising the amount of the nuclear contribution – during the negotiations to form a new government end 2011, it was decided to substantially raise this contribution to €550 million in total for the nuclear power producers for the year 2012 -, the Belgian government fails to honor its commitments to the Group, which were laid down in the protocol agreement signed on October 22, 2009 by the Belgian State and GDF SUEZ. Other charges to power generators have been increased as well, such as the setting up of injection tariffs.

The Group has called for a constructive dialogue with the Belgian State based on the 2009 protocol agreement.

Belgian government decided to freeze energy prices (both the commodity component and the distribution cost component) during 9 months in 2012 (April to December). The decision was intended to protect the consumers against the price indexation and the price volatility and to put structural measures aiming to reduce all gas and electricity price components. In that context, the CREG (the federal Belgian regulator) proposed not to link anymore gas and electricity indexation parameters to the evolution of oil prices but to calculate the price evolution only referring to the European gas and electricity energy market quotations.

Electrabel announced on April 3, 2012 three significant measures in favor of customers: the decrease as of May 1 of the electricity and gas prices for fixed-price contracts (on average decrease by 11% in electricity and 10% in gas), the cancellation of fines for anticipated contract termination and finally the cancellation of the indexation rising prices as of April 1 for index-based prices. Announced in mid December, Electrabel substantially reduced its energy prices as of January 1, 2013. The new prices are up to 10% lower than the frozen prices for electricity and up to 16% lower for natural gas. Its new prices are applied automatically to all households and self-employed persons, for both indexed and fixed prices, green and non green formulas, and whether or not the customer has signed a contract.

As a consequence of the liberalization process of the electricity and gas markets, Electrabel's and the Group's involvement in grid activities in Belgium has been substantially reduced over the past years. The 19 Brussels municipalities had validated the phase-out of Electrabel from Sibelga (the Brussels distribution grid operator in which

(1) Please refer to section 2.3.2.3 "Risks on nuclear development" and 2.4.4 "Nuclear Power Plants in Belgium".

(2) Please refer to Note 10.3.1 of section 6.2. "Consolidated Accounts".

Electrabel has a share of 30%) by the end of 2012. On December 31, 2012, Electrabel sold its 30% interest in Sibelga to the inter-municipal company Interfin. This agreement is the last stage of the convention endorsed in 2003 organizing the progressive phase-out of Electrabel of the grid activities, as asked by the public sector.

In Luxembourg, the Group is a leading player with the 376 MW Esch-sur-Alzette gas power plant of Twinerg. The plant also provides heating services to the residential neighborhoods of Belval, Esch Sud and Esch Nord.

Germany

GDF SUEZ is active in Germany via its subsidiary GDF SUEZ Energie Deutschland AG.

It sells electricity and gas to large business customers (industry, local distribution companies, multi-sites customers, etc) where, with 8.5 TWh of electricity and 23.9 TWh of gas sold in 2012, it holds a limited but growing share of the market. It is also active in the sale and distribution of electricity, gas and heat to private and smaller business customers, with a total of circa 372,000 electricity and 730,000 gas customers through its cooperations with municipal utilities in Gera (Energieversorgung Gera GmbH and Kraftwerke Gera GmbH), Saarbrücken (EnergieSaarLorLux AG), Wuppertal (WSW Energie & Wasser AG) and Berlin (GASAG Berliner Gaswerke AG).

The capacity of the power generation fleet of the Group currently amounts to 2,000 MW, spread between the 925 MW of the (mostly coal-fired) Farge and Zolling power plants, the 132 MW of the Pfreimd hydroelectric plant, nuclear drawing rights portfolio (603 MW) and 327 MW of cogeneration plants held and operated by the aforementioned municipal utilities.

In addition to this, a new supercritical 731 MW coal-fired power plant is currently under construction in Wilhelmshaven. Quality problems with the steel and welding work of the boiler have been solved and the power plant is expected to start commercial operations by the end of 2013.

Given that the political, regulatory and market environment remains favorable to the development of renewable energy, the Group further explores options for investing in on-shore wind together with its municipal partners. In this context, a 12.5 MW wind farm (Helmstadt) acquired together with WSW Energie & Wasser AG has been commissioned in May 2012, direct commercialization of the green energy produced by the portfolio of wind assets has been launched, and a cooperation framework has been put in place with GASAG and WSW Energie & Wasser for the joint development of wind on-shore greenfield projects.

Due to the challenging context for conventional generation, political discussions on a major revision of the institutional framework have started and will intensify by the end of 2013.

Netherlands

GDF SUEZ is a leading player in the Dutch energy market through its subsidiary GDF SUEZ Energie Nederland. GDF SUEZ is one of the largest power producers in the Netherlands with a market share of 12%, and an important player on the Dutch wholesale market. GDF SUEZ is also a major supplier to the B-to-B market with a market share of approx. 12% for electricity and 11% for gas. In the B to C market it has more than 200,000 customers and operates through the Electrabel brand to supply gas & electricity. In both segments GDF SUEZ Energie Nederland is frontrunner with regards to customer satisfaction, resulting in a lower than average churn.

The power plant portfolio totalling a generation capacity of 3,813 MW consists of five gas-fired power plants, a coal-fired power plant which has the ability to co-fire 30% with biomass, and nine wind turbines (27 MW). GDF SUEZ Energie Nederland renewable energy capacity amounts to 207 MW. Due to a changing market conditions, it has been decided to decommission the steam turbines of three Gas Steam Turbine (GST) power plants (Bergum BG10 and BG20, Harculo HC60, and Eems EC20 for a total of 1,297 MW). The Gas Turbines (GT) will remain operational (355 MW).

A new coal-biomass-fired power plant is under construction in Rotterdam with a capacity of 736 MW and will start operating in 2013. In 2012, GDF SUEZ Energie Nederland and Cofely Nederland (Energy Services business line) jointly founded LNG Solutions for the supply of LNG as transport fuel to the transport industry.

To strengthen its market position and reduce its carbon footprint, GDF SUEZ Energie Nederland invests in new technologies, by building new plants, by innovation at existing plants, by developing renewable energy and decentralized generation and by investing in carbon capture and storage research.

After the elections for parliament on September 12, 2012, a new coalition has agreed on new policy measures for the upcoming years. The goal for renewable energy in 2020 has been increased, from 14% to 16%. It is yet to be seen how this will be translated in specific targets for electricity and gas. The existing SDE (Stimulering Duurzame Energieproductie) subsidy scheme for renewables will stay in place. It is unclear if co-firing will be stimulated and if so, under what scheme. A possible subsidy is mentioned, while officially a Green Deal with a co-firing obligation of 10% until 2015 is still in place. Furthermore, a coal tax of 13,73 €/t is effective since January 1, 2013. Also, a possible (re)implementation of a 0.5 €/MWh injection tariff for power plants is reconsidered.

1.3.1.6.2 Other Europe

Poland

GDF SUEZ Energia Polska operates Polaniec plant with an 1,635 MW net capacity, producing energy through the use of coal and biomass. In 2012, the Polaniec plant produced approximately 7.5 TWh of electricity, of which 1.1 TWh is considered renewable from biomass. 4.4 TWh of electricity was sold in 2012 to industrial customers (excluding intragroup), and on the wholesale market.

GDF SUEZ Energia Polska develops a diversified portfolio with a strong component of renewable energy production. In 2012, the Group commissioned the world biggest unit entirely fuelled by biomass (190 MW) next to the co-fired power station of Polaniec, as well as the wind unit of Pagow (51 MW).

Regulatory environment is going through a significant change at the moment making GDF SUEZ Energia Polska concerned about likely cut of support for biomass co-firing.

Hungary

In Hungary, GDF SUEZ owns a majority stake in the Dunamenti power plant fuelled by natural gas (alternative fuel is oil), which has a total net installed electric capacity of 1,041 MW and 3,834 GJ/h of heat generation capacity. Dunamenti is Hungary's largest gas fired power generation unit in terms of installed capacity representing close to 20% of the country's total installed capacity. Old units of Dunamenti were decommissioned at the end of 2012, cutting the installed capacity by 826 MW.

GDF SUEZ Energy Hungary also sells natural gas and electricity. Égáz-Dégáz Földgázelosztó, its 100% subsidiary (through EIH, fully owned by GDF SUEZ), is active in natural gas distribution. As of December 31, 2012, it operates a 23,043 km long distribution network and it distributes 1.5 bcm of natural gas to 797,745 customers, which accounts for around 14% of the total natural gas consumption of Hungary.

Regulatory issues include: a very low regulated rate of return of DSO's, a high level of costs not recognized as such through end-customer regulated tariffs and tax burdens. In all cases lobby and legal actions have already been taken by GDF SUEZ at national and EU level.

Romania

GDF SUEZ Energy Romania SA is mainly active in the sale and distribution of natural gas. In 2012, the company supplied gas to around 1.4 million customers located mostly in the Southern part of the country. It also supplied electricity and green certificates to roughly 757 industrial and commercial sites. Its subsidiary Distrigaz Sud Retele operates a 17,218 km long distribution network. GDF SUEZ Energy Romania is also active in the energy services sector through its affiliate Distrigaz Confort, that serves 638,000 customers, with a focus on maintenance of internal installations. In 2012, the company invested in a wind farm of 48 MW in Gemenele (Braila county). The project is under final testing with the objective to be fully operational in 2013. A second wind farm project, with a capacity of 50 MW that remains to be built in Baleni (Galati county), was also acquired at the end of 2012.

GDF SUEZ is further present in the natural gas storage area, through its subsidiaries Amgaz and Depomures, which have a total of 300 million cubic meters of working capacity.

Austria

GDF SUEZ is active on the Austrian natural gas market through its commercial affiliate GDF SUEZ Gasvertrieb, which sells gas to major pan-European and national industrial consumers, other business customers as well as resellers and provides balancing services to various market participants. The gas volumes sold amount to approximately 4.4 TWh.

Czech Republic

GDF SUEZ is present in the Czech natural gas market through its commercial subsidiary GDF SUEZ Prodej plynu, which focuses on selling gas to large industrial users and other business customers. The gas volumes sold amount to approximately 2.2 TWh.

Slovak Republic(1)

SPP is an integrated company active in the international transit, purchase, transport, storage, distribution and sales of natural gas in Slovakia. Through a joint (50:50) subsidiary Slovak Gas Holding BV ("SGH"), GDF SUEZ and E.ON hold together a 49% stake in SPP. The Slovak State holds the remaining stake. GDF SUEZ and E.ON have joint control of the company. The Eustream transit subsidiary transported 56.5 bcm in 2012. SPP Distribucia, a subsidiary of SPP, owns and operates 33,077 km of gas distribution network. SPP is also active in natural gas sales, and supplied around 1.3 million residential customers in 2012. SPP holds several participations in natural gas storage facilities in Slovakia and the Czech Republic through Nafta, SPP Storage and Pozagas with a total storage capacity of 3.6 bcm.

On January 15, 2013 GDF SUEZ and E.ON signed an agreement with Energetický a Průmyslový Holding (EPH), a leading Czech power market player, for the sale of their combined 49% indirect stake in SPP. The deal was closed on January 23, 2013.

Italy-Greece

GDF SUEZ is present in Italy with power generation and energy sales through the reference company GDF SUEZ Energia Italia S.p.A. (GSEI).

At the end of 2012, GSEI installed capacity totalled 6,036 MW, including gas 4,132 MW, coal 590 MW, portfolio of CCGT drawing rights (1,100 MW) and renewable. 3,281 MW of the installed capacity is managed by Tirreno Power S.p.A. (50% GDF SUEZ) in partnership with Energia Italiana S.p.A. (Sorgenia S.p.A., Hera S.p.A. and IREN S.p.A). An old 308 MW unit (Torrevaldaliga 4) has been stopped for environmental constraints.

GDF SUEZ also totalled 1.5 million of contracts, including 234,000 dual (power & gas). The growing number of customers is supported by a dynamic & innovative approach such as the launch of Energia 3.0 in October 2012. This new offer, web based and totally sourced by green energy, aims at reinforcing the GDF SUEZ brand in Italy which had been officially launched in May 2011.

On June 2012 the company GDF SUEZ Gas Supply & Sales S.p.A. has been incorporated into GDF SUEZ Energia Italia S.p.A. Today GDF SUEZ manages all the gas portfolio in Italy with an aggregated volume of 6 bcm.

GDF SUEZ founded Storengy Italia S.p.A. in March 2012 with the purpose to develop, together with Storengy, a gas storage facility in Italy of 300 Mcm (working gas) named Bagnolo Mella, which received in April 2012 a positive opinion from Environment Ministry.

In Greece, the Group is present in electricity production through a joint venture with GEK TERNA (a Greek private power production, construction and real estate group) in Heron I and II (located in Viotia). Heron I is a 150 MW open cycle gas-fired plant and is in operation since 2004. Heron II, 420 GW combined cycle gas-fired power plant, started its operation in August 2010.

Spain-Portugal

GDF SUEZ main activities in Iberia are generation, sales (power & gas) and bidding services (power).

The Group fully owns Castelnou Energia, a 794 MW combined-cycle natural gas facility, and holds a 86% stake in GDF SUEZ Energia Cartagena, a 1,199 MW combined-cycle plant. The energy of both power plants is sold on the wholesale market.

On February 2012, GDF SUEZ and AES Corp have entered into an agreement by which GDF SUEZ increased its participation in

(1) Please refer to Note 2.4 of section 6.2 "Consolidated Accounts".

AES Energía Cartagena from 26% to 83% with the option, starting 13 months after closing, to raise its participation to 97%. AES Energía Cartagena was re-named as GDF SUEZ Energía Cartagena. Additionally, on September 2012 GDF SUEZ and Mitsubishi Heavy Industries (MHI) entered into an agreement by which GDF SUEZ acquired MHI's stake (3%) in GDF SUEZ Energía Cartagena.

Marketing & Sales activity is focused on the Spanish Industrial Market with a gas market share of 3% and 0.8 TWh in power bidding services for independent producers at year end 2012. Power sales concluded for 2013 by end of December account for 2.2 TWh.

With a 12.5% stake in the Medgaz consortium, the Group is active in the gas pipeline between Algeria and Spain which has a capacity of 8 bcm/year and a length of 210 km. The Group has also natural gas distribution activities with a 25.4% stake in Portgãs which commercializes and distributes natural gas and propane in a concession in Northern Portugal.

The generation activity in Portugal is focused on renewable energy. Through its 100% owned wind project Eurowind, the Group controls a total of 214 MW installed and operating wind capacity. The Group also holds a 42.5% stake in Generg, a group of companies with 436 MW wind, 33 MW hydroelectric power and 18 MW of solar energy capacity.

1.3.2 ENERGY INTERNATIONAL BUSINESS LINE

1.3.2.1 Role

The Energy International business line is responsible for the Group's energy activities in 30 countries across six regions worldwide. Together with power generation, it is also active in closely linked businesses including downstream LNG, gas distribution, water desalination and retail. The business has a strong presence in its markets with 76.9 GW[1] in operation and a significant programme of 7.9 GW[2] of projects under construction as at December 31, 2012.

1.3.2.2 Strategy

Generating value for the long-term is central to the business model. To achieve this, Energy International uses a portfolio management approach, which involves maintaining a balanced portfolio in terms of geographical spread, business activity, generation fuels, technologies and contract types. This approach provides access to multiple opportunities, whilst mitigating the risks through diversification.

GDF SUEZ Energy International maintains a balanced presence across merchant and contracted markets, providing the business with a stable platform of long-term contracted earnings and cash flow, overlaid by merchant generation which offers a greater potential for superior returns when market conditions are favorable. This approach helps to reduce volatility and increase predictability of earnings.

The two main strategic priorities of the business line are:

- to pursue growth in fast growing markets:
  - consolidating and strengthening the position in existing markets through successful delivery of the construction programme, expanding existing assets and targeting new projects;
  - capturing opportunities in new markets.
- to optimize the value of the portfolio:
  - creating value through capturing higher margins in merchant markets as well as pursuing a more integrated business model with a system-play[3] approach;
  - operating efficiently and responsibly, leveraging the benefit of economies of scale enabled by an increased global presence;
  - recycling of capital through divestment of non-core assets and redeployment of capital in projects offering superior returns.

(1) GW and MW always stand for the maximum net technical capacity of the power plants, which corresponds to the gross power less auto consumption. Installed capacity corresponds to 100% of the total capacity of all facilities held by GDF SUEZ irrespective of the actual percentage stake of the holding.

(2) Projects under construction include the projects not yet under construction but for which the company is contractually bound to build or acquire.

(3) A system-play approach is an approach which seeks to create industrial synergies alongside our investments in power generation through investing in closely linked businesses, such as LNG terminals, gas distribution and energy retail (largely for commercial and industrial customers).

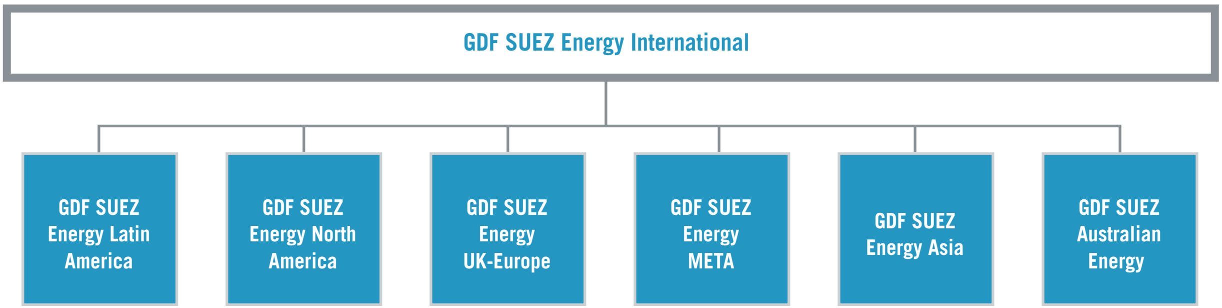
1.3.2.3 Organizational structure

From January 1, 2012, the business line focused on the international activities, which comprised the activities of International Power plc. Following the full acquisition of International Power plc, which was completed on June 29, 2012, the business line was subsequently rebranded as GDF SUEZ Energy International.

The business line has six key regions: Latin America, North America, UK-Europe, META (Middle East, Turkey & Africa), Asia and Australia.

The headquarters are based in London and Brussels, with respective regional headquarters in Florianopolis, Houston, London, Dubai, Bangkok and Melbourne.

Each region is headed by a manager who is responsible for the financial performance and operational activities in the region, and proposes strategic orientations and new development actions.



Energy International follows a matrix organization structure, which provides the regional teams with both the flexibility and the responsibility to run and develop their businesses, while the functional support teams ensure direction and consistency, and help optimize synergies across the regions and the Group.

The regions interact with Energy International headquarters through five functional support departments, which include Strategy & Communications, Finance, Business Development Oversight, Legal, and responsibilities of the Chief Operating Officer (Operations, Markets & Sales, HR and IT). The functional support managers and their teams provide supervision, guidance, common methodologies and procedures, suggestions for improvements, as well as knowledge and experience gathered from across the organization to the regional teams.

Energy Management

A significant proportion of the generation assets in the UK, North America and Australia operate on a merchant basis. The costs associated with the power that is generated are principally driven by the price of natural gas and coal, which are subject to volatility. The Trading & Portfolio Management teams within each region are responsible for optimizing the portfolio and will limit exposure to market movements by forward selling a proportion of the assets' anticipated output and buying the related commodities including fuel, transmission rights, capacity and emission certificates. All trading activity has strict risk limits and controls. In addition, the teams procure fuel under a variety of contractual arrangements ranging from long-term fuel supply agreements to on-the-day merchant gas purchases. The principal determinant of the fuel supply activity is the need to match purchases to power sales, both in terms of volume, timing and price.

1.3.2.4 Key figures

GDF SUEZ Energy International activities represented nearly €16,044 million of revenues in 2012 for a total workforce of 13,392[1] people as of December 31, 2012.

In millions of euros	2012	2011	Total change *(in %)*
Revenues	16,044	15,754	+ 1.8%
EBITDA	4,327	4,225	+ 2.4%

(1) *Total number of employees of fully consolidated companies, proportionately consolidated companies and companies accounted for under the equity method.*

Note*	Latin America	North America	UK-Europe	Middle East, Turkey & Africa	Asia	Australia
Capacity in operation (GW)	12.2	13.4	12.7	24.6	10.4	3.5
Capacity under construction (GW)	4.7	0.4	0	2.5	0.4	0
Electricity production (TWh)	51.5	51.8	31.5	113.7	52.0	22.7
Electricity sales (TWh)	52.8	78.8	35.4	16.9	23.3	24.1
Gas sales (TWh)	14.7	50.6	23.0	3.6	2.4	2.4

* *All information as of December 31, 2012. Installed capacity is consolidated at 100%; sales figures are consolidated according to accounting rules.*

1.3.2.5 2012 Highlights

February

- META – The 1,234 MW Al Dur Power & Water Company in Bahrain started delivering water and electricity to the grid.

March

- Asia – Together with project partners PT Supreme Energy and Sumitomo Corporation, the region signed 30-year Power Purchase Agreements (PPAs) for two 220 MW geothermal projects with PLN, the state-owned utility of Indonesia.
- META – In Kuwait, preferred bidder notification was received, together with the consortium partners, from Kuwait's Partnerships Technical Bureau (PTB) for the construction and operation of the Az Zour North Independent Water & Power Project (IWPP).

April

- UK-Europe – Acquired the rights to develop the Beinn Mhor onshore wind farm (with capacity up to 140 MW) located on the Isle of Lewis in the north west of Scotland.
- META – The 532 MW expansion of the Tihama power sites in Saudi Arabia was secured following an award from Saudi Aramco. Long-term Energy Conversion Agreements (offtake contracts) through to 2026 have been signed.
- Energy International (Corporate) – GDF SUEZ announced a recommended cash offer for the remaining 30% share capital of International Power (IPR). Trading in IPR shares on the London Stock Exchange and the listing of IPR shares were cancelled in July.

May

- META – 40% of Hidd Power Company (HPC) in Bahrain was sold to Malakoff International Ltd for US$113.4 million (€87.6 million).

June

- Australia – The refinancing of debt facilities at the Hazelwood and Loy Yang B power plants in Australia was completed.

October

- Latin America – BNDES (Brazilian Development Bank) confirmed an additional loan of up to BRL. 2.3 billion (€0.9 billion) to the Jirau project in Brazil. GDF SUEZ also announced the acquisition of an additional 9.9% equity holding in Jirau from Camargo Correa.
- Latin America – The new 1,087 MW Estreito hydroelectric power plant in Brazil was inaugurated by the President of Brazil, Dilma Roussef, and the Chairman and CEO of GDF SUEZ, Gérard Mestrallet.
- Asia – Senoko Energy in Singapore began commercial operation of two combined cycle gas turbine units, each with a capacity of 430 MW.

November

- Latin America – Started commercial operation of the new ChilcaUno combined cycle power plant in Peru. The new steam unit of 266 MW converts the plant into a combined cycle, with a total capacity of 805 MW.

December

- UK-Europe – Reached an agreement on the disposal of an 80% stake in IP Maestrale, a 636 MW Italian and German wind energy business. The disposal has been completed on Febuary 13, 2013, and GDF SUEZ will retain a 20% stake.
- North America – Signed an agreement with the sale of a 60% equity interest in the 680 MW Canadian renewable generation portfolio to Mitsui & Co. Ltd and a consortium led by Fiera Axium Infrastructure.

1.3.2.6 Regional overview

1.3.2.6.1 GDF SUEZ Energy Latin America

GDF SUEZ Energy Latin America (GSELA) manages the Group's gas and electricity activities in Latin America. GSELA is organised into five countries/sub regions: Brazil, Chile, Peru, Central America (Panama and Costa Rica) and Argentina. It manages 12,221 MW of capacity in operation and 4,711 MW of capacity under construction.

GSELA's strategy is to sustain its growth in Latin America by reinforcing its strong positions in three key markets (Brazil, Chile and Peru) and using them as the basis for further development. Opportunities are being pursued in Panama and Colombia. GSELA's natural gas activities are linked to its core power generation business as well as market driven gas activities, including LNG.

GSELA is pursuing development opportunities in carbon-light energy sources, principally in the areas of hydro, biomass and wind.

Brazil

In Brazil, GSELA's existing power assets and the development of selected small and medium sized power plants are managed by Tractebel Energia (TBLE), the country's largest independent electricity producer (7% of Brazil's installed capacity), which is 68.7% owned by GDF SUEZ. TBLE shares are traded on the Brazilian stock exchange. The company operates an installed capacity of 8,386 MW, mainly through hydropower projects.

The Estreito hydro power plant (1,087 MW) was inaugurated in October 2012. TBLE holds a 40.1% interest in Estreito and this represents 256 MW of assured energy, which has already been sold under 30-year contracts starting in 2012.

In 2008, GSELA won, with its partners, the concession to build, own and operate the 3,300 MW Jirau greenfield hydropower project and in 2011 the capacity of the project was increased to 3,750 MW. The project is 60% owned by GSELA. 30-year power purchase agreements (PPAs) have been entered into with distribution companies for the off-take of 73% of the project's 2,185 MW assured energy production. The remaining assured energy will be sold on the free market and/or via future auctions. The Operational License was granted in October 2012, allowing the reservoir filling to commence and the commercial operation of the first units in 2013, with full operation by 2015.

Peru

In Peru, GSELA owns 61.73% of EnerSur, which has an installed power generation capacity of 1,263 MW. In 2012, EnerSur was the second largest private power generator in Peru. EnerSur has a market share of around 15.5% in terms of energy production. EnerSur shares are traded on the Lima stock exchange.

The conversion of a 538 MW thermal power station at ChilcaUno to a combined cycle facility with a capacity of 805 MW was completed in 2012. Construction of a new 112 MW hydroelectric power plant at Quitaracsa and a 564 MW thermoelectric plant located in Ilo (south of Peru) are underway.

GSELA also has natural gas transmission activities with an 8.1% stake in TGP (Transportadora de Gas del Perú), which transports natural gas and liquified natural gas in Peru.

Chile

E-CL is the fourth largest generation company in Chile and is the leading company in electricity generation in Northern Chile, with an installed capacity of 2,025 MW. GSELA owns 52.76% of E-CL. Its subsidiary Electroandina operates a 2,547 km long transmission network and its distribution subsidiary Distrinor supplies industrial customers.

GSELA also holds a 63% stake in the Mejillones LNG terminal (GNLM). The commercial operation of the second phase of an onshore LNG storage tank, with a net capacity of 175,000 m^3, will be completed by the beginning of 2014 and it will replace a 162,400 m^3 (gross capacity) floating storage unit used in phase one.

Since April 2011, Solgas, a 100% GSELA affiliate, has been selling natural gas sourced from GNLM to industrial clients and power plants located in the north of Chile.

In Chile's Central Electricity Grid, through the company Eólica Monte Redondo, the Group's two main assets are Monte Redondo, a 48 MW wind farm, and the 34 MW Laja 1 Hydropower Plant, which is under construction with commercial operation expected in 2013.

Panama

Currently, GSELA holds 450 MW installed capacity and is the second largest independent power producer in Panama. GSELA has a 51% controlling interest in the 249 MW Bahia Las Minas thermal generating complex. It also owns, controls and operates the Cativa 83 MW thermal plant. GSELA also owns the 118 MW Dos Mares project, which includes three hydro-electric plants.

Costa Rica

In 2008, GSELA entered the Costa Rican market and now owns, controls and operates the 50 MW Guanacaste wind farm which became operational in 2009.

Argentina

In Argentina, GSELA holds a 64% interest in Litoral Gas SA, a gas distribution company which has a market share of 11% in terms of volume delivered. In addition, it holds a 46.7% interest in ECS (Energy Consulting Services), an electricity and gas sales and consultancy company. GSELA also holds an interest in Gasoducto Norandino, a gas transmission company operating in Argentina and Chile, which is 100% owned by E-CL.

Regulatory Environment

Brazil

Between 2003 and 2005, the Brazilian government introduced the current regulatory regime for the electricity market. This system grants the federal government increased control at all levels of the market. The model involves auctions held regularly by the government whereby concessions for the construction of new production capacity (especially hydroelectric) are awarded to those bidders offering the lowest energy rates. A distinction is made between "old" (existing capacity) and "new" (new developments and expansions) energy, with the latter being awarded longer term contracts. The new system has proven to be effective in attracting the investment needed to increase the country's energy production.

In October 2012 Brazil released the Provisory Measure 579, with rules for the renewal of hydropower projects and transmission line concessions expiring from 2013. This new regulation has two main elements: concession extensions and reduction of energy sector charges. It addresses only concessions granted before February 13, 1995, therefore it is not applicable to Tractebel Energia.

Peru

The regulatory framework is based on the unbundling of activities in generation, transmission and distribution. These activities have been partially privatized. As a result, all new investment in generation capacity is being done by the private sector. Around a third of Peru's generation sector is still controlled by state-owned company ElectroPeru.

Chile

Some regulatory initiatives currently under discussion in the Chilean Parliament are:

- "20/20 Law": seeks to increase the participation of non-conventional generating sources, up to 20% by 2020;
- "Concessions and Easements Law": seeks to solve issues related to the negotiation of easements and concessions of transmission lines;
- "Electric Highway": seeks to solve planning problems within the transmission system.

Panama

The state owns 12% of the total generation capacity in Panama and holds a 49% interest and 50% interest in all privatised thermal and hydro assets respectively. It also controls 100% of the transmission assets. The market in Panama is fully liberalized. Power transmission and distribution is operated centrally by the CND *(Centro Nacional de Despacho)*.

Costa Rica

The electricity market is vertically integrated, owned by the state and controlled by the Costa Rican government. The regulatory framework allows private investment in renewable projects capped at 50 MW per project. Only 15% of the country's capacity may be owned by private generators.

Argentina

The government suspended the application of the pre-existing regulatory framework since the situation of emergency declared in 2002. Since then, very few tariff adjustments have been implemented in the energy sector.

1.3.2.6.2 GDF SUEZ Energy North America

GDF SUEZ Energy North America (GSENA) manages the Group's electricity and gas activities in the United States, Canada, and Mexico. GSENA is organized into three business entities – power generation, retail and natural gas/LNG – with a central portfolio management group to optimize the interface between each unit.

GSENA has an ownership interest in a portfolio with 13,406 MW of electric power and cogeneration capacity. Of this capacity, 1.8 GW are powered by renewable sources.

GSENA's natural gas assets include two LNG receiving facilities and gas sales business in New England, as well as natural gas Local Distribution Companies (LDCs) and gas transmission pipelines in Mexico. GSENA also markets power to commercial and industrial customers in 11 states.

United States

North American operations are headquartered in Houston, Texas, and the business employs over 1,500 people in the US. GSENA owns and operates the Everett terminal just north of Boston, Massachusetts, which has the capacity to deliver approximately 700 million cubic feet of natural gas per day to the New England market. It also owns the Neptune offshore LNG deepwater port in Massachusetts. From 2008 to 2011, GSENA was the largest importer of LNG into the US and its territories according to the Department of Energy, and has maintained this position through to November 2012. GSENA leases over 10.6 billion cubic feet of natural gas storage and owns, operates, or has under construction a portfolio of electrical power and cogeneration plants of 12,146 MW in installed capacity. The energy produced is sold in the open market or distributed to commercial and industrial entities under long-term PPAs.

GSENA operates one of the largest biomass portfolios in North America with 127 MW of capacity. GSENA's retail affiliate serves over 80,000 customer meters with an estimated peak load of over 10,000 MW. GSENA markets to large commercial and industrial customers under the GDF SUEZ brand, and to small commercial customers under the recently launched business, Think Energy.

In 2012, GSENA completed a 2 MW PV solar installation at Northfield Mountain and also added 22 MW of capacity to the pumped storage facility, bringing the total capacity to 1,124 MW. GSENA sold the 746 MW Choctaw, Mississippi gas-fired power plant, the 746 MW Hot Spring, Arkansas gas-fired power plant as well as its interest in 62 MW of assets within the Duke Energy Generation Services business.

Mexico

In Mexico, the gas activities include six natural gas distribution companies, delivering natural gas to around 400,000 customers through six distribution networks (6,482 km) and two gas transmission companies operating 900 km of pipelines. It also manages three steam-electricity cogeneration plants with a total installed capacity of 279 MW. Output from these power plants is sold under long-term contract to industrial clients and to Mexico's national power company CFE (*Comisión Federal de Electricidad*).

Canada

GSENA's Canadian operations include a wind generation fleet of 362 MW in eastern Canada and a natural gas plant of 112 MW. The company also has access to 1 billion cubic feet of natural gas storage. In addition, it has over 300 MW of wind and solar projects under construction or under development. During 2012, GSENA brought online the 49 MW Pointes Aux Roches and the 27 MW Plateau wind farms.

In December 2012, the company completed the sale of a 60% equity interest in its 680 MW Canadian renewable generation portfolio to Mitsui & Co. Ltd. and a consortium led by Fiera Axium Infrastructure Inc. who each hold a 30% interest in the new joint venture. GDF SUEZ will remain the largest shareholder, retaining a 40% interest, and will continue to operate and maintain these assets.

Puerto Rico

The activities in Puerto Rico include a 35% stake in the 507 MW EcoEléctrica gas-fired plant and 35% in the EcoEléctrica LNG terminal.

Regulatory Environment

United States

Interstate wholesale electricity and natural gas markets in the US are regulated by the Federal Energy Regulatory Commission (FERC). Since 1992, the FERC has issued successive regulatory orders to remove barriers to competition in wholesale electricity markets. Over 60% of electricity consumed is delivered through one of the ten Independent System Operators (ISOs) or Regional Transmission organizations (RTOs) that were created to facilitate electricity competition.

The Wall Street Transparency and Accountability Act of 2010 continues to be translated into rules by the US Commodities and Futures Trading Commission (CFTC). In 2012, the CFTC voted to approve the release of a rule defining "swap dealer" and "major swap participant". GSENA will likely not be considered a swap dealer under the current definition, but will incur additional costs and reporting requirements as a non-swap dealer for its trading business.

Retail electricity and natural gas sales to customers are regulated in the US by each of the 50 States' public utility commissions.

Mexico

In Mexico, regulation of the electricity and natural gas markets is the remit of the *Comision Reguladora de Energia* (Energy Regulatory Commission), which is also charged with encouraging investment and promoting competition in electricity and natural gas markets. The state electricity company, CFE, estimates it will need over 44 GW of new generation capacity by 2026, and GSENA estimates that CFE will make approximately 15-20 GW of capacity available for tender during this period.

Canada

The province of Ontario has a deadline to retire all coal plants by the end of 2014. In 2009, Ontario's Green Energy and Green Economy Act included a mechanism to promote this phase-out by providing Feed-in-Tariff (FIT) treatment for renewable resources. The FIT program was revised in 2012 to include a more streamlined approvals process, with a more inclusive stakeholder input, and with revised off-take tariffs. The new tariffs are expected to go into effect on projects awarded in 2013.

1.3.2.6.3 GDF SUEZ Energy UK-Europe

GDF SUEZ Energy UK-Europe is a power generation and energy sales business operating in the UK and five other continental European countries. It is comprised of assets that were part of International Power plc's UK-Europe region, including Teesside, Scotia/Craigengelt wind and the GDF SUEZ Energy UK retail business.

The business has a diverse portfolio of 12,712 MW of operational generation assets, which range from conventional coal, oil and gas-fired plant to pumped storage and renewables. In the UK, there is a portfolio of merchant generation capacity as well as a retail business supplying gas and power to business customers. In continental Europe the thermal assets operate under long-term contracts, whilst the renewable assets operate in markets which benefit from incentives for renewable generation.

UK

GDF SUEZ Energy UK-Europe is a major electricity generator in the UK with a merchant generation fleet of nine plants with a total capacity of 8,813 MW.

Rugeley (coal), Saltend (gas), Deeside (gas), First Hydro (pumped storage) and Indian Queens (light fuel oil) as well as the trading business are 75% owned by GDF SUEZ and 25% by Mitsui. GDF SUEZ Energy UK-Europe also owns 10% of Eggborough power station (coal) whilst the other UK assets, including Teesside (gas), Crimp (wind), Scotia (wind), are under 100% ownership. The 1,875 MW Teesside power station is currently operating at restricted capacity of 45 MW.

A wind generation portfolio is being actively developed in the UK. In addition to the operational wind farms, GDF SUEZ Energy UK-Europe is constructing a further 47 MW of projects and has also acquired the rights for a consented major wind farm on the Isle of Lewis in Western Scotland. The business also has a 45% stake in MeyGen, a tidal energy development project in Northern Scotland.

The UK-Europe region has a trading business which trades UK power, UK gas, EU carbon, and coal, to manage the commodity price exposures associated with its generation assets and retail market position.

GDF SUEZ Energy UK is the region's retail business, supplying electricity and gas to business customers (commercial and industrial). The retail business, based in Leeds, is one of the top six UK suppliers of power and gas to business customers, supplying around 5,500 business premises with power and around 7,000 business premises with gas. GDF SUEZ Energy UK-Europe also has a 30% ownership interest in OPUS, an electricity and gas supplier to around 150,000 small and medium sized business premises.

Continental Europe

In Italy, GDF SUEZ Energy UK-Europe has a 34% stake in ISAB (532 MW), an integrated gasification combined cycle power plant in Sicily. In December, the company reached an agreement to dispose of 80% of IP Maestrale, its Italian and German wind energy business with 550 MW installed capacity in southern Italy and 86 MW in Germany, to ERG SpA. Following completion, GDF SUEZ will retain a 20% stake. The business also owns 100% of the 27.5 MW Parco Eolico Girifalco wind farm.

In Portugal, the business owns an interest in three thermal plants, all of which benefit from long term off-take contracts. These include 50% of the Elecgas CCGT (840 MW), 50% of Pego (576 MW) a coal-fired plant which was retrofitted with emissions reduction technologies, and 100% of Turbogás (990 MW), a CCGT in northern Portugal.

In Spain, GDF SUEZ Energy UK-Europe owns a majority interest in Iberica (48 MW) and Electrometalurgica del Ebro (36 MW), which together are responsible for the operation of 18 hydroelectric power stations in four geographical clusters, as well as a 1 MW solar project.

The ownership of the Levanto companies, which comprise wind farm portfolios including 467 MW in Germany, 27 MW in France and 29 MW in the Netherlands was restructured in December with 213 MW remaining under GDF SUEZ control.

In addition, the sale of the 33.3% stake in the 420 MW T-Power gas plant in Belgium to Itochu completed in October 2012. The divestment satisfies the undertakings made to the European Commission as part of gaining clearance for the combination between International Power and GDF SUEZ.

Regulatory Environment

UK

The UK energy market is fully liberalized under regulatory supervision from Ofgem. The UK Government energy policy is focused on encouraging low carbon generation and ensuring security of supply. In addition to the recent review of the Renewables Obligation, and a Gas Generation Strategy, the government announced an Energy Bill in November 2012. The Bill includes a framework for the provision of incentives, in the form of Contract for Differences Feed-in Tariffs (CfD FiTs) for low carbon generation and a Capacity Mechanism, administered via independent institutions and paid for by consumers. To further encourage low carbon deployment, the UK government will introduce a carbon tax on fossil fuels used for power generation, with effect from April 2013.

Continental Europe

All regulatory frameworks in continental European countries are different. The thermal assets in Portugal and Italy are covered by long-term contracts and are not subject to market risk. The majority of the business' renewables activities in Europe are covered by long-term feed-in-tariffs, the main exception is Italy where wind generation operates within a green certificate scheme.

1.3.2.6.4 GDF SUEZ Energy Middle East, Turkey & Africa (META)

GDF SUEZ Energy META is an asset developer, owner and operator, selling electricity and water to public companies under long-term contracts in the Gulf Cooperation Council (GCC) countries. It operates power plants and runs a gas distribution company in Turkey and is actively pursuing a number of projects in Africa.

META's strategy focuses on maintaining its strong positions in certain fast growing markets, such as the United Arab Emirates (UAE), Oman, Saudi Arabia, Bahrain and Qatar, while developing in other markets that are characterized by high growth potential, a stable regulatory environment and attractive foreign investment climate, such as Turkey, Morocco and South Africa.

Middle East

In the GCC countries, GDF SUEZ Energy META manages all its activities through its Dubai headquarters. It acts as an asset developer and operator, selling the energy it produces directly to public distribution companies under long-term P(W)PAs (Power and Water Purchase Agreements). It is the leading private power and water developer in the region with total generation capacity of 23,317 MW and more than 4.7 million m^3 of water per day of desalination capacity. It is common in the Middle East IPP (Independent Power Producer) business model for projects to be part owned by the host governments/offtakers alongside partners, leading to an average equity shareholding of 34% across META's portfolio. The region conducts the operations of all of the plants that it owns, often through an arms-length Operations & Maintenance (O&M) contract.

GDF SUEZ Energy META has ownership interests in the following natural gas fired power (and water) producing plants in the Middle East:

- Saudia Arabia: Marafiq, Riyadh PP11, Tihama;
- Bahrain: Al Dur, Al Ezzel, Al Hidd;
- Qatar: Ras Laffan B, Ras Laffan C;
- UAE: Fujairah 2, Al Taweelah A1, Shuweihat 1, Shuweihat 2, Umm Al Nar;
- Oman: Al Kamil, Al Rusail, Barka 2, Barka 3, Sohar 1, Sohar 2.

The META region currently has four plants (2,158 MW) under construction in Saudi Arabia and Oman. In 2012 GDF SUEZ Energy META was appointed preferred bidder for the Az Zour project (1,500 MW/102-107 MIGD), the first IWPP to be tendered in Kuwait.

The 1,510 MW Shuweihat 2 plant in the UAE achieved full commercial operation in March 2012 (effective from October 2011) and the financial close of the 532 MW expansion of the Tihama sites in Saudi Arabia was announced in April. In addition, GDF SUEZ Energy META sold 40% of Al Hidd in Bahrain to Malakoff in May 2012 (retaining 30%) and a partial disposal of Sohar 1 in Oman was agreed in November 2012 with completion due in 2013.

Turkey

GDF SUEZ Energy META has a presence in two assets in Turkey through its 95% stake in the 763 MW Baymina Enerji power company and a 33% stake in the 480 MW Uni-Mar plant. Power generated is sold to TETAS, the national electricity offtaker under long-term PPAs. The region also owns 90% of Turkey's third largest natural gas distributor, IZGAZ. The company distributes and markets natural gas to residential, commercial and industrial customers in the Kocaeli region.

Africa

In conjunction with consortium partners, GDF SUEZ Energy META is developing projects to build, own and operate four new IPP projects in Africa, which could add approximately 2,600 MW to its portfolio. The 301 MW Tarfaya wind project in Morocco, reached financial close in December 2012; two peaking power stations in South Africa, totalling 1,000 MW; the 1,320 MW Safi supercritical coal plant in Morocco, awarded in December 2010, and the 94 MW West Coast 1 wind farm in South Africa, awarded in 2012.

Regulatory Environment

The GCC and Africa

The regulatory frameworks in the different countries of the GCC are similar, with competitive tenders launched by the power authorities calling for private power producers to bid for concessions to build, own and operate plants. The output is then sold by the private producer to a public utility under long-term contracts, the terms of which are stipulated at the tender stage. A similar single buyer model has also been adopted in Morocco and South Africa.

Turkey

Historically Turkey has been a PPA market with a single buyer. In view of its EU Accession aspirations, the Turkish electricity market was planned to be liberalized in line with EU legislation in March 2001 with the introduction of the Electricity Market Law. The legislation superseded the old build, own, operate (BOO), build, operate, transfer (BOT) and transfer of operating rights (TOR) schemes, with no further PPAs with Turkish Treasury Guarantees expected to be awarded. In 2004, the market was opened to consumers of more than 7.8 GWh per year, which was lowered in 2005 to 7.7 GWh resulting in 29% of customers in Turkey being eligible, with 100% to be eligible by 2015. Merchant market trading has been gradually introduced with daily settlements on the Balancing and Settlements Market commencing at the end of 2010.

1.3.2.6.5 GDF SUEZ Energy Asia

GDF SUEZ Energy Asia has strongholds in Indonesia, Pakistan, Singapore and Thailand. Its businesses in Asia include the construction and operation of power plants and natural gas distribution systems. The strategy focuses on maintaining its strong positions in certain fast growing markets, by targeting further growth in Indonesia and Thailand while entering new countries, such as Vietnam, Philippines, India and Mongolia.

Indonesia

GDF SUEZ Energy Asia holds a 40.5% stake in Paiton 3 &7/8, with a total of 2,035 MW coal-fired capacity, located on the island of Java. Paiton 3 reached commercial operation in March 2012. A PPA for both Paiton 7/8 and Paiton 3 exists up to 2042.

In cooperation with PT Supreme Energy, the business is also developing three geothermal projects in Sumatra (Muara Laboh, Rantau Dedap and Rajabasa) with a total targeted capacity of 680 MW.

Pakistan

In Pakistan, GDF SUEZ Energy Asia holds shares in two different entities: 94.7% in Uch, a 551 MW gas-fired facility, and 36% in KAPCO, a 1,345 MW oil/gas-fired facility. A new 375 MW gas-fired unit (Uch 2 – 100% ownership) is under construction, for which commercial operation is expected at end of 2013/start of 2014. It also has an O&M contract for the Hubco plant. The company sold its 17% stake in Hubco in May 2012.

Thailand & Laos

The Glow group, in which GDF SUEZ Energy Asia holds a majority interest (69.1%), is listed on the Thai stock exchange. It is a major participant in the Thai energy market with a combined installed capacity in Thailand and Laos of 3,182 MW. The Glow group generates and supplies electricity to the Electricity Generating Authority of Thailand (EGAT) under Thailand's SPP (Small Power Producer) and IPP (Independent Power Producer) programmes, in addition to supplying electricity, steam, industrial water and services to large industrial customers principally located in the Map Ta Phut industrial area. Glow added an additional 772 MW of power generation capacity to its portfolio in 2012, following successful commissioning of Gheco One in August 2012 and TNP2 in December 2012.

GDF SUEZ Energy Asia also owns a 40% stake in PTTNGD, a distributor of natural gas to industrial customers in the Bangkok region.

Singapore

GDF SUEZ Energy Asia holds a 30% stake in Senoko Energy, one of the three largest power generators in Singapore, with an approximate 25% market share. Senoko Energy owns and operates a unique portfolio of power generation assets with a combined capacity of 3,300 MW, including two modern gas-fired units of 430 MW each, that reached commercial operation in the summer of 2012.

Regulatory Environment

Indonesia

State owned incumbent PLN has the monopoly on transmission and distribution systems, it also owns and operates 50% of the existing generating capacity. Since the mid-1990s IPPs have been allowed to operate in Indonesia and they now operate the other 50% of the capacity. The end-user market is not liberalized.

In December 2009, the "Crash 2 program" for 10,000 MW of new generation capacity was launched. This program stipulated that 50% of this new capacity is to come from IPPs and 50% from PLN, and that 5,340 MW of new capacity will come from renewable resources.

Pakistan

All power generated by IPPs in Pakistan is sold under long-term PPAs to distribution companies. The end consumer market is not liberalized. Around 50% of generation capacity is held by private IPPs, while the remainder is held by state-owned entities.

Thailand

State-owned EGAT is the main entity in the electricity sector. Until liberalization of the sector, EGAT generated around 95% of Thailand's power. It now accounts for about 50% of generation capacity while the rest is accounted for by the non-government sector comprising IPPs, SPPs and imports from Laos and Malaysia. IPPs in Thailand sell the energy that they produce to EGAT under long-term contracts, the terms of which are stipulated at the IPP tender stage. In industrial parks private generation companies can sell electricity to local customers.

Singapore

In 2001, the electricity generation and retail markets were separated from the natural monopoly existing in the electricity transmission market. The National Electricity Market of Singapore (NEMS) was established in 2003. In the NEMS, generation companies compete to sell electricity every 30 minutes, while electricity retailers buy electricity from the NEMS and offer packages to sell electricity to eligible consumers.

Since 2001, the government has been privatizing the retail electricity market in stages. In order to promote efficiency and competition in the electricity market, vesting contracts were introduced in 2004 whereby generation companies are committed to sell a specified amount of electricity at a specified price.

1.3.2.6.6 GDF SUEZ Australian Energy

The Australian business is focused on a diverse portfolio of generation assets operating in the National Electricity Market (NEM) that serves the 90% of Australian population and demand, resident in the eastern states. The portfolio also includes a co-generation asset in the separate South Western Integrated System (SWIS) market that serves Western Australia. It also has a retail business called 'Simply Energy' in the NEM serving 320,000 electricity and gas accounts in the domestic, small to medium enterprise and large commercial and industrial customer segments.

Strategy and Competitive Position

GDF SUEZ Australian Energy is an important participant in the NEM. It predominantly produces wholesale electricity and is focused on delivery of value through optimal participation of its assets in the relevant Australian electricity, gas and renewable energy markets, exploration of potential synergies with other GDF SUEZ businesses in Australia, and opportunistic growth of its generation and retail portfolios, including renewables.

GDF SUEZ Australian Energy's current competitive position in the generation markets is summarized below:

	Market share in power (energy)	Rank
NEM	12%	3
Victoria	39%	1
South Australia	24%	2
Western Australia	approx. 5%	NA

Simply Energy holds a market share of between 5% and 8% in both gas and electricity across the Victorian and South Australian retail markets.

Business Activities

GDF SUEZ Australian Energy participates in the electricity and gas wholesale and retail markets with the following portfolio of assets:

Canunda (Wind, South Australia); Pelican Point (Combined Cycle Gas, South Australia); Synergen (Gas/Distillate, South Australia); Hazelwood (Brown Coal, Victoria); Loy Yang B (Brown Coal, Victoria); Kwinana (Gas, Western Australia); Simply Energy (Retail gas and electricity, Victoria/South Australia/New South Wales/Queensland).

Regulatory Environment

Australian energy markets have been progressively liberalized since the mid-1990s, when the first wholesale electricity market was introduced in Victoria. The level of private and state-owned energy infrastructure varies between states. Under an agreement called the Competition Principles Agreement between state and federal governments, publicly-owned businesses in competitive markets are treated in a manner intended to ensure competitive neutrality between public and private energy businesses. New South Wales has started to privatise its generation assets.

The NEM is a deregulated merchant wholesale market serving the interconnected eastern states of Australia, in operation since 1998. It is a near real-time, energy-only, gross pool, spot market with no capacity payments. Up to 48 GW of installed generation capacity is dispatched on a five-minute basis over five states.

Gas markets exist in each of the eastern states except Tasmania, and are less developed than the electricity market.

Three main entities govern the operation of the NEM and eastern states gas markets: the Australian Energy Market Operator (AEMO); the Australian Energy Market Commission (AEMC); and the Australian Energy Regulator (AER).

The SWIS market in Western Australia is a separate deregulated market with energy and capacity payments and an independent market and system operator.

The Australian Government's "Clean Energy Future" greenhouse gas emissions reduction scheme commenced on July 1, 2012. The Government has stated that it is committed to a medium-term national target of reducing emissions between an unconditional 5% of 2000 levels by 2020, and more aggressive targets of up to 15% or 25% of 2000 levels by 2020 conditional on the extent of action by other nations.

The scheme consists of a three year period of a fixed price on carbon emissions of AUD23 per tonne (indexed), and then a market-based (and internationally linked) "cap and trade" emissions trading scheme (ETS) from July 1, 2015 onwards.

The scheme also now removes the floor price on international offsets of AUD15 per tonne embodied in the original legislation. The scheme is also progressively linked to the EU emissions trading scheme between 2015 and 2018, whereby up to 50% of obligations may be offset, of this a quarter can be in the form of Kyoto-style offsets that could be acquitted by liable entities.

In addition, the Australian Government delivered its Energy White Paper in November 2012 charting the direction of Australian energy policy for two decades. The White Paper anticipates the Federal Government working with State governments and industry toward goals such as ensuring energy security across electricity, gas and liquid fuels, using market-based approaches, supporting investment and reducing emissions. The impact on the GDF SUEZ Australian Energy portfolio of the implementation of these broadly supportive principles in future legislation continues to be monitored.

1.3.3 GLOBAL GAS & LNG BUSINESS LINE

1.3.3.1 Role

The Global Gas & LNG business line manages the Group's upstream gas and & LNG activities. Its roles are defined as follows:

- The Business Line embodies and manages the Group's overall ambitions in the field of natural gas and LNG, and as such plays a coordinating role in the gas value chain within the Group;
- It operates LNG commercial and physical assets, and exploration as well as production (gas and oil) assets. As such, it contributes to supplying the Group in terms of natural gas and LNG. Furthermore, it manages the Group's operational and commercial expertise in upstream gas activities.

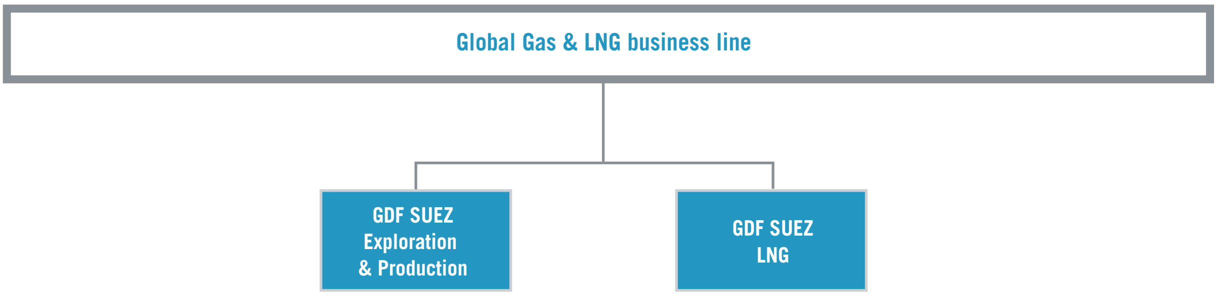
1.3.3.2 Strategy

The main strategic objectives of the Global Gas & LNG business line are therefore:

- To manage and consolidate the Group's positions in exploration and production in Europe, to support its development on new markets and to increase its reserves;
- To develop, secure, diversify and ensure the competitiveness of the Group's LNG supply portfolio in order to meet its customers' needs;
- To consolidate GDF SUEZ's international leadership in LNG by leveraging the Group's expertise in every segment of the LNG value chain;
- To optimize the value of its assets.

Composed of two business units (BUs) plus steering and support functions, the Global Gas & LNG business line had some 1,970 employees as of December 31, 2012(1).

1.3.3.3 Organization



1.3.3.4 Key figures

In millions of euros	2012	2011	Total change *(in %)*
Business line revenues	7,945	6,824	+ 16.4%
Revenue contribution to Group	4,759	3,135	+ 51.8%
EBITDA	**2,377**	**2,074**	**+ 14.6%**

Key figures 2012:

- Hydrocarbon production sold: 54.9 Mboe;
- Reserves as of December 31, 2012: 836 Mboe.

1.3.3.5 2012 highlights

In January, GDF SUEZ E&P UK successfully completed drilling of a second High Pressure High Temperature (HP/HT) "Faraday" well located in the North Sea.

In Norway in January, GDF SUEZ E&P Norge won three new licenses as an operator, as well as two partner licenses following its participation in the Awards in Predefined Areas round (APA) for the Norwegian continental shelf in 2011.

In February, the Orca field development plan was approved by the license partners. GDF SUEZ E&P Nederland BV is the project operator, while GDF SUEZ E&P UK Ltd is a partner.

In April, an agreement was signed for the supply of 7.5 TWh of LNG to GASNOR (Norway) over a 12-year period from 2013.

(1) Including the employees of the GAZOCEAN ship management company.

In India, GDF SUEZ was selected in April by Andhra Pradesh Gas Distribution Corporation, a joint subsidiary owned by the State of Andhra Pradesh and GAIL, the Indian national gas company, for the development of a floating terminal to import LNG on the east coast.

In the United States in May, GDF SUEZ signed a commercial development agreement with Sempra LNG, a subsidiary of Sempra Energy, as part of the development of a liquefaction plant at the existing Cameron LNG terminal site. GDF SUEZ could access 4 million tons per year of natural gas liquefaction capacity and could hold an investment stake in the plant.

In Indonesia, a new Jangkrik North-East exploration well was successfully drilled in June on the Muara Bakau license operated by Eni, in which GDF SUEZ E&P has a 45% stake. In July, the discovery of gas at the Katak-Biru and Lebah wells was made near the Jangkrik field, the commercial viability of which remains to be assessed.

In June, the GDF SUEZ E&P UK operator, and its partners First Oil Expro and Hansa Hydrocarbons Limited announced the approval to develop Juliet in Block 47/14b located in the southern part of the North Sea.

In Thailand in June, GDF SUEZ signed an agreement to supply three LNG cargoes to PTT over 2012.

In Cameroon in June and July, GDF SUEZ and SNH signed preliminary commercial agreements with Noble Energy, Perenco Rio del Rey and Addax as part of the development of Cameroon LNG. These companies may sell their production to the future liquefaction plant developed by GDF SUEZ and SNH.

In August, GDF SUEZ E&P UK, operator, announced the development of the Cygnus project alongside its partners Centrica Energy and Bayerngas.

In South Korea in August, GDF SUEZ signed an agreement to supply 1.6 million tons of LNG to KOGAS over 2013-2014.

In Azerbaijan, GDF SUEZ E&P has a 20% stake in the Absheron project which entered the pre-development phase this summer following the announcement of promising results from the ABX-2 well. Secondary evaluation drilling was conducted, which confirmed the potential of the discovery.

In India in September, GDF SUEZ signed an agreement to supply 0.8 million tons of LNG to GAIL over 2013-2014.

Also in September, the Group chartered the Grace Acacia LNG carrier for 4 years from NYK Line.

In October, in connection with the 27th round, GDF SUEZ E&P UK Ltd was awarded nine new licenses in the North Sea and west of the Shetland Islands, three of which as an operator/with operatorship. In Australia, the government finalized an environmental agreement in October as part of the development of the Bonaparte LNG project.

In Belgium, GDF SUEZ acquired additional berthing and storage capacities at the Zeebrugge LNG terminal from Fluxys, accessible from 2015. These capacities will enable GDF SUEZ to supply/reload small LNG carriers.

1.3.3.6 GDF SUEZ E&P

Principal key indicators

Europe and North Africa are the core areas of the Group's exploration and production business. However for several years, this activity has been developing in other parts of the world, such as the Caspian Sea, Asia or Oceania. As of December 31, 2012, the Group is present in 16 countries: the United Kingdom, Norway, the Netherlands, Germany, France, Greenland, Egypt, Libya, Algeria, Mauritania, Ivory Coast, Azerbaijan, Qatar, Australia, Indonesia and the United States. In addition, negotiations are underway that could lead to an initial presence in Russia, Kazakhstan and a few other regions.

At December 31, 2012, the Group published the following results:

- 344 exploration and/or production licenses held (of which 54% are operated by the Group);
- proven and probable (2P) reserves of 836 million barrels oil equivalent (Mboe), of which 77% is natural gas and 23% liquid hydrocarbons;
- production of 54.9 Mboe, of which 67% is natural gas and 33% liquid hydrocarbons.

Role and strategy

Exploration and production is a key activity in the Group's integration throughout the gas value chain. Its strategy is based on three major objectives:

- to take advantage of its position in Europe to maximize the value of its assets through its extensive knowledge of the area, its strong presence, its exploration portfolio and its costs;
- to support GDF SUEZ in its development in high-growth areas by promoting synergies with other Group entities specifically through integrated projects in LNG or electricity generation;
- to pursue its business in a sustainable development manner, by consolidating its health, safety and environmental performances, while respecting ethics and contributing to the reduction of CO_2 emissions;

To expand its portfolio of 2P reserves and its production, GDF SUEZ E&P specifically aims to continue the development of its projects in North Africa and the Caspian Sea (Azerbaijan), to speed up its development in Asia (e.g., Indonesia) and in the Arctic (Barents Sea and Greenland), to consolidate its presence in LNG in Australia and develop positions in new high-growth areas (e.g., Latin America) while maintaining its position in areas of current production in Northern Europe.

The Business Unit's activities

Legal framework of the exploration and production activities

The Group operates its exploration and production activities through its subsidiary GDF SUEZ E&P International SA (EPI) in which it holds a 70% stake (with the other 30% held by China Investment Corporation) and the company's subsidiaries (fully owned), which together constitute the GDF SUEZ E&P Business Unit, within the framework of licenses, concessions or production sharing agreements drawn up with the public authorities or national companies of the countries involved. GDF SUEZ E&P regularly operates in partnership with one or more oil and gas companies. Under current partnership contracts, one of the parties is generally designated as operator, meaning that it is responsible for conducting daily operations (with the other parties' approval required for important matters such as the adoption of a development plan, major investments, budgets or sales contracts for the partnership). Only companies approved by local public authorities can be selected as operators.

GDF SUEZ E&P has been recognized as an operator in most countries where it operates.

2P reserves

In 2012, 16 exploration wells were drilled, 11 of which were successful. The resources once proved will contribute to reserves in the future.

The tables below show all of the Group's proven and probable (2P) reserves (including developed and undeveloped reserves[1]) and their geographical distribution.

CHANGES IN THE GROUP'S RESERVES [2]

	2012			2011			2010		
Mboe	Natural gas	Hydrocarbons & liquids	Total	Natural gas	Hydrocarbons & liquids	Total	Natural gas	Hydrocarbons & liquids	Total
Reserves as of December 31, N-1	583.9	204.8	788.8	616.1	198.9	815.0	580.8	182.1	762.9
Revision + discoveries	95.7	6.9	102.6	17.8	34.5	52.3	76.9	29.1	106.0
Assets bought and sold	(0.2)	(0.8)	(1.0)	(11.0)	(9.6)	(20.6)	(4.0)	1.1	(2.9)
Production sales	(36.9)	(18.0)	(54.9)	(39.0)	(18.9)	(57.8)	(37.7)	(13.5)	(51.2)
Reserves as of December 31	642.6	192.9	835.5	583.9	204.8	788.8	616.1	198.9	815.0

CHANGES IN THE GROUP'S RESERVES BY COUNTRY

	2012			2011			2010		
Mboe	Natural gas	Hydrocarbons & liquids	Total	Natural gas	Hydrocarbons & liquids	Total	Natural gas	Hydrocarbons & liquids	Total
Germany	51.7	61.1	112.8	54.3	64.8	119.0	63.2	68.3	131.6
Norway	209.6	111.7	321.2	214.2	120.3	334.5	221.4	96.2	317.7
United Kingdom	59.5	1.8	61.3	63.1	2.4	65.5	82.2	21.1	103.3
The Netherlands	85.1	7.2	92.3	93.8	7.6	101.4	89.5	2.7	92.2
Other*	236.7	11.2	247.9	158.6	9.8	168.4	159.7	10.5	170.2
TOTAL	**642.6**	**192.9**	**835.5**	**583.9**	**204.8**	**788.8**	**616.1**	**198.9**	**815.0**
Change	10%	-6%	6%						

* *"Other" covers Algeria, Ivory Coast, the Gulf of Mexico, Egypt and Indonesia.*

As of December 31, 2012, GDF SUEZ's 2P reserves of liquid hydrocarbons and natural gas ("*entitlement*"[3]) were 836 Mboe, compared with 789 Mboe in 2011. Gas accounts for 77% of these reserves, which represent a volume of 643 Mboe, or 104 billion cubic meters.

For those fields that are operated under a production-sharing agreement, the "tax barrels" reserves have been recognized in accordance with the Society of Petroleum Engineers (SPE) rules for recognizing 2P reserves. These "tax barrels" reserves correspond to the taxes paid on behalf of GDF SUEZ by its partners, the national oil companies, to the authorities of the respective countries.

The Group's share in 2P reserves for the fields in which it is a partner (working interest reserves[4]) was 1,003 Mboe at the end of 2012 compared to 948 Mboe at the end of 2011.

(1) The developed reserves are produced from existing facilities. Undeveloped reserves are those requiring new wells, new facilities or significant additional investment on existing facilities, such as a compression unity.

(2) As amounts are rounded by the database, there may be insignificant variances between line-items and totals.

(3) Unless otherwise specified, the references made to 2P reserves and production must be understood as GDF SUEZ E&P's stake in these reserves and production, net of all license charges taken in kind by third parties in the form of crude oil or natural gas (entitlement). These references include the total of the net 2P oil, gas, and other hydrocarbon reserves estimated as being extractable for the remaining duration of the licenses, concessions, and production-sharing agreements. GDF SUEZ holds 70% of interest in EPI which it consolidates by the full consolidation method.

(4) Under a production-sharing agreement, part of the hydrocarbons produced is returned directly in kind to the Government. These volumes are not posted as 2P reserves, which are therefore less than the reserves calculated on the basis of the percentage interests held (working interest reserves).

Each year, a proportion of approximately one-third of the reserves is evaluated independently by the DeGolyer and MacNaughton consulting firm. Almost all the reserves are therefore evaluated over a three-year cycle. In 2012, 39% of the 2P reserves had been evaluated.

To estimate its 2P reserves, the Group uses the "SPE PRMS" classification, based on the common definitions of the SPE and the World Petroleum Congress (WPC).

The 2P reserves replacement ratio for a given period is defined as the ratio of additions to 2P reserves for the period (discoveries, net acquisitions and revisions of reserves) to production for the period. The 2P reserves replacement ratio for GDF SUEZ E&P was 195% for the period 2008-2010, 153% for the period 2009-2011 and 144% on average for the period 2010-2012.

Production

During the fiscal year ended December 31, 2012, the production of gas and liquid hydrocarbons sold by GDF SUEZ was 54.9 Mboe.

The table below sets out GDF SUEZ's production, including the share from companies consolidated by the equity method, by country.

CHANGE IN GROUP PRODUCTION BY COUNTRY – NATURAL GAS AND LIQUID HYDROCARBONS

	2012			2011			2010		
Mboe	Natural gas	Liquid hydrocarbons	Total	Natural gas	Liquid hydrocarbons	Total	Natural gas	Liquid hydrocarbons	Total
Germany	5.4	3.3	8.7	5.6	3.3	8.9	6.4	3.1	9.5
Norway	11.7	13.6	25.4	10.9	11.6	22.5	7.3	6.5	13.8
United Kingdom	1.6	0.1	1.7	4.8	2.6	7.3	5.8	3.0	8.7
The Netherlands	16.3	0.4	16.7	15.6	0.5	16.1	16.9	0.5	17.3
Other*	1.8	0.6	2.4	2.1	0.9	2.9	1.3	0.5	1.8
TOTAL	**36.9**	**18.0**	**54.9**	**39.0**	**18.9**	**57.8**	**37.7**	**13.5**	**51.2**

* *"Others" covers the Ivory Coast, the Gulf of Mexico and Egypt.*

Exploration and production activity by country

France

The Head Office of the exploration & production activity directs and controls the operational activities of the affiliates and New Assets (NAD).

Activity in affiliates

Germany (GDF SUEZ E&P Deutschland)

At December 31, 2012, the Group owned a stake in 53 oil and natural gas fields in Germany, including 49 in production, with proven and probable reserves of 113 Mboe, including approximately 46% in the form of natural gas.

GDF SUEZ E&P began exploratory seismic works in the Rhine Valley in the Spire region and Karlsruhe.

Norway (GDF SUEZ E&P Norge)

GDF SUEZ E&P Norge owns a stake in 20 oil and natural gas fields off the coast of Norway including 5 in production, its share of which was 321 Mboe of proven and probable reserves as of December 31, 2012 (including approximately 65% in the form of natural gas).

United Kingdom (GDF SUEZ E&P UK)

At the end of 2012, the Group held stakes in 24 fields in the British North Sea, of which 7 were in production. At December 31, 2012, the share of 2P reserves held by the Group in these fields represented 61 Mboe, 97% of which was in the form of natural gas.

The Netherlands (GDF SUEZ E&P Nederland)

The Group has stakes in 57 fields in the Dutch exclusive economic zone, of which 45 are in production. As of December 31, 2012, the share of 2P reserves held by the Group in these fields represented 92 Mboe, 92% of which was in the form of natural gas.

The Group made two gas discoveries in 2012 in Blocks K12 and L10 and an oil discovery in Block F17.

Egypt

GDF SUEZ holds stakes in three concessions in Egypt, of which two (Ashrafi and Alam Shawish West) are in production. A fourth concession (Wahi Dib) is currently under acquisition.

Australia

GDF SUEZ Bonaparte awarded KBR and Technip contracts for the concept definition phase of the Bonaparte LNG project.

At the end of this phase, one of the two companies will be selected as main contractor for the start of the Front-End Engineering and Design (FEED) phase.

Other countries

Algeria

The FEED phase of the Touat project was completed during the first half of 2012. Initial development drilling began in July 2012 and the call for tenders for the contract for Engineering, Procurement, and Construction (EPC) contract was launched in August. GDF SUEZ E&P also owns a 9.8% stake in the South-Eastern Illizi permit where initial exploration drilling began in July, leading to the discovery of hydrocarbons.

Other

In Mauritania, GDF SUEZ E&P holds a 12.85% stake in Block 7 after selling 15% of its stake to Tullow Oil plc this year. The GDF SUEZ E&P stake held in Block 1 stands at 24%.

In the Ivory Coast, GDF SUEZ E&P wholly owns Enerci, which in turn holds a 12% stake in the Foxtrot field and the adjoining discoveries. The authorization to operate the Manta discovery was granted by Ivorian authorities and development of the Marlin discovery was decided upon.

In Libya, GDF SUEZ holds a 20% stake in a license comprising three onshore blocks. The terms of the acquisition by GDF SUEZ of the 35% stake previously held by Repsol in this license were completed. Work on these blocks is pending while the transaction is finalized.

In the United States (Gulf of Mexico), GDF SUEZ E&P decided to sell its production license in October; while its last license (which is no longer in production) is being discontinued. The process is expected to be completed in May 2013.

In Qatar, GDF SUEZ E&P, operating in Block 4, holds a 60% stake following the entry of PetroChina as partner with a 40% stake on this block in July. GDF SUEZ E&P will complete two exploration wells by the end of 2013.

In Indonesia, a new development plan is being drafted for the Muara Bakau license, in which GDF SUEZ E&P is a partner alongside Eni.

In Greenland, the acquisition of 3D seismic analyses began in August 2012 for Blocks 5 and 8 (an area of some 5,000 km^2) located in Baffin Bay and operated by Shell.

In total, excluding Europe, the Group holds stakes in 20 licenses (including 12 in production), in Algeria, Australia, Azerbaijan, Ivory Coast, Egypt, Indonesia, Libya, Mauritania, Qatar, and the United States (Gulf of Mexico). At December 31, 2012, the share of 2P reserves held by the Group in these 12 licenses represented 248 Mboe, some 95% of which was in the form of gas.

Gas marketing

GDF SUEZ E&P produced a total of 62.7 TWh of natural gas in 2012. Around half of the natural gas produced by GDF SUEZ E&P subsidiaries is marketed through other Group entities (GDF SUEZ Gas Supplies, GDF SUEZ LNG, and GDF SUEZ Trading).

Sales to other Group entities also come in the form of long-term contracts at arm's length conditions, similar to third-party supply contracts.

The remaining production is sold directly to third parties, now mostly under long-term contracts. GasTerra in The Netherlands, E.ON and EGM in Germany are some of the subsidiaries' largest customers.

The market risks to which gas contracts are exposed entail entering into hedging agreements with GDF SUEZ Trading.

The long-term contracts under which GDF SUEZ sells its gas production vary depending on the subsidiaries and the local markets. Gas sale prices are indexed to gas spot prices and/or to oil product prices. Price revisions are allowed for at regular intervals in order to align them with changes in market benchmarks.

1.3.3.7 GDF SUEZ LNG

The Group's positions in LNG

- Leading portfolio of LNG regasification capacity(1) in Europe and the Atlantic basin.
- Third-largest long-term LNG supply portfolio(2) worldwide.
- Management of a portfolio of 16 million tons per year of long-term supply contracts from six countries.
- Regasification capacity in six countries.
- A fleet of 17 ships(3) including two LNG regasification vessels.

Description of the LNG activities in the Group

GDF SUEZ's recognized expertise over the entire LNG value chain, from production to imports and marketing, including LNG terminal operation and maritime shipping, enables it to take advantage of the strong growth of the LNG market.

LNG gives the Group access to new natural gas resources and helps it diversify and secure its supply. It also enables the Group to develop new markets and to rationalize management of its gas supply portfolio. The LNG business is being developed in coordination with the Group's upstream (exploration & production) and downstream activities (natural gas supply and power production).

Role and strategy

- Developing and diversifying the supply portfolio by investing in integrated projects (involving E&P/liquefaction/market supply) and entering into long-term purchase contracts with producers;
- Safely, reliably and economically supplying GDF SUEZ's various entities with LNG, as part of the Group's global gas supply portfolio, through the management of all the Group's LNG supply and vessel chartering contracts;
- Creating additional value through the development of new projects and businesses (new internal and external markets, new sources of supply, new investments in liquefaction plants and regasification terminals) as well as physical and financial optimization of the portfolio, thanks to the expertise of GDF SUEZ Trading.

LNG supply and positions in liquefaction

GDF SUEZ buys LNG under long-term (15-20 years) and medium-term (1-5 years) supply contracts. The Group also purchases spot LNG cargos. The Group's contractual annual long-term commitments are as follows (at December 31, 2012):

(1) Source: PFC classification based on access to regasification capacity in Europe and the Americas.

(2) Source: PFC classification based on the size of the long-term supply portfolios 2011.

(3) At the end of December 2012.

	Annual LT commitment		
	In millions of tons of LNG per annum (Mtpa)	*TWh equivalent*	**GDF SUEZ's stake in liquefaction plants**
Algeria	6.8	102	-
Egypt	3.7	55	5% of Idku train 1
Nigeria (DES contract[1])	0.4	6	-
Norway (12% stake connected to the Snøhvit deposit)	0.5	7.5	12% of the Melkøya plant
Trinidad and Tobago[2]	2.0	29.5	-
Yemen	2.6	39	-
Shell (LT agreement from 2014 – DES contract(1))	0.4	5.7	-
TOTAL (2012)	**16**	**239.0**	

(1) Delivered ex-ship.
(2) The contract with Trinidad and Tobago is handled contractually by GDF SUEZ Energy North America.

To strengthen its diversification and security of supply, GDF SUEZ LNG is also involved in the development of liquefaction plant projects:

- An integrated E&P/LNG project in Australia: In August 2009, GDF SUEZ and Santos created a strategic partnership to develop a floating LNG liquefaction plant producing at least 2 Mtpa in the Bonaparte Basin, off the coast of Australia. GDF SUEZ is the sole operator for the project (E&P and LNG), in which it also holds a 60% stake (see 1.3.3.6 GDF SUEZ Exploration & Production). The Group would also market the LNG;
- A liquefaction plant in Cameroon: The project in cooperation with *Société Nationale des Hydrocarbures* comprises construction of a floating liquefaction plant with a maximum annual capacity of 3.5 Mt, located near Kribi and supplied by a national transmission network connecting it with Cameroon's offshore natural gas fields;
- A liquefaction plant in the United States: In May 2012, GDF SUEZ and Sempra signed an agreement that would give GDF SUEZ access to an annual liquefaction capacity of 4 million tons. The plant would be built on the LNG terminal site at Cameron LNG (Louisiana).

LNG destination and positions in regasification terminals

In 2012, LNG deliveries were made mainly in Europe and Asia, as well as in North and South America.

THE GROUP'S LONG-TERM POSITIONS IN REGASIFICATION ACTIVITIES IN 2012

	Regasification terminal	Access to regasification capacity	GDF SUEZ' stake in regasification terminals	Comments
France	Montoir-de-Bretagne	Yes	100%	*Terminals owned and operated by Elengy (A wholly-owned subsidiary of GDF SUEZ), subject to the rules of access to LNG terminals for third parties.*
	Fos Tonkin	Yes	100%	
	Fos Cavaou	Yes	72.15%	*Terminal owned by Société du Terminal Méthanier de Fos Cavaou (a subsidiary 72.15% owned by GDF SUEZ), operated by Elengy and subject to the rules of access to LNG terminals for third parties.*
United Kingdom	Isle of Grain	Yes	-	
Belgium	Zeebrugge	Yes	-	
United States	Everett	Yes	100%	*Terminals owned and operated by Distrigas of Massachusetts (a wholly-owned subsidiary of GDF SUEZ).*
	Neptune	Yes	100%	
	Sabine Pass	Yes	-	
	Freeport	Yes	-	
Chile	GNL Mejillones	Yes	63%	*GNL Mejillones S.A. is 63% owned by the Energy International business line and 37% owned by Codelco. The LNG supply to the terminal is specifically provided by GDF SUEZ LNG.*
Puerto Rico	Penuelas	Yes	35%	*Access via a long-term sales contract.*
India	Dahej	No	10%	*Terminals owned and operated by Petronet LNG Ltd. (a company in which GDF SUEZ has a 10% stake).*
	Kochi (under construction)	No	10%	

In India in April 2012, GDF SUEZ was selected as a strategic partner of the Andhra Pradesh Gas Distribution Corporation for the development of a floating import LNG terminal. With a capacity of 3.5 Mtpa, the terminal will be located on the east coast of India. GDF SUEZ would have a stake in the terminal with access to regasification capacity.

GDF SUEZ LNG is also positioned in the Asian LNG markets undergoing high growth, with the signing of several medium-term sale contracts:

- two contracts with the South Korean company Kogas for the sale of 2.5 million tons of LNG between 2010 and 2013 and the sale of 1.6 Mt of LNG between 2013 and 2014;
- a contract for the sale of 2.6 million tons of LNG to the Chinese company CNOOC between 2013 and 2016;
- a contract for the sale of 2.5 million tons of LNG to the Malaysian company Petronas between 2012 and 2014;
- a contract for the sale of 0.6 million tons of LNG to the Indian company Petronet during 2012;
- a contract for the sale of 0.2 million tons of LNG to the Thai company PTT during 2012;
- a contract for the sale of 0.8 Mt of LNG to the Indian company GAIL between 2013 and 2014.

Maritime transport

To satisfy its maritime transport needs, GDF SUEZ uses a fleet of LNG vessels that it adapts in size to meet its long-term commitments and its one-off opportunities. The chartering terms vary from a few days to as much as 20 years or more, depending on the permitted extension periods. At the end of 2012, the GDF SUEZ fleet included 17 LNG carriers:

- 3 ships owned by the Group: *Matthew* (126,540 m^3), *Provalys* (154,500 m^3), *GDF SUEZ Global Energy* (74,130 m^3);
- 1 ship of which the Group is a co-owner: *Gaselys* (154,500 m^3 (60% owned by the NYK Group and 40% owned by GDF SUEZ));
- and 13 other ships chartered from other shipping companies.

In the area of maritime transport, GDF SUEZ also has the following stakes:

- an 80% stake in GAZOCEAN (the other 20% stake is held by Japanese shipping company NYK), vessel management company;
- A 40% stake in Gaztransport & Technigaz (GTT), which designs on-board LNG cargo containment systems and develops "membrane" LNG tank isolation techniques. In 2011, these membranes were fitted in 68% of carriers in service world-wide (source: GIIGNL).

1.3.4 INFRASTRUCTURES BUSINESS LINE

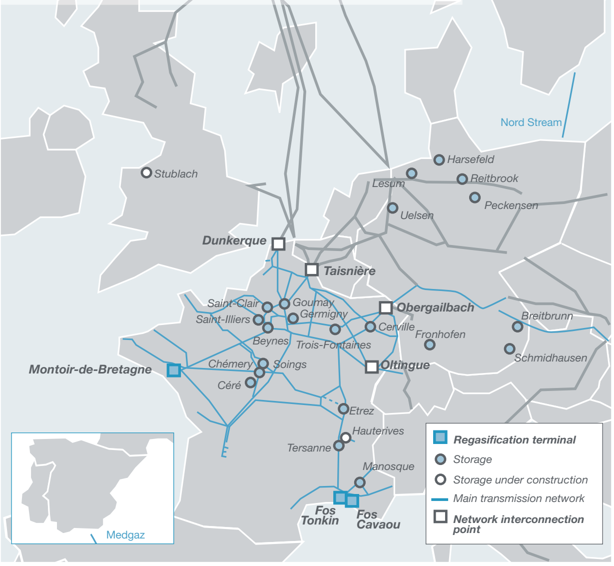
1.3.4.1 Role

The Infrastructures business line combines in a coherent body the Group's gas infrastructures in France, through four specialized subsidiaries in transmission, storage, LNG terminals and distribution activities. To achieve overall optimization, it also accords with a number of foreign subsidiaries (in Germany, Austria, and the UK) also report to it.

The combined positions of these subsidiaries and stakes make the GDF SUEZ Group the leading European player in the gas infrastructures sector.

Its business model guarantees it stable, recurring revenues and cash flow that contribute effectively to the financial stability of the Group.

Strong positions at the heart of Europe



1.3.4.2 Strategy

The Infrastructures business line and its subsidiaries develop their professional excellence on a daily basis. This process includes both actions aimed at safety of persons and assets, and those designed to ensure continuity of customer supply.

Each entity aims to be recognized as an efficient operator working towards the benefit of its customers through strict cost control and improved productivity.

The strategy implemented also meets the objective of adapting the offer from subsidiaries in the short-term, given the situation marked by restrictions (the economic crisis and its impact on energy demand), uncertainty (developments in European provisions) and opportunities (development of renewable energy, etc.)

Lastly, it also aims to promote the development of the Group's business in the future by:

- confirming the position of gas in the French energy mix;
- seeking growth opportunities in the infrastructures sector (new technologies);
- developing its activities internationally.

1.3.4.3 Organization and Governance

The organization of activities within the Infrastructures business line is based on four independent subsidiaries which are all public limited companies (*sociétés anonymes*). In France, each of them operates, markets and develops facilities directly under their own responsibility: Storengy for its storage sites, Elengy for its LNG terminals at Montoir-de-Bretagne and Fos Tonkin, GrDF for its distribution network and GRTgaz for its transmission network (pipelines and in-line compression stations).

In addition, three of them carry the Group's investment stakes in Europe:

- GDF SUEZ storage subsidiaries in Germany and the UK are attached to Storengy;
- Megal and GRTgaz Deutschland in Germany and BOG in Austria are attached to GRTgaz;
- Elengy represents the Group in managing the company *Société du Terminal Méthanier de Fos Cavaou* (fosmaxLNG) and operates the terminal.

Storengy, Elengy and GrDF, all wholly-owned by GDF SUEZ, each have a Board of Directors and their executive management. Each Board of Directors is made up of 12 members. Nine are appointed by the General Shareholders' Meeting, with two of them being independent directors. Furthermore, three of the directors are staff representatives. The Chief Executive Officer is a corporate officer and is the subsidiary's sole operational manager.

GRTgaz, which is 75%-owned by GDF SUEZ and 25%-owned by *Société d'Infrastructures Gazières* (SIG), a consortium bringing together *CNP Assurances*, *CDC Infrastructures* and *Caisse des Dépôts* has a Board of Directors and its executive management. The Board of Directors is made up of 17 members. Fourteen are appointed by the General Shareholders' Meeting, including nine GDF SUEZ representatives, three SIG representatives and two independent directors. Three directors are elected by staff. The Chief Executive Officer is a corporate officer and is the subsidiary's sole operational manager.

In accordance with the Energy Code, GRTgaz has, in its own right, most of the resources necessary to accomplish its missions. Services provided between the Infrastructures subsidiaries or with the parent company are subject to the Energy Regulatory Commission approval as part of the independence requirements set out in the Energy Code.

As a managerial entity, the business line holds the Group's interests in two local gas distribution companies serving Bordeaux and Strasbourg.

1.3.4.4 Key figures

In millions of euros	2012	2011	Total change *(in %)*
Business line revenues	6,216	5,703	+9.0%
Revenue contribution to Group	2,031	1,491	+36.2%
EBITDA	3,049	2,991	+1.9%

In 2012, GDF SUEZ Infrastructures accounted for 18% of the Group's EBITDA.

The Infrastructures business line manages the following, through independent subsidiaries:

- Europe's largest natural gas transmission network (32,246 km in France and 1,555 km[1] in Germany and in Austria);
- Europe's largest natural gas distribution network (194,600 km in France);
- Europe's largest storage player in terms of capacity sales (14.11 billion m^3);
- the second largest LNG receiving and regasification capacity in Europe.

The Infrastructures business line had a workforce of 18,132 as of December 31, 2012.

1.3.4.5 A specific legislative and regulatory environment

In France, the General Local Authorities Code specifies the scheme applying specifically to concession-based distribution networks.

In 2011, the Energy Code reviewed and updated most of the other existing legislative provisions on natural gas[2], while transposing the "Internal Market" Directive 2009/73/EC, known as the "Third Directive". Implementation of these texts falls to the Government (specifically the Minister for the Economy and Minister for Energy) and the Energy Regulatory Commission (CRE), an independent administrative authority.

These two entities have their own specific area of focus. The State "thinks up" the system, in particular the definition of public service obligations, and manages the issue of security of supply for consumers; the CRE ensures the correct operation of the market: access to infrastructures, monitoring of transactions on markets, ensuring transparency and non-discrimination. It includes an Arbitration and Sanctions Committee.

Their respective actions specifically cover the following areas:

Organization of third-party access to infrastructures

For transparency purposes, the operators managing the infrastructures are required to publish their facilities terms of conditions.

The CRE sets the tariffs for access to the transmission network, the distribution network and regasification facilities, and the related regulatory framework:

- duration of regulation periods;
- rates of return for assets depending specifically on the nature of the infrastructure used;
- price indexation mechanism for tariffs (inflation reduced by a productivity factor);
- measures to promote certain types of investment in transmission and LNG terminals;
- adjustments for uncontrollable factors (weather, cost of energy required to operate infrastructures, etc.).

Behavior of operators

All gas infrastructure operators must keep all information confidential, disclosure of which could promote unfair competition.

The distribution and transmission network operator activities are performed with reference to a "Code of Conduct" to ensure they are objective, transparent and non-discriminatory, and respect the confidentiality of commercially sensitive information (CSI).

An independent compliance officer is responsible for ensuring the implementation of commitments made regarding this code, and submits a report to the CRE on annual basis. The GRTgaz compliance officer monitors the correct performance of the ten-year development plan for the transmission network.

Legal ties within the Group

Community legislation stipulates that if the operator of a natural gas transmission or distribution network is part of a vertically integrated company such as GDF SUEZ, it must be made legally independent of the organization and decision-making processes of the entities managing other activities, particularly for production and supply activities. As such, the transmission business was incorporated as a subsidiary on January 1, 2005 and the distribution business on December 31, 2007. The Third Directive provides strengthened provisions in terms of transmission network operators by allowing Member States the choice between three options. France opted for the ITO[3] system which affords the integrated company the right of economic supervision and management. The CRE's mission is to certify that the transmission network operator complies with ITO provisions.

(1) Cumulative lengths of the transmission networks in Germany (Megal, 1,167 km) and in Austria (BOG, 388 km).

(2) The regulations implementing these laws have not yet been codified.

(3) «Independent Transmission Operator» or independant transmission operator.

In addition, the LNG terminals and storage businesses were incorporated as subsidiaries at December 31, 2008.

The issue of investments

The CRE approves annual investment programs from gas transmission network operators and reviews their ten-year network development plans.

The Minister of Energy determines and publishes a tentative multi-year plan describing the foreseeable changes in national demand for natural gas, the way this demand is met (origin of supplies, share of long-term contracts) and investments scheduled to complete the infrastructures of the supply network.

Public service obligations

The Energy Code sets public service obligations on all players in the field of gas and therefore on infrastructures operators.

These obligations relate to the safety of people and of the facilities, the continuity and security of supply, the quality and the price of the products and services supplied, environmental protection, energy efficiency, the balanced development of the territory, the emergency supply of gas to non-residential customers responsible for missions in the public interest, the continued supply to vulnerable persons, and the supply of gas at the special solidarity tariff.

The government monitors the fulfillment of these obligations.

1.3.4.6 Highlights

Pursuant to its ruling of January 26, 2012 the Energy Regulation Commission certified GRTgaz as an independent transmission operator (ITO). The same certification was awarded to GRTgaz Deutschland.

The new GrDF gas distribution tariff (known as “ATRD 4”) came into force on July 1, 2012. Discussions on the new GRTgaz transmission tariff (known as “ATRT 5”) and the new LNG terminals tariff (known as “ATTM3”) were completed in late 2012, for entry into force on April 1, 2013.

GRTgaz launched the Hauts de France site March 6, 2012: a 191 km pipeline between Loon-Plage (Nord) and Cuvilly (Oise) to connect with the Dunkirk terminal in the long term.

Following the CRE ruling of January 19, 2012, Elengy now operates an LNG terminal loading service at the Montoir terminal. Initial reloading took place at the end of March. The same authorization was granted for Fos Cavaou by a ruling on March 8, 2012.

GrDF implemented the standard actions, applicable at July 1, 2012 to improve safety and empower stakeholders on all sites created in the vicinity of distribution networks.

In February 2012, Storengy signed a contract with an Indian gas company to study the development potential for storage in depleted gas fields. The partnership was renewed in November 2012 for in-depth qualification studies of one of the two potential sites examined.

In November 2012, Storengy signed a contract with PetroChina for the provision of subsoil services and start-up assistance on a depleted storage site. This is the first service contract to be agreed with a Chinese player.

In early February 2012, a cold snap hit France. Over the period, more than 18 TWh of gas was withdrawn from Storengy storage sites, providing 48% of the gas consumed in GRTgaz balancing areas, peaking February 3 at 55%. Storengy delivered this performance for the entire period, maintaining a record withdrawal level of 136 Mm^3 per day over the twelve-day duration. This represents power of 65 GW, equivalent to the power of France’s nuclear portfolio.

1.3.4.7 Underground natural gas storage

The GDF SUEZ Group is the leader in underground storage in Europe in terms of owned, operated and marketed storage capacity (14.11 Gm^3).

France

As of December 31, 2012, Storengy was operating:

- 13 underground storage facilities (including 12 wholly-owned). Nine of these storage facilities are in aquifers (total useful storage volume 9 billion m^3), three are in salt caverns (total useful storage volume 1 billion m^3) and one in a depleted field (useful storage volume 80 million m^3);
- 55 compressors with a total power of 244 MW, needed to withdraw and inject natural gas;
- Surface facilities required to process the gas withdrawn, before injection into the transmission network.

Legislative and regulatory environment specific to storage activities in France

Underground storage facilities fall under the Mining Code and may only be operated pursuant to a concession granted by the government following a public inquiry and competitive tenders. The holders of underground gas storage licenses must operate them in a manner compatible with the safe and effective functioning of the interconnected natural gas networks.

GDF SUEZ holds mining rights that it farms out[(1)] to its subsidiary, Storengy, which operates them and thus holds the corresponding authorizations.

Access to storage facilities in France: principles and prices

According to the Third Directive, access to storage is organized according to a system known as negotiated access. Storage prices are set freely by Storengy, in a transparent, non-discriminatory manner. The Energy Code and decree No. 2006-1034 of August 21, 2006 set the access conditions for storage facilities. This decree specifically sets out the conditions for granting and assigning storage capacity access rights and their distribution. It requires the authorized supplier or agent to maintain sufficient stores in order that, on October 31 of every year, enough natural gas to supply their customers is available from November 1 to March 31. An annual decree sets out the storage rights and related obligations.

(1) Farming out: in mining law, the name given to an agreement by which the holder of the operating rights (Government or concession holder) leases the mine to a third party in return for a royalty.

Pricing conditions vary according to technical capacities of the tanks, the basic storage service and the type of additional operating services selected. All prices for capacities intended to supply end customers, as well as extra available capacity, are published on the Storengy website.

Germany

Storengy Deutschland GmbH, wholly-owned subsidiary of Storengy, stands as the fourth-largest German storage player, with 10% market share by volume. The company owns and operates seven storage sites for a working capacity of approximately two billion m^3 meters (three salt sites: Harsefeld, Lesum and Peckensen; and four depleted sites: Fronhofen, Reitbrook, Schmidhausen and Uelsen). It also holds a 19.7% stake in the Breitbrunn depleted site (992 million m^3 in total).

United Kingdom

Storengy UK Ltd, wholly-owned subsidiary of Storengy is dedicated to the construction and marketing of storage in salt caverns at Stublach, in Cheshire. The storage capacity at the site stands at 400 m^3 of useful volume, divided into 20 caverns, offering quick products to the UK market. The first volumes will be marketed in 2013. The UK gas and electricity regulator, Ofgem (Office of the Gas and Electricity Market) granted it a third-party access exemption for phase 1 of the project.

Canada, Romania, Slovakia

Storengy assists the Group thanks to its storage expertise in the management of its interests in storage assets in Canada (Intragaz), Romania (Amgaz and Depomures) and Slovakia (Nafta, Pozagas and SPP Bohemia).

Storage strategy

Storengy aims to strengthen its position among the global leaders in underground storage by adapting to new market conditions triggered by the global economic crisis and gas overcapacity currently observed in Europe, as well as by preparing the future and meeting the new flexibility needs of gas and electricity markets.

The subsidiary's strategy, based specifically on its expertise in geosciences and its level of health and safety risk management, is based around the following themes:

- in Europe, optimizing and enhancing its business;
- at the international level, valuing its expertise in key markets with high growth potential for the Group, mainly to diversify geographical risk;
- in the longer term, diversifying products: niche markets or Power-to-Gas solutions (storage of compressed air, hydrogen or synthetic methane).

1.3.4.8 LNG terminal activities

LNG terminals are port facilities that allow LNG to be received and the regasification of natural gas from liquid to gas.

Elengy is the second-largest European LNG terminal operator (*source: GIIGNL*). It was also one of the first to receive LNG, starting in 1965. It develops and operates its facilities and markets the associated capacity. The facilities operated by Elengy have a total regasification capacity[(1)] of 23.75 billion m^3 (Gm^3) of gas *per annum* as of December 31, 2012.

Fos Tonkin Terminal

Brought into service in 1972, Fos Tonkin is located at Fos-sur-Mer on the Mediterranean coast and receives LNG primarily from Algeria and Egypt. Its regasification capacity stands at 5.5 billion m^3 *per annum*. Its wharf can accommodate ships carrying up to 75,000 m^3 of LNG and its three tanks have a total capacity of 150,000 m^3.

The Montoir-de-Bretagne terminal

Montoir-de-Bretagne, which was brought into service in 1980, is located on the Atlantic coast and receives LNG from various sources. It has a regasification capacity of 10 billion m^3 a year, two wharves that can accommodate ships transporting up to around 260,000 m^3 of LNG (Qmax) and three tanks with a total capacity of 360,000 m^3. Following an open season tender process to extend its capacity, it was decided to launch a project to renovate the terminal, with a view to operate it at its current capacity until 2035.

Fos Cavaou Terminal

Having managed the construction, Elengy now operates the LNG terminal at Fos Cavaou, in Fos-sur-Mer, built to cope with the growth of the LNG market. It has operated at full capacity since November 1, 2010. The terminal has a regasification capacity of 8.25 Gm^3 per year, a wharf that can accommodate Qmax-size tankers, and three tanks with a capacity of 330,000 m^3. The terminal is owned by a dedicated subsidiary, FosmaxLNG in which Elengy has a 72.46% stake, while Total Gaz Electricité Holdings France SAS holds a 27.54% stake.

Legal and regulatory environment specific to regasification activities in France

LNG regasification does not need to be authorized. However, an LNG terminal is a facility subject to classification for environmental protection purposes (Seveso facilities) and, therefore, its operation is subject to a specific authorization by the prefecture. These authorizations were granted by prefectoral decree to Elengy December 19, 2008 for the Montoir-de-Bretagne site and December 22, 2008 for the Fos Tonkin site. The Prefectural Decree authorizing the full operation of the Fos Cavaou LNG terminal was issued February 14, 2012.

(1) Quantity of natural gas, expressed as a volume of gas, that the terminal is capable of receiving over a given period as LNG and routing to the adjacent transmission network as a gas.

Access to LNG terminals: principles and tariffs

Regulated tariffs for access to LNG terminals applicable until April 1, 2013 were adopted by the Decree of October 20, 2009. A new tariff will then be inplerented, according to the CRE ruling of December 13, 2012, for four years term (two years for Tonkin).

The tariff formula, whose general structure remains unchanged, with five terms depending on the number of unload operations, quantities unloaded, use of regasification capacity, gas in kind, as well as the seasonal adjustment, leads to an increase of 4% for Montoir, 10% for Tonkin and 12% for Cavaou. A revision clause will enable limited adjustments to be made after two years.

The LNG terminal activities strategy

Elengy's strategy covers the 2010-2017 period and is centered on the following key points:

- to develop new operational capacity, in particular by offering new services and new capacities in terminals;
- to rationalize the use of existing assets by striving to maximize the marketable capacities at each of the three sites;
- to search for growth opportunities internationally;
- in terms of operation and maintenance, to deploy a project to improve practices and to benefit operational efficiency, security and sustainable development.

1.3.4.9 Distribution activities in France

The main activity of the distribution business in France is to transmit the gas sold by the shippers to end-customers. It operates within the general framework set out in Section 1.3.4.1 but has specific features related to its nature as a local public service.

Legislative and regulatory environment specific to these activities

The Concession system

Each municipality where a gas supply is available grants a concession to an authorized distributor to operate the public service of gas distribution on its territory. Concessions are entered into or renewed based on standard specifications established jointly by the French national federation of concession-granting and state-controlled municipalities (FNCCR) and GrDF. Concession-granting bodies exercise control to ensure the proper execution of the obligations resulting from these specifications.

Distribution structures belong to the municipalities even when they are built and financed by the distributor, who has an exclusive right to use them.

Articles L. 111-53 and L. 111.54 of the Energy Code recognize the entitlement of historic concession-holders, i.e. GrDF and 22 local distribution companies, to exclusive service areas. In these areas, they have a distribution monopoly: they are the sole operators with whom municipalities may renew the concession. The grounds for terminating a concession contract early are strictly controlled as regards reasons, which are listed exhaustively and as regards the date of the end of the concession (this date cannot be in the first half of the contracted term). Termination also requires two years' notice and the concession-granting authority must pay compensation to the concessionaire for early termination.

Apart from the exclusive service areas of GrDF and the local distribution companies, the Energy Code acknowledges that municipalities not supplied with natural gas may source their public gas distribution from the operator of their choice.

The joint department specific to GrDF and ERDF

The Energy Code describes this joint department, primarily responsible for construction, worksite project management, network operations and maintenance, and metering operations.

GrDF and ERDF are linked by an agreement defining their relationship within the Joint Department, the services it provides, and the distribution of the resulting costs. This agreement, signed for an indefinite period, may be terminated at any time, subject to a18-month notice, during which period the parties undertake to renegotiate an agreement.

GrDF activities

As of December 31, 2012, the French natural gas distribution network operated by GrDF was the leading network of this type in Europe due to its length (194,600 km)(1). It has approximately 11 million delivery points(2) in 9,495 municipalities served (of which 8,946 based on exclusive rights assigned to GrDF), representing approximately 77% of the French population.

With 308.9 TWh of natural gas delivered in 2012, GrDF represented 95% of the French market for network gas distribution.

The average residual term of its concession contracts, weighted by volumes distributed, was 14.47 years at December 31, 2012.

The Joint Department's agents took almost 22 million gas meter readings in 2012 and made some 2.5 million technical interventions related to gas on customers' premises.

Access to the gas distribution network: principles and tariffs

The new GrDF gas distribution tariff (the "ATRD 4") came into force on July 1, 2012(3) for a period of four years. It applies to the GrDF exclusive service area. The structure of this tariff is consistent with the previous tariff (compensation on asset base and consideration of operating expenses). A Charges and Revenue Regularization Account offsets the difference between projected and actual income and expenses, specifically the difference relating to the volume of gas transported.

The regulated asset base (RAB) includes all distribution activity assets such as pipelines and connections, pressure regulation stations, meters and other technical and IT-related equipment, depreciated on a straight-line method to determine the annual capital expenses. Pipelines and connections, which represent 93% of the assets in the RAB are depreciated over 45 years. The RAB stood at €14,217 million, subject to CRE validation, as of January 1, 2012 with an actual rate of return of 6%, before corporate income tax.

(1) Source: internal benchmark from public data for 2011.

(2) As of December 31, 2012, 1,358,000 customers supplied in this way used an alternative gas supplier.

(3) CRE ruling of February 28, 2012.

ATRD 4 includes a number of new features:

To offset the productivity incentive mechanism, ARTD 4 strengthens the financial incentive mechanism in terms of quality of service on key activities (e.g. rate of entries into service made within the timeframe requested by customers), with implementation of a reward system based on whether or not the objective set by the CRE is achieved.

An incentive-based regulation scheme on investments excluding security has been introduced to enable the CRE to gain better understanding of GrDF's investment issues without interfering in their management.

In view of the results, deemed conclusive, of promotional activities for gas usage performed by GrDF since 2008, the new ARTD 4 tariff schedules their strengthening, and introduced a new incentive to reach the associated objectives.

The blueprint for net operating expenses may be reviewed after two years if regulatory changes occur.

New measures to improve network security, combined with reduced consumption per unit resulting from energy saving efforts, led to an increase in the GrDF tariff of 8% GrDF on July 1, 2012. The tariff structure will change on July 1 each year according to a percentage variation equal to "inflation +0.2%" (excluding the effect of the Charges and Revenue Regularization Account); this blueprint was established based on productivity of 1.3% *per annum* on net operating expenses.

In addition, periodic updates to the catalogue and the price of services (suppliers, customers and biomethane producers) are now subject to rulings by the CRE.

GrDF strategy

The "With you on the network" corporate project breaks down the GrDF strategy over the next three years:

- technical efficiency and industrial safety with the objective of a 15% reduction *per annum* in damage to structures caused by third parties;
- financial profitability supported by a performance plan;
- development of:
  - the gas business in order to achieve a positive net balance of customers in 2015 driven by research and development actions and industrial partnerships to support innovative renewable energy/gas and hybrid (gas/electricity) solutions, sustained investment in new Low Consumption Buildings, a breakthrough action plan on existing housing and loyalty building in gas, repositioning in terms of local municipalities that are decision-makers in terms of energy;
  - new activities with support for bio-methane injection projects on the natural gas network;
  - service activities at an international level by relying on the GrDF operator expertise and its technical expertise acknowledged by specialist bodies;
- innovations specifically with the planned widespread deployment of smart meters, conditional on the government's decision expected in 2013 and on the coverage of corresponding costs by the tariff.

1.3.4.10 Transmission activities

GRTgaz develops, operates and maintains a transmission network, manages the natural gas flows that flow through it, and markets network access services to gas suppliers. In addition, it manages two investments.

Structures

In its own right, GRTgaz owns the longest high-pressure natural gas transmission network in Europe[1] measuring 32,246 km, in France, at December 31, 2012: the main network (7,143 km) sends natural gas from entry points (LNG terminals, interconnection points with international pipeline networks) to the regional network. The regional network (25,103 km) then directs it towards some 4,500 delivery points serving industrial customers and distribution networks. GRTgaz operates 25 compression stations.

During 2012, GRTgaz sent 55.7 billion m^3 of gas across the French network (637 TWh).

In addition, GRTgaz has investments in transmission networks located in Germany (Megal, 1,167 km), and Austria (BOG, 388 km), with a cumulative length[2] of 484 km.

Legal and regulatory framework for gas distribution in France

This activity takes place within a general framework (defined in §1.3.4.1.) aimed at ensuring the independence of the network manager.

The Energy Code states that the construction and operation of natural gas transmission pipelines must be authorized by a competent administrative body, the conditions for which are set by Council of State decree (in this case decree 85-1108 of October 15, 1985, as amended by decree 2003-944 of October 3, 2003). Authorizations are registered and non-transferable. Entities that obtain natural gas transmission authorizations must comply with the terms and conditions of these and any appended specifications.

Access to the gas transmission network: principles and tariffs

Pursuant to its ruling on the pricing decision of December 13, 2012, the CRE defined the methodology and set the tariffs known as "ATRT 5" destined to apply from April 1, 2013 for a period of four years. The tariff structure is updated April 1 each year. In each year, it is drawn up to cover the income authorized by the CRE, according to observed inflation data and the best available forecasts of capacity subscriptions for the year in question.

The implementation of new tariffs is reflected in an increase of 8.3% in 2013 before increasing by 3.8% per year from 2014. The actual basic rate of return before corporate tax applied to the RAB is set at 6.5%. An increase of 3% is retained for investments already made, creating additional capacity on the main network. In terms of new investment, the allocation of this increase is restricted to the following projects: doubling of the Burgundy route and decentralized odorization of natural gas.

(1) Source: internal benchmark from public data for 2010.

(2) Cumulative length of the network: length in kilometers of the pipes for the network in question multiplied by the percentage stake held by GDF SUEZ.

The blueprint for net operating expenses includes a productivity objective. An incentive for cost control in investment programs is introduced, along with a revision clause after two years enabling adjustment of the blueprint for net operating expenses for 2015 and 2016, under certain conditions.

The RAB 2012 for the transmission network stands at €6,882 million (subject to validation by the CRE).

Transmission Europe

Germany

Megal GmbH & Co. kg ("Megal"), owned 44% by GRTgaz Deutschland (a wholly-owned subsidiary of GRTgaz), 51% by Open Grid Europe (formerly E.ON Gastransport) and 5% by OMV (Austrian company), has a pipeline network connecting the Czech and Austrian borders with the French border. Megal has granted rights to use its assets to GRTgaz Deutschland and to Open Grid Europe, which separately manage the transmission service purchased by the consignors on their part of the network. GRTgaz Deutschland GmbH markets approximately 58% of the capacity of the Megal network.

In May 2012, the regulator ruled on the application to authorize the costs for benchmark year 2010 over the second regulatory period (2013-2017). The regulator then conducted a benchmark study to determine the individual efficiency factor for TSOs applicable to the second regulation period; GRTgaz Deutschland scored 100% in terms of individual efficiency.

In November 2012, GRTgaz Deutschland was certified ITO (Independent Transmission Operator).

Austria

BOG is owned at 34% by the Group through its subsidiary GRTgaz, 51% by Gas Connect Austria (formerly OMV Gas) and 15% by E.ON-Ruhrgas, and holds the exclusive market rights for some 388 km of partially twinned pipeline capacity held by Gas Connect Austria running from Baumgarten, on the Slovakian border, to Oberkappel, on the German border, where it is interconnected with the Megal network. In 2012 tariff negotiations took place with the Austrian regulator on authorized income for the next regulatory period (2013-2016).

Conducted within the Third Directive inplementation framework, negotiations on the restructuring of these activities should be finalized by the end of Q1 2013.

Transmission business strategy

The GRTgaz strategy project for the period 2013-2016 focuses on three areas:

- development of the network and services for safe, competitive supply enabling future energy solutions in France: in France, with the completion of major investments contributing to the enhanced fluidity of the market between North and South, and continued improvement in the integration of European markets; internationally, working closely with other Group entities in countries where growth in gas demand is resulting in a sharp development in gas infrastructures;
- improvement of performance in businesses to achieve positioning as the reference transmission operator:
  - to simplify and transform operations to increase efficiency,
  - further improvements to network availability and to ensure compliance with regulatory requirements (industrial safety, environment),
  - to optimize information systems so as to provide customers with the information required to manage their gas portfolio and their production processes;
- to develop commitment and professionalism in order to:
  - establish a culture of safety and reduce the number of accidents in 2016 to a quarter of their present level,
  - encourage innovation in the operation and maintenance of industrial facilities (security, quality of gas), optimization of maintenance and asset management, upgrading to more smart communication,
  - support the use of gas, particularly in industry, working on the potential conversion of oil or coal to natural gas with available technologies, and encouraging the connection of new customers,
  - prepare the network for the transmission of other gases (biomethane, H_2,CO_2).

1.3.5 ENERGY SERVICES BUSINESS LINE

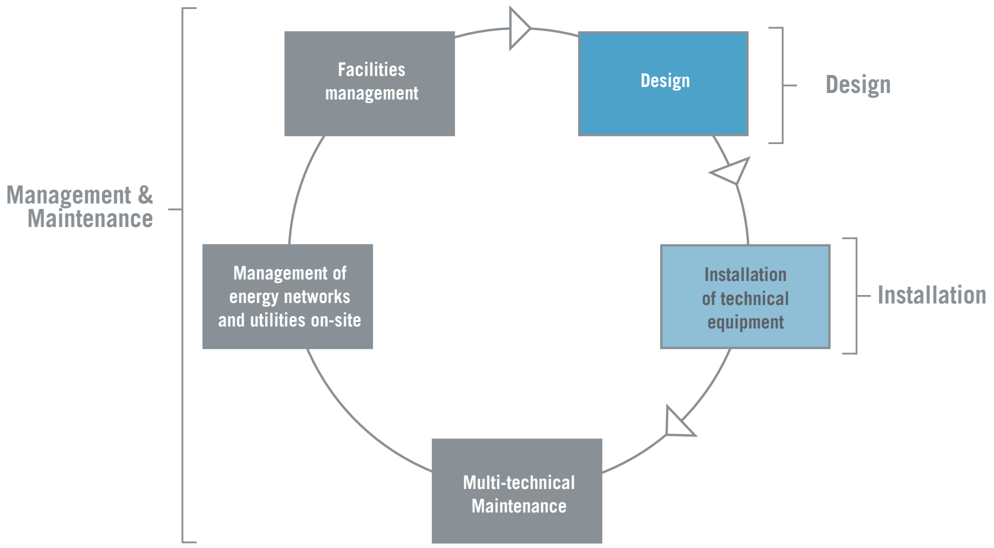
1.3.5.1 Role

European leader in energy services, GDF SUEZ Energy Services offers, via the Cofely brand, environmental and energy-efficient solutions to its industrial, tertiary, local authorities, public administration, and infrastructure customers through services which are:

- multi-technical (e.g., electrical, thermal or HVAC engineering and system integration, etc.);
- multi-service (e.g., engineering, installation, maintenance, operation and facilities management);
- multi-energy (e.g., renewable energy sources and gas, etc.);
- multi-country.

They cover the entire technical services value chain from design, installation and maintenance of equipment to the management of energy and utilities and long-term multi-technical or facilities management. GDF SUEZ Energy Services supports its customers throughout the life cycle of their facilities and their sites. The services provided by GDF SUEZ Energy Services enable its customers to get the most out of their assets, manage their costs more efficiently, improve their energy efficiency and focus on their core activity.

COMPREHENSIVE SOLUTIONS THROUGHOUT THE LIFE CYCLE OF OUR CUSTOMERS' FACILITIES AND SITES



Environmental and energy efficiency is a European priority in the fight against global warming and one of the major elements in sustainable development policies for companies and local authorities worldwide. It also lies at the core of GDF SUEZ Energy Services. More-efficient energy use means obtaining optimal service that reduces both the overall energy bill as well as its environmental impact.

Active throughout the energy services chain, from designing facilities to their long-term management, the GDF SUEZ Energy Services companies can work closely with their customers to guarantee them long-term performance. Massive challenges exist both in industry, where management of the energy bill is a key source of competitiveness, and in cities and the building sector, which harbor the main sources of CO_2 reduction. In this context, a partner like GDF SUEZ Energy Services can handle all of the problems and offer a custom package tailored to the specific needs of each customer.

The GDF SUEZ Energy Services offer may include techniques such as cogeneration that have a high energy return, and may also include the use of renewable energy sources, such as biomass, geothermal or solar energy.

In addition, GDF SUEZ Energy Services companies are ideally placed – in terms of technical expertise, project management, contract relations, and geographical networking – to meet the major challenges that numerous industrial and service sector customers face:

- the need to refocus on core activities and outsource the search for integrated multi-technical and multi-service solutions, in both the private and public sectors;
- the need to implement energy-efficient solutions in industry and the tertiary sector;
- modernization of public institutions: health care establishments, university campuses, military or penitentiary sites, etc.;
- the need to pay increasing attention to mobility and safety with, consequently, a major need to upgrade rail, road, and urban transport infrastructures;
- new forms of contracts that allow performance-based indexing or the sharing of savings made.

1.3.5.2 Strategy

With revenue of €14.7 billion, GDF SUEZ Energy Services is the leading player operating on the European energy services market, trading under recognized commercial trademarks: Cofely, Cofely Axima, Cofely Endel, Cofely Ineo, Cofely Réseaux, Cofely Services and Tractebel Engineering.

Against this background, GDF SUEZ Energy Services has the following strategic priorities:

- to consolidate its position as the European leader of energy efficiency services by increasing the sales dynamic and developing innovative offerings: energy performance contracts, public-private partnerships, new services, etc.;
- to strengthen the services component in management and maintenance activities and concentrate on the high added-value sectors of facilities activities that require systems integration capacity or expertise in facilities engineering;
- external growth through targeted acquisitions, development in new geographical regions and new activities;
- to continue to improve its profitability by rationalizing the current portfolio of business activities, mobilizing internal synergies, and developing cross-functional offerings.

1.3.5.3 Organization

GDF SUEZ Energy Services: business organization by country

The business line was reorganized in spring 2012 with the pooling under a single authority of the Europe and international BUs in the International division, and the creation of an activity dedicated to network activity.

It is now composed of six activities: Engineering, France Facilities Systems & Maintenance, France Network Services, Benelux, and International. Each activity is placed under the authority of a single manager reporting directly to the business line's General Management. The business line's management is deliberately decentralized to ensure that decisions are made as close to the operations as possible. Commercial and technical cooperation between the GDF SUEZ Energy Services entities and other GDF SUEZ entities is encouraged in order to achieve optimum efficiency in terms of sharing technical and commercial expertise and costs.

The GDF SUEZ Energy Services offer covers the entire multi-technical services value chain:

- design engineering;
- electrical, mechanical and HVAC engineering; system integration; large projects; industrial maintenance;
- multi-technical management;
- on-site management of energy networks and services as well as urban networks including mobility and public lighting;
- facilities management.

1.3.5.4 Key figures

2012 figures in millions of euros	2012	2011	Gross change *(in %)*
Business line revenues	14,693	14,206	+ 3.4%
EBITDA	1,018	1,005	+ 1.2%

The business line has 77,000 employees in almost 30 countries, most of them in Europe, where it is active on some 1,300 sites.

1.3.5.5 Highlights

January

- Acquisition of energy efficiency company Adelt in Canada.

February

- Nantes Métropole chose Cofely to extend and operate its urban heating network.

March

- Sanofi signed a partnership agreement with Cofely to improve the energy performance of its sites in Europe and Turkey.

April

- For the third year running, under the patronage of yachtswoman Catherine Chabaud, the Citizens Energy Awards in France were presented in Paris, at the Economic, Social and Environmental Council. Cofely Services Belgium launched the 1st "Most sustainable town" prize.
- Cofely signed a contract with the Municipality of Bari in Italy over 19 years for the installation of a roof-based photovoltaic system, the installation of condensing boilers and a remote control system and lighting management for over 80 school buildings.

June

- Cofely was chosen to build and operate two "green" data centers in Hamburg and Norderstedten, Germany.
- GDF SUEZ pooled all its B to B energy services brands under its Energy Services business line, using the name Cofely. This is the leading brand in terms of the Group's energy efficiency services for industrial customers, the tertiary sector and public authorities.

July

- Through Cofely and Tianjin Innovative Finance Investment Co., GDF SUEZ signed the final agreement to build and operate the district cooling network over 23 years in Yujiapu, the new business district of Tianjin, China.
- Cofely was selected by Ineo Lille to replace the power supply of Line 1 of the VAL, the city's automatic metro network.

October

- Cofely signed a five-year contract to provide technical services for the Shard in London, the tallest building in Western Europe.

November

- Tractebel Engineering and its consortium partners were appointed by Eskom, a South African community servicing company in charge of electricity, to provide engineering and project management for one of the largest concentrating solar power plants in the world, built according to solar tower technology (estimated capacity 100 MW) in Upington, South Africa.
- The municipality of Avignon and the Urban Community of Greater Avignon signed a Public-Private Partnership (PPP) for the renovation, operation, maintenance and financing of public lighting and the enhancement of Avignon's heritage.

1.3.5.6 Description of activities

Engineering

Tractebel Engineering is one of the leading engineering firms in Europe. Operating in 20 countries, it provides engineering and consulting solutions to public and private-sector clients in the electricity, nuclear, gas, industry, and infrastructures sectors. Tractebel Engineering offers a range of innovative and long-term solutions throughout the life cycle of its customers' facilities: feasibility studies, basic engineering, assistance with project management, assistance with operations and maintenance, and dismantling.

Systems, Facilities and Maintenance

Through its specialist subsidiaries, such as Cofely Axima, Cofely Endel, Cofely Ineo and Cofely Fabricom, GDF SUEZ Energy Services provides its customers with multi-technical services to extend the working life and improve the reliability and energy efficiency of their facilities. GDF SUEZ Energy Services operates in the tertiary, industrial, transport and local authority sectors and provides innovative solutions for:

- electrical engineering and communication and information systems;
- HVAC engineering and refrigeration;
- mechanical engineering and industrial maintenance.

Energy services

Leader in Europe, Cofely develops energy and environmentally efficient packages for customers in the tertiary and industrial sectors and helps local authorities with sustainable urban development. Cofely offers solutions for:

- improving the energy and environmental efficiency of buildings (technical management-maintenance, energy efficiency agreements, etc.);
- production, operation and distribution of local and renewable energy sources (cogeneration stations, industrial utilities, heat and cold networks, street lighting, etc.);
- integration of services (facilities management, multi-site management, public-private partnerships, etc.).

Electricity production and distribution

GDF SUEZ Energy Services, with its subsidiary SMEG, distributes electricity and gas in Monaco, and produces and sells electricity in the Pacific region with its subsidiaries EEC (New Caledonia), EDT (French Polynesia), EEWF (Wallis and Futuna) and Unelco (Vanuatu) as a partner in the development of these territories.

Main markets

The region covered by GDF SUEZ Energy Services is mainly Europe: the business line is the leader in France, Belgium, the Netherlands and Italy, and has a strong position in neighboring countries. It also has bases for expansion in Central Europe and growth opportunities further afield (particularly in India, Brazil, Chile, the United Arab Emirates, South-East Asia and Canada).

The business line is active in four main markets:

- industry, which accounts for about 35% of its business. The business line's major industry customers are the oil industry, the paper industry, chemicals, power generation, steel making and food processing;
- private services, accounting for some 25% of its business, mainly in offices and business centers, shopping malls, data centers and the private residential market;
- public services, which also accounts for about 28%. The business line has a strong presence in multiple occupancy buildings, public administration, hospitals, university campuses, etc;
- 12% of its activity is in the infrastructures segment. The business line carries out installation and maintenance work for the electricity and gas networks, ports and airports and street lighting networks, etc.

Although investments in the industrial market are currently sluggish, this segment offers growth opportunities for targeted service activities, which benefit from the outsourcing trend, the tightening of environmental constraints, and the search for energy efficiency.

The development of public/private partnerships, especially in the public services sector, is a favorable factor for growth in combined facilities and services activities.

Finally, the infrastructure market remains attractive, due to numerous local authority initiatives. GDF SUEZ Energy Services is also recognized as a major player in this market through niche activities in transportation and intelligent security technologies.

With a good balance of activities between engineering, installation and services, GDF SUEZ Energy Services brings a unique portfolio of complementary activities to the European market that differentiate it from its competitors. Its main competitors are now Dalkia, Vinci Energies, Spie, Imtech, Johnson Controls, Sodexo, and so on.

1.3.5.7 Regulatory framework

The main regulatory changes impacting GDF SUEZ Energy Services at European, national and regional levels are:

- broader and more stringent environmental standards regarding, in particular, greenhouse gas reduction targets and the development of renewable energy sources;
- the introduction of mandatory improvements in energy efficiency and development in energy-performance clauses in contracts;
- the development of public-private partnerships.

Combined with increased energy prices in the medium term, these changes represent a growth opportunity for GDF SUEZ Energy Services. In fact, they encourage customers to seek the services of specialists in heating, electricity, and the environment who are capable of designing, developing and managing their facilities under optimum technical and financial conditions. With its unique blend of activities and expertise, GDF SUEZ Energy Services is ideally positionned to satisfy these growing demands.

1.3.6 ENVIRONMENT BUSINESS LINE

The activities of GDF SUEZ in environmental services (water and waste) are performed through its stake in SUEZ Environnement. The Group announced on January 22, 2013 that, given the various notifications of withdrawal received from the parties, when the SUEZ Environnement shareholders' agreement expires on July 22, 2013 it will not be renewed (see Section 1.1.4 "Strategic Priorities").

PRINCIPAL KEY FIGURES FROM THE CONSOLIDATED INCOME STATEMENT

In millions of euros	2012	2011
Revenues	15,102	14,830
EBITDA	2,450	2,513
Current operating income	1,146	1,039
OPERATING INCOME SUEZ ENVIRONNEMENT SHARE	**251**	**323**

(SUEZ Environnement Company 2012 Registration Document data)

CONSOLIDATED BALANCE SHEET – PRINCIPAL KEY FIGURES

In millions of euros	December 31, 2012	December 31, 2011
Non-current assets	18,881	18,700
Current assets	7,755	8,361
TOTAL ASSETS	**26,637**	**27,061**
SUEZ Environnement Company shareholder's equity	4,864	4,946
Non-controlling interests	1,995	1,871
Other liabilities	19,777	20,244
TOTAL EQUITY AND LIABILITIES	**26,637**	**27,061**

(SUEZ Environnement Company 2012 Registration Document data).

With revenue of €15.1 billion and 79,550 employees as of December 31, 2012, SUEZ Environnement is a benchmark player in the environmental market worldwide (water and waste).

SUEZ Environnement is active in all water and waste cycles and is thus an expert in those areas. It operates on behalf of both local authorities and private entities.

SUEZ Environnement's water-related activities include, in particular:

- capture, treatment and distribution of drinking water;
- network maintenance and plant operation;
- customer management;
- municipal and industrial waste water collection and treatment;
- design, construction, occasional funding and operation of drinking water production plants and waste water treatment plants, as well as desalination and treatment plants for recycling it back into use;
- studies, master plans, modeling of underground water tables and hydraulic flows, and project management of infrastructure and water management projects;
- biological and energy recovery of sludge from sewage plants.

SUEZ Environnement waste activities include, in particular:

- waste collection (from households, local authorities and industries; non-hazardous and hazardous, excluding waste that may be contaminated by radioactive residue from nuclear activity) and urban cleaning;
- pre-treatment of this waste;
- sorting, recycling and energy recovery from organic and recycled matter;
- incineration or landfill removal of residual matter;
- integrated management of industrial sites (sanitation, cleanup and rehabilitation of polluted sites and soil); and

- treatment and recovery of sludge.

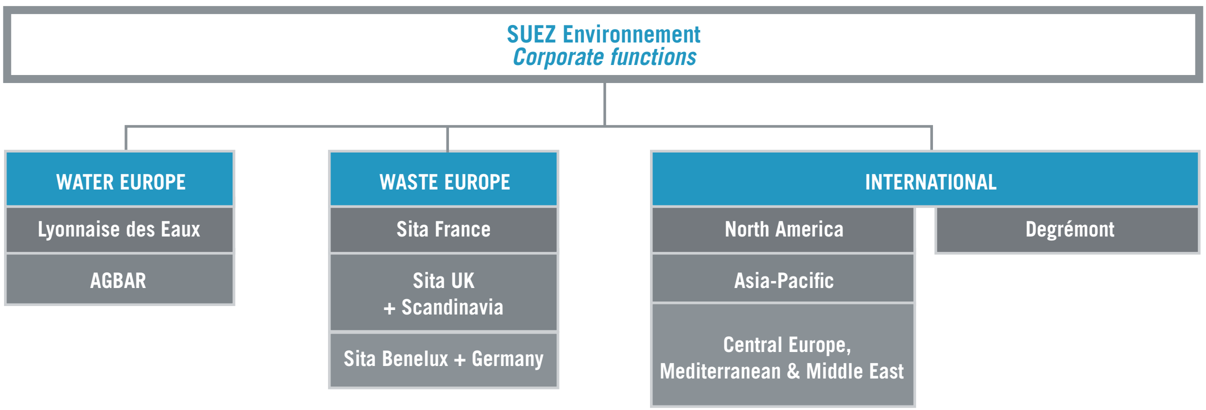
SUEZ Environnement's business dealings with public and private customers take the form of various types of contracts:

- in water, it signs mainly public service delegation contracts (leasing contracts or concessions), and public sector contracts, but also service, operation and maintenance contracts and construction and engineering contracts;
- in waste, it signs service contracts, management contracts, (delegated or non-delegated, integrated or non-integrated), operation and maintenance contracts and design-build-operate contracts.

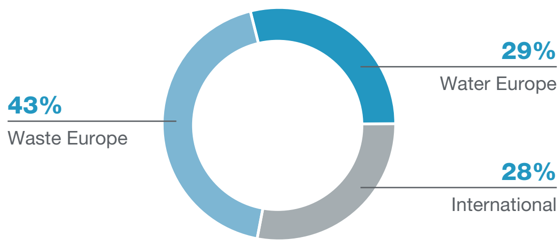
In 2012, 48.5% of consolidated revenue of SUEZ Environnement was made by the water business and 51.5% by the waste business.

In water, in 2012 SUEZ Environnement operated nearly 1,200 drinking water production plants, servicing some 97 million people. SUEZ Environnement also operated nearly 2,300 wastewater treatment plants for over 66 million people. In waste in 2012, SUEZ Environnement treated over 44 million tons of waste, and provided waste collection services for over 50 million people as well as over 466,000 customers in services and industry. Degrémont, the world leader (in terms of revenue) in designing and building wastewater treatment plants, also offers SUEZ Environnement a key competitive advantage.

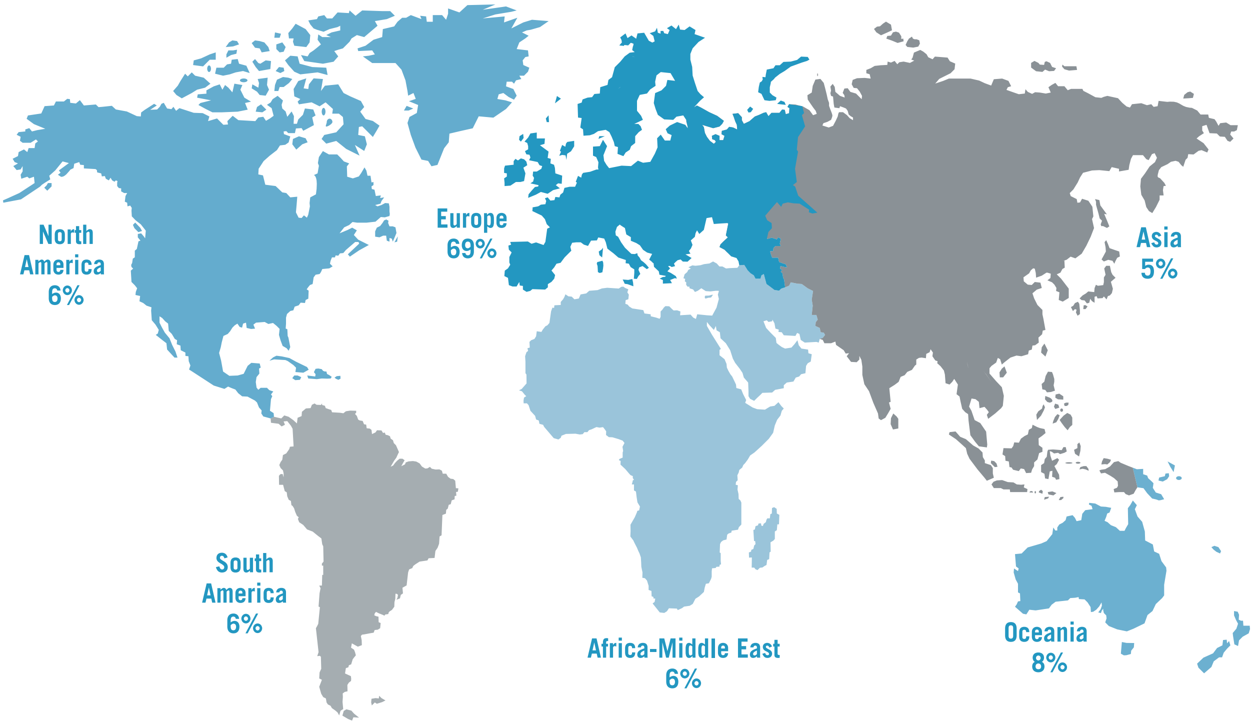
SUEZ Environnement is structured around three main segments: Water Europe, Waste Europe, and International (Degrémont and activities outside Western Europe), which are themselves split into nine business units. Another segment, called Others, covers only corporate functions.



The chart on the right shows SUEZ Environnement's consolidated revenue breakdown as of December 31, 2012, in terms of its structure ("Others" is not shown as it covers only the corporate functions grouped under SUEZ Environnement):



Traditionally, SUEZ Environnement Group finds its source of growth in the European market, which remains its benchmark region. On the basis of this strong European position, which is particularly marked in France, SUEZ Environnement is adept at adapting its expertise and skills for use in other continents. The chart below shows the SUEZ Environnement revenue broken down by geographical area as at December 31, 2012[(1)].

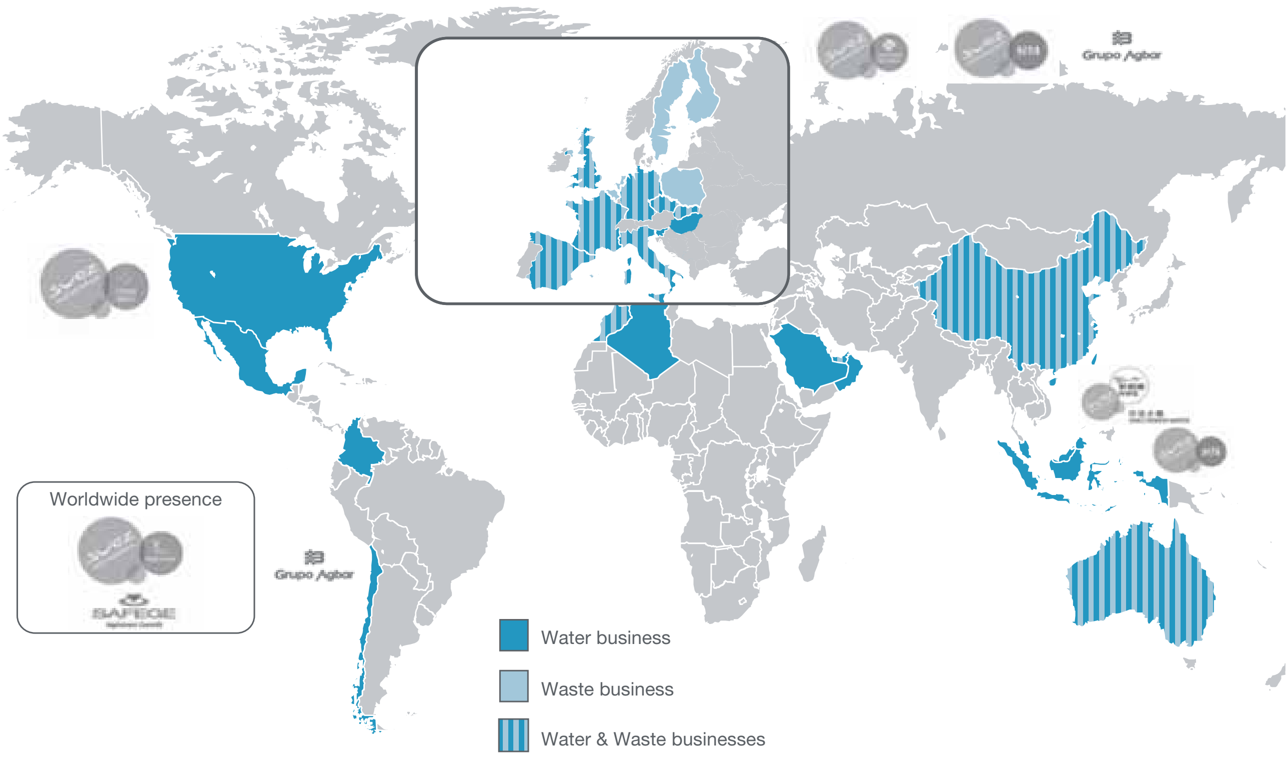


SUEZ Environnement has a broad network of subsidiaries and branches; at the end of 2012, it was operating in over 38 countries. As a result, outside Europe, major cities such as Hong Kong, Casablanca, Algiers, and more recently New Delhi, have turned to SUEZ Environnement to manage all or part of their water, sanitation and waste management services, or for the construction of large infrastructures in these areas. SUEZ Environnement usually operates in partnership with local public or private entities (industrial companies, finance companies or their associates) that have an in-depth knowledge of the local context, following the example of its historic partnership with La Caixa (Agbar in Spain), or with New World (Sino-French Holdings in China).

SUEZ Environnement operates around the world under various well-known brands, in particular SITA in the waste segment, and Lyonnaise des Eaux, United Water, Degrémont, and Ondeo Industrial Solutions in the water segment.

(1) This chart shows the geographical distribution of SUEZ Environnement's sales, independently of the accounting segmentation used in the Group's consolidated financial statements.

The map below shows the locations of the main subsidiaries as well as the main brands under which SUEZ Environnement was active around the world as of December 31, 2012.



Finally, SUEZ Environnement has always placed research and development (R&D) at the heart of its business, particularly through major partnerships, teaming up with both public agencies (e.g., Cemagref, the French national center for scientific research (CNRS), the Universities of Tongji and Tsinghua in China, University of California Los Angeles (UCLA) in the United States as well as private entities (R+i Alliance partnership involving Lyonnaise des Eaux, Agbar, United Water, Northumbrian Water and SUEZ Environnement).

For more detailed information about SUEZ Environnement Company, see its Registration Document.

1.4 REAL ESTATE, PLANT AND EQUIPMENT

The Group owns or leases a significant number of real estate properties, facilities, and plants around the world. Many Group activities involve operating very large plants that the Group only partially owns.

At December 31, 2012, the Group operated electricity power plants, natural gas terminals and storage facilities in over 30 countries.

The tables below show the main facilities currently in operation, either wholly or partially owned by the Group. Leased properties are covered in Notes 21 and 22 of Section 6.2, “Consolidated Financial Statements”.

POWER PLANTS (> 400 MW)

Country	Site/plant	Gross capacity [1] *(MW)*	Type
Germany	Zolling	534	Biomass and coal-fired plant
Saudi Arabia	Marafiq	2,744	Natural gas plant
	Riyadh PP11	604	Natural gas plant
Australia	Hazelwood	1,542	Lignite plant
	Loy Yang	955	Lignite plant
	Pelican Point	479	Natural gas plant
Bahrain	Al Dur	1,234	Natural gas plant
	Al Ezzel	954	Natural gas plant
	Al Hidd	929	Natural gas plant
Belgium	Amercœur	437	Natural gas plant
	Coo	1,164	Pumped-storage plant
	Doel	2,911	Nuclear plant
	Drogenbos	538	Natural gas plant
	Herdersbrug	480	Natural gas plant
	Ruien	608	Natural gas, biomass and coal- fired plant
	Tihange	3,016	Nuclear plant
Brazil	Cana Brava	450	Hydroelectric plant
	Estreito	951 [2]	Hydroelectric plant
	Ita	1,450	Hydroelectric plant
	Jorge Lacerda	773	Coal-fired plant
	Machadinho	1,140	Hydroelectric plant
	Salto Osòrio	1,078	Hydroelectric plant
	Salto Santiago	1,420	Hydroelectric plant
Chile	Mejillones	869	Coal-fired and natural gas plants
	Tocopilla	963	Natural gas, coal- and fuel oil-fired plants
United Arab Emirates	Fujairah F2	2,000	Natural gas plant
	Shuweihat 1	1,500	Natural gas plant
	Shuweihat 2	1,510	Natural gas plant
	Taweelah	1,592	Natural gas plant
	Umm Al Nar	2,240	Natural gas plant
Spain	Cartagena	1,199	Natural gas plant
	Castelnou	774	Natural gas plant

(1) Capacity of assets held by GDF SUEZ, all of which are taken into account irrespective of the real ownership percentage.
(2) Plus 136 MW under construction (to be commissioned in 2013).

Country	Site/plant	Gross capacity [(1)] *(MW)*	Type
United States	Astoria 1	575	Natural gas plant
	Astoria 2	575	Natural gas plant
	Armstrong	620	Natural gas plant
	Bellingham	527	Natural gas plant
	Blackstone	478	Natural gas plant
	Coleto Creek	635	Coal-fired plant
	Hays	893	Natural gas plant
	Midlothian	1,394	Natural gas plant
	Northfield Mountain	1,124	Pumped-storage plant
	Red Hills	440	Lignite plant
	Troy	609	Natural gas plant
	Wise County Power	746	Natural gas plant
France	CombiGolfe	435	Natural gas plant
	CyCoFos	490	Natural gas and steelworks gas-fired plant
	DK6 (Dunkirk)	788	Natural gas and steelworks gas-fired plant
	Génissiat	423	Hydroelectric plant
	Montoir-de-Bretagne	435	Natural gas plant
Greece	Viotia	570	Natural gas plant
Hungary	Dunamenti	1,041	Natural gas plant
Indonesia	Paiton	1,220	Coal-fired plant
	Paiton 3	815	Coal-fired plant
Italy	Isab	532	Fuel oil-fired plant
	Torre Valdaliga	1,442	Natural gas plant
	Vado Ligure	1,373	Natural gas and coal-fired plant
Oman	Al-Rusail	665	Natural gas plant
	Barka 2	678	Natural gas plant
	Barka 3	494	Natural gas plant
	Sohar	585	Natural gas plant
	Sohar 2	494	Natural gas plant
Pakistan	Kapco	1,345	Natural gas and fuel oil-fired plants
	Uch	551	Natural gas plant
Netherlands	Eems	1,931	Natural gas plant
	Flevo	996	Natural gas plant
	Gelderland	592	Biomass and coal-fired plants
Peru	Chilca	805	Natural gas plant
Poland	Polaniec	1,635	Biomass and coal-fired plants
Puerto Rico	Ecoelectrica	507	Natural gas plant
Portugal	Elecgas	840	Natural gas plant
	Pego	576	Coal-fired plant
	Turbogas	990	Natural gas plant
Qatar	Ras Laffan B	1,025	Natural gas plant
	Ras Laffan C	2,730	Natural gas plant

(1) Capacity of assets held by GDF SUEZ, all of which are taken into account irrespective of the real ownership percentage.

Country	Site/plant	Gross capacity [1] *(MW)*	Type
United Kingdom	Deeside	515	Natural gas plant
	Eggborough	1,960	Coal-fired plant
	First Hydro	2,088	Pumped-storage plant
	Rugeley	1,026	Coal-fired plant
	Saltend	1,197	Natural gas plant
	Teesside	1,875	Natural gas plant
Singapore	Senoko	3,300	Natural gas and fuel oil-fired plants
Thailand	Gheco One	660	Coal-fired plant
	Glow IPP	713	Natural gas plant
Turkey	Ankara Boo	763	Natural gas plant
	Marmara	480	Natural gas plant

(1) Capacity of assets held by GDF SUEZ, all of which are taken into account irrespective of the real ownership percentage.

UNDERGROUND NATURAL GAS STORAGE (> 200 MM³ OF NET USEFUL STORAGE VOLUME*)

Country	Location	Useful storage volume (Mm^3) net*
France	Gournay-sur-Aronde (Oise)	1,280
France	Saint-Clair-sur-Epte (Val-d'Oise)	530
France	Germigny-sous-Coulombs (Seine-et-Marne)	880
France	Beynes (Yvelines)	497
France	Saint-Illiers-la-Ville (Yvelines)	690
France	Soing-en-Sologne (Loir-et-Cher)	220
France	Chémery (Loir-et-Cher)	3,710
France	Céré-la-Ronde (Indre-et-Loire)	570
France	Cerville (Meurthe-et-Moselle)	650
France	Etrez (Ain)	576
Germany	Reitbrook	350
Germany	Peckensen	220
Germany	Uelsen	795
Slovakia	Nafta	330
Slovakia	Pozagas	280

* *Pro rata to the stake held.*

LNG TERMINALS

Country	Location	Total capacity[1]
France	Montoir-de-Bretagne	10 Gm^3(n)/an
France	Tonkin (Fos-sur-Mer)	5,5 Gm^3(n)/an
France	Cavaou (Fos-sur-Mer)	8,25 Gm^3(n)/an
United States	Everett	6,3 Gm^3(n)/an
United States	Neptune	3,5 Gm^3(n)/an
Chile	Mejillones	1,7 Gm^3(n)/an
Puerto Rico	Penuelas	0,8 Gm^3(n)/an

(1) Capacity of assets held by GDF SUEZ, all of which are taken into account irrespective of the real ownership percentage.

1.5 INNOVATION, RESEARCH AND DEVELOPMENT POLICY

1.5.1 INNOVATION IS AT THE HEART OF THE STRATEGY

The Group's expertise is enriched by a dynamic research and innovation policy supported by an international network of thirteen research centers and laboratories (including SUEZ Environnement) found in eight countries (France, Belgium, Spain, Germany, the Netherlands, United States, China, Bahrain) together with partnerships with internationally recognized organizations. More than 1,100 researchers contribute to technological excellence in all the Group's activities. In 2012, expenditure on research and technological development amounted to €236 million.

Prospective corporate research programs fall under three strategic priorities: carbon-free energy production, intelligent management of energy and the environment and gas value chains of the future. The programs relating to technologies of the future are: cities and buildings of the future, smart energy and environment, renewable energies, Offshore LNG and future gas chains and Capture, transport and storage of CO_2.

Here are a few highlights from the 2012 programs:

- *cities and buildings of the future:* the commitment made by GDF SUEZ to EFFICACITY, an institute that undertakes research programs in the field of energy efficiency in cities; the signing of a Group partnership with the city of Barcelona to develop a "smart city"; commitment by GDF SUEZ and SUEZ Environnement to the Minatec Ideas open innovation Lab led by the Office of Atomic and Alternative Energies (CEA) for the development of products and services using micro/nano technologies for cities;
- *smart energy & environment:* creation of a local manager for energy processes flexibility at an industrial site for energy optimization of the customer's energy bill connection of the first customers of the GreenLys project, first full-scale smart grid demonstrator in France; the launch of two projects for the optimized management of micro-grids (at a university campus and an industrial zone) housing intermittent renewable generation and electric storage (flywheel batteries and electric vehicles);
- *renewable energies:* continued development, in partnership, of various pilot projects and demonstrators: biomass gasification (GAYA project) electricity generation via concentrated solar power (CSP – Fresnel) in Chile, generation of electricity from ocean currents (wave energy). Launch of the AlgaeBiomix demonstrator project using microalgae to purify wastewater and produce high-value compounds;
- *offshore LNG and future gas chains:* study of alternatives to fracking for shale gas, roadmap of possible partnerships (GTI, MIT, etc.); offshore LNG technical studies on transfer and vatting, hydrodynamic study of interference between floating bodies;
- *capture, transport and storage of CO_2:* continuation of the ROAD project with E.ON, industrial-scale demonstrator in Rotterdam, completion of phase one of the 'France Nord' project (study of storage capacity in saline aquifers). GDF SUEZ is a partner in the new Octavius project to industrially test the DMXTM process for second generation post-combustion capture developed by IFPEN. Other major projects were created by businesses such as the Hazelwood capture project (Australia) and the project to inject CO_2 into the "K12B" depleted gas fields off the Dutch coast.

In 2012, innovation and value creation were still at the heart of GDF SUEZ's business culture with two major corporate events:

- the fourth edition of the Innovation Trophies: 624 entries were submitted, with 18 Grand Prizes, 2 special "transversality" Prizes, and 6 Value Creation Labels presented;
- organizing the first innovation convention with 250 participants from twelve countries. This day marked the launch of the "Innovation Practice Community" for the promotion of innovation and performance in the Group.

Finally, in 2012, the GDF SUEZ Research and Innovation department was a speaker at the 25th World Gas Conference organized by the International Gas Union in Kuala Lumpur, Malaysia. A publication on smart meters was the winner of the "IGU best practices award 2009-2012", selected from 280 entries submitted.

1.5.2 A GLOBAL NETWORK OF RESEARCH CENTERS

Research and innovation is directed by the Research and Innovation Department and is carried out mainly in specialist research centers:

- **CRIGEN** (*Centre de Recherche et Innovation Gaz et Energies Nouvelles)* is the corporate research center dedicated to the gas, new energies and emerging technologies businesses. Located in the Paris region, it had 390 employees in 2012. Its work deals with:
  - *developing products and services for end-customers, such as:* High energy and environmental performance, positive energy buildings and building complexes, eco-designed plants, smart grids, smart meters, new gases (biogas, hydrogen etc.),
  - *managing industrial assets and ensuring network sustainability and safety*: Acceptability of facilities, industrial safety, aging, injection into networks of new types of gas, offshore LNG, CSC, energy storage, integration of nanotechnology,
  - *innovative technology:* Development of performance via communication networks, terminals and digital solutions, promotion of innovative uses (Web x.0, Cloud etc.), integration of nanotechnology.

  Some key achievements in 2012:
  - nanotechnology: GrDF experimental project featuring the first detectable, communicative polyethylene pipeline developed with RYB, a specialist company in polyethylene network systems,
  - the SOUCHE Framework: solution to overcome equipment restrictions for mobile apps used by field technicians, specifically GrDF, GRTgaz and Lyonnaise des Eaux,
  - technical inspection of oil and gas pipelines: coordination of a joint working project to improve inspection techniques for oil and gas pipelines, monitoring, repair and renovation of aging structures (partnership with PRCI, the US Pipeline Research Council International),
  - marketing of the Vergne boiler, a revolutionary natural gas product for the residential market that meets the new thermal regulations 2012, based on joint patent ownership between GDF SUEZ and Vergne,
  - launch of the IDEEL institute of excellence which aims to develop R&D programs devoted to the carbon-free plants of the future. Launch of the Valenthin project for low-level energy recovery in industry.
- **Laborelec,** attached to the Energy Europe business line, is the GDF SUEZ Group's center for research and skills in electricity technology, located near Brussels. It had a staff of 255 in 2012. Its skills and activities cover the production, transmission, distribution and end-use of energy. Its expertise focuses on reducing environmental impact, improving availability and maintenance and the energy systems of the future.

  Some key achievements in 2012:
  - electric vehicles: impact study on battery charging over the grid, overall security of cars and charging terminals, carbon emissions, and total usage cost,
  - tool for local management of energy that enhances the flexibility of processes for industrial customers,
  - improved operational performance of classic and renewable power plants. Research focuses on operational excellence including efficiency, increased flexibility, reduced operating costs and maintenance costs and increased availability,
  - support to conventional power plants in Belgium and Poland to help their conversion to using biomass as fuel. Design and commissioning of the very first DeNOx catalyzer facility (reduced nitrogen oxide emissions) for the 100% biomass plant in Rodenhuize, Belgium,
  - resolution of operating problems: materials study for supercritical power plants in the Netherlands and Germany,
  - in 2012, the “Belgian Energy Research Alliance” (BERA) became a partner of the “European Energy Research Alliance” (EERA), a research coordination structure set up by the European Union. Laborelec is a founding member of BERA, and represents the organization within EERA.
- **SUEZ Environnement:** Research and Innovation at **SUEZ Environnement**, which are the key elements of its strategy, are based on the research programs of Group R&D Centers and the deployment of a deliberate policy of Open Innovation. SUEZ Environnement's R&D centers (CIRSEE, DENARD, CETAQUA, LyRe and Shanghai Chemical Industry Park) and expert networks are based in France, Spain, the United States and China. In addition to working to solve the major issues posed by health and environmental risks, its research and development efforts also aim to meet the major challenges of sustainable development. In total, more than 400 researchers, experts and technicians from around the world are engaged in innovation, research and technological development activities led by the Group.

  Some key achievements in 2012:
  - advanced treatment (micropollutants, desalination) for drinking water,
  - micro-algae used in sewage,
  - biogas from plant sludge, waste or co-methanization,
  - smart water (metering, communication protocols, networks) and buildings management.

  Through Blue Orange, the SUEZ Environnement investment fund, and technological tests, Open Innovation programs were used to assess some 500 technologies and achieve create 40 developments.

- **Cylergie**, Research Center of Cofely, GIE of the Energy Services business line is based near Lyon. Its skills are used by sales and operating teams for energy services activities. Its research priorities are: heating and cooling networks, renewable energy and thermal storage, energy efficiency, comfort and Indoor Air Quality, health risk management, controlling the environmental impact of our facilities.

  Some key achievements in 2012:

  - audit solution and digital simulation of multi-energy performance of office complexes,
  - "air quality and energy performance" offer for swimming pools,
  - Free cooling offer for Data Centers,
  - simple monitoring solutions (wireless, USB etc.) for comfort and energy efficiency in buildings,
  - emissions monitoring tool dedicated to large-scale biomass combustion facilities.

- **Cofely Ineo**, which is under the Energy Services business line, is based in France and structures its R&D and innovation activity around the ideas of systems and "systems of systems" that bring together the company's expertise in energy, communication networks and information systems.

  Some key achievements in 2012:

  - launch of the European Smart Campus R&D project ensuring the implementation of Smart Grid technologies for the benefit of electro-mobility,
  - participation in the launch of the "City Protocol Society" bringing together industry players and international cities to set international standards applicable to digital cities (open data, internet of things, communicating networks etc.).

- **Tractebel Engineering**, part of the Energy Services business line, is present in 20 countries in Europe, Latin America, Asia, the Middle East and Africa and implements projects in 110 countries worldwide. Its R&D activity covers the following domains: sustainable energy, nuclear energy and electricity distribution and transmission networks.

  Some key achievements in 2012:

  - presentation of the results of the PEGASE consortium to the European Commission. The project developed a new generation of tools to simulate the European transmission network incorporating renewable energy,
  - participation in the OECD project concerning the experimental validation of the use of hydraulic codes in the field of accident scenarios.

- **The Exploration & Production BU**, attached to the Global Gas & LNG business line, carries out R&D for the Group in geosciences for exploration & production and underground storage.

- **In the nuclear field,** various R&D activities are undertaken in the following fields: surface or geological storage of nuclear waste, final shutdown and dismantling of nuclear facilities, performance improvement of existing plants and safe extension of their lifespan, optimizing fuel use, societal impacts of nuclear energy and the International Thermonuclear Experimental Reactor (ITER), etc.

1.5.3 INTELLECTUAL PROPERTY RIGHTS

1.5.3.1 Patents

The intellectual property held by the Group through patents, brands and copyright on software and databases contributes to creating technological products and services that set it apart from its competitors and enable recognition of its activities.

1.5.3.2 Brands

The flagship brand "GDF SUEZ" (name and logotype) is registered in over one hundred countries. As a vital part of the Group's intangible corporate assets, the brand is constantly monitored to protect it against any fraudulent use that could harm the Group's image. GDF SUEZ owns many other brands registered internationally, including for the activities of its various subsidiaries.

2

Risk factors

Due to the diversity of its activities, facilities, products and services, the Group is exposed to financial, industrial and commercial risks. Its leadership position in the energy and environment sector and its growth ambitions also expose it to reputational risks. The significant risks to which it is exposed, based on the Group's assessment, are described below. Other risks not mentioned or unknown to date could also affect the Group. If these risks were to occur, they could have a significant negative impact on the Group's operations, financial position and earnings, image and outlook, and/or on the GDF SUEZ share price.

2.1 RISK MANAGEMENT PROCESS

The Group has adopted a policy of Enterprise Risk Management, whose principles are consistent with professional standards (including ISO 31000, Federation of European Risk Management Associations).

The policy sets out GDF SUEZ's ambition to "better manage its risks in order to ensure its performance."

2.1.1 ROLE OF THE AUDIT COMMITTEE

The Enterprise Risk Management Policy has been approved by the Executive Committee and presented to the Audit Committee of the Board of Directors. The Audit Committee examines the risk review at least once a year. At their request, Board's Committees are kept informed throughout the year of GDF SUEZ's exposure to financial risks and to other strategic and operational risks. This allows the Board of Directors to perform its duty of monitoring the effectiveness of risk management and internal control systems required by the Decree of December 8, 2008 transposing into French law the 8th European Company Law Directive.

2.1.2 ENTERPRISE RISK MANAGEMENT POLICY

The Group's Enterprise Risk Management policy applies throughout the Group, including all business processes and business entities.

The Group encourages reasonable and financially viable risk-taking in compliance with laws and regulations and in line with generally held opinion. It stipulates that all managers are risk managers. The Management Committees of the Group's entities are the main bodies that determine the actions to be taken to manage risk, except where an ad hoc risk committee has been created, such as for market risk.

To achieve this aim, the Group has appointed the Executive Committee member in charge of the Audit and Risk Management Department as Chief Risk Officer, to oversee risk management activities. The Chief Risk Officer's role is to ensure that the Group has adequate competence in all areas for effective risk management; he manages the network of Risk Officers and the Group's Enterprise Risk Management (ERM) Committee which acts in terms of coordination and expertise. Internal Control, in conjunction with Risk Management, identifies control processes within the INCOME program that help to manage certain risks.

Each year, the Group's ERM process begins with a risk review by the Executive Committee: each priority risk identified is coordinated by a member of the Executive Committee. The ERM campaign is then launched across the Group, setting out guidelines for risk management throughout the year. Finally, the Audit Committee examines the risk review and issues an opinion on the effectiveness of the risk management system, before reporting to the Board of Directors.

Knowledge of risks resulting from feedback from operating entities, business lines and support functions is supplemented by interviews with directors, analysis of publications by external observers and review of major events.

The main risk factors to which the Group is exposed are described in this Chapter.

2.1.3 CRISIS MANAGEMENT

GDF SUEZ may have to face crisis situations. Its economic and industrial activities and social responsibility, which are very high profile, place it in the media spotlight. When a major event takes place in the areas of energy and the environment, GDF SUEZ is often asked to comment.

In order to deal with these often unpredictable or unexpected circumstances, the Group has implemented a crisis management and communication policy. The policy sets out general operating principles and the roles of the main participants. The efficiency of the system and the way it is structured (e.g. emergency plans, business continuity plans) are regularly checked using appropriate training exercises.

The Group has an alert system called "On call management". The main task of this system is to mobilize the resources needed for crisis management, while the entity concerned remains responsible for the operational management. The Group can thus activate either a reinforced monitoring system or a crisis management team, according to the nature and seriousness of events.

2.1.4 RISK AND INSURANCE COVERAGE

The GDF SUEZ Insurance Department is responsible for preparing, establishing and managing insurance programs in the areas of Group asset protection (against property damage and losses in earnings), personal protection, third-party claims (civil liability), automobile insurance and prevention.

For each of these areas:

- material Group risks are transferred to the insurance market whenever possible, and deductibles are optimized according to the nature of the risk and the cost of transfer;
- the optimization of the financing of low or moderate-level hazard risks is based largely on self-insurance plans, either directly through deductibles and retentions, or indirectly through the use of the Group's reinsurance company, whose commitments, on a cumulative basis, represent a maximum estimated loss of approximately 0.2% of the Group's 2012 revenues.

Annual premiums (all taxes included) for fiscal year 2012 for the primary risk transfer programs implemented by the Group in the areas of (A) Group asset protection (property damage and operating losses) and (B) third-party claims (civil liability) were, respectively, approximately 0.23% and approximately 0.06% of the Group's 2012 revenues.

However, the Group could, in certain cases, be required to pay out sizeable compensation that the current insurance program does not cover or could incur very high costs that its insurance policies do not reimburse or reimburse inadequately. Although the Group has among the best insurance coverage, specifically with regard to civil liability and environmental risks, it could be liable beyond the maximum insured amount or for events not covered (specifically due to the common insurance exclusions).

2.1.4.1 Civil liability

A Directors & Officers civil liability program covers the representatives of GDF SUEZ, its subsidiaries and Group representatives within its equity holdings.

A general civil liability program (including environmental damage) has been taken out for all the Group's business lines in a total amount of €800 million, all damages combined. This program operates either at the first euro or in excess of the underlying coverage taken out by certain business lines, such as SUEZ Environnement or some regions in the Energy International business line (usually with cover of $50 million).

2.1.4.2 Nuclear civil liability

As an operator of nuclear power plants in Doel and Tihange (Belgium), Electrabel's civil liability is governed by the Paris and Brussels Conventions. These established a unique system that departs from ordinary law to ensure that victims receive compensation and to encourage solidarity among European countries.

This liability falls exclusively on the operator of the facility where the nuclear accident occurs. In exchange for this strictly objective liability, the amount of compensation is capped per accident and establishes a 10-year statute of limitations. The signatory states to the conventions also created a mechanism that provides additional compensation beyond this maximum amount.

The nuclear civil liability insurance program taken out by Electrabel was adapted with effect from January 1, 2012 to comply with the Belgian national law requiring the operator to provide financial guarantees or to take out civil liability insurance.

2.1.4.3 Property damage

The Group's business lines have property insurance covering the facilities that they own, lease or manage on behalf of third parties. However, pipeline transmission and distribution networks are generally excluded from this coverage. The main programs provide cover based either on the new replacement value or on agreed contractual limits per loss event. In the latter case, the limits are set on the basis of major scenarios in accordance with insurance market rules.

Insurance covering business interruption and additional operating costs is taken out based on each risk analysis and in consideration of existing risk mitigation plans.

Construction projects are covered by "Erection All Risks" programs taken out by the client, project manager or prime contractor.

Exploration-production activity, which is carried out primarily off-shore, is covered by a specific insurance program tailored to this sector's risks and in accordance with its practices.

2.1.4.4 Marine liability

An insurance contract covers LNG transportation by gas tanker, limited to €40 million per shipment.

Marine insurance contracts cover liability as ship owner (limited to $6 billion, except for war risk limited to $500 million and pollution risk limited to $1 billion) or as charterer (limited to $750 million). Damage to ships is covered up to their agreed value.

2.1.4.5 Employee protection programs

The operating entities develop programs covering employees against the risk of accidents and medical expenses, in accordance with legislation in effect and pursuant to company agreements.

2.2 EXTERNAL ENVIRONMENT RISKS

2.2.1 ECONOMIC ENVIRONMENT

2012 was marked by a worsening of the European crisis, while the United States witnessed a hesitant recovery. Emerging economies continued to grow, but their growth depends on the level of growth in other economic areas. Given the nature of its businesses, the Group is sensitive to these economic factors, whose potential impacts are described below.

These risks are all analyzed and measured as part of strategic planning processes that allow the Group to anticipate and prepare for certain changes in the outside environment. The Group's research and innovation policy also helps to deal with strategic developments (see Section 1.5.1 "Innovation at the heart of the GDF SUEZ strategy").

2.2.1.1 The Group's exposure to economic cycles

A prolonged slowdown of operations among the Group's major customers may lead to reduced demand for energy, water and waste and related services, affecting the Group's business volumes and margins. In Europe, some of the Group's activities could be affected by relocation of their customers' operations to countries with low labor or energy costs.

The Group's geographic and sectoral diversity provides partial protection against this risk.

2.2.1.2 The Group's exposure to changes in consumption patterns

Numerous societal, regulatory and technological factors are combining to slow the growth of electricity, gas and water consumption and waste production. In Europe, business volumes are falling in the natural gas sector, associated among other things with improvements to the energy and environmental efficiency of industrial processes and in the building industry (new and existing buildings), the adoption by consumers of environmentally friendly attitudes and the image of gas associated with that of a fossil energy source emitting CO_2. In environmental businesses, we find the same downward trend in business volumes in the water and waste management sectors.

In view of these risks, monitoring mechanisms have been set up and business models adjusted, as necessary.

2.2.1.3 The Group's exposure to changes in production methods

The aim of reducing CO_2 emissions, renewable energy support systems and other regulatory and tax systems are increasing the complexity of the competitive balance among different forms of energy and creating uncertainty over relevant technology choices for the future (including gas, nuclear, coal and renewables). Incorrect forecasting regarding these changes in the energy mix could lead to misguided investment choices and damage the Group's future profitability.

The diversity and balance of the Group's portfolio of assets and customers, as well as the moderate level of CO_2 emissions of its facilities limit its exposure to this risk.

2.2.2 COMPETITIVE ENVIRONMENT

In its different businesses, the Group is confronted with increased competitive pressure, both from major international players and private or public sector emerging players. The sustained economic slowdown further exacerbates this risk. The Group rationalizes its operations and processes so as to adapt its cost structure.

2.2.2.1 Competition in the energy sector

Deregulation of electricity and gas markets, both in Europe and the United States, has opened the door to new competitors and introduced market price volatility.

In the gas sector, some major producers are becoming interested in the downstream value chain and are competing directly with established gas sales companies, including those that belong to the Group. Increased competitive pressure could have a significant negative effect on the sales prices, margins and market shares of the Group's companies.

Furthermore, in Europe there is a sustained spread between gas prices on the market and those of long-term contracts, most of which are indexed on the price of oil products (see Section 2.3.1.1 "Long-term contracts for gas supply").

2.2.2.2 Competition in the environmental sector

In the environmental sector (water and waste services), the Group's activities are also subject to strong competitive pressure from both local and international operators, resulting in tension on selling prices, as well as a risk of non-renewal of major contracts. The waste services market, specifically that of recycling, is consolidating in Northern Europe and Australia. Some forms of competition are gaining ground in the water sector: equipment manufacturing groups and local authorities who are regaining control of services.

When facing this risk, the Group may point out that it is one of the only global providers of environmental management services on a worldwide scale. The Group also shows its capacity for innovation, development of know-how and continuous improvement of operational performance (network leaks detection, optimization of waste flows, energy consumption, etc.).

2.2.2.3 Competition in development activities

The Group's growth relies in part on the development or acquisition of new energy production infrastructures. This business is subject to competition on a worldwide scale, with a limited number of players able to respond to the development of infrastructures and production tools. Increased competition may increase the cost of acquiring or developing certain assets. If this leads to excessive increases in production capacity in a given market, competition may create downward pressure on prices and degrade the position of existing assets.

2.2.3 REGULATORY AND POLITICAL ENVIRONMENT

The legal and regulatory landscape for the Group's businesses is changing in terms of both environmental and social issues and due to energy sector (de)regulation.

2.2.3.1 Environmental, societal and social laws

The Group's businesses are subject to a host of laws and regulations that address environmental protection, promote energy systems with zero or low greenhouse gas emissions, reduce energy consumption, protect health and develop safety standards:

- the European Directive on Energy Efficiency, adopted October 25, 2012, may entail volume risks for the Group, while opening up new opportunities for the Group's business related to energy efficiency;
- based on the observation of a depressed European Trading Scheme (ETS) market which does not encourage investment in low carbon technologies, the Commission proposed several initiatives in November 2012: 1) a short-term measure, named "backload", consisting of postponing the auction of 900 million quotas from 2013-2015 to 2019-2020, 2) more structural measures to strengthen the market (six very different options are under consideration and are subject to consultation). These provisions aim to raise the price of CO_2;
- the roadmap for low-carbon energy by 2050 published in December 2011, along with the Communication published June 6, 2012 on the strategy for renewable energy, set out different development scenarios for renewable energy and CO_2 reduction. These scenarios could significantly or even fundamentally guide EC legislation in the coming years;
- in France, the adoption of the "Grenelle 2" laws introduced measures which restricted a number of the Group's activities: rules relating to location, procedures for authorizing renewable energy projects, water law[1]… At the same time, energy companies are subject to stricter obligations relating to Energy Savings Certificates (CEE) and are under pressure from the Government to participate substantially in financing social support measures (e.g., to alleviate fuel poverty).

A modification or strengthening of the regulatory framework may lead to additional investment costs or operating costs for the Group that may be incurred to terminate an activity performed, without the guarantee of offsetting the cost of such termination.

The Group is working to limit "carbon risks" by diversifying and reducing the carbon content of its production mix. Thus, the Group is strengthening its presence in the renewable energy and natural gas markets. In addition, it promotes energy recovery from waste: recovery of biogas on waste storage sites, use of energy produced by incineration, sewage sludge processing by digestion.

Beyond contractual precautions, the Group is working to limit all of these risks, principally as part of an active environmental protection policy (see Section 3.3, "Environmental information") and by managing a comprehensive insurance program (see Section 2.1.4 "Risk and insurance coverage").

(1) Stricter regulatory restrictions on resource and network management, pollution reduction, and continued efforts in terms of waste management, restoration of aquatic environments, reuse of rainwater and wastewater, etc.

2.2.3.2 Sector regulation

In some Member States and at European level, public measures have been implemented through regulation in the energy sector and the extension of regulatory powers in the area of competition. They can occur by the "overtaxation" of the profits made by energy companies, the deduction of funds established for the dismantling of nuclear power plants, by changes to the market operating rules and supply security, by the regulator's intervention in the deregulated sector to encourage the development of competition or else by the desire to hand back control of utilities to local authorities. National budget deficits and high levels of indebtedness contribute to increase this risk.

Some draft regulatory developments or circumstances may alter the risk profile of the Group and impact its earnings and its business model:

- the implementation of common rules for the European internal electricity and gas market, as well as technical application measures (specifically, the development of certain network codes, going beyond purely technical provisions) could have adverse consequences for the Group in terms of long-term visibility for our investments;
- in December 2011, the European Commission published a proposal for a Directive on concessions with a view to opening them up to competition. For the Group, the concession businesses that may be affected are gas distribution, hydropower generation, distribution of heat and drinking water and household waste collection. The gas distribution concessions awarded to GrDF under a legal monopoly may be excluded from the scope of application of the Directive;
- until February 2013, a European consultation took place on the payment of electricity generation capacity. GDF SUEZ supports the development of a harmonized European scheme that would contribute to the safety of the electrical system;
- on November 17, 2010, the European Commission adopted a legislative package on energy infrastructure needed in Europe in 2020 and beyond. In this respect, GDF SUEZ has put forward a number of projects likely to be eligible for funding (direct subsidies or innovative financing) and assisted authorization procedures;
- in France, the ARENH price [1] was set at €42/MWh in 2012. The development of a truly competitive market will depend on gradual changes in rates and the ARENH price until 2015;
- in the United States, the development of electricity market regulation (primarily in Texas) could lead to uncertainty in terms of the Group's earnings in this region.

The Group tries to anticipate legislation affecting its businesses and to defend its interests through its dialogue with national governments and European institutions. It is hard to predict all regulatory changes in each country, but the Group partially limits this risk through diversification, by conducting its business in different countries. Furthermore, some regulatory developments offer new market opportunities for the Group's activities.

In addition, certain risks are discussed in Chapter 1, through the description of the legislative and regulatory framework in which different entities operate:

- 1.3.1.6 "Description of activities" for the Energy Europe business line (elements of context provided by country);
- 1.3.2.6 "Description of activities" for the Energy International business line (elements of context provided by country);
- 1.3.3.6 "GDF SUEZ E&P" for the legal framework surrounding exploration and production activities;
- 1.3.4.5 "A specific legislative and regulatory environment" for the Infrastructures business line, as well as elements of regulatory context provided for each activity: 1.3.4.7 for storage operations; 1.3.4.8 for LNG terminal operations; 1.3.4.9 for distribution activities; 1.3.4.10 for transmission activities;
- 1.3.5.7 "Regulatory framework" for the Energy Services business line.

2.2.3.3 Controlled, administered or regulated tariffs

In France, a portion of the Group's energy sales are made in the context of administered rates that are subject to regulation. French laws and rules, European regulation and decisions by regulators (in particular, the French Energy Regulation Commission (CRE) for decisions on tariffs for access to certain infrastructure) may affect the Group's sales, profits or profitability, in the event of the partial repercussion of procurement, infrastructure and commercial costs on natural gas selling prices or the partial repercussion of costs on gas infrastructure access tariffs.

For gas, the Public Service Agreement signed on December 23, 2009 in France defines the overall framework for the setting and changing of tariffs under Law 2003-8 of January 3, 2003 and Decree 2009-1603 of December 18, 2009 over the 2010-2013 period. On several occasions in 2011 and 2012, the Government suspended the application of the price formula (specifically representing supply costs) by freezing or restricting tariff increases for individuals (partial freeze in July 2011, increase restricted to 2% in July and October 2012). On January 30, 2013 the Council of State annulled these various decrees and requested that the Government adopt new decrees that comply with applicable rules covering the costs incurred by GDF SUEZ. In addition, the new tariff framework, introduced in early 2013, is expected to smooth tariff changes and reduce the risk of inadequate tariff rises. The Group remains vigilant as to the implementation of this new system.

Price control mechanisms also exist in other countries, specifically Belgium, Hungary, Italy, Romania, Slovakia, Brazil and Mexico, for the energy distribution and sales.

(1) Regulated Access to Incumbent Nuclear Energy (ARENH) is an entitlement for suppliers to buy electricity from EDF at a price regulated and in volumes determined by the Energy Regulation Commission (CRE).

2.2.3.4 Societal acceptability

To engage in its activities (e.g., in concessions or on Seveso sites, on hydropower facilities or power plants), the Group must hold various permits and authorizations. Dealing with the regulatory authorities concerned to obtain or renew them can be a long and costly process.

In addition, the Group may face opposition from the local population or associations during the installation or operation of certain equipment. An adverse development of these conditions could lead to the refusal or delay of permits and authorizations, and adversely affect the Group's business, financial situation, earnings and growth prospects.

The Group therefore implements widespread consultation upstream of its projects, forges partnerships with civil society and ensures the positive economic impact of its activities, in line with community expectations (see Section 3.4 "Societal information").

2.2.3.5 Country risk

Although the Group's operations are mainly focused in Europe and North America, which together accounted for approximately 85% of consolidated revenue (by destination country) in 2012, the Group is also expanding in fast growing countries such as Brazil, Chile, Thailand, and Peru. A significant share of gas supplies and exploration-production business comes from countries such as Russia, Algeria, Egypt, Libya and Yemen. The Group's operations in these countries, and in some OECD countries, such as France, Belgium, Spain and the United States, include a number of potential risks, whether political, economic, regulatory or financial. The Group might be unable to defend its rights before the courts in these countries in the event of a dispute with the government or other local public entities.

The Group manages these risks within partnerships or contractual negotiations adapted to each location. It chooses its locations in emerging countries by applying a formalized investment process which assesses its perception of country risk for each project, taking account of the views of specialized agencies. Arbitration clauses are included in international contracts whenever possible.

2.2.4 IMPACT OF CLIMATE

Significant climate changes (mainly in temperature, but also in terms of water availability(1) and wind) from one year to the next can cause substantial fluctuations in the electricity and gas supply-demand balance. These factors, which combine price and volume impacts, have a direct effect on the Group's income, though with a restricted impact on regulated infrastructures.

Beyond these annual changes, there has been a warming of the average climate, although periods of extreme cold are possible in Europe. Regulations require suppliers to provide storage capacities according to their customer portfolio; if reservations are not appropriate, it could lead to strong pressure on the supply-demand balance for gas in Europe, particularly in France.

Although the Group cannot protect itself against fluctuations in demand, it is able to optimize its gas purchases and its electricity production, which enables it to minimize its production and sourcing costs (see Section 2.3.1 – "Purchases and sales").

2.2.5 REPUTATIONAL RISK

The Group operates within the framework described in section 2.2 "Environmental risks".

The Group may be exposed to reputational risk, if the Group's core values, operational standards or its legitimacy as a global energy player is called into question.

Through its policies, organization, procedures and governance, the Group endeavors to prevent operational risks (2.3 "Operating risks") and smear attacks that could affect its reputation.

(1) Availability of water resources for a dam or waterway, dependent on rainfall.

2.3 OPERATING RISKS

2.3.1 PURCHASES AND SALES

2.3.1.1 Long-term gas supply contracts

The Group has built up a portfolio consisting largely of long-term take-or-pay contracts, by which the seller agrees to serve the buyer in the long-term in exchange for a commitment by the latter to pay minimum amounts regardless of whether it takes delivery or not. However, these clauses are accompanied by flexibility measures (see Section 1.3.1.6.1 "Central Western Europe").

Most long-term purchase contracts are indexed to oil products. However, with the emergence of gas marketplaces, spot gas prices have changed independently of oil prices.

Negotiations in recent years have enabled the market indices to be taken into account in long-term contracts and/or the differential between the contract price and marketplace price to be reduced. They have also led to increased frequency of price revisions. However, a situation in which the gas price on the markets remains lower than fuel-indexed contract prices in the long term could have a significant impact on Group performance if the negotiation process for long-term contracts does not enable satisfactory rebalancing.

2.3.1.2 Electricity prices

The Group is mainly a producer of electricity, but may have to purchase on the markets to supplement, in a timely fashion, the resources it needs for delivery to its customers. Recent decisions by some Member States to shut down certain nuclear power plants either immediately or in the longer term, and the debate in other States on reducing the share of nuclear power in their energy mix, could lead to volatility in electricity prices, which could have an impact on Group earnings.

2.3.1.3 Risk of supplier failure

If one of the Group's major gas suppliers were to default, the replacement cost for gas could be substantially higher than the original purchase price and affect the Group's margins, at least in the short term. To control this risk, the Group has a number of tools for flexibility and modulation (flexibility in long-term contracts, substantial storage and regasification capacity and purchasing on the marketplaces) as well as a diversified portfolio.

Similarly, Group companies that manage thermal power stations, water treatment plants or waste treatment plants may depend on a limited number of suppliers for their supplies of various fuels, materials and equipment.

Any interruption in supply, any supply delay or any failure to comply with the technical performance guarantee for a piece of equipment could harm the profitability of a project, despite the existence of protective contractual provisions.

The variety of the Group's businesses and their diverse geographical locations partially mitigates these risks and provides protection against the risk of failure of a major supplier. In addition, the Group has a comprehensive major supplier selection process and develops alternative supply solutions whenever possible.

2.3.1.4 Sales

Whether in the energy or the environmental sector, some of the Group's subsidiaries have signed contracts, which are often long-term, particularly with public authorities, whose execution may depend on just a few customers, or even a single customer. Refusal or inability on the part of a customer to meet its long-term contractual commitments may compromise the economic balance of such contracts and the profitability of any investments the operator may make.

The variety of the Group's businesses and their diverse geographical locations produce a broad range of situations and types of customers (industries, local governments and individual consumers). The Group believes that the termination of any single customer would not have a significant impact on the Group's financial position and earnings.

The main risks related to regulated sales are outlined in Sections 2.2.3.2 "Sector regulation" and 2.2.3.3 "Controlled, administered or regulated tariffs".

2.3.1.5 Operating risks related to the purchase and sale of energy

In its portfolio optimization activities for physical assets (power plants, long-term contracts) and customers, as well as in managing the associated financial positions, the Group is exposed to operating risks such as fraud, execution error and process failure. Operations are monitored via appropriate processes, and risks are taken into account as part of the Group's internal control program, "INCOME".

2.3.2 DEVELOPMENT AND GROWTH

2.3.2.1 Risks affecting external growth operations

External expansion, notably by means of acquisitions, could lead the Group to issue equity securities and to borrow. Acquisitions present risks related to integration difficulties, failure to achieve expected benefits and synergies, insufficient involvement of managers of acquired companies and departure of key employees. Moreover, with regard to investments, the Group may find itself in a conflict of interests or conflict of strategy with its partners which, in some cases, hold the majority interest in these ventures. Risks related to the valuation of assets or liabilities or non-achievement of expected results could arise at the end of the acquisition process, resulting in provisions for asset impairment.

The acquisition processes implemented by the Group, particularly during due diligence, aim to assess to the greatest possible extent the uncertainties bearing on the various risks in such cases. The resulting appraisal depends on the quality of the information transmitted to the Group and is limited by the judicial and regulatory framework applicable under local corporate law.

2.3.2.2 Risks affecting organic growth transactions and major projects

The Group bases its growth on various major industrial asset construction projects, such as gas and electricity plants, dams and waste treatment and seawater desalination facilities. The profitability of these assets – whose service life is several decades – depends greatly on cost control and construction times, the operational performance of each of the parties in the project, external phenomena (e.g. natural disasters and strike actions), regulatory and fiscal changes and changes in the long-term competitive environment, which could reduce the profitability of certain assets or result in lost revenues and asset impairment.

The Group has established operational monitoring of projects and guidance of the project portfolio at Group level, which provides the warnings needed to launch corrective actions.

2.3.2.3 Risk of nuclear development

Since the Fukushima accident and the worsening of the economic crisis, the position of nuclear power in the worldwide energy mix is once again under discussion.

Following the German political decision to close eight reactors and to end nuclear power by 2022, Italy withdrew its nuclear energy development plans, while countries such as Finland and the Czech Republic are continuing with theirs. Great Britain (where the Group already has a project) and Poland (where the Group is exploring possible activity) have also confirmed their intention to develop this energy. In Belgium, the agreement of October 22, 2009 between GDF SUEZ and the Belgian government was called into question. On July 4, 2012, the Council of Ministers decided to close Doel 1 and 2 in 2015, in line with the Law of 2003. However, by exception to this law, it agreed to a ten-year extension beyond 2015 for Tihange 1 (see Section 1.3.1 “Energy Europe business line”, Section 2.4.4 “Nuclear power plants in Belgium” and Section 6.2 “Consolidated financial statements – Note 10.3.1”).

Some hesitation is noticeable in other countries that have frozen or postponed projects in development.

Outside Europe, some countries with nuclear power (China, India, Brazil, etc.) are adopting a strategy of active development. Others, who wish to access nuclear power (Turkey, Saudi Arabia, Thailand, etc.), are showing real willingness to launch a nuclear energy program.

Regardless of the deployment in terms of new nuclear projects for the Group, there are significant human resources management challenges in this sector. It is crucial to act in terms of employee recruitment, training and retention, both for facilities in operation, service entities and Group projects.

The Group has established governance principles for the development, construction, operation and decommissioning based on its experience as a nuclear power plant operator. For its various nuclear projects that are currently in pre-development, its immediate financial exposure is not considered significant.

2.3.2.4 Risks of partnership failure

The Group develops its operations with industrial or financial partners, local authorities or private local operators. These partnerships constitute one of the ways in which the Group can share the economic and financial risks inherent to some projects, by limiting its capital employed and allowing it to adapt more appropriately to the specific context of local markets. However, changes to the project, the economic situation, the partner’s strategy or even the local political and economic context may, in some cases, lead to the failure of a partnership.

These situations may lead the Group to develop contractual arrangements for deadlock resolution or, in the event of conflict with the partner(s), to seek a solution before the relevant courts or arbitration bodies.

2.3.2.5 Risks related to design and construction activities

In the areas of energy, services and the environment, the Group works on the facility design and construction phases of some projects, in particular through specialized subsidiaries such as Tractebel Engineering and Degrémont. Although these projects are always subject to in-depth studies and the Group has acknowledged expertise, construction deadlines may not always be met and penalties may therefore be imposed on the Group, construction costs may be higher than anticipated, the facilities’ performance may not comply with the specifications and subsequent accidents may trigger the Group’s civil liability, professional indemnity or criminal liability. Such events could have a negative impact on its image, financial position, earnings and outlook.

The design, equipment purchase and construction activities are to a large extent sub-contracted to global or regional suppliers through contracts, in order to benefit, at least in part, from compensation should a risk listed above occur. The implementation of enhanced contract management processes also allows for improved control of contractual risk.

2.3.3 LEGAL RISKS

The Group faces legal risks in all its businesses and on global markets. The risks arising from the legal and regulatory framework, from operations, from partnerships and from contracts signed with customers and suppliers are mentioned in the respective sections of this Chapter 2.

In the course of its operations, the Group is engaged in a certain number of legal disputes and arbitration procedures, and is also subject to investigations and procedures under competition law. The principal investigations and procedures are described in Note 27 in Chapter 6.2. "Consolidated financial statements". With the exception of these procedures, and to the Company's knowledge, no other governmental, legal or arbitration procedure (including a suspended or threatened procedure[(1)]) exists that is likely to have, or has had, significant effects on the financial position or profitability of the Company and/or Group in the past 12 months.

2.3.4 ETHICAL RISKS

Any breach of the ethical principles of the Group could expose it to ethical risks. Ethical risks are identified and analyzed annually by the Ethics & Compliance Department as part of the review of Group risks. The result of this analysis and the corresponding action plan are presented to the Ethics, Environment and Sustainable Development Committee of the Board of Directors.

2.3.5 RISKS RELATED TO HUMAN RESOURCES

2.3.5.1 Expertise

The Group operates across a wide range of professions that mobilize various types of expertise in many of the world's regions. The Group's international growth requires new know-how and the mobility of certain employees. At the same time, demographic aging affects the Group, particularly in specific technical sectors.

In order to implement the Group strategy, awareness within entities is raised in terms of anticipation of the development of expertise and investment in staff employability. An agreement negotiated at European level covering early anticipation of career and skills management will enable the Group to predict changes in its businesses and invest in the employability of its personnel. An active policy of mobility between entities and between support functions and businesses, linked with policies for professionalization, for the development of support functions and for the recognition of experts, is also undertaken. The Group is also developing its attractiveness thanks to compensation and motivation incentives that are suited to the environment.

2.3.5.2 Social dialogue

The Group's development and frequent organizational changes can mean that consultation and negotiation no longer play their part in governing industrial relations. Should negotiation processes cease to operate, the social climate of the Company could deteriorate, notably reducing motivation and employee confidence and affecting the Group's image both outside and in-house.

GDF SUEZ is respectful of all local representation bodies. In Europe, GDF SUEZ conducts dialogue with the two staff representative bodies, the European Works Council and the French Group Works Council to support the transformations in progress. The staff representative bodies have a broad field of intervention, comprising: mobility, policy for the over-50s, collective pension savings plan and the quality of work life. This framework means that social partners are involved at the earliest possible moment in the strategic and industrial objectives pursued by GDF SUEZ.

2.3.5.3 Quality of work life and managerial behaviors

Implementing the terms of engagement and motivation of its employees and preventing psychosocial risks are part of the Group's ambition.

To help managers tackle the growing complexity of their mission in a pressurized social and economic environment, the Group invests in the promotion of managerial behavior that helps in the development of staff, relying in particular on the deployment of the "GDF SUEZ Management Way" (see Section 3.2 "Social information"). Structures are deployed at the most appropriate level: being attentive to employees (call numbers, barometer surveys, etc.), quality of life at work programs, information on career development, development of expertise and increasing the fluidity of internal mobility.

The Group's strategy and results are subject to regular internal communication that promotes cohesion and motivation.

(1) This term means investigations or controls that have begun.

2.3.6 RISKS RELATED TO HEALTH AND SAFETY AND THE PROTECTION OF GROUP ASSETS

2.3.6.1 Health and safety at work

The Group is firmly committed to reducing workplace accidents and has registered a downward trend in accident rates in recent years. A 2010-2012 Action Plan with objectives to 2015 has therefore been drawn up. Rules on temporary employees, management of subcontractors, the inclusion of health and safety in manager appraisals, management of accidents and incidents, risk assessment and control, road traffic risk prevention, and work permit systems have been validated and disseminated (see Section 3.2.7 "Health and safety policy").

Addressing the risk of death at the workplace is part of the overall system for controlling the risk of industrial accidents. However, a specific plan for the sustainable elimination of fatal accidents was launched in 2012. It relies specifically on nine "lifesaving rules" that have been developed based on past fatal accidents and which are designed to prevent these occurring in the future.

2.3.6.2 Employee safety

The international scope of the Group means it may be exposed to a number of health and safety risks, the threat of which warrants a specific organization entrusted to the Safety Department which has established a country watch. As such, the Group is required to continuously assess the risks of terrorism, armed conflicts and confrontation with criminal organizations. Geographic areas are subject to classification according to specific prevention and protection measures. To accomplish this mission, the Group relies on State services as well as specialized providers. Should a specific situation occur, the crisis unit can be mobilized to provide agents with exceptional resources, for instance in the event of an evacuation.

2.3.6.3 Protection of tangible and intangible Group assets

The Group's sites and industrial or tertiary facilities, which make up its tangible Group assets, may be exposed to malicious acts. Information, whether digital, physical or even verbal in form, constitutes the Group's intangible Group assets and may also be exposed to the same malicious acts.

To combat this type of risk, the Group has established a policy for the protection of tangible and intangible Group assets. This policy requires the entities to implement proven risk reduction solutions in technical (e.g. digital), legal, managerial and organizational areas. Sensitive sites, where tangible Group assets are located, are subject to protective measures against potential malicious acts, based on the individual requirements of the site. The Group is continuing to act to protect its intangible Group assets, in order to prevent any internal or external action aimed at capturing sensitive information and to deal with any incidents or accidents detected. The Information Security Committee, chaired by the Secretary General, coordinates and controls all actions by the Group aimed at protecting its intangible assets.

2.3.7 RISKS RELATED TO INFORMATION SYSTEMS

The introduction of new technologies (e.g. Cloud Computing, Bring Your Own Device), the evolution of industrial control systems and the development of new uses (e.g. social networking) exposes the Group to new threats. Cyber attacks and hacking attempts are increasingly targeted and carried out by true specialists.

The Group's activities and processes increasingly rely more on Information Systems. Their failure could result in information losses or leaks, delays and extra costs that represent a risk for the Group's strategy or image.

In line with the Group's internal control policy and its security policy, these risks are subject to the relevant operational security, technical and legal measures, as well as action plan implementation checks.

2.4 INDUSTRIAL RISKS

The areas of activity in which the Group operates entail major industrial risks capable of causing damage to persons and property (including employees, subcontractors, neighboring residents, consumers and third parties), exposing it to claims for civil, criminal and environmental liability. These risks may concern facilities belonging to the Group or managed by the Group on behalf of third parties (industries or local authorities). The industrial safety of the facilities that the Group operates remains one of its major concerns. The handling of these risks is subject to in-depth monitoring and targeted investments.

2.4.1 INDUSTRIAL ACCIDENTS

For the Group, risks exist in relation to operating gas transmission, distribution and storage systems, exploration-production facilities, LNG tankers, regasification facilities, electrical power plants, cogeneration and energy service facilities, waste incineration plants, water networks and water purification facilities, as well as certain services provided in an industrial environment. These risks can lead to industrial accidents or non-availability, caused by operating incidents, design flaws or external events beyond the Group's control (including third-party actions and natural disasters). These incidents can cause injuries, loss of life or major property or environmental damages, as well as activity interruptions and operating losses.

The Group carries out its activities within the framework of safety regulations. These industrial risks are controlled by implementing a safety management system at each site based on the principle of continuous improvement, which is intended to reduce the level of residual risk by responding to the highest risks on a priority basis. Industrial accident risks have also been included in the Group's internal control program.

A specific action plan for the protection of industrial control systems, linked to industrial processes, is being implemented. It aims to prevent any risk of accidents linked to their failure.

For the most part, these risks are covered by insurance policies, notably in the area of the Group's civil liability coverage. However, in the event of a major claim, given certain limitations, these policies could prove insufficient to cover all damages incurred, lost revenues and increased expenses (see Section 2.1.4 "Risk and insurance coverage").

2.4.2 ENVIRONMENTAL POLLUTION

Facilities that the Group owns or manages on behalf of third parties entail risks of damage to the natural environment (air, water, soil, the habitat and biodiversity), and may pose health risks to consumers, neighboring residents, employees and subcontractors. These health and environmental risks are governed by strict national and international regulations. Non-compliance with these environmental standards can have a significant negative impact on the Group's image, its business, financial situation, earnings and outlook, and lead to the engagement of its liability as a legal entity. Any amounts set aside, insured or guaranteed, may be insufficient. Complaints and convictions relating to the environment are given in Section 3.3.4.9 "Active prevention of environmental risks".

Health and environmental risks are regularly monitored by the Group, by external auditors and by governmental authorities, both for operational sites and shut-down facilities, such as former gas plants or landfills. In 2012, the Group created a map of environmental impacts and risks, as well as health risks.

2.4.3 SEVESO AND EQUIVALENT SITES

The Group operates a variety of high-threshold Seveso sites (or considered as such by the Group), including LNG terminals, underground natural gas storage facilities, LPG (liquefied petroleum gas) stations, thermal power plants and hazardous waste treatment centers. For each facility of this type, the Group has defined and implemented a safety management system, in accordance with European Directive 96/82/EC[1] known as "Seveso II". In addition to the high-threshold Seveso sites identified as such in Europe, the Group operates other hazardous industrial sites where it seeks to apply the same high-level industrial safety standards. To this end, the Group conducts periodic inspections and audit and control missions to ensure that these obligations are discharged.

Third-party civil liability risks resulting from the operation of Seveso or equivalent sites are covered by the Group general insurance program for civil liability (see Section 2.1.4 – "Risk and insurance coverage"). The Group believes that no reasonably-foreseeable cost or commitment regarding the points mentioned above will have significant repercussions on its consolidated financial position, cash flow and earnings. However, such costs or commitments could have adverse consequences for the Group in the long term.

2.4.4 NUCLEAR POWER PLANTS IN BELGIUM

The Group owns and operates seven nuclear reactors of the pressurized water type at two nuclear electricity production sites at Doel and Tihange in Belgium. Although these sites have operated since 1974 without any major nuclear safety incidents resulting in danger to employees, subcontractors, the general population or the environment, this type of activity could present civil liability risks for the Group, in particular should there be a nuclear accident or an incident where large quantities of radioactive contamination is discharged into the environment.

All persons working at Group nuclear power plants have qualifications appropriate for their roles, in particular control room operators. During operations, compliance with safety rules and conditions at the facilities are subject to inspection by a government agency responsible for nuclear safety (AFCN), assisted by Bel-V, its technical support subsidiary.

To maintain a high level of safety, nuclear plant operators share experiences and submit to audits by the World Association of Nuclear Operators (WANO), at their own request, or the International Atomic Energy Agency (IAEA), at the request of the nuclear safety authority. The Doel plant was audited by the IAEA in March 2010 with excellent results; the follow-up audit conducted in early March 2012 positively assessed the extent to which recommendations were implemented and corrective actions were taken. This review, conducted by an independent international body, confirms the maturity of nuclear safety as well as the fundamental role that safety plays in the Group's nuclear power plants. In addition, both nuclear sites are OHSAS 18001, ISO 14001 and EMAS-certified.

GDF SUEZ has always increased security levels at its plants after taking account of events at facilities in operation worldwide. Following the nuclear accident at the Fukushima plant in Japan in March 2011, stress tests were carried out on European nuclear plants at the request of the European Council. For the Group, the Belgian Stress Test (BEST) comprised a targeted reassessment of the safety margins of the Belgian nuclear plants, taking account of extreme natural phenomena (e.g. earthquake and flooding) and human-caused aggression (e.g. airplane crash, terrorist attacks and cyber attacks). The Belgian Federal Agency for Nuclear Control confirmed in its report of November 8, 2011 that Electrabel complied with the stress test specifications and that its safety level was adequate. Its final report, which was published at the end of 2011, nevertheless stipulated that some safety measures should be strengthened to take account of more severe natural disasters. On October 4, 2012, the European Commission published an independent report[2] on the results of European stress tests. In this report, the Group had one of the top places with four good practices identified per reactor (out of a maximum of five) and one with two points requiring attention (out of a maximum of 11). Although the Group has always complied with the highest nuclear safety standards, the safety authority could introduce new standards in the future that might generate extra costs for the Group.

In July 2012, signs of potential detects were detected in the wall of the reactor vessel at Doel 3, one of the Group's seven units. Identical tests carried out in September 2012 on the reactor vessel at Tihange 2 which has the same design, showed signs similar to those seen at Doel 3. Safety reports were sent to the authorities in December 2012. Based upon the current state of knowledge, the FANC (Belgian Federal Agency for Nuclear Control) sees no elements that would have to lead to a permanent shutdown of the nuclear power plants. However, the agency has asked for additional information to the licensee, before providing a recommendation to authorize a possible restart. Once the Agency will have all required information, it will be able to provide a decision on the restart of the two nuclear units. In the meantime, both nuclear plants have remained shut down. The length of this shut down may affect the Group's results (see Section 1.3.1 "Energy Europe business line", Section 2.3.2.3 "Risk of nuclear development" and Section 6.2 "Consolidated financial statements – Note 10.3.1").

(1) Directive 96/82/EC ("Seveso II") as amended by EC Regulation 1882/2003 and Directive 2003/105/EC.

(2) Technical summary on the implementation of comprehensive risk and safety assessments of nuclear power plants in the European Union.

The Group regularly reduces its discharges of radioactive liquid and gaseous effluents, while controlling the volume of low and medium radioactive waste produced during operations. In Belgium, all nuclear waste management is the responsibility of the National Agency for Radioactive Waste and Enriched Fissile Material (ONDRAF). Spent nuclear fuel is stored at electricity production sites pending a political decision on the fuel cycle downstream process. Costs associated with the management of spent fuel are included in the costs of electricity production from nuclear sources and are the subject of provisions (see Note 18.2 in Chapter 6.2 “Consolidated financial statements”).

2.4.5 HYDROCARBON EXPLORATION-PRODUCTION ACTIVITIES

The exploration and production of hydrocarbons is an activity subject to significant risks such as geological hazards and risks of major industrial accidents (oil spill, fire, explosion, loss of well control).

Geological hazards are related to difficulties in investigating subsoil, the physical characteristics of oil or gas fields and those of hydrocarbons. In fact, estimates of discovered reserves must be large enough and have a positive economic analysis in order for said reserves to be exploited. During production, reserves may turn out to be lower than expected and this may adversely affect the economics of their exploitation.

In order to reduce the impact of these risks, the Group:

- has its hydrocarbon reserves assessed by an independent third party;
- conducts its activities as part of consortia in which it may be an operator or simply a partner. The Group is careful to team up with companies that are known for their expertise, rules and high level of commitment to safety and accident prevention;
- insures its facilities against structural damages, loss of production and civil liability lawsuits, including pollution, in accordance with industry practice.

2.5 FINANCIAL RISKS

The Section below describes the financial risks to which the Group is exposed.

2.5.1 COMMODITY MARKET RISK

The Group is principally exposed to two types of commodity market risks: price risks related directly to fluctuating market prices and volume risks (weather-related and/or dependent on economic activity). The Group is exposed to commodity market risks as part of its everyday business, specifically gas, electricity, coal, oil and oil products, other fuels, CO_2 and other green commodities.

With the exception of trading activities, market risks are assessed by means of their impact on EBITDA. Accordingly, the main risk indicators for managing the energy portfolio include sensitivity to unit price changes, EBITDA at Risk, portfolio hedging ratios and stress tests based on predefined unfavorable scenarios. For trading activities, and in accordance with market standards, the risk indicators include sensitivities, Value at Risk (VaR) and stress tests (see Note 16.1.1 in Chapter 6.2 “Consolidated financial statements”).

The Group has implemented specific governance to control market risks based on: (i) the general principle of separation of risk management and control, (ii) a Group-level Energy Market Risks Committee (EMRC) that is responsible for validating the business lines’ risk policies and monitoring consolidated exposure, and (iii) a specific risk control unit coordinated by the Finance Department. The EMRC is also in charge of energy counterparty risk, which is discussed below, allocating limits for the main common counterparties and arbitrating in terms of the desired exposure levels, where appropriate.

Most of its electricity production activity outside Europe is secured by long-term power purchase agreements (PPA), often with local authorities, in which variations in operating expenses, in particular fuels, are transferred as ‘pass throughs’ into electricity sale prices. This greatly limits exposure to price fluctuation risks, even if the transfer is imperfect in some contracts. The Group also uses derivatives in order to provide its customers with hedging instruments and to hedge its own positions.

2.5.2 COUNTERPARTY RISK

Due to its financial and operational activities, the Group is exposed to the risk of default by its counterparties (customers, suppliers, partners, intermediaries, banks).

The impact of this may be felt in terms of payment (non-payment for services or deliveries made), delivery (non-delivery of supplies or services provided) or assets (loss of financial investments).

Given the difficult economic environment, the Group has pursued diversification in financial counterparties, enabling it to reduce its exposure to some European banks that may carry sovereign debt.

The risks are managed via framework agreements that use standard mechanisms such as third-party guarantees, netting agreements and margin calls or by the use of dedicated hedging instruments. Operational activities may also involve prepayments or suitable recovery procedures (especially for retail customers).

The Group maintains its investment policy with the aim of strong liquidity and capital protection (at December 31, 2012, 95% of centralized cash was invested in overnight bank deposits or in standard daily-quoted money market funds) and daily monitoring of performance and counterparty risk on both these investment types, allowing an immediate response.

2.5.3 FOREIGN EXCHANGE RISK

The Group is exposed to foreign exchange risks that are defined as the impact on the balance sheet and the income statement of exchange rate fluctuations as it performs its operational and financial activities. These are broken down into: (i) transactional risk related to current operations, (ii) specific transactional risk related to investment, merger-acquisition or disposal projects and (iii) translational risk, related to consolidation in euros of the subsidiaries' accounts where the functional currency is different. This risk is concentrated in dollar-denominated equity investments (in the United States and on assets considered on a dollarized basis), as well as equity investments located primarily in Brazil and Norway.

For an analysis of foreign exchange risk sensitivity, see Note 16.1.3.2 of Chapter 6.2 "Consolidated financial statements".

As part of the Group's foreign exchange risk policy, transactional risk is subject to a systematic hedging in cases where this risk is material.

Specific transactional risk is subject to a case-by-case hedging strategy incorporated in the examination of investment criteria. Risk related to the consolidation of financial statements is subject to a dynamic hedging strategy aimed at protecting the Group assets by taking foreign currency levels and euro interest rate differentials into account. To do so, the Group primarily uses foreign currency debt and exchange rate derivatives.

In terms of governance and control, identification, measurement and hedging of foreign exchange risks are realized through different bodies within the Group.

For a comprehensive overview of foreign exchange risks, see also Note 16.1.3 of Chapter 6.2 "Consolidated financial statements".

2.5.4 INTEREST RATE RISK

The Group's objective is to control its financing cost by limiting the impact of interest rate changes on its income statement and seeks to create a balanced distribution among the various reference rates over the medium term. The Group's policy is thus to diversify the net debt reference rates among fixed, variable and protected variable ("capped variable") rates. The distribution may change around the balance point according to the market situation.

The breakdown by type of interest rates of outstanding financial debt and sensitivity analysis for interest rate risk are available in Note 16.1.4.1 and Note 16.1.4.2 respectively of Chapter 6.2, "Consolidated financial statements".

To manage the interest rate structure for its net debt, the Group uses hedging instruments, primarily rate swaps and options. Managed centrally, rate positions are reviewed periodically and when any new financing is raised. Any substantial change in the rate structure requires prior approval from the Finance Department.

2.5.5 LIQUIDITY RISK

In its everyday operations, the Group is exposed to a risk of lack of liquidity necessary to meet its contractual obligations. WCR (Working Capital Requirement) consists both of elements resulting from transactions (customers, stock, suppliers) and margin calls linked to certain commodity derivatives.

Liquidity is based on the regular renewal of various financing tools available to the Group such as credit lines, bond financing or any other financing tool, to ensure their availability and their adequacy in relation to the financing requirements. These facilities are appropriate for the scale of its operations and for the timing of contractual debt repayments. Note 15.2.1 in Chapter 6.2 "Consolidated financial statements" explains the distribution of the various forms of financing used. The Group's financing policy is based on:

- centralizing external financing;
- diversifying sources of financing between the banking market and the capital markets;
- achieving a balanced debt repayment profile.

GDF SUEZ pools nearly all of the cash flow requirements and surpluses of the Group's controlled subsidiaries, as well as most of their medium- and long-term external financing requirements. Financing vehicles (long-term and short-term) provide centralization, as do the Group's dedicated cash-pooling vehicles in France, Belgium and Luxembourg.

The Group diversifies its financing resources, if needed, by carrying out public or private bond issues and if appropriate within the scope of its Euro Medium Term Notes program. It also issues treasury notes in France and commercial paper in the United States. In case of downgrading by rating agencies, the financing cost could increase.

Unpooled cash surpluses are invested in instruments selected on a case-by-case basis in light of local financial market imperatives and the financial strength of the counterparties concerned.

2.5.6 IMPAIRMENT RISK

Assumptions and estimates are made to calculate the recoverable value of goodwill and tangible and intangible fixed assets, with particular reference to market outlook, which is more sensitive for certain operations. These assumptions and estimates are needed to assess cash flows and the discount rate to apply. Any change in these assumptions could have a significant effect on the amount of the recoverable value and could lead to changes in the impairment to be recognized (see Note 1.3.1.2 in Chapter 6.2 "Consolidated financial statements").

2.5.7 STOCK PRICE RISK

At December 31, 2012, the Group holds a number of equity interests in listed companies (see Note 15.1 in Chapter 6.2 "Consolidated financial statements"), the value of which fluctuates on the basis of trends in the world stock markets.

A decline of 10% in the stock market price of these listed securities would have a negative impact of about €131 million on the Group's overall income. The Group considers that impairment indicators for listed securities occur when the value of any such security falls substantially or remains below its historical cost for an extended period.

The Group's portfolio of listed and unlisted stocks is managed under a specific investment policy and is subject to regular reporting to Executive Management.

2.5.8 TAX RISK

Changes in tax regulation or case law relating to the application of tax rules may have an impact on the Group's earnings (see Note 27.1 of Chapter 6.2 "Consolidated financial statements").

2.5.9 PENSION FUNDING RISK

A significant portion of pensions commitments and the assets associated with these plans is concentrated in France and Belgium. Other defined-benefit pension plans are mainly located in Europe, Brazil, the United States and Australia.

In recent years the Group has terminated a number of defined-benefit plans and replaced them with defined-contribution plans. The defined-benefit plans still in operation notably include, in France, the special electricity and gas industry statutory plan.

Note 19 of Chapter 6.2 "Consolidated financial statements" details the items evaluated and recognized.

Calculation of the Group's actuarial debt is based on actuarial assumptions that may vary from country to country and that include discount rates, salary increase rates and data relating to life expectancy. The use of methods, assumptions and models to assess liabilities or determine asset allocations and associated risks could have a significant impact on hedging levels and financing requirements.

In France, commitments within the scope of the special electricity and gas industry statutory plan are estimated using actuarial assumptions and rules respectively governing benefits paid out by plans operating under ordinary law and amounts that remain the Group's responsibility. These assumptions and rules may be subject to changes that increase the Group's commitments and therefore require an increase in the relevant provisions.

Substantial commitments exist in the form of other post-employment benefits and other long-term benefits, in addition to pension liabilities. These mainly comprise energy-related benefits provided to retired employees within the scope of the special electricity and gas industry statutory plan.

Hedging levels and financing requirements for the Group's pension plans vary according to the performance of financial markets and asset allocations, as well as interest and inflation rates and changes in the applicable legal and regulatory framework.

In the case of some defined-benefit plans, GDF SUEZ may be required to finance any difference between the market value of these assets and the hedging levels projected for these plans in a given period (not applicable within the scope of the special electricity and gas industry statutory plan).

3

Social and environmental information, corporate social commitments

3.1 ETHICS AND COMPLIANCE

3.1.1 ETHICS POLICY

GDF SUEZ's ethics policy aims to develop an ethics culture based on:

- the Ethics Charter, which sets forth ethical principles and the ethics governance system;
- the "Ethics in Practice" guidelines, which specify the implementation procedures;
- the Integrity Referential, procedure that describes the way the Group is structured to manage the risks to which any breach of integrity exposes it, and establishes the actions plan to implement to prevent fraud and corruption. Within this framework, in 2012, the Group adopted a business consultants policy, and finalized governing principles of commercial relationship, particularly for gifts and invitations, applicable in 2013;
- the Managing Ethical Compliance Referential, which specifies the organization and the processes deployed to achieve effective ethical measures.

A Human Rights Management Referential is in progress.

3.1.2 ORGANIZATION AND STRUCTURES

The senior managers of GDF SUEZ, particularly the Chairman and Chief Executive Officer and the General Secretary, member of the Executive Committee and the Group Ethics Officer, promote and oversee the ethics policy and ensure that it is properly applied.

The Ethics Officer Steering Committee (EOSC) and the Compliance Committee (CC), both chaired by the Group Ethics Officer, initiate and implement, each within its own scope, ethical action plans and compliance procedures in the business lines and take the necessary monitoring measures.

Within the General Secretariat, the Ethics and Compliance Division (ECD) draws up ethics action plans and compliance procedures and monitors achievement of targets. It supports the EOSC and CC in performing their duties. It drafts the ethics documents and promotes their implementation within the Group. The ECD coordinates a decentralized network of some 170 ethics officers and works very closely with all the concerned departments, including Risk Management, Internal Control, Internal Audit, Human Resources and Legal.

3.1.3 COMPLIANCE

Ethical compliance management involves:

- defining responsibilities at every level of the management line;
- monitoring and implementing the Group's ethics policy using an annual compliance procedure and a dashboard of 14 indicators to ensure its effectiveness and efficiency;
- supporting and raising the awareness of employees through training modules: e-learning (competition, corruption, etc.), business ethics and human rights;
- mandatory training for senior managers in fraud and corruption;
- reporting failures via a professional alert email and a reporting tool INFORM'ethics deployed in the business lines and BUs for notifying incidents in the following six domains: accounting and financial integrity, conflicts of interest, social responsibility and human rights, business ethics, confidential information and protection of intangible property. These two systems have been declared to the CNIL (France's National Data Protection Commission);
- taking into account non-financial criteria, including prevention and respect of human rights, in the assessment of the major Group projects;
- publishing ethics and compliance documents on the Group intranet website, and distributing the charter and the guidelines, translated into 20 languages, to all employees;
- annual analysis of ethical risks, carried out as part of the Group's risk review;
- incorporating compliance with ethical principles, particularly the prevention of the risk of fraud, within the INCOME internal control program.

3.2 SOCIAL INFORMATION

Since 2011, the Group has stated a new HR ambition: "Enhance and develop our human capital, rich in its diversity, for our activities throughout the world, by implementing an open and innovative human resources policy, thereby creating value for each person, the company and their community."

In 2012, rigorous and innovative HR orientations were developed with, and for, the Group's operating partners, to widen the Group's managerial culture, to involve employees in the results and longer-term strategic objectives, and to strengthen the high-quality social dialogue and an optimized HR performance at the service of others.

In this context, GDF SUEZ is rolling out the "GDF SUEZ Management Way" chartered to 42,000 managers, to support the Group's transformation.

"GDF SUEZ Management Way" is a key part of the group commitment: "By People For People" which was rolled out to the workforce in 2012. It specifies the fundamental principles of management and the behavioral code, day-to-day placing the collective interest at the heart of the priorities of each manager (represents 20% of the variable compensation of senior management).

"GDF SUEZ Management Way" defines three key pillars:

- "People Leadership": develop and enhance the careers of its employees (development and support, promoting mobility, personal development);
- "Group Leadership": make the Group live, spread its values (belonging, communication);
- "Business Leadership": enhanced performance, to serve our customers (customer orientation, innovation, managing complexity).

3.2.1 THE GROUP'S HUMAN RESOURCES DEVELOPMENT POLICIES

The aim of these policies is to attract, retain and develop all the Group's employees, who constitute its human capital and are, as such, a major strategic asset. They include the principles set out in the "GDF SUEZ Management Way" charter.

"People for Development, Development for People": a policy of development for all

The personal development of employees is a key performance and development lever for the Group. It requires to know all of the employees at every level of the organization (manager and HR coordinator), shared at executive level. To take into account the entire range of talent and diversity within its workforce, the Group aims to foster the energy, motivation and innovation that it needs for its development.

The Group also focuses on in-house talent in preparing for the future, building the skills of tomorrow, encouraging mobility and thus enhancing individual employability.

A steering initiative with the business lines and BUs will enable the Group to achieve ambitious targets set for 2015 in the areas of employee commitment, mobility, training, retention, diversity and preparing for the future.

The new "Development for People" guidelines bring together the various HR policies and approaches to amplify their effects on Group performance and development.

This general policy relates to:

- cross-functional policies: "Recruiting for Development", "Mobility for Development", "Management for People", "Learning for Development" and "Coaching & Mentoring for Development";
- programs dedicated to specific populations: "Development for Senior Executives", "Leaders for Tomorrow", "Development for Experts" and "Development for Functional Lines".

3.2.1.1 "Recruiting for Development"

Recruitment is a strategically important part of positioning the Group as a benchmark employer.

To achieve this objective, four key principles drive our recruitment action:

- make recruitment a major lever for ethics and corporate social responsibility;
- develop a strategic recruitment vision;
- guarantee and strengthen the employer promise;
- striving for efficiency, strong performance and professionalism.

By implementing these principles as closely as possible to the field, GDF SUEZ aims to harmonize practices, foster dialogue and measure progress.

As an employer, GDF SUEZ has seen job applications processed by "Source-In" (an integrated recruitment platform created in 2011), grow by 18% compared with 2011 (with 746 applications in France)[(1)].

To increase its attractiveness to targeted talents, especially senior technicians and women in the technical businesses, a new advertising campaign was rolled out in the final quarter of 2012.

(1) A similar platform exists in Belgium.

In 2012, the Group continued to invest in various programs providing contact with students and experienced recent graduates of the most highly-specialized institutions worldwide, notably by:

- participating in some 50 forums a year in France and Belgium, involving more than 500 representatives of the Group's various businesses and connecting directly with nearly 55,000 students;
- a three-year partnership with the "*Challenge du Monde des Grandes Ecoles et Universités*", an event that brings together 4,000 students;
- academic partnerships with Europe's most highly-specialized institutions for a one-day event involving a range of programs (Collège des ingénieurs, COPERNIC, CEMS, TIME, Energy 21st and AtomiCareers in Europe);
- a recruitment program for young engineers via social networks for a 2-year trainee program on operating sites in Latin America[1].

In France, the Group aims to develop work-based training[2]: at the end of 2012, 4,772 trainees had been hosted by the various subsidiaries (4.4% of the French workforce).

3.2.1.2 "Mobility for Development"

With a target of 10,000 transfers a year by 2015, and more than 8,000 transfers carried out at end-2012, GDF SUEZ's mobility policy aims to reconcile business challenges and employees, by:

- encouraging attraction, commitment and retention of employees;
- optimizing the match between internal expertise and the needs of the business units;
- enhancing cultural integration,cooperation and promoting diversity;
- contributing to developing employability;
- encouraging knowledge sharing and innovation development.

Five principles have been established to increase mobility at organizational, functional and geographical level:

- a fluid internal employment market;
- avoiding "owner" behaviors, with transparency and HR rules of good behavior;
- priority to Group employees;
- right to confidentiality;
- disclosure and security of intercompany transfers.

Additional support is provided to employees involved in international transfers (such as preparation for departure and return, professional development and career monitoring).

3.2.1.3 "Management for People"

This program, which is part of the "People Leadership" section of GDF SUEZ Management Way, sets out landmarks about what the Group expects from its managers in order to prepare for the future with their teams:

- know every employee and support his or her development by building a personal relationship with each individual, regardless of his/her level in the organization;
- develop the professionalism of each individual in order to improve collective performance;
- develop the employability of all employees through cross-functional and developmental career paths by encouraging job mobility within the Group.

3.2.1.4 "Learning for Development"

Two-thirds of the workforce (68.8%) attended at least one training course in 2012.

The Learning for Development Department has rolled out three channels to provide access to general training and management training to employees:

- GDF SUEZ University for 42,000 executives, high-potential managerial staff and managers with the pledge "Think, Share, Grow Together[3]": GDF SUEZ University extended its offering in 2012, supporting the Group's geographical expansion by hosting nearly 6,450 managers from 22 countries for 187 learning sessions (including 77 abroad);
- the "Learning" functional line within the business lines and BUs invites all the Group's players to work together to optimize resources, make programs more consistent and disseminate e-learning and Web 2.0 learning approaches;
- in France, the "Synerform" tool facilitates the most cost-effective access to external training programs in the various fields.

3.2.1.5 Targeted development policies

"Senior Executives"/"Experts"/"Coaching and Mentoring"/"Development Centers"

To offer appropriate career development tools to senior managers, experts and managers, GDF SUEZ deploys targeted policies through:

- increasing use of coaching and mentoring[4];
- development of Experts, aiming to promote them and enhance their progress, rewarding them with Human Capital trophies. Two specific training programs were put in place in 2012[5], as well as a social network for sharing practices and issues;

(1) More than 76,000 visits to the site with a commitment indicator of over 10% ("likes" or "followers").

(2) Registration to government target of 800,000 such trainees by 2015.

(3) Think: a place for strategic reflection (on changes relating to environmental, economical, technical and social challenges); Share: a place of integration for cohesion and the capacity for cross-functional cooperation; and Grow: a place for personal and collective development.

(4) For example, 60 young women were mentored in 2012 by a senior manager, who had himself been supported by the program.

(5) Development of the Business approach and development of the capacity to transfer expertise.

- deployment of "Development Centers", development and personal awareness tools, for 85 managers in 2012.

Efforts have also been made to encourage executive mobility. 117 senior managers changed scope or role in 2012, particularly during the creation of the Energy Europe business line.

It is worth noting that, at end-2012, there were 750 senior managers, 13% of whom were women (compared with 11.5% in 2011). 28% of the new managers appointed in 2012 were women.

"Leaders for Tomorrow" ("LFT")

The aim of the LFT program is to anticipate the needs of talented Group employees, and to guide them as closely as possible, while attracting and retaining staff with management potential.

Of 42,000 managers, including 750 senior executives, 2,661 LFTs (45 nationalities in 52 countries) can potentially be regarded as managers of the future, 25.5% represent women.

This pool produces 80% of new managers on average.

"Development for Functional Lines"

The functional lines wanted to set up an HR initiatives for the challenges of skills development. The Group Human Resources Department (HRD) helps the management of each functional line and its HR coordinator to set up practical initiatives, such as mapping key positions (to identify career paths more easily) and organizing key-manager appraisals (to identify necessary transfers and/or adjust career paths to the needs of the business).

This approach, which was initiated by the financial functional line, has been established for a year in the Legal, Procurement, Health & Safety, Communications, Information Systems, Audit and Human Resources functional lines.

To promote innovation and bring good ideas to life in the HR functional line, the HRD has encouraged the inclusion of HR projects in submissions to the Group Innovation Trophies. These projects were included the HR Yearbook for the year, along with 100 other initiatives demonstrating our HR aims.

Throughout 2012, "working together" has also meant exchanges on the internal social networks. In 2012, these communities increased in number to approximately 180, dedicated to sharing practices in various fields.

The Group's 13 HR networks (seven in France), which bring together more than 200 HR managers, facilitate job grouping exchanges, coordinate the smooth deployment of Group HR policies, the GDF SUEZ Management Way and the social foundation project, and efficiently pass on issues relating to jobs and mobility, particularly through the Committee for Management and Planning of Jobs and Skills, thereby implementing the European Agreement of 2010 (80% of the Group's workforce is covered by these European networks).

3.2.2 SOCIAL COMMITMENT: BUILDING A COMPANY COMMITTED TO CITIZENSHIP, DIVERSITY AND SOLIDARITY(1)

The Group has been implementing a global, voluntary and ambitious corporate social responsibility (CSR) policy for many years. The policy combats discrimination and promotes equal opportunities.

A social foundation project was defined at the time of the extension of the global agreement on fundamental rights, social dialogue and sustainable development, which was signed on November 16, 2010 with several international trade union federations. The project is based on four commitments by the GDF SUEZ Group: to be a company committed to citizenship, solidarity and education, rooted in the regions.

These commitments are demonstrated in the policies and actions implemented by GDF SUEZ in the area of corporate social responsibility.

3.2.2.1 Diversity within the Group

The Diversity Label

In March 2012, the French Ministry of the Interior awarded the Group the "Diversity Label" within the scope of GDF SUEZ SA and the Energy Services business line, which concerns 42,000 employees in France. The GDF SUEZ Group has decided to extend the approach, which is approved by AFNOR (French Association of Normalization), to all of its workforce in France (109,000 employees), with the aim of obtaining a general label in early 2014.

At the same time, an extensive awareness campaign for managers and the HR functional line was rolled out in 2012, as well as an online learning module, to enhance understanding of various forms of discrimination in practice.

Professional and gender equality

The aim of the European agreement on professional equality between women and men, signed in June 2012 (see Section 3.2.3), is to promote equal opportunities and treatment in practice throughout all the Group's entities, in order to change management and trade union culture and to promote diversity.

The agreement takes account of the targets set by GDF SUEZ for 2015, i.e.:

- one third of newly appointed executives will be a woman;
- 35% of high-potential managers (LFTs) will be women;
- 25% of female managerial staff;
- 30% of women recruited.

The WIN (Women in Networking) network has nearly 900 members and offers regular dialogue and group reflection on professional challenges and Group strategy. The first Win's Day was held in July 2012.

(1) For a full description of the Group's Corporate Social Responsability policy, also see section 3.4 – «Corporate information»

Seniors

CSR Europe[1], of which the Group is a founder member, has produced a report on active ageing as part of the EU initiative, “2012: European Year for Active Ageing and Solidarity between Generations”.

In 2012, the Group pursued initiatives related to the Older Employees Agreement signed in 2009 with the trade union federations, including setting up interviews for second-half career development (more than 5,500 of these interviews took place in 2011) and developing tutoring/sponsorship policies (the 3.5% target for 2011 was exceeded). The recruitment rate for the over-fifties on permanent contracts reached 6.1% in 2011, compared with a target of 3%. A booklet containing examples of good practice is now available on the Group intranet. GDF SUEZ is also pursuing a joint reflection on the employment of young and seniors and the transmission of knowledge and skills within the enterprise. A working group that brings together the Group’s business lines is looking at the various options that could make up the future “Generation Contract” in France.

Employees with disabilities

Each of GDF SUEZ’s business lines, subsidiaries and entities rolls out the Group’s disability policy in France, taking account of specific operational and local considerations. Through collective bargaining agreements or agreements with Agefiph[2], these companies implement initiatives to encourage the recruitment, career development and training of people with disabilities and to raise awareness of disability issues.

On February 16, 2012, for example, GDF SUEZ SA was awarded the Silver Prize in the “Responsible Communication” category of the Grand Prizes for HR Creativity by the ACCE, the French advisory agencies for employment communication. Handiweek had already been awarded the “Communication and Businesses” grand prize in 2011.

On November 13, 2012, GDF SUEZ SA was awarded the Entreprises/APF (a French association that promotes the integration of people with disabilities) trophy in the “Private-sector Employment” category, for having provided services to develop numbers of jobs within the APF.

In 2009, the Group set up a Disabilities Group network in France to promote the sharing of positive experiences, skill-building within business initiatives for people with disabilities, synergies between entities and the implementation of joint actions. A twin network was set up for the Belgian subsidiaries in September 2012.

In July 2012, the Group established a reporting system so that volumes of workers with disabilities and their impact on recruitments could be identified more clearly.

GDF SUEZ has been a partner of the Belgian Paralympic Committee (BPC) since April 2009, and aims to continue its action by widening the agreement to cover all Belgian athletes with disabilities.

3.2.2.2 Integration and support in finding employment

With its regional roots and its privileged relationships with social players that include local municipalities and associations, the Group is pursuing its innovative social initiatives in the area of integrating and helping into employment “vulnerable” sections of society who are distanced from the networks and structures that usually assist with training and long-term employment.

Inclusion through work-based learning

The Group continues to implement initiatives for social and professional integration, particularly in the area of work-based learning. In France, the Group relies on local projects, employment clusters and its partnership with Mozaik HR, which enabled it to recruit 16 trainees from diverse backgrounds in Île-de-France in 2012. In Belgium, Fabricom began piloting work-based learning programs for technical profiles in 2012, in partnership with the official technical training centers. This led to 12 trainees being recruited.

GDF SUEZ continued to use work-based learning as a platform for integration in 2012.

Inclusion through sports and work

With regard to integration through sport, the framework agreement signed by the Group with the Belgian Olympic Committee (BPC) in Belgium for the employment of paralympic athletes led to the recruitment of 12 athletes, mainly at Electrabel and N-Allo[3].

With FACE (Foundation for Action against Exclusion), the Group plays an active role in several innovative projects aimed at using sport as a lever and platform for social and professional integration. This applies to:

- the “Drive-Play-Work” operation, in partnership with the Ministry of Defense, sports federations[4] and regional authorities, which was extended in 2012 to the town of Metz, now involves 186 young people;
- the “A Goal for Jobs” program, with its “European Certificate in Soccer and Business Skills”, obtained in October 2012, involves identifying the skills acquired by young players through regularly practicing soccer, adding value to them and transferring them to the corporate environment through internships and/or recruitments. In 2012, 122 young people received certificates in five French towns.

As part of a social mediation project in the field of energy and water insecurity, and in partnership with FACE, Nes & Cité and the *Agence Gouvernementale du Service Civique* (Government Civic Service Agency), the Group takes action to ensure the employability of volunteers on the civic service program: 12 young people aged 18 to 25 were helped to achieve their career aims in 2012.

(1) *European observatory on corporate social responsibility.*
(2) *The association responsible for the fund that helps people with disabilities into employment.*
(3) *Electrabel call center.*
(4) *French Handball Federation and Rugby Clubs such as Béziers and Lille.*

The Group is multiplying its actions for integration and support in finding employment, largely through dedicated structures. SITA Rebond[1] specializes in the integration of populations in difficulty through economic activity. It develops and implements projects to enhance professional integration and offers individual support for the long-term unemployed, recipients of social minima benefits, unqualified young people under the age of 26, workers with disabilities and older workers.

For over a year, SITA Rebond has reinforced its action by creating "Company Clubs" for some of its units. These are spaces for dialogue and reflection leading to the establishment of a comprehensive inclusion policy that encourages the return to long-term employment. In 2012, 68% of the employees receiving support were able to find an employment or training solution (225 people).

3.2.2.3 Stakeholder relations

Academic and university partnerships in "diversity/ CSR"

The Group is pursuing a range of partnerships in France, notably in the academic world, e.g., with Sciences-Po[2] and Paris-Dauphine[3]. These partnerships foster academic research in the area of "diversity" and provide scholarships to help young students continue their studies. The funding is also often associated with sponsorship of the scholarship students by Group employees on a volunteer basis, who are part of a "Sponsorship" network set up in 2012. In Belgium, three new partnerships of this type were created in 2012 (with five scholarships awarded).

Relations with associations

The Group's collaboration with associations continues, including organizations such as FACE, which is chaired by Gérard Mestrallet and involves Group employees within its 35 local FACE structures in France and abroad. The Belgian structure, Be.FACE, has been operating in Brussels since January 2011, and the Rio de Janeiro branch in Brazil launched on June 19, 2012, at the time of the United Nations "Rio+20" Earth Summit.

3.2.3 SOCIAL RELATIONS IN THE GROUP

3.2.3.1 Employee representation in the Group

The representative bodies are places for consultation and collaboration between management and employee representatives, particularly regarding GDF SUEZ's industrial, economic, financial and social strategy.

The European Works Council (EWC)

The EWC at GDF SUEZ was established under the agreement of May 6, 2009, which was signed by all the European social partners.

With 64 members representing the Group's 189,000 employees throughout Europe, its purpose is to develop and strengthen European social dialogue, ensure balanced representation between the Group's countries and main business activities, and develop social dialogue within these activities. A secretariat with 14 members representing nine countries meets once a month.

Working groups established for each business activity (Energy, Environment and Services) or theme (particularly for the in-depth study of the social indicators of the Group's social reporting) also contribute to this dialogue.

In 2012, the EWC held three full-session meetings, the EWC secretariat held 12 meetings and the business working groups held seven meetings.

French Group Works Council

An agreement signed on June 2, 2009 also launched the French Group Works Council. This body represents more than 109,000 employees in France. Two meetings were held in 2012.

3.2.3.2 Collective bargaining agreements

A global agreement on fundamental rights, social dialogue and sustainable development was signed on November 16, 2010 with several union federations. The agreement is part of the GDF SUEZ Group's compliance with the International Labour Organization (ILO) conventions on basic working rights (conventions on freedom of association and collective bargaining, discrimination, forced labor and child labor).

On February 23, 2010, two agreements were signed at the European level on the following topics: management and planning of jobs and skills (see Section 3.2.1.5); and fundamental health and safety standards. A unilateral decision was made to expand the latter worldwide.

In 2011, negotiations began at the European level on professional gender equality, culminating in a unanimous signature on June 5, 2012.

(1) A subsidiary of Sita France, SUEZ Environnement Group.

(2) The CEPs (Priority Education Agreements) and PRESAGE (Program of Research and Teaching on Gender Knowledge).

(3) Diversity Management Chair, which gives Group managers the opportunity to receive this training.

In addition to the agreements mentioned above, the following agreements were signed exclusively for France:

- a Group-wide agreement to set up a Collective Retirement Savings Plan (*Plan d'Épargne Retraite Collectif* – "PERCO") and develop the Group Savings Plan (*Plan d'Épargne Groupe* – PEG) (see Section 3.2.4.1);
- an agreement on jobs and careers for older workers (see Section 3.2.2.1), signed by three trade union federations on December 8, 2009;
- an agreement on the prevention of psychosocial risks by improving the quality of work life, signed by the five trade union federations on February 18, 2010 (see Section 3.2.7).

Monitoring committees met in 2012, as in 2011, for the various agreements signed at the international, European and French levels to measure the application of these agreements within the Group and to highlight good practices.

3.2.3.3 Involvement in the International Social Observatory

GDF SUEZ supports the International Social Observatory (ISO) and its efforts on well-being at work, promoting human capital policies and the practical implementation of CSR. In 2012, two seminars took place in Brazil and Chile, as well as a research session with ANACT (National Agency for Improvement in Working Conditions) and RDS (Realities of Social Dialogue).

3.2.4 EMPLOYEE SAVINGS PLANS

3.2.4.1 Group Employee Savings Plan Policy

GDF SUEZ offers employee savings plans to its staff.

Savings plans

In France: since the end of 2009, GDF SUEZ Group employees in France[(1)] have access to a Group Savings Plan (PEG), which includes the employee shareholding funds, as well as access to a large range of diversified savings products.

Outside France: measures have also been put in place in other countries enabling employees to save, in ways adapted to local laws.

Retirement savings plans

In France: Since 2010, all Group employees in France can, at their own pace, build-up retirement savings by contributing to the GDF SUEZ Group Collective Retirement Plan (PERCO).

To take account of diverse local economic and social situations, implementation and information processes are developed progressively, business by business. A financial structure of multi-management funds allows the plan manager both to balance and to combine responsiveness, performance and security.

Outside France: in other countries products exist allowing employees to supplement their pensions by making voluntary contributions on favorable terms.

3.2.4.2 Collective profit-sharing and Incentive plans

Due to the existence of separate legal employing companies, a common collective profit-sharing and incentive plan is not possible for the Group.

(1) Fully consolidated companies, i.e., the majority of whose capital is held directly or indirectly by GDF SUEZ SA or by SUEZ Environnement Company SA.

3.2.5 EMPLOYEE SHAREHOLDING

GDF SUEZ continues to operate its proactive employee shareholding policy with a view to involving all employees in the Group's collective success and to increase the employees' stake in the capital of GDF SUEZ.

At the end of 2012, employees have received a total of nearly 21 million free shares since the first plan in 2007.

At the end of 2012, employees held 2.26% of the share capital (including 1.81% held through employer-sponsored mutual funds). Pursuant to Article L. 225-100-3 of the French Commercial Code, the Supervisory Boards of these employer-sponsored mutual funds exercise the voting rights attached to the securities registered among their assets and decide, if necessary, whether to contribute these securities to public tender or exchange offers.

A fifth free share allocation plan in 2012

The Board of Directors of GDF SUEZ decided to put in place a global free share allocation on October 30, 2012. The allocation covers around 6 million GDF SUEZ shares, or 0.25% of the Company's share capital on the allocation date; this is pursuant to the authorization given by the Combined Ordinary and Extraordinary Shareholders' Meeting of April 23, 2012 in its 22nd Resolution, limiting the maximum authorized amount to 0.5% of the share capital on the allocation date.

All employees of GDF SUEZ and its subsidiaries (in France and abroad) that were controlled or fully consolidated on September 20, 2012, excluding GRTgaz (due to the provisions of the French Energy Code), and, unless prohibited by local rules, were assigned 35 free allocation rights, subject to still being employed after a vesting period of three to four years, depending on the country. Employees of joint GDF SUEZ and EDF services in France and employees of the SUEZ Environnement Group will receive fewer than 35 shares.

This global plan, covering all the Group's employees, means that Group companies in France complied with the obligation to pay a "profit-share premium" (Law 2011-894 of July 28, 2011), applicable because the dividend for the fiscal year ended December 31, 2011 was greater than the average of the dividends for the fiscal years 2009 and 2010.

In this way GDF SUEZ ensures that the Group's financial results are shared amongst all the Group's employees, regardless of their country, compensation or role.

3.2.6 FOCUS ON GDF SUEZ SA

3.2.6.1 Contribution to social activities

GDF SUEZ SA uses a percentage of the revenues it generates in France (€141 million paid out for 2012) to fund social activities for workers in the electricity and gas industries. Companies operating in this category qualify for a special statutory regime. Such social activities are funded by all companies in the EGI sector and administered by a *Caisse Centrale d'Activités Sociales* (Social Activities Central Fund) which is a legal entity and solely comprises employee representatives of companies in the EGI sector.

3.2.6.2 Profit-sharing and Incentive plans

GDF SUEZ SA and all the trade union federations representing its employees signed a new incentive agreement on June 24, 2011 for the 2011-2013 period. The amount paid out in 2012 for 2011 will be €22.1 million, to 8,775 employees (€27.4 million was paid out in 2011 for 2010, to 9,895 employees).

The employee profit-sharing agreement for GDF SUEZ SA was signed on June 26, 2009. GDF SUEZ SA became eligible for profit-sharing from the 2008 fiscal year following the merger-absorption of SUEZ SA by Gaz de France SA. Application of the statutory profit-sharing formula for 2011 resulted in no payment being made to employees in 2012.

3.2.7 HEALTH AND SAFETY POLICY

3.2.7.1 Improved performance

The Group has continued to see a marked improvement in its employee health and safety performance, with the following changes:

- workplace accidents: from 2004(1) to 2012, a reduction of 40% in the accident severity rate (0.62 to 0.37) and a reduction close to 60% in the accident frequency rate (18.1 to 7.6), performance exceeded the Group's targets (< 7.9 at end-2012). The mortality rate per work accident(2) for Group employees also improved, decreasing from 4.3 to 1.5 from 2004 to 2012.
- employees fatal accidents: a significant drop, from 14 in 2004 to 5 in 2012(3);
- external and temporary service providers: a reduction in the number of work-related fatal accidents (nine in 2012, compared with 10 in 2010) and decrease in the accident rate for temporary workers (19.2 in 2010, compared with 15.4 in 2012);
- health: a slight decrease in the annual number of hours for sickness absence (from 65 to 63 hours); 106 new cases of occupational diseases (new indicator in 2012) in France.

This progress is the result of improvements in all the business lines. With this performance, the Group holds in 2011 an excellent position among its peers in three of its business activities: energy services, electricity generation and water production. The accident frequency rate achieved by the Group's two other business activities appears in the top section of the ranking of accident frequency rates of comparable enterprises.

Changes in health and safety performance are monitored by the Executive Committee and the Board of Directors. They are reported via a quarterly email from the Chairman to senior management, via the functional line newsletter and on the Group intranet.

3.2.7.2 Targets

The progress targets for the period 2010-2015 involve:

- reducing workplace accidents: an accident frequency rate of less than six in 2015 and eradicating fatal accidents with a causal link to the Group's activities;
- improving occupation health: eliminating products containing replaceable CMRs (carcinogenic, mutagenic or repro-toxic products), diagnostic testing of the situation and monitoring the preparation of the action plan for musculokeletal disorders and psychosocial risks.

They also take into account the training of managers in health and safety management.

3.2.7.3 Improvement actions

The Health and Safety Action Plan describes the actions to be implemented to achieve its targets for the 2010-2015 period. These include measures to consolidate management systems as well as levers to move towards a proactive and shared culture.

The actions implemented have contributed – at the mid-way point – to a significant reduction in the frequency rate of workplace accidents. However, an in-depth report into fatal accidents suggests that, to go beyond the reduction already achieved and eradicate such accidents, additional actions are required. On this basis, a specific plan for the Long-term Eradication of Fatal Accidents (LEFA) was launched in 2012.

These areas of progress and their impact on the Group's health and safety performance are monitored by the Ethics, Environment and Sustainable Development Committee and the Health and Safety Steering Committee (which includes employee representatives).

Consolidation of the management mechanism

The Group's Health and Safety Regulations set out the minimum health and safety requirements for the subsidiaries. In 2012, a new RG09 Regulation was drawn up for carrying out projects to prevent physical harm (to Group employees, temporary workers and third parties) and damage to equipment and the environment as far upstream as possible.

Management guides have also been made available, notably in the areas of health (musculoskeletal disorders, psychosocial risks, etc.), operating performance and assessment tools.

Training initiatives continued in 2012: 28.4% of the total number of training hours delivered were devoted to quality, safety and the environment, and 1,300 managers were trained in health and safety at the GDF SUEZ University.

46 checks were performed by the health and safety functional line to verify that the Group's requirements have been deployed worldwide. Internal Control modules (INCOME) were deployed for the operation and maintenance of high-risk industrial sites.

The Group's action plan focuses on involving managers through safety visits to check that the fundamental principles are applied and incorporated on the ground. This subject was one of four key points identified for internal controls in 2012, showing changes in the Group's culture.

Self-diagnostic tests to assess the adequacy and efficiency of management processes were carried out by the Management Committees of the Group's subsidiaries and functional lines via the ADAM (Managers' Career Support and Development) tool, rewarded by the European Foundation for Quality Management and the "value creation" label at the Group's 2012 Innovation Trophies.

(1) In this section, all the figures prior to July 2008, the date of the merger between Gaz de France and SUEZ, are aggregates of the data of the two groups.

(2) Number of deaths per workplace accident/100,000,000 hours worked.

(3) i.e., a reduction by half since 2009.

Management reviews performed between the central office and the business lines on the one hand, and between the business lines and their BUs on the other, assess the results and set targets to improve the effectiveness of the management system.

Finally, occupational health and safety is used as the criterion for a minimum of 10% of the performance-related pay of managers.

Feedback

In 2012, feedback on recent incidents and accidents played a key role during the annual seminar on industrial safety. According to an external benchmark and a report on the fatal accidents occurring at the Group in the past three years, most of these fatalities could have been avoided if some practical measures had been complied with. These findings gave rise to the “9 Rules that Save Lives”, a key element of the LEFA plan.

Sharing good practices

The Group promotes the work of experts in networks to share practical solutions, through the intranet, expert clubs and professional communities of practices, the quarterly newsletter, *Prevention News*, and the marketplace during annual internal conventions[(1)].

In addition, the AGORA website, a new way of sharing, enables users to share practices that have been successfully implemented in their entities, view a library of management guides drawn up using internal and external benchmarks, and identify experts with the same interests.

Raising awareness

Reflex, the in-house health and safety magazine (220,000 copies published in eight languages), talks about good reflexes in prevention and habits to be adopted in everyday life. A qualitative international study of employees at all the business lines, conducted in late 2011, showed that the employees looked forward to and appreciated the magazine, which they regarded as accessible and closely reflecting the situation on the ground.

In connection with the LEFA plan, in 2012 the World Day for Safety and Health at Work was dedicated to road risks, which are the leading cause of fatal accidents at the Group.

3.2.7.4 Dialogue with social partners

Dialogue between employee representatives and trade union organizations, managed under two group collective bargaining agreements (fundamental health and safety standards (worldwide) and the prevention of psychosocial risks by improving the quality of work life (France), see 3.2.3.2), continued at the group level, the local level and in each activity. The Health and Safety Steering Committee monitored the Group’s results, analyzed the causes of serious accidents and preventive measures put in place, and gave its opinion on proposed changes in the Group’s standards.

Monitoring committees for the various collective bargaining agreements signed at the Group level in France met to review implementation of Group commitments[(2)].

(1) 84 good practices presented by 74 attendees.

(2) Notably the agreement on preventing psychosocial risks by improving the quality of life at work, signed on February 18, 2010.

3.2.8 SOCIAL DATA

				Energy Europe			Energy International		
		NRE	GRI	2012	2011	2010	2012	2011	2010
EMPLOYMENT									
Total workforce	■■	1	LA1	27,194	27,386	29,104	10,806	10,993	7,536
Workforce by geographic region	■■	1	LA1						
France		1	LA1	12,038	11,450	11,646			
Belgium		1	LA1	6,797	7,088	7,114		112	124
Other European Union		1	LA1	8,359	8,848	10,344	1,117	1,188	374
Other European countries		1	LA1						
Total Europe		1	LA1	27,194	27,386	29,104	1,117	1,300	498
North America		1	LA1				2,239	2,406	2,035
Latin America		1	LA1				3,327	3,324	3,263
Asia – Middle East – Oceania		1	LA1				4,123	3,963	1,740
Africa		1	LA1						
% reporting				*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
Breakdown of workforce by SPC		1	LA1						
Managerial staff	■■	1	LA1	6,803	6,606	6,597	2,097	2,136	1,338
Non-managerial staff	■■	1	LA1	20,391	20,780	22,507	8,709	8,857	6,198
% Managerial staff				25.0%	24.1%	22.7%	19.4%	19.4%	17.8%
% Non-managerial staff				75.0%	75.9%	77.3%	80.6%	80.6%	82.2%
% reporting				*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
Breakdown of workforce by type of contract		1	LA1						
Permanent		1	LA1	94.1%	95.2%	95.0%	97.3%	97.0%	97.2%
Other		1	LA1	5.9%	4.8%	5.0%	2.7%	3.0%	2.8%
% reporting				*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
Age pyramid of permanent employees		1	LA1						
Under 25 years		1	LA1	2.7%	3.1%	3.8%	3.8%	3.9%	4.0%
25-29 yrs		1	LA1	12.1%	13.0%	13.5%	11.5%	11.9%	13.1%
30-34 yrs		1	LA1	16.4%	15.8%	15.1%	15.9%	15.9%	18.4%
35-39 yrs		1	LA1	15.5%	15.6%	15.0%	16.0%	16.2%	17.6%
40-44 yrs		1	LA1	16.0%	16.1%	15.6%	15.2%	14.6%	13.8%
45-49 yrs		1	LA1	13.4%	12.8%	13.4%	13.6%	13.3%	12.0%
50-54 yrs		1	LA1	12.9%	13.1%	13.9%	10.9%	11.2%	10.1%
55-59 yrs		1	LA1	9.3%	9.0%	8.4%	8.2%	8.0%	6.6%
60-64 yrs		1	LA1	1.8%	1.5%	1.2%	4.2%	4.2%	3.6%
65 and +		1	LA1	0.1%	0.0%	0.0%	0.9%	0.8%	0.8%
% reporting				*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
Female workforce	■■	3	LA13	8,489	8,563	8,803	1,857	1,883	1,439
% reporting				*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*

* *The GDF SUEZ Group includes the six business lines as well as Corporate.*

■■ *Reasonable assurance for FY 2012.*

Global gas & LNG			Infrastructure			Energy Services			Environment			GDF SUEZ Group*		
2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010
1,828	1,787	1,847	18,132	17,803	17,500	78,394	77,203	75,872	79,549	80,410	79,554	219,330	218,873	214,808
478	518	518	17,912	17,599	17,436	41,900	41,139	39,473	34,067	34,982	34,792	109,022	108,319	106,603
						10,664	10,477	10,426	2,093	2,121	2,092	20,343	20,447	20,409
1,132	1,073	1,144	220	204	64	18,829	19,237	19,809	27,794	28,935	30,104	57,462	59,496	61,843
200	177	167				2,756	2,772	2,797	87	85	81	3,043	3,034	3,045
1,810	1,768	1,829	18,132	17,803	17,500	74,149	73,625	72,505	64,041	66,123	67,069	189,870	191,296	191,900
						548	355	337	3,367	3,362	3,347	6,154	6,123	5,719
		4				1,329	871	784	268	272	252	4,924	4,467	4,303
18	19	14				2,293	2,296	2,196	5,612	5,459	4,892	12,046	11,737	8,842
						75	56	50	6,261	5,194	3,994	6,336	5,250	4,044
100,00%	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
746	783	801	3,885	3,739	3,518	14,940	13,887	13,282	11,261	11,181	10,665	42,239	40,673	38,562
1,082	1,004	1,046	14,247	14,064	13,982	63,454	63,316	62,590	68,288	69,229	68,889	177,091	178,200	176,246
40.8%	43.8%	43.4%	21.4%	21.0%	20.1%	19.1%	18.0%	17.5%	14.2%	13.9%	13.4%	19.3%	18.6%	18.0%
59.2%	56.2%	56.6%	78.6%	79.0%	79.9%	80.9%	82.0%	82.5%	85.8%	86.1%	86.6%	80.7%	81.4%	82.0%
100,00%	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
95.3%	95.3%	94.4%	94.2%	95.1%	95.5%	92.8%	93.0%	93.5%	92.9%	91.4%	91.3%	93.4%	93.1%	93.2%
4.7%	4.7%	5.6%	5.9%	4.9%	4.5%	7.2%	7.0%	6.5%	7.1%	8.6%	8.7%	6.6%	6.9%	6.8%
100,00%	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
0.5%	0.5%	0.6%	5.4%	5.1%	4.9%	4.5%	4.5%	4.6%	2.8%	3.0%	3.1%	3.6%	3.7%	3.9%
6.7%	6.8%	7.9%	11.2%	10.3%	9.5%	11.3%	11.6%	11.8%	8.8%	9.1%	9.4%	10.4%	10.7%	11.0%
13.9%	14.7%	13.5%	12.0%	11.4%	11.1%	13.8%	13.4%	13.1%	12.7%	12.7%	12.3%	13.7%	13.5%	13.1%
14.4%	14.7%	14.5%	12.5%	12.7%	12.7%	12.5%	12.8%	13.2%	14.2%	14.6%	15.0%	13.7%	14.0%	14.2%
14.8%	14.3%	13.4%	12.8%	12.5%	12.2%	14.6%	15.0%	15.3%	16.4%	16.3%	16.7%	15.3%	15.4%	15.5%
13.8%	13.0%	13.2%	13.5%	15.1%	16.7%	15.4%	15.2%	15.0%	16.7%	16.8%	16.6%	15.3%	15.3%	15.3%
14.4%	16.0%	18.3%	22.1%	23.8%	24.6%	13.3%	13.4%	13.2%	14.3%	13.9%	13.7%	14.3%	14.4%	14.4%
16.1%	16.0%	14.9%	9.6%	8.5%	7.8%	10.9%	10.6%	10.5%	10.1%	9.9%	9.6%	10.3%	9.9%	9.5%
5.4%	3.9%	3.8%	0.9%	0.7%	0.5%	3.5%	3.2%	3.1%	3.4%	3.2%	3.2%	3.1%	2.9%	2.7%
0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.3%	0.3%	0.3%	0.6%	0.5%	0.5%	0.4%	0.3%	0.3%
100,00%	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
484	477	480	4,200	4,010	3,835	9,793	9,399	9,086	15,691	15,939	15,450	41,997	41,732	40,578
100,00%	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*

		NRE	GRI	Energy Europe 2012	Energy Europe 2011	Energy Europe 2010	Energy International 2012	Energy International 2011	Energy International 2010
DIVERSITY AND EQUAL OPPORTUNITY									
Proportion of women in workforce	■■	3	LA13	31.2%	31.3%	30.2%	17.2%	17.1%	19.1%
% reporting				*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
Proportion of women in management		3	LA13	27.9%	26.9%	26.0%	18.5%	19.4%	20.9%
% reporting				*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
Proportion of interns in workforce		1	LA1	1.8%	1.7%	1.6%	0.4%	0.4%	0.5%
% reporting				*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
Proportion of disabled employees		7		1.2%	1.2%	1.3%	0.4%	0.4%	0.3%
Employees under 25 as a % of permanent hires		1		20.0%	23.3%	18.2%	17.3%	14.1%	20.3%
Employees over 50 as a % of permanent hires		1		5.1%	4.0%	3.3%	8.1%	7.2%	4.7%
STAFF AND JOB MOVEMENT									
No. of permanent hires (at constant structure)		1	LA2	1,269	1,408	1,314	1,167	781	767
No. of temporary hires (at constant structure)		1	LA2	1,081	1,052	1,085	261	300	144
Hiring rate		1	LA2	8.9%	9.0%	8.3%	13.4%	14.3%	13.9%
% reporting				*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
Rate of hiring on permanent contract		1	LA2	54.0%	57.2%	55.2%	81.7%	72.2%	83.3%
% reporting				*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
Turnover		1	LA2	5.6%	5.5%	4.9%	8.7%	9.2%	6.9%
% reporting				*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
Voluntary turnover		1	LA2	2.5%	3.1%	2.5%	6.1%	6.3%	5.1%
% reporting				*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
CAREER DEVELOPMENT									
Proportion of workforce trained	■■	6	LA10	84.5%	80.0%	74.4%	80.4%	75.9%	77.3%
% reporting				*100.00%*	*99.23%*	*84.52%*	*100.00%*	*95.95%*	*100.00%*
Proportion of women in trained workforce		6	LA10	31.2%	30.9%	31.6%	16.7%	14.2%	16.9%
% reporting				*100.00%*	*99.23%*	*84.52%*	*100.00%*	*95.95%*	*100.00%*
Proportion of managerial staff and non-managerial staff in trained workforce		6	LA10						
Managerial staff		6	LA10	25.8%	24.5%	25.4%	17.2%	14.8%	12.8%
Non-managerial staff		6	LA10	74.2%	75.5%	74.6%	82.8%	85.2%	87.2%
% reporting				*100.00%*	*99.23%*	*84.52%*	*100.00%*	*95.95%*	*100.00%*
Total no. of training hours		6	LA10	911,598	1,009,836	796,383	401,376	348,905	411,745
% reporting				*100.00%*	*98.51%*	*84.52%*	*100.00%*	*95.98%*	*100.00%*
Hours of training by topic		6	LA10						
Business techniques				48.0%	52.9%	53.3%	46.4%	36.4%	42.7%
Quality, safety, environment				12.8%	12.3%	16.5%	28.4%	32.9%	24.0%
Languages				7.9%	7.9%	9.8%	9.0%	6.4%	11.5%
Other				31.3%	26.9%	20.3%	16.2%	24.3%	21.8%
% reporting				*100.00%*	*98.51%*	*84.52%*	*100.00%*	*95.98%*	*100.00%*

* *The GDF SUEZ Group includes the six business lines as well as Corporate.*

■■ *Reasonable assurance for FY 2012.*

Global gas & LNG			Infrastructure			Energy Services			Environment			GDF SUEZ Group*		
2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010
26.5%	26.7%	26.0%	23.2%	22.5%	21.9%	12.5%	12.2%	12.0%	19.7%	19.8%	19.4%	19.2%	19.1%	18.9%
100,00%	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
26.1%	26.1%	26.7%	28.3%	27.5%	26.9%	14.9%	14.3%	13.8%	27.1%	26.5%	25.6%	23.0%	22.6%	22.1%
100,00%	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
1.9%	1.6%	1.5%	5.6%	4.8%	4.3%	3.0%	2.9%	2.7%	1.6%	1.7%	1.4%	2.5%	2.3%	2.1%
100,00%	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
1.6%	1.9%	1.8%	3.0%	2.7%	2.2%	2.3%	1.9%	1.6%	1.8%	1.7%	1.5%	1.9%	1.7%	1.5%
7.0%	4.7%	3.8%	32.8%	35.3%	38.8%	21.9%	20.9%	23.8%	14.6%	15.5%	15.5%	19.2%	19.3%	20.6%
11.7%	9.4%	9.6%	3.2%	4.1%	5.0%	9.8%	9.1%	9.6%	11.5%	10.9%	13.2%	9.5%	9.0%	9.7%
171	127	156	1,221	1,015	727	7,154	7,087	5,684	6,698	6,728	5,086	17,794	17,261	13,909
49	42	56	728	611	510	4,988	4,968	4,340	8,081	10,568	8,962	15,313	17,626	15,164
12.1%	9.3%	12.4%	10.9%	9.3%	7.1%	15.7%	15.9%	13.2%	18.7%	21.6%	20.6%	15.3%	16.4%	14.7%
100,00%	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
77.7%	75.1%	74.9%	62.7%	62.4%	58.8%	58.9%	58.8%	56.7%	45.3%	38.9%	36.4%	53.7%	49.5%	47.4%
100,00%	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
3.2%	4.8%	3.0%	1.7%	1.4%	0.8%	7.0%	8.0%	7.3%	6.5%	6.7%	6.5%	6.2%	6.6%	6.0%
100,00%	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
3.0%	4.2%	2.3%	1.5%	1.3%	0.7%	3.8%	4.6%	3.8%	3.4%	3.6%	3.0%	3.4%	3.7%	3.1%
100,00%	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*	*100,00%*
75.3%	79.0%	92.9%	73.7%	81.9%	77.6%	61.5%	58.5%	64.3%	68.4%	69.4%	61.2%	68.8%	68.2%	66.3%
100.00%	*99.62%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*99.14%*	*99.08%*	*86.02%*	*100.00%*	*100.00%*	*98.15%*	*99.69%*	*99.32%*	*92.14%*
26.8%	24.8%	27.3%	18.9%	18.2%	17.9%	9.5%	10.1%	10.3%	20.4%	18.0%	19.1%	18.6%	17.8%	18.3%
100.00%	*99.62%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*99.14%*	*99.08%*	*86.02%*	*100.00%*	*100.00%*	*98.15%*	*99.69%*	*99.32%*	*92.14%*
42.7%	43.7%	46.5%	19.1%	18.6%	17.9%	19.0%	18.1%	18.1%	15.1%	15.1%	15.0%	19.4%	18.7%	18.9%
57.3%	56.3%	53.5%	80.9%	81.4%	82.1%	81.1%	81.9%	81.9%	84.9%	84.9%	85.0%	80.6%	81.3%	81.1%
100.00%	*99.62%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*99.14%*	*99.08%*	*86.02%*	*100.00%*	*100.00%*	*98.15%*	*99.69%*	*99.32%*	*92.14%*
64,848	49,747	58,187	514,439	486,772	480,457	1,344,538	1,237,705	1,104,437	1,329,305	1,364,624	1,126,976	4,614,899	4,577,388	4,043,876
100.00%	*99.62%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*98.31%*	*99.08%*	*86.02%*	*100.00%*	*100.00%*	*90.56%*	*99.40%*	*99.32%*	*92.14%*
45.3%	41.1%	28.0%	49.9%	52.6%	52.8%	49.5%	47.4%	45.9%	27.2%	24.6%	28.4%	42.8%	42.2%	43.3%
31.4%	33.0%	28.1%	24.2%	22.2%	23.7%	33.1%	31.8%	34.6%	36.8%	40.4%	36.6%	28.4%	28.6%	28.6%
11.8%	10.8%	16.8%	2.7%	2.6%	1.7%	3.8%	3.5%	2.9%	7.8%	5.4%	5.2%	6.2%	5.3%	5.9%
11.6%	15.1%	27.0%	23.2%	22.7%	21.9%	13.6%	17.3%	16.5%	28.3%	29.7%	29.8%	22.6%	24.0%	22.2%
100.00%	*99.62%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*98.31%*	*99.08%*	*86.02%*	*100.00%*	*100.00%*	*90.56%*	*99.40%*	*99.32%*	*92.14%*

	NRE	GRI	Energy Europe 2012	Energy Europe 2011	Energy Europe 2010	Energy International 2012	Energy International 2011	Energy International 2010
No. of training hours per person trained	6	LA10	40	45	43	46	44	71
% reporting			*100.00%*	*98.51%*	*84.52%*	*100.00%*	*95.95%*	*100.00%*
No. of training hours per woman trained	6	LA10	32	42	35	31	44	58
% reporting			*100.00%*	*98.51%*	*84.52%*	*100.00%*	*95.95%*	*100.00%*
Training expenses per hour of training *(€)*	6	LA10	29	26	30	21	22	15
% reporting			*100.00%*	*98.31%*	*84.52%*	*100.00%*	*95.98%*	*100.00%*
Training expenses per person trained *(€)*	6	LA10	1,134	1,202	1,280	959	972	1,076
% reporting			*100.00%*	*98.31%*	*84.52%*	*100.00%*	*95.95%*	*100.00%*
WORK CONDITIONS	**2**	**LA7**						
Days of absence per person	2	LA7	15	16	14	6	7	5
% reporting			*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*
Overtime	2	LA7	1.6%	1.3%	1.3%	7.4%	7.0%	7.1%
% reporting			*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*
SAFETY AT WORK*								
No. of fatal accidents (employees)			0			0		
Frequency rate			4.8			0.8		
Severity rate (French benchmark)			0.24			0.03		
Severity rate (ILO benchmark)			0.13			0.02		
% reporting			100%	100%	100%	100%	100%	100%
* Perimeter: please refer to 3.2.8.2. note on methodology								
COMPENSATION								
Average salary of manual workers, clerical staff and technicians compared with national minimum wage in 2011	Legal annual minimum wage in 2012 in €							
France	16,780		1.52	1.51				
Belgium	17,322							
Spain	8,980		4.63			4.13	4.00	
Netherlands	17,359		2.64	2.72				
United Kingdom	14,424					2.30	2.14	
Luxembourg	21,618							
Romania	1,943		4.76	5.33				
Poland	4,038		4.01	3.50				
Czech Republic	3,723							
Hungary	3,548		3.46	3.76				
Slovakia	3,924							
Portugal	6,790					5.56	5.13	
Greece	10,519							
Slovenia	9,157							
Turkey	4,354					5.32	4.71	
United States	11,655					6.79	6.42	
% reporting			*98.53%*	*96.21%*		*22.93%*	*24.89%*	

* *The GDF SUEZ Group includes the six business lines as well as Corporate.*

■■ *Reasonable assurance for FY 2012.*

Global gas & LNG			Infrastructure			Energy Services			Environment			GDF SUEZ Group*		
2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010
48	35	34	39	34	36	28	28	26	24	24	26	31	31	32
100.00%	*99.62%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*98.31%*	*99.08%*	*86.02%*	*100.00%*	*100.00%*	*90.56%*	*99,40%*	*99,32%*	*89,35%*
43	38	25	33	28	29	25	27	26	24	26	25	28	32	30
100.00%	*99.62%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*98.31%*	*99.08%*	*86.02%*	*100.00%*	*100.00%*	*90.56%*	*99,40%*	*99,32%*	*89,35%*
66	85	82	61	56	51	28	30	26	22	22	22	NS	NS	NS
100.00%	*99.62%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*99.14%*	*99.08%*	*85.67%*	*100.00%*	*100.00%*	*90.56%*			
3,143	2,950	2,807	2,370	1,888	1,827	788	834	687	537	550	532	NS	NS	NS
100.00%	*99.62%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*99.14%*	*99.08%*	*85.67%*	*100.00%*	*100.00%*	*98.15%*			
11	15	10	14	19	20	11	12	12	12	12	12	NS	NS	NS
100.00%	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*99.60%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*			
1.6%	1.2%	3.1%	2.5%	2.5%	2.5%	2.8%	2.7%	2.9%	4.3%	4.3%	4.4%	NS	NS	NS
100.00%	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*99.60%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*			
0	0	0	0	1	3	0	3	1	5	4	5	5	8	10
0.7	0.8	1.0	3.0	3.4	4.4	5.7	7.4	7.9	13.3	14.1	16.3	7.6	8.6	9.7
0.01	0.02	0.01	0.09	0.14	0.09	0.34	0.36	0.38	0.6	0.66	0.68	0.37	0.4	0.42
0.01	0.02	0.01	0.08	0.13	0.08	0.16	0.19	0.23	0.39	0.4	0.43	0.22	0.24	0.26
100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
			1.70	1.72		1.47	1.45		1.60	1.59		NS	NS	NS
						2.00	1.95		1.51	1.51				
						3.06	3.09		2.87	2.69				
3.71	3.90					1.88	2.45		2.09	2.05				
			2.01	2.89		2.73	2.11		2.07	2.08				
						1.79	1.65		1.48	1.55				
						3.52	3.09		4.61	4.46				
						3.76	3.22		2.18	1.92				
						3.80	3.66		2.21	2.27				
						3.13	3.45							
						2.30	2.37		2.16	2.16				
						2.63	2.94		1.94	1.92				
						2.12	2.26							
									3.28	3.00				
									2.52	1.71				
									4.31	4.77				
49.52%	*43.77%*		*98.80%*	*99.62%*		*81.74%*	*83.02%*		*77.30%*	*77.12%*				

3.2.8.1 Note on methodology of social indicators

Tools used

Magnitude, a financial consolidation application, was used to produce workforce data for 2012.

This business software collects, processes, and reports data entered by local companies that are subsidiaries of the GDF SUEZ Group.

The financial consolidation method is applied to each of these entities, including during the HRD phase: full consolidation (FC), proportional consolidation (PC), and equity method consolidation (EMC).

The workforce analyses in this report relate exclusively to fully consolidated entities, companies which GDF SUEZ controls in both capital and management terms, and do not take into account proportionately consolidated entities.

Once a company is fully consolidated in GDF SUEZ's financial statements, its social data are completely integrated, regardless of the percentage of the company's capital owned.

Scope of reporting

A scope of reporting percentage is attributed to each indicator, corresponding to the indicator coverage as a percentage of the Group workforce (workforce of companies fully consolidated in the GDF SUEZ financial statements).

If a company has not communicated its data or has entered information that contains inconsistencies, we exclude the data in question from the scope of reporting.

In 2010, workforce data for the Agbar Group retroactively covered the entire year based on this group's administrative scope at the time it was fully consolidated.

Methods for the consolidation of indicators

The quantitative workforce data in this report come from the Group's financial consolidation software. After being collected the data were processed and consolidated according to clearly defined procedures and criteria.

Structural data, employee turnover, working conditions, training and safety data were consolidated by aggregation.

The following points should be noted with respect to the data published in this report

The GDF SUEZ Group data include data from the six business lines and Corporate data (3,427 employees, including Corporate employees in the Energy International business line (for 2012)).

For the purposes of comparison, the indicators for 2010 and 2011 were recalculated according to the Group structure established on January 1, 2012.

This new structure:

- regroups all physical and commercial assets in gas (except for International Power's assets) and electricity (except for infrastructure assets belonging to the Infrastructures business line) in continental Europe into a single Energy Europe business line. Until the end of 2011, these activities were part of the Energy Europe and International, Energy France and Global gas & LNG business lines;
- creates an Energy International business line, with the same scope as International Power.

1. The geographical breakdown of employees corresponds to that of the IFRS financial reporting scope. Also, although the companies in the Global gas & LNG business line are located in Africa, they are considered part of Europe.

   All the staff of the Agbar group are included under Spain and therefore in the EU region.

2. In the socio-professional breakdown, administrative employees are recognized under "senior technicians and supervisors" for greater consistency.

3. Although it is a core feature of business culture in France, the French concept of cadres (managerial staff) is sometimes difficult to understand in other countries where GDF SUEZ is present. This can lead to a slight underestimation of the number of managerial staff because some entities may take only their senior management into account.

4. Information on staff changes

   As of financial year 2011, all information on staff changes (recruitment rates, permanent recruitment rates, turnover and voluntary turnover) is calculated on a constant structure basis, i.e. the fully incorporated reporting entities included in the scope of consolidation at 12/31/N-1 that are still fully incorporated and included in the scope of consolidation at 12/31/-N.

   Because the current collection process does not distinguish, at whole-Group level, between contractual terminations (or the equivalent outside France) and lay-offs, the Group has published only the turnover indicator, which exclusively takes into account lay-offs of all kinds, contractual terminations (or the equivalent outside France) and resignations.

5. Given the timelines involved, the data relating to training and hours worked are not always final and therefore reflect the most recent situation and, in some cases, a forecast of the workforce, training expenses and hours worked by year-end.

   The training indicators provided in this document do not take e-learning into account. Only the data from the Environment business line are affected by e-learning, because this type of training is widely used, and has been extensively monitored, at Agbar and United Water.

6. With respect to the number of people with disabilities, the figures cited represent the total number of persons with declared disabilities as a proportion of the workforce at the end of the period for the business line concerned.

   These figures provide the best possible information on the integration of people with disabilities into GDF SUEZ companies. We do not consider it relevant to provide a scope definition for this indicator, since some entities are unable to gather information due to local regulatory restrictions.

7. Days of absence per person are calculated as follows: total number of hours of absence/8/average workforce. The convention used for the entire Group is eight hours of work per day.

8. The compensation indicator is the ratio of the gross average salary in the "manual workers, clerical staff and technicians" category as a proportion of the national legal minimum wage. The average gross salary is obtained by dividing the annual gross salary by the average monthly full-time equivalent (FTE) workforce.

This ratio enables assessment of the relative average national salaries of full-time manual workers, clerical staff and technicians.

The restitution rate mainly depends on the existence and availability of a legal minimum wage. Overall, it is close to 80%. Note that this ratio is not calculated for Belgium at BEE, which has not declared any manual workers, clerical staff and technicians. Legal minimum wage data for 2012 are provided by Eurostat.

3.2.8.2 Note on methodology of health and safety indicators

Scope

With respect to health and safety data for 2012, the analyses in this report relate exclusively to fully consolidated companies that GDF SUEZ controls in terms of both capital and management (but not proportionately integrated entities). The health and safety data for each fully consolidated company are 100% integrated regardless of the percentage of capital held.

Note that the figures on occupational illness apply to France: most countries in the world do not have the same concept of employer recognition of occupational illness that exists in France, which complicates international collection of information on this indicator. The Group is working to improve its reporting structure to broaden the scope of the reporting of this indicator in the coming financial years.

It is worth noting that the Environment and Energy Services business lines incorporate data from entities acquired in their health and safety reports three years after their consolidation by the Finance Department[(1)]. This situation produces a slight difference in the scope of the workforce covered by the two types of reporting.

Methods for checking and consolidating indicators

After being collected, the quantitative health and safety data in this report were checked and consolidated according to clearly defined procedures and criteria.

For the Infrastructure business line, in consolidating the data for the GrDF distribution BU, which operates jointly with ERDF, only the «natural gas» part of hours worked is taken into account.

3.3 ENVIRONMENTAL INFORMATION

GDF SUEZ faces main environmental challenges: climate change, quality and availability of natural resources – air, water, soil and energy, protection of biodiversity and ecosystems. Although GDF SUEZ's activities may generate improvements in environmental quality, they also have an impact on ecosystems and natural resources, which the Group seeks to measure and reduce within the process of environmental management of its activities.

3.3.1 LEGAL AND REGULATORY FRAMEWORK

Legislation related to the environment is constantly evolving, as illustrated by Article 225 of the Grenelle 2 Law strengthening the reporting requirements of the French NRE (New Economic Regulations) law and extending its scope. These changes impact the Group in all its activities. The Group actively monitors regulatory developments (set out in Chapter 2, "Risk Factors"), stating its positions while they are being prepared and applying the new rules when they are published. In particular, the Group has been calling for the harmonization of international regulations and greater integration between the various environmental and energy policies.

(1) This rule is described in the health and safety reporting procedure.

3.3.2 THE ENVIRONMENTAL MANAGEMENT SYSTEM(1)

At the end of 2012, the entities that announced an environmental commitment policy or declaration accounted for 95.45% of relevant Group revenue(2) in terms of environmental impact. These commitments usually lead to the implementation of Environmental Management Systems (EMS) with regards to economic conditions and interest of such a procedure. These EMS may then be externally certified, when justified. At December 31, 2012, 69.72% of relevant revenue was covered by certified EMS (ISO 14001 certifications, EMAS(3), ISO 9001 version 2000 certifications with an environmental component, and local certifications).

PERCENTAGE OF RELEVANT REVENUE COVERED

Indicator title	Scope covered in 2012 *(% relevant revenue)*	GDF SUEZ 2012	GDF SUEZ 2011 (1)
By an EMAS certification ■ ■	99.72%	13.1%	14.2%
By an ISO 14001 certification (non-EMAS) ■ ■	99.90%	53.8%	49.5%
By other external EMS certifications	99.88%	2.8%	3.3%
TOTAL EXTERNAL CERTIFICATIONS		**69.7%**	**67.0%**
By an internal certification (but not by a certified EMS)	99.88%	14.7%	15.8%
TOTAL INTERNAL OR EXTERNAL EMS		**84.4%**	**82.8%**

■ ■ *Verified by the Auditors with "reasonable" assurance for the year 2012.*

(1) The 2011 figures have been recalculated on the basis of figures published in 2011 and according to the scope defined in 2012 to take account of the reorganization of the Energy France (BEF) and Energy Europe International (BEEI) business lines.

When the implementation of a certified or registered management system is not economically justified, entities are encouraged to define an internal environmental management system ensuring concern for the environment in carrying out their strategy. Thus, some Group entities have deemed it more advisable to devise their own management system standard, adapting it to their activities and recognizing it internally. To supplement its Environmental Management Systems (EMS), GDF SUEZ uses a dynamic self-assessment system to evaluate the maturity of environmental assessment processes, which allows operating sites to easily identify areas for improvement and evaluate the adequacy of their EMS for local circumstances. This system also enables them to monitor their progress and make comparative analyses with other Group sites, whether or not they are in the same field of activity.

3.3.3 ENVIRONMENTAL RESPONSIBILITY PERFORMANCE CONTROL AND MEASUREMENT SYSTEMS

To monitor the implementation of its environmental policy, to control environmental risks and to encourage the communication of its environmental performance to stakeholders, GDF SUEZ has developed a specific reporting system that goes beyond the requirements of the French NRE law, based on work conducted within international bodies such as the Global Reporting Initiative (GRI) and the World Business Council for Sustainable Development (WBCSD).

Environmental reporting is closely tied to operational performance reporting, thus becoming a management tool. The Group's Executive Management transmits this goal of making environmental concerns an integral part of management responsibilities. Auditors trained in the Business Units and corporate auditors perform environmental audits to ensure that environmental regulations are observed in the field and to evaluate major environmental risks.

(1) See Section 3.5 "Statutory Auditor's Report on the Review of Selected Environmental and Social Indicators".

(2) Relevant revenue: excluding revenue generated by activities not considered relevant in terms of environmental impact (such as tertiary, trading and sales activities, etc.).

(3) «Eco Management and Audit Scheme»: European regulation established by the European Commission to provide a framework for voluntary eco-management approaches using an EMS. Any business already ISO14001-certified can obtain an EMAS certificate if it publishes an environmental declaration that meets the EMAS criteria.

A system of letters for environmental compliance ensures operational management involvement: by committing management to provide qualitative information that is consistent with the standards of reference, controlled, verified and approved.

Methodological elements of the 2012 environmental reporting

GDF SUEZ conducts its environmental reporting using a dedicated tool that allows data to be reported following a defined methodology. This tool, called CERIS, is an environmental reporting IT solution used to manage the network of environmental correspondents, to handle the management and the documentation of the scope of environmental reporting, for the data entry, monitoring and consolidation of indicators, as well as to publish reports and provide or produce the documentation necessary for gathering data and monitoring data reporting.

CERIS is deployed in each of the business lines and thus covers the entire GDF SUEZ organization.

Some entities, which do not yet have direct access to CERIS, fill out an Excel version that is then imported into the tool or contribute to aggregated levels.

The legal entities included in the reporting scope are those whose operations are relevant in terms of environmental impact and that are consolidated fully or proportionately under the rules of financial consolidation (IFRS). Legal entities solely engaged in energy trading, financial activities or engineering are excluded. The selected entities report on the performance and impacts of the industrial facilities over which they have technical operational control, including facilities operated on behalf of third parties. Legal entities consolidated at equity are excluded.

Thus, in accordance with the rules of financial consolidation, 100% of impacts collected are consolidated when the entities are fully consolidated. For entities proportionately consolidated, the environmental impacts are consolidated in proportion to the Group's consolidation rate whether it has 100% technical operational control or whether this is shared with other shareholders.

The scope is determined on June 30th of the fiscal year. For disposals after that date, the entity is expected to complete the environmental questionnaire with the data available on the last day of the month prior to the disposal. Acquisitions made after June 30th are not taken into account, unless the business line has requested an exception, and provided that the data is available.

To calculate environmental management indicators such as the "part of relevant revenue covered by an environmental certification, environmental crisis management plan, etc.", the relevant revenue is estimated for each legal entity. To obtain the relevant revenue, operations regarded as "not relevant in terms of environmental impact" (e.g. trading, finance and engineering) are stripped out of the consolidated revenue figure of each legal entity.

The procedures of environmental data reporting encompass a general procedure based on a standard guideline to be implemented at the appropriate levels of the reporting process. Procedures and guidelines are rolled out Group-wide via a network of duly mandated contacts and coordinators. These procedures and guidelines at Group's and business lines' level describe in detail the environmental data collection, control, consolidation, validation and transmission phases at different levels of the organization, as well as the rules for defining the scope of consolidation. They include technical documents that provide methodological guidelines for the calculating of some specific indicators. Depending on its activities, each entity is assigned a profile that determines the indicators to answer. The list of the entities included in the environmental reporting scope is approved by each business line.

The definitions of the indicators[(1)] used to measure the environmental performance of Group businesses have been reviewed, taking into account the statutory auditors' comments. They also take into account the comments by line managers represented in dedicated work groups. All the documentation is available from the Group upon request (Sustainable Development Department).

The following should be noted with regard to the data published in this report and in the annual Sustainable Development Report:

1. for fiscal year 2012, to ensure delivery of all data required within the stipulated deadlines, estimation methods were defined for data that would not have been available in the 12 months of the calendar year;
2. in 2011, part of the Group's business was split between Energy Europe International business line (BEEI) and the Energy France business line (BEF). Following the reorganization, the Energy Europe International business line was split into two distinct business lines: The Energy International business line (BEI) on the one hand, and the Energy Europe business line (BEE) on the other. In addition, BEF was integrated within BEE. The historic figures presented for 2011 were recalculated according to the new division of business to enable evolutions to be monitored. As such, the historic figures do not correspond with the figures published in the Registration Document 2011;
3. GDF SUEZ has been a signatory to the CEO Water Mandate since 2007, thus indicating its commitment to preserving water resources. In order to improve the Group's water management, indicators relating to water were adjusted and brought into line with GRI indicators in 2011. GDF SUEZ is thus able to respond more fully to external questionnaires: SAM, CDP Water Disclosure and CEO Water Mandate, etc. These new indicators fall into four categories: Withdrawal, Discharge, Consumption and Recycling/Reuse. In 2012, clarification was made in terms of monitoring the steam content in discharged water. Though indicators have been deployed across the scope for consolidation for the second consecutive year, we are still working, in line with a process of continuous improvement, to clarify definitions and to adapt them to local and technological conditions;
4. being much concerned about what becomes of the waste generated by its activities, the GDF SUEZ Group monitors indicators on its waste recovery. These are based on definitions of waste and recovery established by local regulations;

(1) *Subject to verification by the Statutory Auditors.*

5. CO_2 emissions from the combustion of fossil fuels were calculated based on emission factors of the fourth IPCC report (2007). The global warming potential (GWP) compares the warming capacity of various global greenhouse gases to CO_2. The conversion rates used to calculate the GWP of our GHGs come from the second IPCC report (1995). In 2012, GDF SUEZ included fluorinated gases emissions in direct GHG emissions, whose indicator is subject to statutory auditors' review;
6. in its direct GHG emissions, GDF SUEZ includes CO_2 from vehicles owned, leased or rented by the Group and used in the performance of its industrial activities;
7. the reliability of the environmental reporting scope is a GDF SUEZ priority, as the Group evolves in an international context of business disposals and acquisitions;
8. data related to LNG vessels' activity, including impacts and consumption, have been incorporated as operating sites and are therefore reported as such. The vessels included in the calculations are those in which GDF SUEZ has majority ownership, or those operated by a subsidiary in which GDF SUEZ has a majority stake, as well as long-term chartered vessels (> 1 year). This gives a list of 19 ships: *Maran Gas Coronis, LNG Lerici, Grace Cosmos, Cheikh Bouamama, Lalla Fatma N'Soumer, BW SUEZ Everett, BW SUEZ Boston, Matthew, Tellier, Provalys, GDF SUEZ Global Energy, Gaselys, BW GDF SUEZ Paris, BW GDF SUEZ Brussels, GDF SUEZ Neptune* (SRV), *GDF SUEZ Point Fortin* and *GDF SUEZ Cape ANN* (SRV), *Gimi, Neo Energy, Grace Acacia*. Any ISO 14001 certification of vessels is also taken into account;
9. for the sake of consistency, the factor for converting thermal energy produced (GWhth) into electric power (GWhe) is set at 0.44 for all Group businesses;
10. it should be noted that only leachates from class 2 storage centers are reported;
11. significant environmental impacts resulting from subcontractors during services performed at one of the Group's facilities must be included in the Group's impacts except when a specific contractual clause provides that a subcontractor is liable for impacts generated at the site while providing the service. Data provided by subcontractors is not subject to systematic internal verification before being included in Group data and is the responsibility of the subcontractors alone. Regulations and legal obligations related to the environment may differ from one country to another, and certain data may thus be sometimes more difficult to gather (e.g. water consumption in the United Kingdom);
12. for 2012, SUEZ Environnement does not possess any detailed information on its water consumption or its use (cooling or industrial). By default, overall water consumption is fully considered as industrial water;
13. to date, electricity consumption from renewable activities are not taken into account in the Group's consumption. This consumption is not significant in relation to the Group's business.

3.3.4 GROUP ACTIONS

3.3.4.1 Climate change

The Group is aware of the impacts of its activities on the climate and strives to minimize them by using the best technologies to reduce emissions, by improving the energy efficiency of all its facilities, and by incorporating low-carbon and no-carbon sources into its energy mix. The Group has therefore made energy efficiency one of the key activities of its Energy Services business line. The Group's development strategy is also based on a balanced energy mix. It actively participates in the work of civil society in this area, contributing its operating know-how in negotiations at all levels. This expertise is also available to the Group's customers through a range of commercial offerings, whether for participation in the carbon market, technical solutions, support or implementation of strategies and action plans to reduce greenhouse gas (GHG) emissions. In addition, the Group responds annually to the Carbon Disclosure Project questionnaire (see Section 1.2.3 Non-financial indicators).

In 2012, the Group's 2012 GHG emissions (excluding tertiary emissions) totaled 154,231 million of tons of CO_2 equivalent[1].

Indicator title	Scope covered in 2012 *(% relevant revenue)*	GDF SUEZ 2012	GDF SUEZ 2011 [(1)]
Total GHG emissions (excluding tertiary emissions) ■ ■	92.88%	154,230,874.5 t CO_2 eq.	148,802,059.1 t CO_2 eq.
GHG emissions per activity unit – energy generation		446.5 kg CO_2 eq./MWheq	411.3 kg CO_2 eq./MWheq
GHG emissions per activity unit – gas exploration, production		2.7 kg CO_2 eq./MWheq	4.7 kg CO_2 eq./MWheq
GHG emissions per activity unit – gas storage		1.0 kg CO_2 eq./MWheq	1.1 kg CO_2 eq./MWheq
GHG emissions per activity unit – gas transportation (excluding via LNG tanker)		0.7 kg CO_2 eq./MWheq	2.1 kg CO_2 eq./MWheq
GHG emissions per activity unit – LNG terminals		2.0 kg CO_2 eq./MWheq	1.6 kg CO_2 eq./MWheq
GHG emissions per unit of activity – gas distribution		5.3 kg CO_2 eq./MWheq	1.0 kg CO_2 eq./MWheq
GHG emissions per activity unit – gas transportation by boat		9.0 kg CO_2 eq./MWheq	7.9 kg CO_2 eq./MWheq
GHG emissions per activity unit – incineration		384.5 kg CO_2 eq./t	393.4 kg CO_2 eq./t
GHG emissions – vehicle fleet		853,525.6 t CO_2 eq.	878,978.6 t CO_22 eq.

■ ■ *Verified by the Auditors with "reasonable" assurance for the year 2012.*

(1) The 2011 figures have been recalculated on the basis of figures reported in 2011 and according to the scope defined in 2012 to take account of the reorganization of the Energy France and Energy Europe International branches.

The Group is also aware that, despite efforts to reduce greenhouse gas emissions, a global increase in the frequency and intensity of temperatures and extreme weather events is inevitable. To fully prepare for the associated risks and to benefit from opportunities, GDF SUEZ launched a working group in 2012 aimed initially at identifying and sharing best practices already in place in some of its businesses, so as to tackle or take advantage of future climate changes. In its approach, the Group uses the method suggested by the UK Climate Impact Programme to analyze its vulnerability to climate change and to identify key actions to be implemented in order to make the best preparations for it. A summary of the discussions on extreme weather events that have affected the company and/or which may possibly have an impact on the Group's business has been made.

(1) NB: the scope used for environmental reporting is specific (it includes facilities where GDF SUEZ has technical operational control) and thus differs from the scope used, for example, when assessing the power generation fleet.

3.3.4.2 Renewable energy

Maintaining a balanced energy mix, which is at the forefront of the Group's energy strategy, means increasing its capacities in renewable energy, whether for producing electricity and heat, or in biogas for transportation.

In 2012, renewable energy accounted for roughly 17.7 GW of installed electric equivalent, or 18.8% of the Group's total installed capacity.

Indicator title	Scope covered in 2012 *(% relevant revenue)*	GDF SUEZ 2012	GDF SUEZ 2011 (1)
Renewable – Net installed power (electric and thermal) ■ ■	99.98%	17,657.5 MWeq	16,618.8 MWeq
Share of renewable resources in installed capacity	99.86%	18.8%	18.1%
Renewable – Electricity and heat produced ■ ■	99.99%	64,353 GWheq	68,311.3 GWheq
Energy produced – share of large hydraulic		74.7%	78.5%
Energy produced – share of small hydraulic		2.0%	1.8%
Energy produced – share of wind		9.8%	8.8%
Energy produced – share of geothermal		0.071%	0.069%
Energy produced – share of solar		0.050%	0.042%
Energy produced – share of biomass (excluding thermal)		9.4%	7.4%
Energy produced – share of biogas		1.8%	1.5%
Energy produced – incineration share of biodegradable share of waste		2.2%	1.9%

■ ■ *Verified by the Auditors with "reasonable" assurance for the year 2012.*

These capacities correspond to the scope of the environmental reporting specified in section 3.2.5 (excluding equity-accounted and non-controlled facilities).

(1) The 2011 figures have been recalculated on the basis of figures published in 2011 and according to the scope defined in 2012 to take account of the reorganization of the Energy France (BEF)and Energy Europe International (BEEI) business lines.

3.3.4.3 Energy efficiency

In accordance with Article 225 of the Grenelle 2 French Law, the Group is accountable for its actions in saving resources and raw materials. Given the activities of GDF SUEZ, there is an overwhelming need to address the issue of energy efficiency on the one hand and the issue of water resources conservation on the other (see 3.3.4.5 for more information in this regard).

Three of GDF SUEZ's business lines offer a very wide range of services: the Energy Services business line (BES), the Energy Europe business line (BEE) and the Energy International business line (BEI). In particular, the Energy Services business line designs and implements energy efficiency and environmental solutions through multi-technical offerings in engineering, installation and energy services. The other business lines also implement energy saving measures for their customers: in France, for example, the Group conducts some 100,000 energy saving operations every year, based on standard actions set out in the Energy Savings Certificates regulations.

For electricity generating facilities, energy performance is directly connected to the site's profitability. It is therefore a key action area for every power plant manager.

Finally, GDF SUEZ has begun improving the energy efficiency of its tertiary activities (signing the manifesto of the World Business Council for Sustainable Development [WBCSD] for action in this area at the end of 2009). To this end, the Group has decided to set up a green building policy on its buildings, a policy whose first phase will be deployed in France and Belgium, with the objective, among others, of reducing its energy consumption by 40% by 2020.

Indicator title	Scope covered in 2012 *(% relevant revenue)*	GDF SUEZ 2012	GDF SUEZ 2011 (1)
Primary energy consumption – total (excluding own consumption) ■ ■	99.98%	544,851.7 GWh	527,503.2 GWh
Share of coal/lignite		37.7%	34.0%
Share of natural gas		54.9%	59.8%
Share of fuel oil (heavy and light)		2.0%	2.3%
Share of alternative fuels		1.9%	1.8%
Share of biomass		3.5%	3.1%
Share of waste		0.045%	0.045%
Electricity consumption (excluding own consumption) ■ ■	99.16%	14,120.6 GWh	7,415.0 GWh
Thermal energy consumption (excluding own consumption)	99.96%	5,256.8 GWh	3,481.7 GWh
Energy efficiency of fossil fuel plants (including biomass) ■ ■	99.74%	42.2%	43.3%

■ ■ *Verified by the Auditors with "reasonable" assurance for the year 2012.*

(1) The 2011 figures have been recalculated on the basis of figures published in 2011 and according to the scope defined in 2012 to take account of the reorganization of the Energy France (BEF) and Energy Europe International (BEEI) business lines.

3.3.4.4 Nuclear energy

Maintaining a very high level of safety at the seven nuclear reactors operated by GDF SUEZ is a key priority for the Group. GDF SUEZ also attaches great importance to limiting the environmental impact of these facilities (e.g., waste).

The downstream portion of the nuclear fuel cycle represents all operations related to this fuel after its use in a nuclear reactor. The costs for this portion are and will be covered by total financial provisions of €4.471 billion at the end of 2012. The Belgian law of April 11, 2003 governs the terms for creating these specific provisions. A safety case, prepared by Synatom every three years, has been submitted to and approved by the Belgian Commission for Nuclear Reserves. Provisions were also made for the costs of dismantling nuclear plants after decommissioning, pursuant to the law of April 11, 2003. The provisions established at the end of 2012 amounted to €2.460 billion.

Indicator title	Scope covered in 2012 *(% relevant revenue)*	GDF SUEZ 2012	GDF SUEZ 2011 (1)
Radioactive gas emissions (2)			
• Rare gases	100%	41.89 TBq	40.96 TBq
• Iodines	100%	0.07 GBq	0.13 GBq
• Aerosols	100%	0.35 GBq	0.14 GBq
Radioactive nuclear waste (weak and average activity)	100%	288.2 m^3	338.3 m^3
Radioactive liquid wastes			
• Beta and Gamma emitters	100%	19.74 GBq	21.49 GBq
• Tritium	100%	104.52 TBq	88.42 TBq

(1) The 2011 figures have been recalculated on the basis of figures published in 2011 and according to the scope defined in 2012 to take account of the reorganization of the Energy France (BEF) and Energy Europe International (BEEI) business lines.

(2) The Belgian Federal Agency for Nuclear Control has issued a new directive on declaring radioactive waste. This new methodology was taken into account in 2011 by the Doel nuclear power plant and in 2012 by the Tihange power plant, which explains the changes between the 2011 and 2012 data. The shutdown of Doel 3 in early June 2012 and Tihange 2 in mid-August 2012 also had an impact on the data, to a certain degree.

3.3.4.5 Water

Due to its many activities, the Group is involved in water management at two levels: as a water treater (water and sanitation services) and as a water user and consumer (in its energy businesses). As a committed player in this area, GDF SUEZ is taking part in the current debate over corporate risk disclosure and water stewardship, alongside organizations such as the World Business Council for Sustainable Development and the CEO Water Mandate of the UN Global Compact. In 2012, the Group made an initial assessment of water stress for "energy" activity facilities using the Global Water Tool. The indicators reported relate to water withdrawal and consumption in terms of industrial processes.

Indicator title	Scope covered in 2012 *(% relevant revenue)*	GDF SUEZ 2012	GDF SUEZ 2011 (1)
Industrial and desalinated water			
• Total withdrawal – Fresh water	95.47%	93.2 Mm^3	790.9 Mm^3
• Total withdrawal – Non-fresh water	70.16%	335.0 Mm^3	287.7 Mm^3
• Total consumption(2)	84.34%	36.3 Mm^3	43.8 Mm^3
Cooling and heating water			
• Total withdrawal – Fresh water	80.20%	7,197.2 Mm^3	6,327.7 Mm^3
• Total withdrawal – Non-fresh water	78.90%	7,843.1 Mm^3	6,547.1 Mm^3
• Total consumption	79.77%	295.3 Mm^3	190.9 Mm^3
Linear water loss rate ■ ■	99.09%	11.8 m^3/km/day	14.5 m^3/km/day
Pollution load treated in sanitation networks (BOD5 treated) ■ ■	99.97%	817.8 kt/year	796.1 kt/year

■ ■ *Verified by the Auditors with "reasonable" assurance for the year 2012.*

(1) The 2011 figures have been recalculated on the basis of figures published in 2011 and according to the scope defined in 2012 to take account of the reorganization of the Energy France (BEF)and Energy Europe International (BEEI) business lines.

(2) The water activity of SUEZ Environnement is excluded from this indicator. Total water consumption of the SUEZ Environment activity corresponds to withdrawls only, discharges are not reported.

3.3.4.6 Waste

The percentage of waste recovered as materials or energy accounts for 50.1% of the total treated waste in the waste treatment sector. In the hazardous waste sector, SUEZ Environnement is also developing its high-temperature incineration operations or recovering this waste as alternative fuels, particularly with its cement plant partners. Another way to recycle hazardous waste is to regenerate used oils and solvents.

Indicator title	Scope covered in 2012 *(% relevant revenue)*	GDF SUEZ 2012	GDF SUEZ 2011 (1)
Total quantity of non-hazardous waste and by-products evacuated (including sludge)	99.61%	8,508,183.9 t	7,568,189.6 t
• Fly ash, Refioms	100%	3,831,705.6 t	2,960,433.8 t
• Ash, bottom ash	100%	2,817,071.7 t	2,588,670.0 t
• Desulfurization by-products	100%	372,861.7 t	292,995.6 t
• Sludge from waste water treatment and drinking water production	97.72%	860,831.4 t	1,096,411.5 t
Total quantity of non-hazardous waste and by-products recovered (including sludge)	95.79%	6,477,934.9 t	5,760,167.0 t
Total quantity of hazardous waste and by-products evacuated (excluding radioactive waste) ■ ■	99.81%	782,762.9 t	761,952.8 t
Total quantity of hazardous waste and by-products recovered (excluding radioactive waste) ■ ■	99.74%	21,077.4 t	39,387.2 t
Quantity of leachates collected and treated (externally or internally)	100%	4.041 Mm^3	3.729 Mm^3
Quantity of recovered energy from waste treatment (sold electricity and heat from Incineration, WWTP and Landfills) ■ ■	99.99%	4,765.8 GWheq	4,314.1 GWheq

■ ■ *Verified by the Auditors with "reasonable" assurance for the year 2012.*

(1) The 2011 figures have been recalculated on the basis of figures published in 2011 and according to the scope defined in 2012 to take account of the reorganization of the Energy France (BEF) and Energy Europe International (BEEI) business lines.

3.3.4.7 Atmospheric pollutants

GDF SUEZ uses a wide range of techniques to further reduce its emissions: reduction at the source using a tailored energy package; filters or water injection to reduce particle emissions; installation of low-NO_x burners or urea injection (secondary treatment) to control nitrogen oxides; and choosing fuels with very low sulfur content to reduce sulfur dioxide emissions.

Indicator title	Scope covered in 2012 *(% relevant revenue)*	GDF SUEZ 2012	GDF SUEZ 2011 (1)
NOx emissions	97.42%	162,460.7 t	152,106.6 t
SO_2 emissions	97.79%	255,622.6 t	192,927.1 t
Particulate matter emissions	97.29%	13,651.9 t	13,035.8 t

(1) The 2011 figures have been recalculated on the basis of figures published in 2011 and according to the scope defined in 2012 to take account of the reorganization of the Energy France (BEF) and Energy Europe International (BEEI) business lines.

3.3.4.8 Management of biodiversity

The issue of biodiversity conservation is a major environmental challenge. Based on its broad guidelines for the preservation of biodiversity, the Group has developed an integrated action plan to structure work already done in the field by the various Group entities and to start new ones. This voluntary project aims to fully integrate biodiversity into the management of industrial sites and to deploy action plans on sensitive sites. The project should implement three main actions:

- strengthen the interactions between Group activities and ecosystems and identify sensitive/priority sites at a Group level;
- stimulate the development of action plans on sensitive/priority sites and promote the implementation of voluntary initiatives on all Group sites;
- promote biodiversity with project developers and enhance internal expertise, with the aim of increasing sound initiatives and promoting business opportunities centered around biodiversity.

This commitment has been recognized thanks to the French National Strategy for Biodiversity. In this process, in May 2008 the Group established a partnership with the French Committee of the International Union for the Conservation of Nature (IUCN France). GDF SUEZ also renewed its partnership for three years (2013-2015) with France Nature Environnement on the preservation of natural habitats and biodiversity in France. Its aim is to enhance actions that promote biodiversity in the design and management of the Group's sites and facilities (existing or future), to explore the potential contribution of GDF SUEZ's facilities to environmental continuity, and to develop tools for raising awareness of biodiversity.

The Group has established an internal communications network in this area and is developing internal tools to facilitate ownership of the topic and objectives by as wide an audience as possible. Conferences and information sessions are also organized to raise awareness of biodiversity issues in our businesses.

3.3.4.9 Active prevention of environmental risks

The management of industrial, health and environmental risks has two components: risk prevention and crisis management.

Indicator title	2012 data	2011 data (1)
Environmental Analyses	69.03% relevant revenue	77.69% relevant revenue
Environmental risk prevention plan	85.29% relevant revenue	82.43% relevant revenue
Environmental crises management plan	85.29% relevant revenue	86.06% relevant revenue

(1) The 2011 figures have been recalculated on the basis of figures published in 2011 and according to the scope defined in 2012 to take account of the reorganization of the Energy France (BEF) and Energy Europe International (BEEI) business lines.

The operating entities have implemented crisis management plans that involve two levels of response: an emergency standby system to ensure immediate mobilization of crisis management resources and a crisis mechanism, strictly speaking, to effectively manage crises throughout their duration. This plan specifically provides for the organization of a crisis unit that is capable of taking internal or external impacts into consideration, whether they are related to technical, social, health, economic or other matters. For this purpose, the plan emphasizes the training and education of crisis management teams, particularly through simulations, and by developing a culture of dialogue among local teams and in outside contacts.

Indicator title	Scope covered in 2012 (% relevant revenue)	2012 data	2011 data (1)
Environmental complaints	95.81%	115	159
Environmental court rulings	99.90%	12	24
Compensation paid for court ruling (in thousands of euros)	99.90%	2,237,656	1,917,635
Environmental expenditures (in millions of euros)	87.90%	5,875.2	1,917.6

(1) The 2011 figures have been recalculated on the basis of figures published in 2011 and according to the scope defined in 2012 to take account of the reorganization of the Energy France (BEF) and Energy Europe International (BEEI) business lines.

In 2012, there were 115 claims and 12 awards for environmental damages, with total compensation amounting to €2,237,656. Although this is very low considering the Group's size and the industrial nature of its activities, the Group actively monitors the data and implements actions to reduce the number of claims and their cost. In 2012, environmental expenses (capital expenditure and recurring operating expenses related to environmental protection) totaled €5,875 million.

3.3.4.10 Noise

Any industrial activity is a source of noise. In order to reduce its impact, Group's entities conduct regular soundproofing work (hood, building sound insulation, noise barriers, containment, and so on). In more recent projects, this potential form of pollution is directly integrated into the design. For instance, when renewing household waste collection vehicle fleets, efforts are made to reduce the activity's noise impact.

3.3.4.11 Odor

To minimize unpleasant odors for residents, odor collection and treatment systems are implemented at wastewater treatment plants, incinerators or waste treatment plants. In waste management, odor control also involves the improvement of manufacturing processes.

3.3.4.12 Land use

Protection of soil and groundwater is an integral part of the Group's environmental policy. The environmental consequences of soil pollution can be significant, as can the costs of subsequent remedial measures. It is therefore important to prevent this risk.

At Electrabel in Belgium, a soil survey was carried out at several power plants sites and soil pollution was identified. Risks were assessed in conjunction with the appropriate environmental authorities and a remediation project is implemented wherever necessary.

GDF SUEZ owns many former gasworks. These sites are affected by oil, heavy metals and other volatile substances that can adversely affect health. As a result, they must be repaired before reuse. In 1996, a ten-year plan was agreed via a memorandum between Gaz de France and the French government for the rehabilitation of these sites. As from 2007, from a remedial perspective, all sites are compatible with their use. Today, when these former sites are sold, GDF SUEZ is committed to ensuring that the buyer's project is compatible with the environmental and industrial liabilities of the site and that the risk to the environment and residents is effectively managed.

A specialist in site remediation and groundwater cleanup, SITA Remediation is the SUEZ Environnement subsidiary dedicated to the rehabilitation of polluted soils. SITA Remediation is substantially expanding its activities in soil rehabilitation and cleanup, either by operations performed *in situ* or by extracting materials for treatment at its network of specialized facilities.

3.4 CORPORATE SOCIAL COMMITMENTS

The ambition of GDF SUEZ is to contribute to the development of responsible growth based on its businesses. The Group has adopted a policy of proactive sustainable development that is used in all countries where it operates.

3.4.1 CORPORATE SOCIAL COMMITMENTS AND SOCIO-ECONOMIC DEVELOPMENT

The social commitment of GDF SUEZ aims to promote the integration of social responsibility criteria in its activities, dialogue with stakeholders, solidarity and combating precariousness, as well as socio-economic development of the territories. To implement this policy, the Group undertakes various complementary initiatives.

3.4.1.1 Relations with stakeholders and partnerships

To ensure the durability of its activities and good social acceptability of its industrial projects, GDF SUEZ supports initiatives that aim to promote sustainable development and social responsibility, as well as to maintain an ongoing proactive dialogue with all its stakeholders (insertion associations, suppliers, environmental protection associations, local residents, etc.)

Since 2001, GDF SUEZ has been a member of the UN Global Compact. Gérard Mestrallet, Chairman and Chief Executive of GDF SUEZ, chairs the French Global Compact network and encouraged strategic suppliers to adhere to it.

At an international level, GDF SUEZ has actively participated in the work of the High Level Panel on access to Energy for All as part of the International Year of Energy, and at the Rio +20 Summit where ten Group commitments were made, including the three UN goals to be achieved by 2030 in the field of energy: universal access to modern energy services, a 40% reduction in worldwide energy intensity and a 30% increase in the use of renewable energy throughout the world.

GDF SUEZ is a member of the World Business Council for Sustainable Development (WBCSD) and chairs, among others, intercompany working groups on “access to energy” and “energy efficiency in buildings.”

At European level, the Group is a member of CSR EUROPE European network, and is one of the leaders of the European collaborative platform on “new inclusive business models for the bottom of the pyramid” alongside the *Institut du Mécénat et de la Solidarité* (IMS), Business in the Community (BITC), BOP Inc. and GlobCAD.

In France, GDF SUEZ has concluded structural partnerships with institutions, educational establishments and large-scale NGOs to support its sustainable development policy. Of note in this respect is its partnership with France Nature Environnement (FNE), which brings together 3,000 environmental protection associations that support the Group in its efforts to protect biodiversity.

GDF SUEZ and EMMAÜS have renewed their partnership with the signing of a second three-year agreement covering 2010-2012 which schedules the completion of energy audits and operations to improve the energy efficiency of Emmaüs facilities, alongside Emmaüs staff training so they can better manage their water and energy consumption. Appraisal of the partnership entrusted to a research laboratory will be used as a basis for the negotiation of a third agreement covering 2013-2015.

The partnership with the *Hautes Etudes Commerciales* (HEC) business school in France for the creation of a chair on innovative new business models named “Business and Sustainability” enables students to work on GDF SUEZ case studies in order to study their reproducibility in other parts of the world.

Thanks to the university foundation partnership known as FONDATERRA, with the University of Versailles Saint Quentin en Yvelines, the Group participates in various open innovation projects and the co-building of pilot initiatives (demonstration projects on smart grids, eco-neighborhoods, training and implementation of awareness-raising tools).

As regards education, GDF SUEZ has been a partner of *Eco-écoles* since 2010. The *Eco-écoles* program developed by the Foundation for Environmental Education in Europe, supports teachers and pupils in over 1,500 schools in the implementation of a genuine collaborative and constructive approach to sustainable development.

The Group supports many community philanthropy actions in France and internationally. The GDF SUEZ Foundation has put solidarity and environment at the heart of its work and has supported many sizeable projects. In 2012, thanks to the “Energy for All” program, the GDF SUEZ Foundation supported 17 projects in the field of energy which helped some 70,000 people.

3.4.1.2 GDF SUEZ Rassembleurs d’Energies Initiative

The GDF SUEZ group actively participates in the fight against poverty and inequality. The GDF SUEZ *Rassembleurs d’Energies* initiative was launched in 2011 to bring together and strengthen the Group’s actions to encourage access to energy and basic services in the countries where it currently operates or plans to operate in the future.

GDF SUEZ also supports the corporate social commitments of its employees and other stakeholders, promoting a partnership approach, both with NGOs, public authorities, other businesses, and the public.

The GDF SUEZ *Rassembleurs d’Energies* initiative aims to provide technical and/or financial support to innovative projects in the field of access to energy. All these projects share the fact that they are spearheaded by social entrepreneurs who, through the creation of local businesses, promote access to sustainable energy by vulnerable populations while creating value.

The GDF SUEZ *Rassembleurs d'Energies* initiative is based on three levers:

- *a social investment fund*: Created in 2011, the social investment fund (employer-sponsored, or FCPE), GDF SUEZ *Rassembleurs d'Energies* is expected to reach €100 million by the end of 2013. This fund aims to support viable social and economic projects for access to energy and to fight energy precariousness. In 2012, 16 projects were sponsored by the GDF SUEZ Corporate Foundation and two investment projects were started;
- *donations and subsidies:* projects supported by GDF SUEZ *Rassembleurs d'Energies* can also benefit from subsidies under the aegis of community philanthropy, either via various subsidiaries or via the GDF SUEZ Corporate Foundation;
- *technical assistance provided by employees*: the expertise and know-how of employees is a valuable resource that GDF SUEZ *Rassembleurs d'Energies* intends to mobilize. Technical and managerial assistance may be provided to any type of project supported by the Foundation, the Investment Fund or various Group employee associations.

In 2012, the Energy Assistance and Codegaz associations spearheaded 150 projects in over 30 countries thanks to the commitment of 2,000 staff volunteers.

3.4.2 ASSISTANCE FOR VULNERABLE CUSTOMERS AND COMMUNITY SOLIDARITY

GDF SUEZ has specific responsibility in terms of access to energy and water for the most vulnerable populations. In this context, the Group has developed various initiatives and solutions to fight precariousness.

3.4.2.1 An international observatory for energy and water scarcity

Since 2009, the Group has had an observatory for energy and water scarcity.

After a period studying and understanding the mechanisms that can lead to situations of social insecurity, in 2012 the observatory moved to provide operational support to subsidiaries which, after analysis of the situation in their areas, decide to implement action plans to fight against these forms of precariousness.

In 2012, the Observatory held its third symposium in Brussels November 28, under the auspices of Electrabel Belgium.

3.4.2.2 Special Solidarity Tariff and Solidarity Housing Fund

GDF SUEZ was quick to implement the new decree (March 2012) on the automation of procedures to grant social tariffs for electricity and gas to its most vulnerable customers. This system helps customers either with an individual natural gas contract for their main residence or those who have a collective natural gas heating system. Implementation of this decree meant an increase of more than 20% in the number of customers benefiting from the Special Solidarity Tariff. At the end of October 2012, more than 370,000 customers were benefiting from this solidarity tariff, compared with approximately 300,000 in 2011. In 2012, the financial amount stood at €25 million.

The Group also participates in the in French Solidarity Housing Fund, providing €6 million per year, in line with the Public Service Agreement. This fund provides financial assistance to disadvantaged households to enable them to obtain or maintain housing. Finally, since September 30, 2011, the Group has been a partner of the national program "*Habiter mieux*". Over the period 2011-2013, €22 million was allocated to help 300,000 homeowners in fuel poverty to make improvements in the energy performance of their homes.

3.4.2.3 Social Mediation Partners

In France, GDF SUEZ has created a network of mediation partners at over 250 customer assistance centers. Customers in difficulty that visit these, often association-based, centers receive information, advice and solutions to better manage unpaid bills and thus avoid being cut off. The number of customer contacts increased sharply in 2012, with more than 50,000 customers meeting one of the Group's partners.

3.4.2.4 ISIGAZ

Since 2005, ISIGAZ (*Information on Indoor Gas Safety*) is a program that aims to provide education at home for residents of social housing located in deprived neighborhoods. With €1 million provided per year by GDF SUEZ, ISIGAZ is one of the commitments in the Public Service Agreement entered into between the Government and GDF SUEZ (2010-2013). ISIGAZ is committed to as part of agreements with local mediation structures to train mediators to provide advice on basic gas safety rules, when necessary to replace the connector hose of the cooker free-of-charge (screw-in flexible hose with no expiry date), and to provide information on ecological gestures in day-to-day life. By the end of 2012, ISIGAZ had raised awareness in over 210,000 families in 120 neighborhoods in 100 cities in France.

3.4.3 PURCHASES, SUBCONTRACTING AND SUPPLIERS

The Group Purchasing Policy sets out the principles governing the relationship with suppliers, while respecting the commitments of ethical behavior and social responsibility. The guidelines of its policies aim to:

- meet the requirements of quality and economic performance;
- professionalize staff and develop employee expertise: In terms of procurement, training campaigns in 2011 and 2012 helped to raise awareness among 86% of buyers from the Group Purchasing division. Internal customers were also invited to undertake ethical training. A "Responsible Purchasing" e-learning class will be launched in 2013 to provide training to all the Group's buyers worldwide;
- respect the Group's commitments: In terms of social responsibility, a supplier assessment tool was tested on five purchasing families. Fifty-two suppliers were assessed using the tool and the Group Purchasing division is studying its wider deployment via a future supplier portal;
- maintain balanced relations with Group suppliers: As part of the Diversity Label, purchasing initiated various actions to promote diversity: in France, creating a directory of companies in "appropriate" and "protected" sectors, and participating in the work of the French Association of Diversity Managers. As regards SMEs, the Group also committed to encouraging innovation by signing the "Innovative SMEs" charter in December 2012;
- manage efficiently the exchange of information using optimized tools and processes: The following "responsible purchasing" indicators are defined and monitored:
  - 53% of suppliers in the Top 100 were members of the Global Compact in 2011 (28% in 2009, 42% in 2010),
  - 90% of active contracts from the Group Purchasing division (i.e., 738 contracts) contain sustainable development and ethical clauses.

Finally, as part of its continuous improvement process, GDF SUEZ has launched a "responsible purchasing maturity" survey, which enables entities to assess themselves each year and monitor their progress. This continuous improvement and professionalization process is further enhanced as part of the Group Perform 2015 action plan.

3.5 STATUTORY AUDITORS' ATTESTATION OF COMPLETENESS, LIMITED ASSURANCE REPORT ON SOCIAL, ENVIRONMENTAL AND OTHER SUSTAINABLE DEVELOPMENT INFORMATION AND REASONABLE ASSURANCE REPORT ON A SELECTION OF SOCIAL AND ENVIRONMENTAL INFORMATION

This is a free translation into English of the original report issued in the French language and is provided solely for the convenience of English speaking reader.

For the attention of GDF SUEZ Group Executive Management

Pursuant to your request and in our capacity as Statutory Auditors of GDF SUEZ, we hereby present you with our report the consolidated social, environmental and other sustainable development information presented in the management report prepared for the year ended December 31, 2012 pursuant to Article L. 225-102-1 of the French Commercial Code (Code du commerce).

Responsibility of the company

The Board of Directors is responsible for preparing a management report including the consolidated social, environmental and corporate information provided for in Article R. 225-105-1 of the French Commercial Code (hereinafter the "Information"), prepared in accordance with the reporting criteria used by the GDF SUEZ Group (the "Reporting Criteria") and available for consultation at the Sustainable Development Department (Environment & Climate Service), the Group Human Ressources Department and the Health, Safety and Management Systems Department

Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as by the provisions set forth in Article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures that aim to ensure compliance with rules of ethics, professional standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditor

Based on our work, our responsibility is:

- to attest that the required Information is presented in the management report or, in the event of omission, is explained pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code and Decree No. 2012-557 of April 24, 2012 (Attestation of completeness);
- to express reasonable assurance on the fact that certain information selected by the GDF SUEZ Group and identified by the sign ■ ■ in chapters 3.2, 3.3 and 3.4 are presented, fairly, in all material aspects, in accordance with the Reporting Criteria (reasonable assurance report);
- to express limited assurance on the fact that the other Information is presented fairly, in all material aspects, in accordance with the adopted Reporting Criteria (limited assurance report);

To assist us in conducting our work, we referred to the corporate responsibility experts of our Firms.

1. Attestation of completeness

We conducted the following procedures in accordance with professional standards applicable in France:

- we have compared the Information presented in the management report with the list set forth in Article R. 225-105-1 of the French Commercial Code;
- we have verified that the Information covered the consolidated scope, i.e., the Company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, subject to the limits set forth in the methodological note presented in chapters 3.2.8.and 3.3.3 of the management report;
- in the event of omission of certain consolidated information, we have verified that explanations were provided in accordance with Decree No. 2012-557 of April 24, 2012.

Based on our work, we attest to the completeness of the required Information in the management report.

2. Assurance report

Nature and scope of procedures

We conducted our procedures in accordance with ISAE 3000 (International Standard on Assurance Engagements) and professional guidelines applicable in France.

We have carried out the following work:

- to obtain reasonable assurance on the fact that certain information selected by the GDF SUEZ Group and identified by the sign (þ) in chapters 3.2, 3.3 and 3.4 are presented, fairly, in all material aspects, in accordance with the Reporting Criteria (reasonable assurance report);
- to obtain limited assurance on the fact that the other Information in chapters 3.2, 3.3 and 3.4 does not contain any material anomalies that would call into question its fairness, in all material aspects, in accordance with the Reporting Criteria.

We performed the following procedures:

- we assessed the appropriateness of the Reporting Criteria with respect to its relevance, completeness, neutrality, clarity and reliability, by taking into consideration, when relevant, the sector's best practices;
- we have verified the set-up within the GDF SUEZ Group of a process to collect, compile, process and check the selected information with regard to its completeness and consistency. We have familiarized

ourselves with the internal control and risk management procedures relating to the compilation of the information. We have conducted interviews with individuals responsible for social, environmental and other sustainable development reporting;

- we have selected the consolidated information to be tested[(1)] and determined the nature and scope of the tests by taking into consideration their significance with respect to the social and corporate consequences relating to the activity and the Group's characteristics as well as its corporate commitments.
- Concerning the consolidated quantitative information that we consider to be the most significant:
  - for the consolidating entity and controlled entities, we have set up analytical procedures and verified, using sampling techniques, the calculations as well as the consolidation of this information,
  - at the sites that we have selected[(2)]based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we have:
    - conducted interviews to verify the proper application of procedures and obtained information to perform our verifications,
    - conducted substantive tests, using sampling techniques, to verify the calculations performed and reconcile data with supporting evidence.
  - Concerning the consolidated qualitative information that we consider to be the most significant, we have conducted interviews and reviewed the related source documents to corroborate this information and assess its fairness.
- Regarding the other published consolidated information, we have assessed its fairness and consistency in relation to our understanding of the Group and, where necessary, through interviews or by consulting documentary sources.
- Finally, we have assessed the relevance of the explanations relating to, where necessary, the absence of certain information.

For certain information selected by the GDF SUEZ Group and identified by the sign ■ ■ in chapters 3.2, 3.3 and 3.4 of the management report, the degree of precision applied to the measurement and the more extensive nature of our work than that previously described, particularly in terms of the number of samplings, enable us to express reasonable assurance.

Conclusion

Reasonable assurance

In our opinion, the information selected by the GDF SUEZ Group and identified by the sign ■ ■ in chapters 3.2, 3.3 and 3.4 of the management report was prepared, in all material aspects, in accordance with the above-mentioned Reporting Criteria.

(1) **Information verified under reasonable assurance** *(the contribution to Group data from the entities selected for our work is mentioned between the brackets. It includes the procedures carried out during our on-site visits and also additional work carried out at the entity level): Relevant revenue covered by EMAS certified management systems (53%); Relevant revenue covered by ISO14001 (not EMAS) certified management systems (53%); Renewable energy – installed capacity (electrical and thermal) (69%); Renewable energy – electricity and heat produced (78%); Primary energy consumption (excluding auto-consumption) (50%); Electricity consumption (excluding auto-consumption) (54%); Energy efficiency fossil-fuelled power plants (including biomass) (49%); Total greenhouse gas emissions (excluding tertiary emissions) (54%); Pollution load treated (BOD5) (94%); Hazardous waste and by-products discharged (excluding radioactive waste) (70%); Hazardous waste and by-products recovered (excluding radioactive waste) (80%); Linear water loss rate (88%); Total workforce (55%); Total managers (47%); Total non-managers (STS and WET) (57%); Proportion of women in the workforce (50%); Female workforce (50%); Proportion of workforce trained (53%).*

Information verified under limited assurance*: SO2 emissions (41%); NOx emissions (58%); Fine particle emissions (66%); Industrial and desalinated water consumption (57%); Cooling and heating water consumption (82%); Non-hazardous waste and by-products discharged (including sludge) (52%); Non-hazardous waste and by-products recovered (including sludge) (45%); Quantities of leachates collected and processed internally and externally (84%); Thermal energy consumption (excluding auto-consumption) (8%); Proportion of apprentices in workforce (63%); Age pyramid (55%); % of employees under 25 years old among the permanent hires (66%); % of employees over 50 year old among the permanent hires (61%); number of permanent hires (at constant structure) (56%); number of temporary hires(at constant structure) (53%); Hiring rate (55%); Rate of hiring on permanent contract (55%); Turnover (in relation to number of resignations and dismissals) (51%); Voluntary turnover (in relation to number of resignations) (52%); Total number of training hours (57%); Number of training hours per person trained (53%);Days of absence per person (55%); Number of fatal accidents (50%); Work-related accident frequency rate (FR)(in relation to the number of accidents with paid sick leave) (50%); Work-related severity rate (SR) (in relation to number of days of paid sick leave) (44%); Average salary of WET compared to the country's legal minimum wage (59%); Number of new cases of occupational diseases (58%).*

(2) *Environment: BEE: Electrabel SA (BU and Awirs site), Electrabel Nederland (BU and Eems site), Twinerg, Leini, Zolling, GDF Suez Energia Polska SA; BEI: Tractabel Energia (Salto Osório, Salto Santiago, Cana Brava, Itasa, Estreito, Machadinho, Passo Fundo, Sao Salvador), Tocopilla, Iquipe, Mejilones, Inversiones y Desarollos, Bahia La Minas, SEGNA (Blackstone, Midlothian, Wise), Saltend, Tihama (Uthmaniyah, Ju'Aymah, Ras Tanura, Shedgum), Glow Energy (Phase 1&2, Phase 4, Phase 5, CFB3, SPP1, IPP), Loy Yang B, Hazelwood; BI: GRTgaz (headquarters and the compression site Taisnières); BEE: Maïa Eolis, Combigolfe, Cycofos, CNR (net installed capacity only); B3G: GDF Suez E&P (BU and analytical review of the subsidiary GDF Suez E&P Norge), GNL; BE: Agbar (BU and the sites Purton and Alicante), Degrémont (BU and Milan San Rocco site), United Water (BU and the sites New-York and Devens), Lyonnaise des Eaux France (BU and Dijon-Longvic site), Sita France (BU, sorting center in Gennevilliers and incinerator in Lagny), ECOCAT (site Martorell), Sita UK (BU, review of Processing Central, sites Sidegate Lane Landfill and Packington Landfill), Sita Deutschland (BU, review of the region SITA Süd and sorting center in Bruchsal), Sita Polska (BU and Ryman Landfill site), Sita Australia, Sita Waste Services.*

Social*: BEE: Electrabel Belgique, N-Allo, Electrabel Nederland, GDF Suez Energy Romania, GDF Suez Deutschland, CNR, Savelys, E&C; BEI: Sena, E-CL, Glow, Hazelwood, Loy Yang B; BES: INEO, ENDEL, Axima Concept, Axima Réfrigération France, Cofely Nederland, Cofely Limited, Cofely Deutschland, Cofely Services, Cofely AG, Fabricom, Cofely Sud-Est, Cofely Sud-Ouest, Cofely Centre-Ouest; BINF: GrDF, GRTgaz, USPI, Storengy; B3G: GDF SUEZ E&P International; BE: Agbar, Lyonnaise des Eaux France, Lydec, Safege, United Water, Sita SRA Savac, Sita Centre-Ouest, Sita Sud-Ouest, Sita Deutschland, Sita Polska, Degrémont, Sita Sverige, Sita Australia, Sita CZ.].*

Limited assurance

The information "Industrial water consumption" presents an uncertainty, that we were unable to evaluate, due to an erroneous application of the definition in certain selected sites and due to an insufficient control process for the reporting of this information by the branches.

Based on our work and subject to the above-mentioned qualification, we did not identify any material anomaly likely to call into question the fact that the other Information has been presented fairly, in all material aspects, in accordance with the Reporting Criteria.

Comments of the reporting criteria

Without calling into question the conclusions of our work mentioned above, may we draw your attention on the fact that, as explained in the methodological note, the information related to occupational illness only covers France because the concept of occupational illness recognition by the employer in place in France has no equivalent in most other countries.

Signed in Neuilly-sur-Seine and Paris-La Défense, March 6th, 2013.

The Statutory Auditors

Deloitte & Associés	Ernst & Young et Autres	Mazars
Véronique Laurent	Charles-Emmanuel Chosson	Thierry Blanchetier
Pascal Pincemin	Pascal Macioce	Isabelle Sapet
Partners	Partners	Partners

4

Corporate Governance

4.1 REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE AND INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

This Report, which was prepared by the Chairman of the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code, includes for 2012 information regarding the composition of the Board of Directors and application of the principle of balanced representation of women and men within it, the conditions under which its work was prepared and organized, the internal control and risk management procedures implemented by the Company and any limitations imposed by the Board of Directors on the powers of General Management. The Report outlines the statutory provisions applied to the calculation of compensation and benefits of any kind granted to the corporate officers. The Report, after being submitted to the Executive Committee for approval, was presented to the Audit Committee for information purposes. It was then approved by the Board of Directors at its meeting of February 27, 2013.

4.1.1 BOARD OF DIRECTORS: COMPOSITION – TERMS OF OFFICE – INFORMATION – INDEPENDENCE

4.1.1.1 Composition of the Board of Directors

Pursuant to Article 13 of the Company bylaws and the provisions of Articles L. 225-17, L. 225-23 and L. 225-27 of the French Commercial Code regarding the composition of the Board of Directors, the Board of Directors of GDF SUEZ is composed of a maximum of 22 members, including three Directors who represent the Group's employees and one Director who represents employee shareholders.

All Directors serve a four-year term of office, except for Directors representing employees, whose first term is five years, with subsequent terms of four years. The terms of office of Directors elected by the General Shareholders' Meeting expire at the close of the General Shareholders' Meeting convened, in the year during which the term expires, to approve the financial statements for the previous year. The terms of office of Directors elected by employees expire when the results of the elections for renewal or replacement of the outgoing employee Directors are announced, in accordance with the bylaws.

During fiscal year 2012, the term of office as Director held by Anne Lauvergeon, which expired at the General Shareholders' Meeting of April 23, 2012, was not renewed.

The Board also noted the resignation of Thierry de Rudder at the close of the General Shareholders' Meeting of April 23, 2012.

Since the terms of office of Jean-Paul Bailly, Bruno Bézard, Olivier Bourges, Pierre-Franck Chevet, Ramon Fernandez and Pierre Mongin as Directors representing the French State also expired in 2012, the government appointed Bruno Bézard, Olivier Bourges, Ramon Fernandez, Pierre Mongin and Stéphane Pallez to this function as of April 23, 2012, by ministerial order of April 19, 2012, thus reducing the number of its representatives from six to five.

The Board also noted the resignation, at the close of meeting of September 19, 2012, of René Carron (Director) and Bruno Bézard (Director representing the French State). At the same time, the Board, on the recommendation of the Appointments and Compensation Committee, co-opted Ann-Kristin Achleitner to replace René Carron.

At the date of this report, the Company is administered by a Board of Directors composed of 18 members, including:

- 10 Directors appointed by the General Shareholders' Meeting pursuant to the provisions of the French Commercial Code relating to public limited companies;
- 4 Directors representing the French State, appointed pursuant to Article 2 of the Decree-Law of October 30, 1935 in view of the French State's interest in the share capital, and;
- 3 Directors representing employees and one Director representing employee shareholders, pursuant to Article 8-1 of the French Privatization Act 86-912 of August 6, 1986.

The Board of Directors includes five women Directors from a total of 18. Act 2011-103 of January 27, 2011 and the AFEP-MEDEF Code impose a principle of balanced representation of men and women on boards of directors. In assessing the ratio of women to men on boards of directors, the law and the Code stipulate that directors who are employee representatives – who are not elected by the General Shareholders' Meeting – are not taken into account. As the Board of Directors of GDF SUEZ includes three Directors representing employees, the assessment is based on 15 Directors, four of whom are women a ratio of 26.67%.

Of the 18 members of the Board of Directors, 8 are deemed to be independent (see Section 4.1.1.5 – "Independence of Directors in office – Conflicts of interest").

4.1.1.2 Directors in office

DIRECTORS APPOINTED BY THE SHAREHOLDERS' MEETING

	Date of first appointment	Date of last appointment	End of current term	Address
Gérard Mestrallet (63 years old) Chairman and Chief Executive Officer	July 16, 2008	April 23, 2012	2016	GDF SUEZ 1, place Samuel de Champlain 92400 Courbevoie
Jean-François Cirelli (54 years old) Vice-Chairman and President	Sept. 15, 2004	April 23, 2012	2016	GDF SUEZ 1, place Samuel de Champlain 92400 Courbevoie
Albert Frère* (86 years old) Vice-Chairman	July 16, 2008	May 2, 2011	2015	Groupe Bruxelles Lambert 24, avenue Marnix 1000 Brussels (Belgium)
Ann-Kristin Achleitner* (46 years old)	Sept. 19, 2012(1)	-	2015	Residenzstrasse 27 D – 80333 Munich
Edmond Alphandéry* (69 years old)	July 16, 2008	May 2, 2011	2015	CNP Assurances 4, place Raoul Dautry 75015 Paris
Jean-Louis Beffa* (71 years old)	Nov. 20, 2004	April 23, 2012	2016	Saint-Gobain Les Miroirs 18, avenue d'Alsace 92096 La Défense Cedex
Aldo Cardoso* (56 years old)	Nov. 20, 2004	May 2, 2011	2015	45, boulevard de Beauséjour 75016 Paris
Paul Desmarais Jr* (58 years old)	July 16, 2008	April 23, 2012	2016	Power Corporation of Canada 751 Victoria Square Montreal, H2Y 2J3, Quebec (Canada)
Françoise Malrieu* (66 years old)	May 2, 2011	-	2015	19 avenue Léopold II 75016 Paris
Lord Simon of Highbury* (73 years old)	July 16, 2008	April 23, 2012	2016	1 St James's Square London SW1Y 4PD (United Kingdom)

* *Independent Director.*
(1) Date on which Ann-Kristin Achleitner was co-opted to replace René Carron.

DIRECTORS REPRESENTING THE FRENCH STATE

	Date of first appointment	Date of last appointment	End of current term	Address
Olivier Bourges (46 years old)	Oct. 5, 2009	April 19, 2012(2)	2016(3)	Ministry of Finance and Industry French State Shareholding Agency 139, rue de Bercy Télédoc 228 75572 Paris Cedex 12
Ramon Fernandez (45 years old)	March 27, 2009	April 19, 2012(2)	2016	Ministry of Finance and Industry Directorate-General for the Treasury and Economic Policy 139, rue de Bercy Télédoc 230 75572 Paris Cedex 12
Pierre Mongin (58 years old)	Nov. 9, 2009	April 19, 2012(2)	2016	RATP 54 quai de la Râpée 75599 Paris Cedex 12
Stéphane Pallez (53 years old)	April 19, 2012(2)	-	2016	CCR 31, rue de Courcelles 75008 Paris

(2) With effect from the close of the General Shareholders' Meeting of April 23, 2012.
(3) Resignation on March 5, 2013.

DIRECTORS ELECTED TO REPRESENT EMPLOYEES

	Date of first appointment	Date of last appointment	End of current term	Address
Alain Beullier (48 years old)	Jan. 21, 2009	-	2014	Elengy LNG terminal BP 35 44550 Montoir-de-Bretagne
Anne-Marie Mourer (53 years old)	Jan. 21, 2009	-	2014	GrDF Sud-Est Immeuble VIP 66, rue de la Villette 69425 Lyon Cedex 03
Patrick Petitjean (60 years old)	Jan. 21, 2009	-	2014	GDF SUEZ 1, place Samuel de Champlain 92400 Courbevoie

DIRECTOR REPRESENTING EMPLOYEE SHAREHOLDERS ELECTED BY THE GENERAL SHAREHOLDERS' MEETING

	Date of first appointment	Date of last appointment	End of current term	Address
Gabrielle Prunet (57 years old)	May 4, 2009	-	2013	Lyonnaise des Eaux Pays Basque 15, avenue Charles Floquet BP 87 64202 Biarritz Cedex

4.1.1.3 Information about the Directors in office at December 31, 2012

Directors appointed by the General Shareholders' Meeting

Gérard Mestrallet, born April 1, 1949 in Paris (18th district), is a French citizen.

A graduate of the prestigious French engineering school, *École Polytechnique*, and of *École Nationale d'Administration*, Gérard Mestrallet joined Compagnie de Suez in 1984 as a Special Advisor. In 1986 he was appointed Senior Executive Vice-President in charge of industrial affairs. In February 1991 he was named Executive Director and Chairman of the Management Committee of Société Générale de Belgique. In 1995, he became Chairman and Chief Executive Officer of Compagnie de SUEZ and in June 1997, Chairman of the SUEZ Lyonnaise des Eaux Executive Board. A former Chairman and CEO of SUEZ, Gérard Mestrallet was appointed Chairman and Chief Executive Officer of GDF SUEZ on July 22, 2008. His appointment was renewed on April 23, 2012. He is also Chairman of Paris Europlace and a member of the International Council of Mayors of Shanghai and Chongqing and a Director of Tongji University (Shanghai), and holds an honorary degree from the University of Cranfield (UK).

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Chairman and Chief Executive Officer	Chairman of the Board of Directors of GDF SUEZ Energy Services**, SUEZ Environnement Company* ** (France), Electrabel and GDF SUEZ Energy Management Trading** (formerly GDF SUEZ Belgium) (Belgium) Vice-Chairman of the Board of Directors of Aguas de Barcelona** (Spain) Chairman of the simplified joint stock company GDF SUEZ Rassembleurs d'Énergies** Director of Saint-Gobain* (France), Pargesa Holding SA* (Switzerland) and International Power** (United Kingdom) Member of the Supervisory Board of Siemens AG* (since January 23, 2013)	Chairman and Chief Executive Officer of SUEZ* Chairman of the Board of Directors of SUEZ Environnement* (France), SUEZ-TRACTEBEL, Electrabel (Belgium) and Hisusa (Spain) Vice-Chairman of the Board of Directors of Electrabel (Belgium) and Hisusa (Spain) Member of the Supervisory Board of Axa*

* *Listed company.*
** *GDF SUEZ Group.*

Jean-François Cirelli, born July 9, 1958 in Chambéry (Savoie), is a French citizen.

A graduate of *Institut d'Études Politiques de Paris* and of *École Nationale d'Administration*, Jean-François Cirelli also holds a law degree. From 1985 to 1995, he held positions with the Treasury Department at the Ministry of Economy and Finance before becoming Technical Advisor to the French President from 1995 to 1997, then Economic Advisor from 1997 to 2002. In 2002, he was appointed Deputy Chief of Staff to Prime Minister Jean-Pierre Raffarin, in charge of economic, industrial and corporate affairs. Chairman and Chief Executive Officer of Gaz de France from 2004 to 2008, Jean-François Cirelli was appointed Vice-Chairman and President of GDF SUEZ on July 22, 2008. His appointment was renewed on April 23, 2012.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Vice-Chairman and President	Chairman of the Board of Directors of GDF SUEZ Trading (formerly Gaselys) SAS** (France) and Eurogas (Belgium) Vice-Chairman of Electrabel** (Belgium) Vice-Chairman of the Corporate Foundation of GDF SUEZ ** Director of GDF SUEZ Energy Services**, SUEZ Environnement Company* ** (France), GDF SUEZ Energy Management Trading** (formerly GDF SUEZ Belgium) (Belgium) and International Power** (United Kingdom) Member of the Supervisory Board of Vallourec*	Chairman and Chief Executive Officer of Gaz de France* Chairman of the Board of Directors of Electrabel ** (Belgium) Chairman of the Gaz de France Corporate Foundation Vice-Chairman of SUEZ-TRACTEBEL** and Eurogas (Belgium) Director of Neuf Cegetel* (France) Member of the Supervisory Board of Atos Origin*

* *Listed company.*
** *GDF SUEZ Group.*

Albert Frère, born February 4, 1926 in Fontaine-l'Evêque (Belgium), is a Belgian citizen.

While still quite young, Albert Frère took an active role in his family's business before focusing on a career in industry. With his partners, he acquired control of all steel companies in the Charleroi basin, diversifying production while simultaneously upgrading their facilities.

In 1981, in association with a group of businessmen, he founded Pargesa Holding in Geneva. The following year, the company acquired an interest in Groupe Bruxelles Lambert SA (GBL), in Brussels. With the creation of the Pargesa-GBL investment empire, its operations became international and it diversified into three key areas: finance, energy/services and communications (broadcasting).

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Vice-Chairman of the Board of Directors	Honorary Regent of the National Bank of Belgium* Chief Executive Officer and Managing Director of Groupe Bruxelles Lambert (Belgium) Chairman of the Board of Directors of ERBE, Frère-Bourgeois, Financière de la Sambre (Belgium) and Stichting Administratiekantoor Frère-Bourgeois (Netherlands) Vice-Chairman, Managing Director and member of the Management Committee of Pargesa Holding SA* (Switzerland) Chairman of the Supervisory Board of Métropole Télévision M6* (France) Honorary Chairman of the Chamber of Commerce and Industry of Charleroi (Belgium) Director of LVMH*, non-commercial company of Château Cheval Blanc (France) and Les amis des aveugles de Ghlin (Belgium) Permanent Representative of Frère-Bourgeois, Director of GBL Verwaltung SARL and GBL Energy (Luxemburg) Permanent representative of Beholding Belgium SA on the Board of Directors of groupe Arnault Member of the Strategy Planning Board of the Committee of the Université Libre de Bruxelles (Belgium) Honorary International Trade Advisor (Belgium)	Chairman of the Board of Directors of Groupe Bruxelles Lambert Vice-Chairman of the Board of Directors of SUEZ* Chairman of the Board of Directors of FINGEN SA (Belgium) Director of Gruppo Banca Leonardo (Italy) and Raspail Investissements (France) Permanent Representative of Frère-Bourgeois, Director of GBL Finance (Luxemburg) and Member of the International Committee of Assicurazioni Generali S.p.A.* (Italy)

* *Listed company.*

Ann-Kristin Achleitner, born March 16, 1966 in Düsseldorf (Germany), is a German citizen.

A doctor of business administration, a doctor of law and authorized to direct research at the University of St. Gallen (HSG – Switzerland), Ann-Kristin Achleitner successively held the office of consultant for MS Management Service AG in St. Gallen (1991-1992) and Assistant Professor of finance and external audit at the University of St. Gallen (1992-1994). Since 1994, she has been teaching business administration (finance and accounting) at the University of St. Gallen. In 1994, she became a consultant at McKinsey & Company Inc in Frankfurt (Germany), and in 1995 she took up the banking and finance chair and the office of Chairman of the Board at the Institut für Finanzmanagement, the European Business School at the International University Schloss Reichartshausen in Oestrich-Winkel (Germany). Since 2001, she has held the corporate finance chair at the Technical University of Munich, where she became Scientific Director of the Enterprise and Finance Research Center in 2003. In 2009, she was also Associate Professor of corporate finance at the University of St. Gallen.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Member of the Audit Committee Member of the Ethics, Environment and Sustainable Development Committee	Member of the Government Commission on the German Corporate Governance Code Member of the Supervisory Board of Linde AG*, Metro AG*, MunichRe (since January 3, 2013) (Germany), Vontobel Holding AG and Bank Vontobel AG (Switzerland) Member of the Board of Helmholtz-Validierungsfonds of Helmholtz-Gemeinschaft Deutscher Forschungszentren Member of the Advisory Committee of the Social Entrepreuneurship Akademie (SEA) Member of the Board of Fraunhofer Gesellschaft Member of the Board of Directors of Johannes B. Ortner-Stiftung Member of the Finance Committee for Social Enterprises within KfW-Bankengruppe on behalf of the German Federal Ministry Family Affairs, Senior Citizens, Women and Youth (BMFSFJ)	Member of the Board of the Private Capital Industry Agenda, World Economic Forum (WEF) Member of the Scientific Advisory Board, Knowledge Centre of the European Venture Philanthropy Association (EVPA) Member of the Board of the Private Fund Managers Industry Agenda, World Economic Forum (WEF) Member of the Supervisory Board, SpineWelding AG (formerly WW Technology SA) Member of the Research and Innovation (EFI) Expert Committee, German Federal Government Member of the FLÜGGE Committee of Experts, Bavarian State Ministry of Science, Research and the Arts Member of the Technical Advisory Group (TAG) of the World Economic Forum (WEF) Global Education Initiative – Entrepreneurship Education Chairman of the Advisory Board, Ashoka (Germany) Member of the “Future of the Social Market Economy” Expert Committee, Government of the Free State of Bavaria (Germany) Chairman of the Board of Trustees of Berufundfamilie GmbH Chairman (2007-2009) of Förderkreis Gründungs-Forschung e.V. (FGF), Member of the Research Advisory Committee of the Institut für Mittelstandsforschung Bonn (IfM) Member of the Institute of Advanced Studies (IAS) at the Technical University of Munich (TUM) Member of the “Finance” Committee of Experts of the Advisory Board for Small- and Medium-sized Enterprises of the Federal Ministry of Economics and Technology, Berlin Member of the Expert Advisory Committee for Finanz Betrieb newspaper

* *Listed company*

Edmond Alphandéry, born September 2, 1943 in Avignon (Vaucluse), is a French citizen.

A graduate of *Institut d'Études Politiques de Paris* and a qualified lecturer (*agrégé*) in economics, he is a Professor Emeritus at the University of Paris II. He served as' Mayor of Longué-Jumelles and member of the Maine-et-Loire departmental council until 2008 and was Minister of the Economy from March 1993 to May 1995. He chaired the Supervisory Board of CNP from 1988 to 1993 and was the Chairman of Électricité de France from 1995 to 1998. Since July 1998, he has again served as Chairman of CNP Assurances. He has also been Chairman of the Centre des Professions Financières (Centre for the Financial Professions) since June 2003.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Chairman of the Strategy and Investment Committee Member of the Audit Committee	Chairman of Centre des Professions Financières Director of Crédit Agricole CIB (formerly Calyon) and Neovacs (France) Member of the Nomura Securities (United Kingdom) European Advisory Panel Member of the Advisory Board of A.T. Kearney France Member of the Board of the Stichting Continuïteit ST Foundation (Netherlands)	Chairman of the Board of Directors of CNP Assurances* Chairman of the Supervisory Board of CNP Assurances* Chairman of CNP International Director of Caixa Seguros (Brazil), CNP Vita (Italy), press company Affiches Parisiennes, SUEZ* and Icade Member of the European Advisory Board of Lehman Brothers

* *Listed company.*

Jean-Louis Beffa, born August 11, 1941 in Nice (Alpes-Maritimes), is a French citizen.

A graduate of *École Polytechnique*, Jean-Louis Beffa also holds degrees from *École Nationale Supérieure du Pétrole* and *Institut d'Études Politiques de Paris*. He began his career in the Fuels Division of the French Ministry of Industry. In 1974, he joined Saint-Gobain as Vice-President of Planning until 1977. From 1978 to 1982, he served as Chief Executive Officer then Chairman and CEO of Pont-à-Mousson SA. He also served concurrently as Director of the Pipe and Mechanics Division of Saint-Gobain, from 1979 to 1982. Mr Beffa served as Chairman and Chief Executive Officer of Saint Gobain from January 1986 to June 2007, having served as the group's Executive Director from 1982 to 1986. From June 2007 to June 2010, Jean-Louis Beffa served as the Chairman of the Board of Directors of Compagnie de Saint-Gobain, before becoming its honorary chairman.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Chairman of the Appointments and Compensation Committee	Chairman of Claude Bernard Participations SAS and JL2B Conseil Co Chairman of the Cournot Center for Economic Research Vice-Chairman of the Supervisory Board of the Fonds de Réserve des Retraites (pension fund) Director of Groupe Bruxelles Lambert* (Belgium) and Saint-Gobain Corporation (US) Member of the Supervisory Board of Le Monde, Le Monde Publishing Company, Le Monde et Partenaires Associés SAS (France) and Siemens AG* (Germany) (until January 23, 2013) Senior Advisor of Lazard Frères (France) Chairman of Asia Investment Banking at Lazard	Chairman and Chief Executive Officer of Saint-Gobain* Chairman of the Board of Directors of Saint-Gobain* Chairman of the Supervisory Board of the Agence de l'Innovation Industrielle Vice-Chairman of the Board of Directors of BNP Paribas* Director of Gaz de France*, Saint-Gobain* (France) and Saint-Gobain Cristaleria (Spain) Permanent representative of Compagnie de Saint-Gobain on the Board of Directors of Saint-Gobain PAM

* *Listed company.*

Aldo Cardoso, born March 7, 1956 in Tunis (Tunisia), is a French citizen.

A graduate of *École Supérieure de Commerce de Paris*, Aldo Cardoso holds a Master's Degree in Business Law and is a Certified Public Accountant. From 1979 to 2003, he held several successive positions at Arthur Andersen, including Consultant, Partner (1989), President France (1994), member of the Board of Directors of Andersen Worldwide (1998), Chairman of the Board of Directors (non-executive) of Andersen Worldwide (2000) and Chief Executive Officer of Andersen Worldwide (2002-2003). Since 2003, he has served as Director of French and foreign companies.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Chairman of the Audit Committee Member of the Strategy and Investment Committee	Director of Bureau Veritas*, Imerys*, GE Corporate Finance Bank SAS (France), and Mobistar* (Belgium) Non-voting Director of AXA Investment Managers (France)	Director of Gaz de France*, Penauilles Polyservices*, Orange*, Accor*, Gecina* and Rhodia* Non-voting Director of Bureau Veritas*

* *Listed company.*

Paul Desmarais Jr, born July 3, 1954 in Sudbury, Ontario (Canada), is a Canadian citizen.

Paul Desmarais Jr. studied at McGill University in Montreal and then at INSEAD in Fontainebleau (France). He holds a Master's Degree in Administration. In 1984, he was appointed Vice-Chairman of Power Financial Corporation, a company he helped to create. He became Chairman of the Corporation's Board in 1990, Chairman of the Executive Committee in May 2005 and Co-Chairman of the Board in May 2008. He was appointed Chairman of the Board and Co-Chief Executive Officer of Power Corporation of Canada in 1996.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Member of the Appointments and Compensation Committee	Chairman and Co CEO of Power Corporation of Canada* Co Chairman of Power Financial Corporation* (Canada) Vice-Chairman of the Board of Directors and Executive Director of Pargesa Holding SA* (Switzerland) Vice-Chairman of the Board of Directors and member of the Permanent Committee of Groupe Bruxelles Lambert* (Belgium) Trustee and Co Chairman of the International Advisory Board of the Brookings Institution Director and Member of the Management Committee of Great-West Lifeco Inc.* and its principal subsidiaries and of IGM Financial Inc.* (Canada) and its principal subsidiaries Director of Lafarge* and Total* Member of the International Board of INSEAD and the European Institute of Business Administration Founder and member of the International Advisory Board of HEC Montréal (Canada) Chairman of the Board of Governors of the International Economic Forum of the Americas Founder and member of the International Advisory Board of the administration faculty of McGill University in Montreal Chairman of the Advisory Committee of Sagard Private Equity Partners Chairman of the Canadian Council of Chief Executives (CCCE) Member of the Global Advisory Council of Harvard University Member of the International Advisory Committee of the Council on Foreign Relations	Vice-Chairman of the Board of Imerys* Director of SUEZ* Member of the Board of Directors of INSEAD Member of the International Advisory Board of Groupe La Poste Member of the International Advisory Board of Merrill Lynch

* *Listed company.*

Françoise Malrieu, born February 7, 1946 at Savigny-sur-Orge (Essonne), is a French citizen.

A graduate of HEC School of Management, Françoise Malrieu began her career in 1968 at BNP as a financial analyst. In 1979, she became Assistant to the Director of the Financial Analysis Department, before becoming Director of this department in 1983. She joined Lazard Frères et Cie in 1987 as Director of Financial Affairs. She was later appointed Manager in 1993, and then Managing Partner. In 2001, she joined Deutsche Bank France as Managing Director. She was appointed Chief Executive Officer of the Société Financière de Grenelle in 2004. From 2006 to 2009, she was Senior Advisor at Aforge Finance, an independent consultancy active in mergers, acquisitions and restructuring. At the end of 2008, she helped to create Société de Financement de l'Économie Française, where she is currently Chairman of the Board of Directors and of the Audit Committee. She also serves in a variety of roles in the non-profit sector and is notably a director of Ares and Chairman of Arescoop.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Chairman of the Ethics, Environment and Sustainable Development Committee Member of the Audit Committee Member of the Appointments and Compensation Committee	Chairman of the Board of Directors of the Société de Financement de l'Économie Française (SFEF) Director of La Poste and Aéroports de Paris* Member of the Supervisory Board of Bayard Presse SA	Chief Executive Officer of Société Financière de Grenelle Senior Advisor of Aforge Finance Deputy Controller on the Taskforce to Control the Compensation of Financial Market Professionals

* *Listed company.*

Lord Simon of Highbury, born July 24, 1939 in London (United Kingdom), is a British citizen.

Lord Simon of Highbury has an MA from Cambridge University and an MBA from INSEAD in Fontainebleau (France). In 1961, he joined British Petroleum, where he held a number of management positions before being appointed Chairman in 1995. After holding several ministerial positions from May 1997, he became Advisor to the British Prime Minister for government modernization. He was also appointed Advisor to President Prodi for institutional reform within the European Union. He entered the House of Lords in 1997.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Member of the Strategy and Investment Committee Member of the Appointments and Compensation Committee	Senior Advisor of Morgan Stanley International (Europe) and MWM Board Consultants (United Kingdom) Chairman of the Advisory Board of Montrose Associates Limited (UK) Director of the Institute of Government (UK) Member of the Board of Directors of the Centre for European Policy Studies (Belgium) Member of the Advisory Board of Dana Gas International (UAE), Centre for European Reform (UK) Trustee and Chair of the Policy Board, Institute for Strategic Dialogue (UK) Trustee of the Hertie Foundation (Germany)	Director of SUEZ* Deputy Chairman of Unilever Plc* and Cambridge University Council (UK)

* *Listed company.*

Directors representing the French State

Olivier Bourges, born December 24, 1966, in Auxerre (Yonne), is a French citizen.

A graduate of *Institut d'Études Politiques de Paris* and of *École Nationale d'Administration*, Olivier Bourges was Head of the National Banking Agency at the French Treasury from 1992 to 1996, thereafter serving until June 1998 as the French government's representative on the boards of directors of the World Bank, IDA, IFC and MIGA. From July 1998 to April 2000, he was Head of the Housing Finance Agency at the French Treasury. From 2000 to 2002 he served as Director of Financial Relations for Renault and as the company's Director of Vehicle Profitability from 2003 to 2005. From 2006 to 2007, he was Vice President, Corporate Planning and Program Management Office for Nissan North America in Nashville (USA). From 2008 to September 2009, he served as Senior Vice President, Director of Group Management Control at Renault. Since September 2009, he has been Deputy CEO of the French State Shareholding Agency (APE).

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Member of the Audit Committee Member of the Strategy and Investment Committee Member of the Appointments and Compensation Committee	Director of Dexia*, Thales*, La Poste, France Télécom* and Grand Port Maritime de Marseille	Director of Banques Populaires Caisses d'Épargne

* *Listed company.*

Ramon Fernandez, born June 25, 1967 in Paris (15th district), is a French citizen.

A graduate of *Institut d'Études Politiques de Paris* and of *École Nationale d'Administration*, Ramon Fernandez is a senior civil servant. From 1993 to 1994, he served as Assistant to the Head of Energy, Transportation and Urban Planning, and then, until 1997, as Assistant to the Head of Financial Markets at the French Treasury. Seconded to Washington from 1997 to 1999, he was an Alternative Executive Director of the International Monetary Fund. He returned to the Treasury Department and was Head of the Energy, Telecommunications and Raw Materials office there until 2001, before becoming Head of the Savings and Financial Markets office. From May 2002 until October 2003, he was Technical Advisor to the Minister of Finance and Industry. He then served as Deputy Director of International Financial Affairs, Development and Economic Policy at the Treasury Department until June 2007. From June 2007 to April 2008, he was Technical Advisor to the French President, then Chief of Staff to the Minister of Labor, Corporate Relations, Family and Solidarity until January 2009. He served as Head of the Economic Finance Department between February and March 2009 and has served as Executive Director of the French Treasury at the Ministry of Finance and Industry since March 2009.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director	Executive Director of the French Treasury at the Ministry of Finance Chairman of the Caisse de la Dette Publique and the Club de Paris Chairman of the Advisory Committee on Legislation and Financial Regulation Chairman of the Agence France Trésor and the Club de Paris Governor for France of the African Development Bank Deputy Governor for France of the World Bank, of the European Bank for Reconstruction and Development and of the International Bank for Reconstruction and Development Administrator of the National Agency for Personal Services Director, as a French State representative, of CNP Assurances* Member of the Board of Directors of the Fonds de Financement de la Protection Complémentaire de la Couverture Universelle du Risque Maladie (CMU), the Fonds d'Indemnisation des victimes de l'amiante (FIVA) and the European Stability Mechanism (ESM) Member of the Supervisory Board of the Institut d'émission d'Outre-mer Government Commissioner at the Association pour la Gestion des Informations sur le Risque en Assurance (AGIRA) and the Autorité des normes comptables (ANC) Government Commissioner at the Autorité des Marchés Financiers (AMF), government representative in all AMF training Member of the Supervisory Committee of Caisse d'amortissement de la dette sociale (CADES) Member of the Supervisory Board of Caisse des Dépôts et Consignations Member of the High Council for the Future of Medical Insurance Member of the Comité consultatif du suivi du développement des assurances des récoltes Member of the Comité de l'usure Member of the Comité des directeurs du Comité interministériel pour le développement de l'offre de logements (CIDOL) Member of the Monitoring Committee for the AREAS agreement Member of the Conseil supérieur des HLM Member of the Management Board of the Fonds de Garantie des dommages consécutifs à des actes de prévention du diagnostic ou de soins dispensés par des professionnels de la santé Member of the Groupe Interministériel Permanent de la Sécurité Routière (GIPSR) Member of the Haut Conseil du Commissariat aux Comptes (H3C) Member of the Haut Conseil de la famille French State representative in all formations of the Autorité de contrôle prudentiel (ACP)	Director of Banque Centrale des États d'Afrique de l'Ouest, of Agence de coopération technique internationale and of Société de financement de l'économie française Director, as representative of the French State, of CADES (Caisse d'Amortissement de la dette sociale) Member of the Supervisory Board of the BPCE Bank as a representative of the French government Member of the Council for Economic Analysis Member of the High Council for the Public Sector

* *Listed company.*

Pierre Mongin, born August 9, 1954, in Marseille (8th district) is a French citizen.

Chairman and Chief Executive Officer of RATP (Paris Transport Authority) since July 12, 2006, Pierre Mongin has devoted much of his career to prefectural administration and ministerial offices.

After obtaining a Master's degree in Economics from the University of Paris I and a degree from the *Institut d'Études Politiques* in Paris, he went on to the prestigious *École Nationale de l'Administration*, graduating in 1980. From 1980 to 1984 he served three terms as Assistant Prefect in the territorial departments of Ain, Ariège and Yvelines. In 1984, he joined the Ministry of the Interior as a Technical Advisor to the National Police Force. In 1986, he was appointed Advisor to the Minister of the Interior for Local Authorities and Chief of Staff to the Deputy Minister for Local Authorities. He spent the next five years with the *Préfecture de Police* (Police Headquarters) in Paris, in charge of administrative and financial affairs and relations with the Council of Paris. In 1993, he became Chief of Staff to Prime Minister Edouard Balladur and Advisor to the French Overseas Departments and Territories. He was appointed Prefect in 1993. He subsequently served in two territorial departments: l'Eure-et-Loir and Vaucluse from 1995 to 1999. He served as Prefect of the Auvergne and Prefect of Puy de Dôme regions from 2002 to 2004. He was appointed Chief of Staff to the Minister of the Interior in 2004, then Chief of Staff to Prime Minister Dominique de Villepin in 2005. He left the French government to go back to RATP in July 2006.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Member of the Strategy and Investment Committee	Chairman and Chief Executive Officer of RATP Chairman of the Board of Directors of international engineering company SYSTRA Chairman of the Supervisory Board of RATP Dev Vice-Chairman of FACE (Fondation Agir Contre l'Exclusion) Director of CMA-CGM Member of the Steering Committee of Domaine de Chambord	Director of TRANSDEV and TRANSDEV Financial

Stéphane Pallez, born August 23, 1959 in Paris (16th district), is a French citizen.

A graduate of *Institut d'Etudes Politiques de Paris* and of *Ecole Nationale d'Administration*, Stéphane Pallez began her career at the French Treasury from 1984 to 2004, where she successively held the posts of civil servant (1984-1988), supplementary administrator representing France at the World Bank in Washington (1988-1990), Head of the "International Monetary Affairs and G7" Department (1990), Technical Advisor to the office of the Ministry of Economy and Finance (1991-1993), Head of the "Banking regulation and national banks" office (1993-1995), Sub-Director "Insurance" (1995-1998), Sub-Director in charge of state shareholdings, head of the transport, energy, high technology, banking and insurance sectors (1998-2000) and Head of the European and International Affairs Department at the Treasury (2000-2004). In 2004, she became Deputy Chief Financial Officer of France Telecom-Orange, before becoming Chairman and Chief Executive Officer of the Caisse Centrale de Réassurances.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Member of the Ethics, Environment and Sustainable Development Committee	Chairman and Chief Executive Officer of the Caisse Centrale de Réassurances (CCR) Director of CNP Assurances*, CACIB (Crédit Agricole Corporate & Investment Bank) and PlaNet Finance	Chairman of the Board of Director of the joint venture OBPS (Orange BNP Paribas Services) Chairman of the Board of Directors of OBP (Orange Business Participations) Chairman of the Supervisory Board of Page Jaunes Director of FTCD and TPSA (Poland)

* *Listed company.*

Directors elected to represent employees

Alain Beullier, born March 26, 1964 in Laval (Mayenne), is a French citizen.

Alain Beullier joined EDF-GDF in 1984, holding various positions in the Customer Service and Sales Advisory departments in several EDF-GDF service centers in the Paris region. He is currently an employee of Elengy, responsible for monitoring environmental regulations. Alain Beullier was named Director representing the "Other Employees" category by employee vote on December 18, 2008.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Sponsored by the Chemical Energy Federation – CFDT trade union Member of the Ethics, Environment and Sustainable Development Committee	None	Employee Representative Trade Union Representative Member of CHSCT (labor committee on workplace health, safety and working conditions) Trade Union Officer

Anne-Marie Mourer, born April 20, 1959 in Clermont-Ferrand (Puy-de-Dome), is a French citizen.

With a Master's Degree in Economic Sciences and a PG Diploma in Marketing, Anne-Marie Mourer joined EDF-GDF Services in 1982, where she held a series of management positions within the sales departments of the Grand Velay, Indre-en-Berry and Loire centers. In 1992, she joined the commercial support and assistance group in Lyon to conduct appraisal activities as an in-house marketing consultant. From 1996 to 2001, she headed up Direct Energy, a direct marketing pilot unit within the Gas Sales Department. In the Gaz de France Sales Department, she was responsible for directing the marketing entity for the Southeast Region from 2002 to late 2003. In early 2004, she joined the new *Gestionnaire de Réseaux Gaz* (gas network management), where she handled support and management duties for the Development department in the Rhône-Alpes-Bourgogne region. In 2007, she was appointed program manager to assist with the switchover and provide commercial expertise within GrDF, the wholly owned subsidiary for natural gas distribution within France, in anticipation of the transition to a free market system for residential customers. Member of IFA's Certified Corporate Directors' Society (ASC, France) since 2011.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Sponsored by the Federation of the Gas and Electricity Industries – CFE-CGC trade union Member of the Audit Committee	None	Director of Gaz de France* and GrDF

* *Listed company.*

Patrick Petitjean, born August 23, 1952, in Saint-Dizier (Haute-Marne), is a French citizen.

After completing his secondary education in Nancy, France, Patrick Petitjean began his career in the printing industry. He joined Gaz de France in 1997, working for the Transportation Division of GGRP (Groupe Gazier de la Région Parisienne). From 1983 to 1990, he held various roles within the technical and operating division of Gennevilliers. He was a Trade Union Representative from 1990 to 1994 and then worked as a Technical Agent. Since 2000, he has been a manager of internal resources (real estate, vehicles, IT and transmission) for the Val-de-Seine region of GRTgaz.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Sponsored by the National Federation of Employee Unions in the Electricity Nuclear and Gas Industries – CGT trade union Member of the Strategy and Investment Committee	None	Director of GRTgaz

Directors representing employee shareholders

Gabrielle Prunet, born December 5, 1955, in Biarritz (Pyrenees-Atlantiques), is a French citizen.

Gabrielle Prunet joined the accounting department of Lyonnaise des Eaux Biarritz 34 years ago. She is a member of the Works Council, where she has served as treasurer for many years. For 20 years, she managed the IT department of the Customer Billing and Collection Division. She currently works in the Reporting Department.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the past five years
Director Sponsored by the Federation of Public Utilities – CGT trade union	Chairman of the Supervisory Board of the SPRING funds Chairman of the Supervisory Board of the LINK funds	None

4.1.1.4 Number of GDF SUEZ shares and stock options held by Directors in office at December 31, 2012

	Number of shares	Number of stock options
Gérard Mestrallet	75,127**	812,403
Jean-François Cirelli	7,177	0
Albert Frère	2,032	N/A
Ann-Kristin Achleitner	50	N/A
Edmond Alphandéry	2,923	N/A
Jean-Louis Beffa	4,583	N/A
Alain Beullier	51	N/A
Olivier Bourges	*	N/A
Aldo Cardoso	1,000	N/A
Paul Desmarais Jr	2,121	N/A
Ramon Fernandez	*	N/A
Françoise Malrieu	1,419	N/A
Pierre Mongin	*	N/A
Anne-Marie Mourer	54	N/A
Stéphane Pallez	101	N/A
Patrick Petitjean	107	N/A
Gabrielle Prunet	*	N/A
Lord Simon of Highbury	1,911	N/A

* *The bylaws requirement to hold at least 50 shares in the company does not apply to Directors representing the French State or to the Director representing employee shareholders.*

** *Includes performance shares acquired that appear in 4.5.7.4 below and shares held upon simple exercises of options that appear in 4.5.10 below.*

4.1.1.5 Independence of Directors in office – Conflicts of interest

Article 1.1.2 of the Internal Regulations requires the Board to review the independence and status of each of its members, based on criteria determined by the Board. This review must be conducted annually, prior to the General Shareholders' Meeting held to approve the financial statements for the previous fiscal year. The process of assessing the independence of each Director was reviewed by the Appointments and Compensation Committee during its meeting of February 1, 2013, and again on February 27, 2013 by the Board of Directors.

The Board based its assessment on the recommendations of the AFEP-MEDEF Code, which can be viewed on the website http://www.medef.fr.

The Board also considered other interpretations published by various international governance organizations.

It took into account the European Commission's analysis in its recommendations of February 15, 2005 regarding "the role of non-executive or supervisory directors of listed companies and on the committees of the board of directors or the supervisory board" (2005/162/EC). Article 13.1 of these recommendations stipulates that: "A director should be considered independent only if he or she is free of any business, family or other relationship—with the company, its controlling shareholder or the management of either—that creates a conflict of interest such as to impair his or her judgment."

Finally, the Board drew on the work of the OECD described in the report on the "Methodology for Assessing the Implementation of the OECD Principles of Corporate Governance" (December 1, 2006), particularly Principle VI.E ("The board should be able to exercise objective independent judgment on the conduct of corporate affairs") and its sub-principle (Principle VI.E.1: "The Board shall assign a sufficient number of non-executive board members capable of exercising independent judgment to tasks where there is a potential conflict of interest". Note this extract from section 315 (Principle VI.E), which mentions the presence of independent directors "not (…) employed by the company or its affiliates and not (…) closely related to company or its management through significant economic, family or other ties".

Based on the above, the Board of Directors of GDF SUEZ examined the circumstances of each Director on a case-by-case basis and unanimously decided to describe this situation as follows.

The Board of Directors of GDF SUEZ comprises 18 Directors, 8 of whom are deemed to be independent. 10 Directors are deemed to be non-independent, including the government representatives, the representatives of the Company's employees and Directors who are corporate officers.

a) Albert Frère and Paul Desmarais Jr, who represent Groupe Bruxelles Lambert in its capacity as shareholder of GDF SUEZ with a 5.1% interest (at December 31, 2012), are deemed to be independent, as they do not exercise control over the Company (GBL owns less than 10% of GDF SUEZ 's share capital).

b) Olivier Bourges, Ramon Fernandez, Pierre Mongin and Stéphane Pallez, all representatives of the French State and appointed by it, are not deemed to be independent.

c) Alain Beullier, Anne-Marie Mourer and Patrick Petitjean, who are Directors employed by the Company or its subsidiaries, as well as Gabrielle Prunet, who is a Director representing employee shareholders, are not deemed independent.

d) GDF SUEZ has a business relationship with Imerys (of which Aldo Cardoso is a Director). The Board of Directors found that these business ties were far from being significant enough to create a conflict of interest likely to affect Aldo Cardoso's independent status.

The Board decided that, to preserve Aldo Cardoso's objectivity, if any project related in any way to Imerys should come up for discussion in his presence, he would not be able to participate in the relative resolutions by the Board and/or the respective committee. He undertook to comply with these rules of conduct, pursuant to Article 5 of the Directors' Charter.

e) The Board of Directors of GDF SUEZ specified that the situations of each of the Chairmen of the Board Committees complied with principles that qualified them as independent.

The percentage of Independent Directors is therefore 44.44%. The percentage of 50% cannot be reached for reasons relating to the presence of Directors representing the French State and the Directors representing employees and employee shareholders, as described in Section 4.1.1.1.

Conflicts of interest

To GDF SUEZ 's knowledge, there are no potential conflicts of interest between the Directors' duties with regard to GDF SUEZ and their private interests and/or other duties.

There are no family ties between the Directors and GDF SUEZ's other main senior managers.

To GDF SUEZ 's knowledge, during the past five years, none of the Directors or senior managers of GDF SUEZ has been convicted of fraud, served as manager in a bankruptcy, receivership or liquidation situation, been subject to indictment and/or official public sanction issued by a statutory or regulatory authority or been prevented by a court from serving as a member of the management body or supervisory board of an issuer, nor from participating in the management or oversight of the business of an issuer.

In addition to the provisions of the French Commercial Code which govern regulated agreements, the Directors' Charter (see Section 4.1.4.2 – "Organization and operating procedures of the Board of Directors – Code of Governance" below) stipulates that each Director must make every effort to avoid any conflict that may exist between his/her moral and material interests and those of the Company, must inform the Board of any conflict of interest in which he/she may be directly or indirectly involved and, where he/she cannot avoid the conflict of interest, must abstain from discussions and voting on any decision concerning such matters.

Furthermore, no loans or guarantees have been granted to, or on behalf of, members of the Company's management bodies.

4.1.2 NON-VOTING DIRECTOR

The function of non-voting Director is described in Section 7.1.

During 2012, the terms of office of the non-voting Directors Richard Goblet d'Alviella and Philippe Lemoine, which expired at the General Shareholders' Meeting of April 23, 2012, were not renewed.

At the date of this report, this office was held by Gérard Lamarche, appointed by the General Shareholders' Meeting of April 23, 2012, for a period of four years, expiring at the close of the General Shareholders' Meeting convened in 2016 to approve the financial statements for fiscal 2015. He brings to the Board his experience as the Group's former Chief Financial Officer. His biography and directorships and offices held are set out below.

Gérard Lamarche, born July 15, 1961 in Huy (Belgium), is a Belgian citizen

A graduate in economic science from the University of Louvain-La-Neuve and the INSEAD Management Institute, Gérard Lamarche also trained at Wharton International (Advanced Management Program for SUEZ Group Executives). He began his career at Deloitte Haskins & Sells in 1983, and was appointed as an M&A consultant in Holland in 1987. He joined the Belgian arm of Société Générale in 1988 as an Investment Manager, and was then appointed Management Auditor, before becoming an Advisor to the Strategy and Planning Department in 1992. He joined Compagnie de Suez in 1995, as Special Advisor to the Chairman, and then became Secretary to the Management Committee. After the merger of Suez with Lyonnaise des Eaux in 1997, he was appointed Assistant Director in charge of planning, control and accounting at Suez Lyonnaise des Eaux, and then, in 2000, General Managing Director and Chief Executive Officer of Ondeo Nalco, Suez's US subsidiary. He was recalled to Suez's head office in Paris in 2003, to be appointed Executive Vice President and subsequently Chief Financial Officer of the Suez Group. In July 2008, he was appointed Executive Vice-President, Chief Financial Officer of GDF SUEZ, a member of the Executive Committee and of the Management Committee. On April 12, 2011, he was appointed Director of Groupe Bruxelles Lambert, then Managing Director in January 2012.

Directorships and offices held at the Company	Directorships and offices held in any company in 2012	Other directorships and offices held in the last five years
Non-voting Director	Managing Director of Groupe Bruxelles Lambert* Director of Legrand*, Lafarge* and Total* (France)	Chairman of GDF SUEZ CC and Genfina (Belgium) Director of Distrigaz*, Fortis Banque*, Europalia, Groupe Bruxelles Lambert*, GDF SUEZ Belgium, Electrabel, SUEZ-TRACTEBEL (Belgium), SUEZ Environnement, SUEZ Environnement Company*, GDF SUEZ Energie Services (France), SUEZ Environnement North America, Leo Holding Company (USA), de Aguas de Barcelona (Spain) and International Power PLC (UK)

* *Listed company.*

4.1.3 GOVERNMENT COMMISSIONER

The Government Commissioner is appointed to the Company by the Minister of Energy, by ministerial order, pursuant to Article 24.2 of Act 2004-803 of August 9, 2004 as amended by Act 2006-1537 of December 7, 2006 relating to the energy sector. The role of the Government Commissioner is to attend meetings of the Board of Directors and its committees in an advisory capacity and present, where appropriate, his or her observations to all General Shareholders' Meetings.

In 2012, the term of office of Florence Tordjman as Government Commissioner came to an end with the appointment of Pierre-Franck Chevet, by ministerial order of June 15, 2012, as Government Commissioner, Florence Tordjman having been appointed substitute Government Commissioner by the same order. Pierre-Franck Chevet carried out his duties until his appointment, by ministerial order of November 9, 2012, as Chairman of the French Nuclear Safety Authority.

At the date of this report, these duties are being performed by Laurent Michel, appointed by the Energy Minister by ministerial order of January 18, 2013, and Florence Tordjman, appointed by the same order as acting substitute for Laurent Michel.

4.1.4 BOARD OF DIRECTORS: POWERS – OPERATING PROCEDURES – ACTIVITIES

4.1.4.1 Powers of the Board of Directors

Pursuant to legal and regulatory provisions and Article 15.1 of the Company bylaws, the Board of Directors determines the Company's business strategy and oversees its implementation. Subject to the powers expressly granted to the Shareholders' Meetings and within the limit of the Company's corporate purpose, the Board deals with all matters concerning the smooth running of the Company and, through its decisions, manages the Company's business. The Board of Directors performs any checks and verifications it considers appropriate.

In addition to issues that fall under the authority of the Board pursuant to applicable laws and regulations, the Chairman and Chief Executive Officer and the Vice-Chairman and President must obtain, pursuant to the Internal Regulations (Article 2.2), prior authorization from the Board for the following decisions:

- contracting with the government on major contracts regarding the objectives and methods involved in the implementation of public service tasks delegated to the Company or its subsidiaries, within legal limits;
- acquiring or divesting any of the Company's direct or indirect interests in any company formed, or to be formed, taking an interest in the formation of any company, joint venture, consortium or body or subscribing to any issue of shares, share equivalents or bonds in which the Company's or the Group's financial exposure exceeds €500 million for the transaction in question;
- becoming involved in any asset contribution or exchange transaction, with or without a cash balance, relative to goods, securities, stocks or bonds for an amount exceeding €500 million;
- resolving disputes by way of any agreement, settlement or arbitration decision for an amount exceeding €200 million;
- entering into any long-term energy purchasing plan on behalf of the Group that involves quantities, per transaction, in excess of:
  - 30 billion kWh of gas per year, including the terms of transmission,
  - 20 billion kWh of electricity per year, including the terms of transmission;
- entering into any real estate acquisition or disposal transaction for an amount exceeding €200 million;
- entering into any of the following transactions for an amount exceeding €1.5 billion:
  - granting or contracting any loans, borrowings, credit or cash advances by the Company, or authorizing any Group subsidiary or financing medium for this purpose,
  - acquiring or assigning any receivables, by any method.

Each year, the Board of Directors authorizes the Chairman and Chief Executive Officer to issue guarantees and other security for an amount it determines.

In addition, the Board reviews the budget and the Group's industrial strategy, financial strategy and energy supply policy at least once a year.

4.1.4.2 Organization and operating procedures of the Board of Directors – Code of governance

The operating procedures of the Board of Directors are defined by Article 14 of the bylaws. Its organizational procedures are set out in Article 1 of the Board of Directors' Internal Regulations, which specify the ways and means by which the Board can operate efficiently on behalf of the Company and its shareholders, as well as the responsibilities incumbent on each Director.

The Board of Directors meets as often as the Company's interests require and, in accordance with its Internal Regulations, at least six times a year, including at least once each quarter. Board of Directors' meetings may be held via any means of videoconference or telecommunication that allows Directors to be identified and ensures their effective participation in accordance with the conditions and procedures set out in the Internal Regulations.

A non-voting Director, with one advisory vote, is invited to attend Board meetings, as are the Government Commissioner, also with one advisory vote, the Executive Vice-President, Chief Financial Officer, the General Secretary, and the Secretary of the Board of Directors.

Article 1.3 of the Internal Regulations stipulates that the Chairman chairs the Board meetings, oversees deliberations and ensures compliance with the Internal Regulations. The Chairman upholds the quality of the exchange of views and ensures that the Board's decisions are made on a collective basis. The Chairman makes sure that the Board spends enough time on discussions and allots time to each of the items on the agenda in proportion to the importance that each issue represents for the Company. The Directors ensure, collectively, that the time allotted to each of them to express their views is evenly balanced. The Chairman pays particular attention to ensure that the issues raised according to the agenda receive an appropriate response.

In accordance with Article 16 of the bylaws, meetings of the Board of Directors must be chaired by the Chairman or, in the Chairman's absence, by one of the Vice-Chairmen, or else by a Director chosen by the Board at the beginning of the meeting.

The Secretary of the Board of Directors provides administrative services to the Board and records the minutes of its meetings. Patrick van der Beken is the current Board Secretary.

Under Article 13.6 of the bylaws, all Directors must own at least fifty (50) shares in the Company, unless an exemption has been granted under the applicable law or regulations. This requirement does not apply to the Directors representing the French State or to the Director representing employee shareholders (a table showing the number of shares and stock options personally owned by the corporate officers is provided in Section 4.1.1.4 below).

The Internal Regulations were amended on April 23, 2012. The appendix to that document includes the Directors' Charter and the Code of Conduct, which set out the rights and duties of each Director.

The Directors' Charter sets out the rules relating to Directors' terms of office, compliance with the company's interests, the laws and bylaws, independence criteria, duty of expression, conflicts of interest, professionalism, involvement and effectiveness.

The Code of Conduct sets out the rules governing trading in the Company's securities and the offense of insider trading applicable to Directors, corporate officers and all employees. It expresses the

Company's desire to ensure prudent management of its securities, to comply and ensure others' compliance with current regulations governing securities transactions conducted by corporate officers and employees, by reminding them of the prohibition on certain transactions involving the Company's securities, and the obligation to disclose transactions concluded by Directors and corporate officers and related parties, as well as the rules on insider trading.

In addition to the foregoing, the Regulations for Employee Directors, approved by the Board of Directors at its meeting of December 9, 2009, lays down conditions under which employee directors are to exercise their duties.

The main provisions of the Company's bylaws and the Board's Internal Regulations are outlined in Section 7.1 – "Specific statutory provisions and bylaws".

GDF SUEZ maintains its commitment to implementing corporate governance guidelines and for this purpose refers to the AFEP-MEDEF code of corporate governance for listed companies.

4.1.4.3 Activities of the Board of Directors

In 2012, the Board of Directors of GDF SUEZ met 14 times. Although four unscheduled meetings took place, the attendance rate was 89%. Nine meetings are scheduled for 2013.

At these meetings, the Board of Directors of GDF SUEZ reviewed and deliberated on the following matters: The Group's business performance and strategy, preparation of the 2011 financial statements, energy supply policy, 2012 and 2013 budget forecasts, review of the independence of Directors, evaluation of the Board's performance, convening the general meeting of shareholders and holders of participating equity (*titres participatifs*), the review and mapping of Group risks, progress on the program to rationalize the asset portfolio, the offer on the shares of International Power, the technical issues associated with production of non-conventional gas, comparative analysis of the competitiveness and sustainability of the various electricity production technologies, the 2011 health and safety report, financial information for the first and third quarters of 2012, preparation of the 2012 interim financial statements, provisional management documents, the option of payment in cash or in shares of the balance of the 2011 dividend and the 2012 interim dividend, an update on the Group's nuclear situation, changes to the share capital due to the exercise of options, allocation of bonus shares to all Group employees, policy on professional and pay equality, renewal of the authorization to issue bonds, renewal of the authorization to issue sureties, guarantees and pledges, allocation of performance shares and medium-term planning.

A strategy seminar held by the Board of Directors in Spa, Belgium addressed the following topics: the competitiveness of the gas supply portfolio, the Group's ambitions for the LNG chain, the development of markets and electricity strategy in Europe and the Group's geographical regions of growth.

4.1.5 STANDING COMMITTEES OF THE BOARD OF DIRECTORS

Article 15.2 of the bylaws provides that to assist in its deliberations, the Board of Directors may create internal standing committees whose work will provide a basis for its decisions. Pursuant to Article 15.2 of the bylaws and Article 3 of the Board's Internal Regulations, these Committees are tasked with studying matters of concern to the Company that the Board or the Chairman have submitted for their opinion. They are also charged with preparing the Board's work and decisions on such matters and projects and reporting their conclusions back to the Board in the form of reports, proposals, opinions, information or recommendations. The Committees perform their duties under the responsibility of the Board of Directors. No Committee may, under its own initiative, address any issue that falls outside the scope of its mission. Committees have no decision-making power. On the Chairman's recommendation and after deliberation, the Board of Directors appoints the members and Chairman of each Committee, based on the skills, experience and availability of each Director.

In principle, the term of office for Committee members is two fiscal years, unless the remainder of the term of office of the Directors in question is too short to complete the entire two-year period. In that case, the terms of office of Directors and Committee members shall end simultaneously. Committee members' terms of office are renewable, subject to their continuous service as Directors of the Company. All committees are chaired by an independent Director.

The Board of Directors of GDF SUEZ is assisted by four Committees: the Audit Committee, the Strategy and Investment Committee, the Appointments and Compensation Committee and the Ethics, the Environment and Sustainable Development Committee. The Secretariat General provides secretarial services to the Board Committees.

The Audit Committee

The Audit Committee has six members: Aldo Cardoso (Chairman), Ann Kristin Achleitner, Edmond Alphandéry, Olivier Bourges, Françoise Malrieu and Anne-Marie Mourer.

The Audit Committee is made up of Directors with specific skills in finance and accounting (see the biographies in Section 4.1.1.3. "Information about Directors in office at December 31, 2012").

Operating procedures

Article 3.1 of the Internal Regulations sets out the rules and operating procedures of the Audit Committee, pursuant to regulations and to any regulatory changes.

The Audit Committee has three main functions. The first is to examine in detail the draft financial statements, the relevance and consistency of accounting principles and rules used to prepare the financial statements and the content of documents disclosed to the public. In this framework, it is also responsible for monitoring the statutory auditing of the parent company and consolidated financial statements by the Statutory Auditors. The second is to gain an understanding of internal and external audit procedures in order to ensure that such procedures provide appropriate coverage for all areas of risk. The third is to regularly review the Group's financial position, cash position and significant commitments and risks, as well as Group policy in terms of risk control and the procedures for assessing and managing these risks.

The Audit Committee met 11 times in 2012, with an average attendance rate of 94%. The Statutory Auditors attended nine of these meetings. Nine meetings are scheduled for 2013.

Activities

In 2012, the Committee specifically addressed the following: 2012 budget forecasts, 2011 year-end estimates and forecasts, preparation of consolidated and parent company financial statements at December 31, 2011, interim closing estimates and options, preparation of the interim consolidated and parent company financial statements at June 30, 2012, financial information from the first and third quarters 2012, 2012 closing options and assumptions, impairment tests and application of the look-back procedure, valuation and accounting treatment of the International Power operation, the option of payment in GDF SUEZ shares of the balance of the 2011 dividend and the interim dividend for 2012, renewal of authorizations to issue bonds and guarantees, quarterly internal audit reports, the audit mission plan for 2012 and the independence of internal audit, the review of the Group internal audit and the Chairman's report on internal controls, monitoring of the Statutory Auditors' fees in 2011 and 2012, prior approval of the work entrusted to the Statutory Auditors outside their auditing engagement, the independence of the Statutory Auditors and their schedule of work for 2012, reviewing and mapping Group risks, strengthening control of Major Projects, the Group's trading activity and the risk associated with information systems.

Strategy and Investment Committee

The Strategy and Investment Committee has six members: Edmond Alphandéry (Chairman), Olivier Bourges, Aldo Cardoso, Pierre Mongin, Patrick Petitjean and Lord Simon of Highbury.

Operating procedures

Article 3.2 of the Internal Regulations sets out the rules and operating procedures for the Strategy and Investment Committee.

The delegation threshold for the Chairman and Chief Executive Officer and Vice-Chairman and President for investments and disinvestments is €500 million. The Committee must be notified of transactions of between €350 million and €500 million.

This Committee is charged with providing the Board of Directors with its opinion on the Company's main strategic aims, particularly with regard to the strategic plan and the public service Contract and all projects relative to external and internal growth, disposals, strategic agreements, alliances and partnerships that are submitted to the Board. The Committee also addresses matters concerning the creation and upgrading of industrial facilities and annual and multi-year works programs, purchasing policy and significant real estate projects.

The Strategy and Investment Committee met ten times in 2012, with an average attendance rate of 86%. Nine meetings have been scheduled for 2013.

Activities

In 2012, the Committee specifically addressed the following: the Group's energy supply policy, the Group's ambitions in LNG, the development of electricity markets and strategy in Europe, the Group's nuclear situation and the SUEZ Environnement shareholders' agreement, which expires in 2013.

Matters such as the medium- and long-term business plan, the budget and the Perform 2015 performance plan were presented to the Committee during joint meetings with the Audit Committee.

The Committee also reviewed a series of projects to rationalize assets, including investment and disinvestment projects requiring approval by the Board of Directors.

The Committee also worked on more general points, such as the plan to optimize Group assets, strategic questions arising from the 2012-2017 medium-term business plan, comparative analysis of the competitiveness and sustainability of the various electricity production technologies, preparation of the Board's annual strategic seminar and analysis of its conclusions.

The Appointments and Compensation Committee

At its meeting of February 8, 2012, the Board of Directors unanimously approved the merger of the Appointments Committee with the Compensation Committee to create a new committee, the "Appointments and Compensation Committee", as of the General Shareholders' Meeting of April 23, 2012.

Since this date, it has comprised the following five members: Jean-Louis Beffa (Chairman), Olivier Bourges, Paul Desmarais Jr, Françoise Malrieu and Lord Simon of Highbury.

Operating procedures

Article 3.3 of the Internal Regulations of GDF SUEZ sets out the rules and operating procedures for the Appointments and Compensation Committee. The Committee's mission is to review and make recommendations to the Board of Directors on all applications for the position of Director or non-voting Director that have to be submitted to the General Shareholders' Meeting for approval, as well as for the position of Committee member or Chairman. It also makes recommendations to the Board with regard to the succession of the Chairman and Chief Executive Officer and the Vice-Chairman, President of the Company, as their terms of office approach expiry. It also reviews and makes recommendations to the Board of Directors on the compensation, pension and welfare plans, benefits in kind and various pecuniary rights, including, if applicable, performance share allocations, awarded to the Chairman and Chief Executive Officer and to the Vice-Chairman and President, as well as to any members of the Board that hold employment contracts with the Company. In addition, it reviews the conditions for harmonizing the terms and conditions of employment of Gaz de France and SUEZ employees, as well as the competitiveness of such terms and conditions with regard to comparable international groups.

The Committee also makes recommendations on performance shares allocated to the Executive Vice-Presidents.

The Appointments Committee met three times in 2012 and the Compensation Committee met twice in 2012. The Appointments and Compensation Committee met three times in 2012, after the two Committees were merged. The overall attendance rate was 68%.

Activities

The activities of the Appointments and Compensation Committee were separate until April 23, 2012.

The Appointments Committee, and subsequently the Appointments and Compensation Committee, addressed matters including: the reduction in the number of Directors, the improvement in diversity within the Board, maintaining the equilibrium between the proportions of the various categories of Directors, the renewal of the terms of office of Gérard Mestrallet and Jean-François Cirelli, the postponement to 67 of the upper age limit for the Chairman and Chief Executive Officer, the extension from four to five years of the first term of office of Directors representing employees, the appointment of Gérard Lamarche as non-voting Director, the qualification of members of the Board as independent Directors, the operating procedures of General Management, determining the powers of the Chairman and Chief Executive Officer and the Vice-Chairman and President, the merger with the Compensation Committee and the respective amendments to the Internal Regulations of the Board of Directors, the appointment of the members of the Board Committees and their Chairmen, Group succession planning, the proposed co-option of an independent Director and procedures for the renewal of the Director representing employee shareholders.

The Compensation Committee, and subsequently the Appointments and Compensation Committee, addressed matters including: the fixed and variable compensation of the two executive corporate officers, the performance achievement indices assigned to them for 2011, the respective amounts for the two variable compensation portions, criteria for the assessment of their performance-related compensation for 2012, the performance conditions for the various share purchase option schemes and performance shares, the allocation of performance shares, proposals made by management with regard to changes in the compensation of salaried Directors, and the attendance fees paid to the Chairman of some Committees of the Board of Directors.

Ethics, Environment and Sustainable Development Committee

The Ethics, Environment and Sustainable Development Committee has four members: Françoise Malrieu (Chairman), Ann-Kristin Achleitner, Alain Beullier and Stéphane Pallez.

Operating procedures

Article 3.5 of the Internal Regulations defines the rules and operating procedures for the Ethics, Environment and Sustainable Development Committee. This Committee ensures compliance with the individual and collective values that are the basis for the Group's actions and with the rules of conduct to which each employee must adhere.

The Ethics, Environment and Sustainable Development Committee met five times in 2012, with an average attendance rate of 85%. Five meetings have been scheduled for 2013.

Activities

The Ethics, Environment and Sustainable Development Committee, whose composition was renewed at the Board of Directors' meeting of April 23, 2012, reviewed the Group's ethics and compliance systems and sustainable development policy.

With regard to ethical compliance management, it reviews the applicable standards and the report on ethical incidents in the main areas of risk, using the reporting tools established by the Group.

The Committee observed that the annual compliance procedure, which involves asking the managers of the business lines and functional departments to commit to applying the Group's policies, had been complied with, and that the Group's ethics report had been submitted to it.

Lastly, it acknowledged the ethics policy of the Energy International business line and reviewed the ethics policy followed in respect of sales agents, as well as reputational risk.

With regard to sustainable development, the Committee acknowledged the Group's environmental performance report, and the annual report on the sustainable development action plans.

The annual occupational health and safety report was also submitted to the Committee.

Pursuant to the Internal Regulations, the Board's operating procedures in 2012 were assessed under the supervision of the Committee's Chairman working together with an independent expert. The assessment was submitted to the Board of Directors at its meeting of February 27, 2013.

The Board approved the recommendations made by the Committee which consisted in furthering the progress made following last year's recommandations with regard to the Board's involvement in matters of human resources and further enhancing the strategic discussions by addressing a greater number of summary reports and topics pertaining to Research & Development.

The Committee also recommended the implementation of a strategic-decision monitoring tool.

4.1.6 PRINCIPLES AND RULES FOR DETERMINING THE COMPENSATION AND BENEFITS OF CORPORATE OFFICERS

Compensation and benefits of any kind awarded to corporate officers are determined by the Board of Directors on the proposal of the Compensation Committee, taking into account comparisons with comparable companies in France and in Europe as well as the level of achievement of quantitative and qualitative targets set for each.

The principles and rules for determining such compensation and benefits are presented in the 2012 Registration Document, in Section 4.5 "Compensation and benefits paid to members of corporate governance and management bodies".

4.1.7 STATUTORY PROVISIONS REGARDING THE PARTICIPATION OF SHAREHOLDERS AT GENERAL SHAREHOLDERS' MEETINGS

The Company bylaws stipulate that all shareholders are entitled to attend General Shareholders' Meetings on condition that their shares are fully paid up. Each share entitles the holder to vote and be represented at General Shareholders' Meetings, in accordance with current law and the bylaws. Ownership of one share entails automatic acceptance of these bylaws and of all decisions of the Shareholders' Meetings of the Company. Unless otherwise provided for by law, each shareholder has as many voting rights and may cast as many votes at meetings as he or she holds shares, which are fully paid up.

The terms for the participation of shareholders at General Shareholders' Meetings are detailed in Section 7.1.5 "General Shareholders' Meetings".

Provisions relating to procedures for shareholders' attendance at General Shareholders' Meetings and shareholders' voting rights are set out in Section 7.1.3 "Rights, privileges and restrictions attached to shares" and in the bylaws (Articles 10, 11, 12 and 20).

The information stipulated by Article L. 225-100-3 of the French Commercial Code is published in Sections 3.2 "Social information", 4.5 "Compensation and benefits paid to members of corporate governance bodies", 5.1 "Information on the share capital", 5.2 "Shareholding" and 7.1 "Specific statutory provisions and bylaws".

4.1.8 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES IMPLEMENTED BY THE COMPANY

4.1.8.1 Internal control organization

Internal control objectives

GDF SUEZ's internal control objectives – underpinned by the Internal Control Management and Efficiency (INCOME) program, approved by the Executive Committee and submitted to the Audit Committee – are to provide reasonable assurance of the control of operations with regard to the following objectives:

- compliance with applicable laws and regulations;
- reliability of accounting and financial information;
- effectiveness and efficiency of operations.

GDF SUEZ's aim is to have effective internal control systems in place at every level of responsibility, based on:

- an environment conducive to the implementation of an effective control system;
- the commitment of all players for the implementation of internal control at every level of the organization;
- an approach which takes into account the cost of implementing a control with regard to achieving a balance between the cost of implementation and the desired level of assurance;
- using control results to improve operational performance.

Internal control standards

GDF SUEZ has chosen an organization and procedures for internal control based on the model promoted by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This organization and these procedures are consistent with the principles described in the reference framework and take into account the application guide; both of these documents were published in January 2007 by the AMF and updated with respect to risk management in July 2010. They also take account of the report on the Audit Committee published by the AMF on June 14, 2010.

General internal control guidelines

The general internal control guidelines of GDF SUEZ address:

- the development and follow-up of an effective and rigorous coordination and monitoring program, for which management is responsible and differentiated based on the needs of each management level, which can be adapted to different organizations and risks;
- formal commitment by management at different organizational levels to implement an internal control system for their area of responsibility as well as improvement initiatives identified by assessing the general control environment, the internal control system, the INCOME program controls and the audit missions;
- the rollout of an internal control network to support management.

Scope of application of the INCOME program

The heads of legal entities, BUs, business lines or functional divisions are responsible for implementing an effective internal control system within their area of responsibility. GDF SUEZ updates the scope of deployment of the INCOME internal control program every year. This allows managers to oversee the most appropriate level of internal control in view of the risks and challenges involved.

The scope is defined by taking financial criteria into account, combined with criteria relating to risks of business disturbance, as identified by the functional and operational divisions. In 2012, it covered 177 entities.

For entities that fall outside this scope in view of the criteria, a detailed internal control questionnaire is provided, covering sensitive areas such as "segregation of duties" and asset protection.

Internal control players

In addition to the information previously provided on the role of the Board of Directors (see Section 4.1.4 "Board of Directors: powers - operating procedures - activities"), the Audit Committee (see Section 4.1.5 "Standing committees of the Board of Directors"), the Chairman and Chief Executive Officer, the General Management Committee, the Executive Committee (see Section 4.3 "General Management"), the central or "Corporate" level, the business lines and BUs (see Section 1.3 "Description of business lines"), the following should be noted:

- the Chairman and Chief Executive Officer ensures the proper functioning of internal control within the Group;
- an annual review of internal control is submitted to the Executive Committee and the Audit Committee;
- the business lines and functional divisions define their own control procedures in accordance with Group standards and policies and in a manner adapted to their specific activities. These are consistent with the INCOME program, which allows them to supervise the internal control system's application to the activities within their specific area of responsibility and to confirm its effectiveness in meeting their needs.

Audit and Risk Management Division

Combining risk management services, internal control and internal audit within the Audit and Risk Management Division facilitates and strengthens continuing dialogue between the overall management approaches to risks, internal control and internal audit, with the aim of increased efficiency.

Risk Management Division

(See Section 2.1.2 "Global Risk Management Policy".)

Internal Control Division

The Internal Control Division organizes, together with the functional divisions and the business lines, the monitoring of the internal control program notably to help control the Group's most significant risks. The Management Observatory for Internal Control was created at the end of 2010 to improve management involvement in structural decision-making relating to internal control, such as the policy implemented and changes to the standards, and to increase awareness and understanding of management expectations in respect of internal control. This body, chaired by a member of the GDF SUEZ Executive Committee, examines changes to the internal control program proposed by the Head of Internal Control, submits them, with its opinion, to the Executive Committee for a decision, monitors their implementation, and brings management expectations to the attention of the Head of Internal Control. It meets every six months. The Internal Control Division is constantly improving the internal control system by analyzing the results of self-assessments and of internal and external audits, in order to identify the necessary action plans, coordinate their implementation and ensure that they are properly applied.

The Internal Control Division oversees the network of coordinators and managers responsible for running the internal control program of the business lines, subsidiaries and functional divisions, providing methodology and instructions and organizing information and training sessions, and reporting to their management the performance during the year and improvement initiatives identified for the year to come.

In this oversight role, the division is assisted by Internal Control Officers (ICOs), who coordinate internal control at business line level and promote internal control, supervise implementation of the INCOME program, and assess the internal control systems of the BUs and legal entities within the business line. They report to the head of their business line and coordinate with the Head of Internal Control. The ICOs oversee the internal control coordinators in their relationships with the BU or legal entity heads at their business line. The coordinators help business managers to define, deploy and execute controls and provide them with the elements they need to supervise and guide internal control; they report to the BU or legal entity heads.

The Internal Control Division directly oversees the internal control coordinators at the functional divisions, who play exactly the same role within these divisions as the internal control coordinators reporting to the BU and legal entity heads. The Internal Control functional line also provides the functional divisions with information on implementation of decisions prescribed at Group's level.

Internal Audit Division

The Group's Internal Audit Division is an independent and objective function responsible for evaluating the proper functioning of the Company in every area of risk management, and in particular the adequacy and effectiveness of the internal control system. It exercises this responsibility directly with the support of business lines internal audit teams with which it has a hierarchical relationship.

The Corporate Internal Audit team provides for implementation, control and observance of international professional standards established by the Institute of Internal Auditors, the appropriate level of resources and skills and the quality assurance of internal auditing.

Business line Internal Audit teams ensure, within their scope of engagement, implementation of the same professional standards as well as compliance with Corporate Internal Audit procedures and instructions.

In conjunction with business line audit teams, expert networks are composed of internal auditors who have the required level of technical knowledge and provide their specific proficiency to the benefit of all entities and apply a transversal approach to address issues of global interest (governance, health, safety and environment, information systems, finance and accounting, commodities, fraud and investigations).

The Group's Internal Audit Division draws up its audit plan every year, according to a four-step process:

- identification of the entities concerned by the annual audit plan;
- assessment and evaluation of the audit themes, in consultation with the various stakeholders and in synergy with Risk Management and Internal Control;
- consolidation of the audit themes identified in the various business lines and entities of the Group;
- enhancement of the annual audit plan throught its validation by the general management bodies of the Group and of the business lines and then its approval by the Audit Committee.

The Group's Internal Audit Division issues an opinion on the quality of internal control measures (level of control and appropriateness), based mainly on work carried out to assess the adequacy of the design and the proper operation of internal control systems in the Group, particularly through the testing of key controls identified in each of the main entities.

Audit engagements result in the formulation of recommendations – prioritized according to importance – designed to improve management processes and internal control efficiency. All recommendations are included in management action plans. When these have been executed, the auditors verify that corrective actions have been effectively implemented, and that they have had a positive effect on management processes and the internal control system. A summary of findings and corrective actions is regularly presented to the managers of the subsidiaries, the Executive Committees of the business lines and of the Group, and the Group Audit Committee.

Internal auditors coordinate their work with the Statutory Auditors in order to ensure the consistency and effectiveness of their overlapping activities.

4.1.8.2 The internal control system

Control environment

The control environment of the functional divisions and business lines is assessed annually, using questionnaires appropriate for the area of business under assessment. Specific controls are also implemented for delegations of authority, compliance with ethical principles and information systems management; the approach also includes improvements to controls designed to prevent and detect fraud.

In addition to this approach, fundamental actions are undertaken jointly with the functional divisions and the business lines to control the implementation of Group decisions.

Identifying and assessing risks

In addition to the risk management previously described (see Section 2.1.2 "Enterprise risk management policy") there is constant dialogue between the Risk Management and the Internal Control functional lines.

Synergies between the risk management and internal control approaches are a natural result of this context. They can be illustrated using the following examples:

- establishment of the scope of the INCOME internal control program according to the risks identified (see the "Scope of application of the INCOME program" section above);
- execution of INCOME program internal controls helps to control some risks;
- sharing of feedback on each of the approaches implemented.

Control activities

The internal control system includes about sixty processes, including information systems, representing approximately 1,300 identified controls, half of which are obligatory for reporting purposes.

The pertinence of these controls and potential adjustments are examined according to need, and particularly in view of feedback, organizational changes and new decisions issued by General Management and the functional divisions.

Implementation of the controls is also regularly monitored.

Information and communication

The Groups level's organizational decisions, the internal control framework and instructions can be viewed and downloaded via the Group intranet. A pocket guide containing ten key questions relating to internal control has been created for managers, to help their awareness and understanding of internal control.

Coordination and monitoring of internal control

The internal control system was updated in 2012, through a decision signed by the Chairman & Chief Executive Officer. As well as the existing measures – monitoring of the internal control program, formalization the commitment of directors to implementation of an internal control system within their respective areas of responsibility, existence of an Internal Control functional line to support management, and existence of a Management Observatory for Internal Control – this sets out the following key changes:

- strengthening the coordination of the Internal Control functional line with the other functional lines taking forward an approach that will contribute to improving the functioning of activities;
- assessment of the internal control system of the entities, in order to give Group directors concise information about the degree of internal control maturity at each entity by (i) identifying areas of

progress, (ii) stimulating the sharing of best practices, (iii) favoring the internal benchmark and (iv) boosting synergies;

- preparation and presentation of an annual summary report on internal control to the management teams of the entities.

The Internal Control functional line is coordinated through monthly meetings. These meetings are supplemented, when necessary, by working groups and action groups for raising awareness and training, such as for the dissemination of the new internal control policy within the functional line.

4.1.8.3 Implementation of internal control

Compliance with laws and regulations

Within the General Secretariat, the Legal Division helps to create a secure legal framework for the Group's operations and the decisions of its corporate officers. Employees within this Division are responsible for providing the business lines and functional divisions with the necessary support, each in their area of expertise and responsibility. Such support is mainly provided through (i) operational contributions to contractual negotiations, litigation and arbitration, (ii) the actions of centers of expertise in competition law and financial law, (iii) legal analyses carried out by the Commitment Committees, (iv) mapping legal risks and, more generally, (v) the mission of managing the legal functional line for which the Legal Division is responsible.

Compliance with laws and regulations remains the responsibility of each business line and each functional division in its respective area of responsibility. Implementation of internal control objectives with regard to compliance with laws and regulations is performed at each level of management throughout the Group. For example, certain cross-disciplinary compliance objectives are managed by the relevant Corporate functional divisions:

- the Finance Division ensures GDF SUEZ's compliance in matters of accounting, finance and taxation. It is in charge of regulatory financial reporting;
- within the General Secretariat, the Ethics and Compliance Division is responsible for drafting GDF SUEZ's ethics and compliance rules, as well as ensuring that such rules are actually applied in accordance with the laws and regulations in force;
- the Group Human Resources Division is in charge of compliance with current labor legislation and regulations and carries out the regulatory employment reporting;
- the Strategy and Sustainable Development Division is responsible for compliance with environmental laws and regulations throughout the Group. It assesses the environmental maturity of the Group's various businesses and is in charge of regulatory environmental reporting.

Reliability of accounting and financial information

The control environment

The structure of the financial function is based on:

- the Corporate functional divisions: Accounting; Planning and Management Control; Finance, Treasury and Insurance; Tax; Investments, Acquisitions and Project Financing and Financial Communications;
- the Financial Divisions of each of the business lines. These oversee their BUs and operational units; the latter are responsible for the production and content of their financial statements (reporting sets) and their internal control.

Responsibility for the preparation of accounting and financial information is defined at each level of the Group's organization (Corporate Management, business lines, BUs and reporting entities). This includes setting up and maintaining an effective system of internal control.

The internal control system relating to accounting and financial information is consistent with the AMF reference framework. This system covers not only the processes for preparing financial information for financial statements, consolidation, forecasting phases and financial communication, but also all upstream operational processes contributing to the production of this information.

The main applicable procedures for the preparation of parent company and consolidated financial statements are based on two tools:

- the manual of Group accounting policies issued by the Accounting Standards Center of Expertise within the Accounting Division. It is accessible to the Group's entire financial community via the intranet. It is updated on a regular basis according to changes in international standards;
- closing instructions sent out prior to each consolidation phase. These instructions address the assumptions made when preparing the year-end accounts (exchange rates, discount rates and tax rates, for example), the scope of consolidation, the timetable for submitting data, the specific points requiring attention for the closing, and the main changes in accounting regulations and standards. The manual also includes a definition of the performance indicators used by the Group. These instructions are also available via the intranet.

Identifying and assessing risks

The main risks identified are monitored and managed as follows:

- the risks identified and the results obtained through the various approaches implemented (ERM and analysis of specific risks in the reporting and communication process using feedback) are used to create ad hoc action and communication plans for the functional lines in question;
- budgetary processes and medium-term business planning, performance monitoring (Monthly Business Reviews), regular meetings at which the finance functions are mostly stakeholders (Accounting, Planning and Control, Finance, Treasury and Insurance and Tax divisions – see the "The control environment" section), and meetings of the Management Committee to monitor and manage the main risks identified;
- specific risks associated with processes for preparing and communicating financial information are also reviewed and are monitored at closing.

Control activities

Preparation of monthly financial reports and consolidated financial statements

At the Corporate level, the Accounting Division and the Planning and Management Control Division coordinate the processes relating to the preparation of accounting and financial information. These two divisions report to the Finance Division and closely coordinate their activities during the weekly meetings of their key managers.

In this context, the Accounting Division drives the process of producing the GDF SUEZ consolidated financial statements, supported by the consolidation teams and management control divisions of the Business Lines in leading this process role *vis-à-vis* the BUs and reporting entities.

Each of these entities carries out controls in its own area of responsibility to ensure that accounting standards and Group accounting policies have been circulated, understood and correctly applied. This principle of subsidiarity allows second-tier controls to be applied to the information prepared:

- controls at the business line level on the information passed on to this level by the BUs and reporting entities;
- controls at the Corporate Management level on the information passed on to this level by the business lines.

Centers of expertise (the Consolidation Methods Center of Expertise – CMCE -, described below, the Consolidation Process Center of Expertise, which combines the teams from the Energy business lines, and, for example, the Accounting Standards Center of Expertise) have been set up at head office level to improve the way in which complex technical issues are handled and resolved. These centers result from pooling expertise throughout the Group so that it is widely available, thus ensuring that both the analyses performed and the resulting positions adopted are of a consistently high standard.

The role of the Planning and Management Control Division is explained in the paragraph "Setting objectives and coordination".

Key Players in controlling

All reporting levels in the Group carry out activities that contribute to the preparation of financial and accounting information. These activities must comply with the internal control guidelines developed at the Corporate level by the Internal Control Division under the aegis of the INCOME program. The players concerned are the following:

- the Finance Division of each BU and legal entity, which formally validates the accounting and financial reporting package prepared in accordance with the main procedures established at Group level;
- the various Finance Divisions at the business line level, which are in charge of implementing procedures with all operating subsidiaries. This includes, in particular, decentralized control (see paragraph "Setting objectives and coordination");
- the Accounting Division (itself part of the Finance Division), which is in charge of financial reporting, preparing the parent company financial statements (of GDF SUEZ and the financial vehicles managed by the head office) and the consolidated financial statements, and liaising with the accounting divisions of the AMF.

The Group implements a formalized system which commits operational and financial managers, with regard to the accuracy and fairness of the financial information passed by the legal entities, to the business lines and then by the business lines to Corporate Management, as well as with regard to the internal control systems, which contribute to the reliability of this information throughout the information chain mentioned in the above paragraph, "The control environment".

Information and communication

Accounting information and communication

GDF SUEZ's consolidated reporting entities all use the SMART software package for their consolidation and reporting needs under the Group's Management Control process.

The application is managed jointly by:

- the Consolidation Methods Center of Expertise, part of the Accounting Division, which handles administrative tasks (access rights management, relationships with service providers involved in system support and operation), system configuration (the Consolidation Division identifies system enhancement needs, draws up specifications and validates system updates) and provides operating assistance to users (running a hotline);
- the Information Systems Division, which is in charge of specific underlying infrastructures.

Other information systems used in the preparation of accounting and financial information are managed as appropriate on a decentralized basis by the various subsidiaries and BUs' IT divisions.

Financial communication

Preparing and validating the Annual Report

The General Secretary is in charge of preparing the Registration Document filed with the AMF, which includes the annual report and involves the following:

- defining the procedures for submitting and validating the information that will appear in the Registration Document;
- overseeing the work of the Registration Document Steering Committee;
- liaising with the AMF and applying its regulations.

The Finance Division is responsible for the "Financial information" section, which includes the consolidated financial statements, the parent company financial statements and the report on the financial position.

Preparing and approving press releases

GDF SUEZ has the necessary organization to present reliable and high-quality financial information.

The Group Communications and Marketing Division applies the policies set by the "Communication with the press" procedure in carrying out its activities. These rules specifically indicate:

- the coordination of activities among the Corporate communications and business line communications teams;
- the implementation of the validation process for each item of information distributed, internally and externally;
- a monitoring system and appropriate rules of communications and crisis management.

Relations with analysts and investors

The Communications and Marketing Division also uses the "Missions and Operating Principles of Financial Communication" in force, which sets out management principles for the Group's financial communication and clearly defines its activities in the following areas: relations with investors and analysts, market intelligence and marketing divisions, individual shareholder relations, including communication with employee shareholders, a role performed in support of the Group Human Resources Division and with the help of internal communications. In addition, the Financial Communications Division steers and coordinates the market presentation process, such as the quarterly, interim and annual financial data and major transactions.

Setting objectives and coordination

General Management updates and circulates GDF SUEZ's overall objectives and allocates resources to the various business lines. The Planning and Management Control Division, which is attached to the Finance Division, prepares instruction memos for each of the business lines, including the macro-economic assumptions to be applied (for example: foreign exchange rates, interest rates and commodities prices), the financial and non-financial indicators to be measured during the following fiscal year, the schedule and the segmentation of the scope of activity. Each business line is responsible for sending these instructions to its subsidiaries and reporting entities within its scope after tailoring them to the specific characteristics of its business activity.

Management control is performed in a decentralized manner to reflect the specific characteristics of each business activity. In particular, it must take into account the instructions circulated periodically by the Planning and Management Control Division, the SMART software application and the manual of Group accounting policies.

The fall Business Line Committee validates, for each business line, the objectives set for the following year and the corresponding budget, as well as the outlook for beyond the current year contained in the medium-term business plan, which will be used as the basis for the impairment and goodwill testing of long-term assets.

This Committee meeting, prepared by the finance functional line under the responsibility of the Planning and Management Control Division, gathers representatives from General Management, the Group functional divisions, and the operational and finance divisions of each business line. The Group's consolidated budget and medium-term business plan is presented to the Audit Committee before being submitted to the Board of Directors. General Management then sends a summary memorandum to each business line setting out its quantitative and qualitative objectives.

At subsequent Business Line Committee meetings, actual figures are compared to the budget and any adjustments to annual forecasts are validated by the Group's General Management and by management of the business line.

Improving the process for preparing and processing financial information is the responsibility of each business line financial director and each functional director.

Feedback is given to verify that the production processes for accounting and financial information are functioning properly.

When necessary, internal audits in the reporting entities and at the various organizational levels can also verify process quality.

Continuous improvement

Implementation of internal control in the Group is part of our aim to continuously improve our performance, based on the following principles:

- drawing up and enhancing internal control standards, working closely with the functional divisions to support Group policies
- listening to the various business activities to optimize the internal control system at the lowest possible cost;
- self-assessment of internal control formalized via an annual letter of attestation, signed by each business line director and functional director and relating to his or her scope of responsibility;
- identifying, monitoring and steering Group action plans.

For example, Group-wide actions were implemented in 2012 by the Internal Control and Information Systems teams to strengthen control of access to applications, automate the detection and processing of task conflicts and protect sensitive information and transactions. The field of controls in the domain of the security of information infrastructures was expanded, in cooperation with the Group's business lines and entities.

4.2 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF GDF SUEZ

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L. 225-235 of French company law on the report prepared by the Chairman of the Board of Directors on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of GDF SUEZ and in accordance with article L. 225-235 of the French Commercial Code (Code de commerce), we hereby report on the report prepared by the Chairman of your company in accordance with article L. 225-37 of the French Commercial Code (*Code de commerce*) for the year ended December 31, 2012.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the company and containing the other disclosures required by article L. 225-37 of the French Commercial Code (*Code de commerce*) particularly in terms of corporate governance.

Our role is to:

- report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- attest that this report contain the other information required by article L. 225-37 of the French Commercial Code (Code de commerce), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of the French Commercial Code (*Code de commerce*).

Other information

We confirm that the Chairman's report includes the other disclosures required by article L. 225-37 of the French Commercial Code (*Code de commerce*).

Neuilly-sur-Seine and Paris-La Défense, March 6, 2013

The statutory auditors

French original signed by

Deloitte & Associés	Ernst & Young et Autres	Mazars
Véronique Laurent	Pascal Macioce	Thierry Blanchetier
Pascal Pincemin	Charles-Emmanuel Chosson	Isabelle Sapet

4.3 GENERAL MANAGEMENT

Given its commitment to the continued exercise of general management through the combined functions of Chairman and Chief Executive Officer, the Board of Directors, at its meeting of April 23, 2012, decided that the executive function of GDF SUEZ would be handled by the Chairman of the Board of Directors and the Vice-Chairman and President. Since that date, the Company's General Management has been the responsibility of Gérard Mestrallet, Chairman and Chief Executive Officer, and Jean-François Cirelli, Vice-Chairman and President. Pursuant to the law, the President assists the Chief Executive Officer.

In a changing and highly competitive environment, combining the functions of Chairman and Chief Executive Officer, supported by the presence of a Vice-Chairman and President, provides for the greatest coherence between strategy and operations and the greatest efficiency in the decision-making processes, while ensuring compliance with the best governance principles.

The Chairman and Chief Executive Officer and the Vice-Chairman and President have the same powers to represent the Company with regard to third parties. According to internal rules, the respective powers of the Chairman and Chief Executive Officer and the Vice-Chairman and President are determined by the Board of Directors and the Internal Regulations of the Board, which sets their limits (see Section 4.1.4.1 "Powers of the Board of Directors").

At its meeting of December 17, 2008, upon proposal of the Chairman, the Board of Directors decided to appoint a non-executive Vice-Chairman responsible for chairing the Board of Directors in the Chairman's absence. The current non-executive Vice-Chairman is Albert Frère, whose appointment was renewed on May 2, 2011.

4.3.1 GENERAL MANAGEMENT COMMITTEE

The General Management Committee of GDF SUEZ, chaired by the Chairman and Chief Executive Officer or the Vice-Chairman and President, has ten members at the date of this document. It is responsible for steering the Group. The Committee determines the strategic decisions of GDF SUEZ according to the guidelines set out by the Board of Directors. It meets, in principle, every week. The General Management Committee has the following members:

Gérard Mestrallet, *Chairman and Chief Executive Officer*

Jean-François Cirelli, *Vice-Chairman and President, in charge of the Energy Europe business line*

Dirk Beeuwsaert, *Executive Vice-President in charge of the International Energy business line*

Valérie Bernis, *Executive Vice-President, Communications and Marketing*

Jean-Louis Chaussade, *Executive Vice-President in charge of the Environment business line*

Jean-Marie Dauger, *Executive Vice-President in charge of the Global Gas & LNG business line*

Jean-Claude Depail, *Executive Vice-President in charge of the Infrastructures business line*

Henri Ducré, *Executive Vice-President in charge of Group Human Resources*(1)

Isabelle Kocher, *Executive Vice-President, Chief Financial Officer*

Jérôme Tolot, *Executive Vice-President in charge of the Energy Services business line*

(1) Since February 1, 2013.

4.3.2 EXECUTIVE COMMITTEE

The Executive Committee reviews issues and decisions regarding the Group's strategy, development, organization, and overall management. At the date of this document it has 21 members, including the members of the General Management Committee and the heads of some functional departments. In principle it meets every month. The Executive Committee has the following members:

Gérard Mestrallet, *Chairman and Chief Executive Officer*

Jean-François Cirelli, *Vice-Chairman and President, in charge of the Energy Europe business line*

Dirk Beeuwsaert, *Executive Vice-President, in charge of the International Energy business line*

Valérie Bernis, *Executive Vice-President, Communications and Marketing*

Jean-Louis Chaussade, *Executive Vice-President in charge of the Environment business line*

Jean-Marie Dauger, *Executive Vice-President in charge of the Global Gas & LNG business line*

Jean-Claude Depail, *Executive Vice-President in charge of the Infrastructures business line*

Henri Ducré, *Executive Vice-President in charge of Group Human Resources*(1)

Isabelle Kocher, *Executive Vice-President, Chief Financial Officer*

Jérôme Tolot, *Executive Vice-President in charge of the Energy Services business line*

Bruno Bensasson, *member of the Executive Committee*(2)*, Director of Strategy and Sustainable Development*

Jean-Louis Blanc, *member of the Executive Committee, Director of the Group Sales and Marketing Department*

Claire Brabec-Lagrange, *member of the Executive Committee, Director of Group Purchasing*

Alain Chaigneau, *member of the Executive Committee, General Secretary*

Pierre Clavel, *member of the Executive Committee*(3)*, Deputy Director of the Global Gas & LNG business line, in charge of Business Development*

Phil Cox, *member of the Executive Committee*(4)*, CEO of International Power plc*

Véronique Durand-Charlot, *member of the Executive Committee, Director of Information Systems*

Marc Florette, *member of the Executive Committee, Director of Research and Innovation*

Yves de Gaulle, *member of the Executive Committee*(3)*, Special Advisor to the Chairman and Chief Executive Officer of GDF SUEZ in charge of Renewable Energy Policy*

Jean-Pierre Hansen, *member of the Executive Committee*(3)*, Chairman of the Energy Policy Committee*

Philippe Jeunet, *member of the Executive Committee, Advisor to the Chairman and Chief Executive Officer*

Christelle Martin, *member of the Executive Committee*(5)*, in charge of Human Ressources*

Didier Retali, *member of the Executive Committee*(6)*, Director of Audit and Risks*

Paul Rorive, *member of the Executive Committee, Director of Nuclear Development*

Philippe Saimpert, *member of the Executive Committee*(3)*, Special Advisor to the Chairman and Chief Executive Officer*

Edouard Sauvage, *member of the Executive Committee*(7)*, Director of Strategy*

Denis Simonneau, *member of the Executive Committee, Director of European and International Relations*

Emmanuel van Innis, *member of the Executive Committee*(3)*, Special Advisor to the Chairman and Chief Executive Officer*

Willem Van Twembeke*, member of the Executive Committee*(8)*, CEO of International Power plc*

The General Secretariat provides administrative services for the General Management Committee and Executive Committee.

(1) In charge of Energy France until February 1, 2013
(2) Until February 10, 2013
(3) Until February 28, 2013
(4) Until April 1, 2013
(5) Until February 1, 2013
(6) Since March 1, 2012
(7) Since February 11, 2013
(8) Starting April 1, 2013

4.4 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS, TRANSACTIONS WITH RELATED PARTIES, SERVICE CONTRACTS

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L. 225-235 of French company law on the report prepared by the Chairman of the Board of Directors on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.

4.4.1 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

To the Shareholders:

In our capacity as statutory auditors of your Company, we hereby report to you on its regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (Code de Commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (Code de Commerce) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

A. Agreements and commitments submitted for approval by the General Meeting of Shareholders

Agreements and commitments authorized during the year

In accordance with Article L.225-40 of the French Commercial Code (Code de Commerce), we have been advised of certain regulated agreements and commitments, which received prior authorization from your Board of Directors.

1. With the French State

Shareholder and directors concerned

The French State, Mr. Bailly, Mr. Bézard, Mr. Bourges, Mr. Chevet, Mr. Fernandez and Mr. Mongin, Directors representing the French State.

Nature, purpose and terms: Agreement relative to the payment of the dividend in shares

Under the proposed acquisition of the minority interest of International Power, corresponding to 30% of the share capital of the Company, at its meeting of April 2, 2012 the Board of Directors decided that part of the financing of this acquisition would be provided by the dividend payment GDF SUEZ in shares. Since the main shareholders of GDF SUEZ, the French State and Groupe Bruxelles Lambert, were in agreement on the principle, the Board decided to amend the text of the third resolution on dividend payment it had adopted at its meeting of February 8, 2012 and to introduce in it the possibility for shareholders to opt for payment of the balance of the dividend for 2011 in shares.

The Board of Directors in addition decided to add a 26th resolution offering the possibility for shareholders, subject to the completion of the acquisition of International Power shares not yet owned by GDF SUEZ to opt for share-based payment of the interim dividend for the year 2012. As a result of these decisions, the Board of Directors April 2, 2012 authorized the draft agreement by which the French State undertook:

- provided that as at the date of the General Meeting of Shareholders the Board of Directors of International Power has recommended the transaction by which GDF SUEZ would acquire the International Power shares it does not already own, to vote in favor of the resolutions allowing dividend payments in shares for both the balance of the dividend for fiscal year 2011 and for any interim dividend for the year 2012, and to exercise the option for payment in shares for the total net dividend for fiscal year 2011, assuming that the payment in shares option is decided by the General Meeting of Shareholders;
- to exercise the option for payment in shares for the total of any net interim dividend for fiscal year 2012, assuming that the option for payment in shares for any interim dividend for fiscal year 2012 is decided by the General Meeting of Shareholders.

Since the French State exercised the option for the payment of the dividend in shares, it received 33,078,268 shares for the balance of the dividend for fiscal year 2011 and 41,560,866 shares for the interim dividend for fiscal year 2012, i.e., a total of 74,639,134 shares.

2. With Electrabel (wholly-owned subsidiary of the Group), Crédit Agricole CIB

Directors concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the Board of Directors of Electrabel, Mr. Cirelli, Vice-Chairman and President of GDF SUEZ and Vice Chairman of Electrabel, Mr. Alphandéry, Director of GDF SUEZ and Director of Crédit Agricole CIB.

Nature, purpose and terms: Approval of a bridge financing agreement in the context of the offering of the International Power shares

Following the negotiations started on March 28, 2012 with the independent directors of International Power, the parties agreed to submit to the approval of the Boards of Directors of GDF SUEZ and Electrabel on one hand, and of the Independent Directors International Power, on the other hand, the main terms of an offer by which Electrabel would buy all International Power shares not yet held by GDF SUEZ at a price of 418 pence (ex-coupon) per share, payable in cash, valuing the acquisition of International Power's minority interests at about €8.4 billion.

At its meeting of April 15, 2012 the Board of Directors unanimously authorized the transaction and the terms of the offer that were presented to it, including:

- the draft bridge financing agreement to be signed jointly by GDF SUEZ and Electrabel. In practice, the latter will purchase the remaining 30% of International Power with a guarantee that GDF SUEZ will issue in favor of Electrabel, to allow it to be co-borrower of €6 billion. This agreement is a credit facility agreement under French law, signed by GDF SUEZ and Electrabel as co-borrowers, and not entailing a surety to be taken out, but under which GDF SUEZ would guarantee Electrabel's obligations by subscribing an autonomous guarantee with respect to banks. The line of credit could only be used to finance or refinance the offer to acquire International Power shares, including any fees and other costs related to the transaction;
- the amount of the guarantee granted by GDF SUEZ to the banks has been authorized by the Board of Directors in the amount of €6.9 billion maximum.

The offer was initiated by Electrabel, the holder of the group's current ownership interest in International Power and a Term Loan Facilities agreement in an amount not to exceed €6 billion, was signed by Electrabel and GDF SUEZ – GDF SUEZ being the co-borrower – particularly to enable the Group to have sufficient funds to meet financial commitments that it will make in the offer.

The bridge financing of €6 billion was set up, but was fully repaid and canceled on December 18, 2012, including the guarantee in favor of Electrabel.

3. With Electrabel and International Power (wholly-owned subsidiaries of the Group)

Directors concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the Board of Directors of Electrabel and Director of International Power, Mr. Cirelli, Vice-Chairman and President of GDF SUEZ , Vice Chairman of Electrabel and Director of International Power.

Nature, purpose and terms: Amendment of the Financing Framework Agreement International Power

At its meeting of August 9, 2010, the Board of Directors of GDF SUEZ had authorized a framework agreement to be set up for the granting of financing and guarantees by GDF SUEZ, Electrabel or financial vehicles within the Group in favor of International Power and certain of its subsidiaries, divided into several tranches:

- Tranche A, limited to the financing needs included in the annual budget of International Power ("IPR") as authorized by IPR's Board of Directors and valid until an initial period ending December 31, 2013;
- Tranche B, for GBP 955 million to cover the needs related to the refinancing of certain specific current loans maturing six months after the date of Closing (i.e., August 3, 2011);
- Tranche C for GBP 1,197 million to cover the needs related to the refinancing of certain specific loans maturing between 2012 and 2014, and maturing on that date;
- Tranche D for GBP 550 million for the issuance of "corporate" guarantees valid until an initial period ending December 31, 2013.

This authorization materialized in the signing of a Framework Financing Agreement ("FFA") between GDF SUEZ/Electrabel & International Power on October 13, 2010.

The financing of two projects in Australia, Loy Yang B for an amount outstanding of AUD 1,117 million and Hazelwood for an amount outstanding of AUD 668 million each maturing on June 30, 2012; IPR was supposed to negotiate external refinancing.

Using internal refinancing was considered, but the mechanism of Tranche C is such that IPR could only use Tranche C if it requested it from Electrabel to set up the refinancing no later than 45 days before its maturity date, thus losing the opportunity to have use of the facility after that date.

Since it would be in the GDF SUEZ Group's interest to refinance internally IPR and since IPR wanted to continue to be able to keep the commitment to refinance Electrabel after June 30, 2012, the Board of Directors authorized the extension of the availability period of Tranche C for the Hazelwood and Loy Yang B financing for an additional period of 18 months after June 30, 2012, in other words, until December 31, 2013, it being understood that under the FFA, it was expected that GDF SUEZ would guarantee Electrabel's commitments in favor of IPR, and therefore the guarantee was extended.

At its meeting of April 23, 2012, the Board of Directors unanimously authorized the signing of the Financing Framework Agreement amendment (FFA) between GDF SUEZ, Electrabel and IPR by which the period of availability of the Tranche C was extended, solely for the financing of Loy Yang B and Hazelwood, until December 31, 2013.

Since the GDF SUEZ group had completed the acquisition in full of IPR in June 2012, this framework agreement became useless in terms of the financing and guarantee policies existing within the Group. The financing and the guarantees granted under the FFA remain in force, but the general contra-guarantee of International Power under the FFA was eliminated, it being understood that the financings contain standard representation and default provisions and that guarantors will continue to enjoy the right to recourse against the borrowers.

Accordingly, the Board of Directors, at its meeting of December 5, 2012, decided unanimously to terminate the Financial Framework Agreement.

At December 31, 2012, loans and advances granted by the GDF SUEZ Group to International Power stood at €1,483 million. The net interest income relating thereto was €26 million in 2012.

4. With CNP Assurances

Directors concerned

Mr. Alphandéry, Mr. Bailly and Mr. Fernandez, Directors of GDF SUEZ and of CNP Assurances.

Nature, purpose and terms: consortium acquisition project (Project CRETE)

The CRETE project concerns the acquisition of the gas transmission network of Open Grid Europe GmbH "OGE" in Germany with E.ON Ruhrgas AG, "E.ON". OGE also owns 51% of Megal which is the great pipeline across Germany for the supply of Russian gas to France for several decades and which is 44%-held by GRTgaz.

The acquisition of 100% of OGE would have been made by a consortium made up of GDF SUEZ, funds managed and/or advised by Industry Funds Management ("IFM") and CNP Assurances ("CNP").

The consortium submitted a firm offer for the acquisition of OGE on May 9, 2012. It was supposed to proceed with the acquisition of OGE through a German company ("BidCo"), itself wholly-owned by a Luxembourg company ("CRETE Holding").

CRETE Holding's shareholding was as follows:

- MFI or its subsidiaries: 50%;
- GDF SUEZ: 38%;
- CNP: 12%.

In addition, a shareholders' agreement relative to CRETE Holding and BidCo was signed and equity commitment letters (relative to the commitment of each member of the consortium to finance the acquisition entity with capital in proportion to its share) were delivered to E.ON, on one hand, and the other members of the consortium (including CNP), on the other hand.

The authorization requested the Board pertained to the acquisition of OGE at a maximum price of €2.801 billion euros. The acquisition was to be made by means of borrowing of €2.1 billion, the equity share being limited to €851 million (€323 million euros for the 38% share of GDF SUEZ).

At its meeting of April 23, 2012, the Board of Directors of GDF SUEZ was presented the draft of the investment transaction and expressly authorized its completion.

In the end, the GDF SUEZ offer was not accepted by E.ON.

5. With Suez Environnement Company (a 35.8%-held subsidiary of the Group)

Directors concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the Board of Directors of Suez Environnement Company and Mr. Cirelli, Vice-Chairman and President of GDF SUEZ and Director of Suez Environnement Company.

a. Nature, purpose and terms: Agency agreement relative to the resolution of litigation in Argentina

Following the failure of the Argentine Government, SUEZ had begun in 2003 an international arbitration proceeding in ICSID to recover debt related to Aguas Argentinas SA and Aguas Provinciales de Santa Fe, two subsidiaries of SUEZ Environnement.

Absent compensation to date, GDF SUEZ has authorized SUEZ Environnement to resort to a fund and seek potential solutions in the ICSID arbitration proceedings involving Aguas Argentinas S.A. and Aguas Provinciales de Santa Fé.

At its meeting of April 23, 2012, the Board of Directors of your Company unanimously authorized the conclusion of the agreement and gave full powers to Mr. Gérard Mestrallet, Chairman and Chief Executive Officer with power of delegation, to proceed to finalize and sign the agreement.

This agreement, signed in April 2012, did not receive any application and ended on June 30, 2012.

b. Nature, purpose and terms: Shareholders' agreement and industrial and commercial cooperation agreement

In connection with the spinoff-distribution of the SUEZ Environnement Division, the GDF SUEZ companies, Groupe Bruxelles Lambert, Areva, CNP Assurances, Sofina and Suez Environnement Company as well as Caisse des Dépôts et Consignations signed on June 5, 2008 a shareholders' agreement (the "Shareholders' Agreement"), constituting an agreement whereby the parties are considered to be acting in concert within the meaning of Article L233-3 of the French Commercial Code, and under which GDF SUEZ would have exclusive control over Suez Environnement. The initial term of the Shareholders' Agreement was five years, automatically renewable for five years, unless terminated by either party six months prior to the expiration date.

On December 5, 2012, having found that the other shareholders party to the Shareholders' Agreement had expressed unanimously their decision not to renew it and that such decision corresponded to GDF SUEZ's intent, the Board of Directors authorized in principle the non-renewal of the Shareholders' Agreement. On January 23, 2013, GDF SUEZ confirmed that, given the various notices of withdrawal from the parties, the Shareholders' Agreement will not be renewed and will expire July 22, 2013 with respect to all parties.

As a result of the non-renewal of the Shareholders' Agreement at maturity GDF SUEZ will loose control over SUEZ Environnement, the concert between the parties to the Agreement will end, SUEZ Environnement will be removed from the scope of fully consolidation and will be accounted for by the equity method in the consolidated financial statements of GDF SUEZ.

Moreover, given the non-renewal of the Shareholders' Agreement and to extend the industrial, commercial and services cooperation between them, on January 22, 2013 GDF SUEZ and Suez Environnement announced the conclusion of an agreement establishing the "Guidelines and directions of the industrial and commercial cooperation between GDF SUEZ and SUEZ Environnement Company." Implementation agreements to be negotiated under the framework agreement will focus on five priority areas: reciprocal preference for buying/selling, developing synergies in industrial activities, the development of common commercial offers, partnership in sustainable development policy and commercial coordination in marketing, innovation and Research and Development.

At its meeting of December 5, 2012 the Board of Directors unanimously approved the non-renewal of the shareholders' agreement, as well as the signing of the draft guidelines and directions of industrial and commercial cooperation which were presented thereto.

6. With Crédit Agricole CIB

Directors concerned

Mr. Alphandéry and Mrs. Pallez, Directors of GDF SUEZ and Crédit Agricole CIB.

Nature, purpose and terms: Nord Stream Guarantees

Nord Stream AG is a Swiss company formed for the purpose of building and operating two offshore natural gas pipelines extending across the Baltic Sea from Russia to Germany. Its current shareholders are OAO Gazprom (51%), E.ON Ruhrgas AG ("E.ON") (15.5%), Wintershall Oil AG (15.5%), NV Nederlandse Gasunie (9%) and GDF SUEZ SA ("GDF SUEZ") (9%).

The Group acquired a stake in the capital of Nord Stream AG on July 1, 2010 via the acquisition by GDF SUEZ Holding Switzerland AG (a wholly-owned subsidiary of GDF International, which is a wholly-owned subsidiary of GDF SUEZ) of 4.5% from E.ON and 4.5% from Wintershall.

The project is financed in two phases (Phase I and Phase II), corresponding to the two pipelines.

Project financing for Phase I was approved by the Board of Directors on June 23, 2010. This authorization of project financing for Phase I was confirmed by the Board of Directors on January 13, 2011 after some amendments in order to record the entry of GDF SUEZ in the project on July 1, 2010 and the set up of Phase II of financing. Project financing for Phase II was also authorized by the Board of Directors on January 13, 2011.

GDF SUEZ, acting as a "Sponsor" in the Phase I project financing authorized by the Board of Directors on June 23, 2010, was asked to sign:

- an Accession Undertaking to the Subordination Deed dated July 1, 2010 under which GDF SUEZ acceded as a new creditor subordinate under the Deed of Subordination, the purpose of which was specifically to subordinate the loans granted by GDF SUEZ to Nord Stream AG to the lenders' credits;
- an independant Completion Guarantee (Phase I Completion Guarantee) dated July 1, 2010 under which GDF SUEZ guarantees the performance by GDF SUEZ Holding Switzerland AG of its secured obligations for Nord Stream AG to repay the Phase I senior debt of the gas pipeline. GDF SUEZ's commitment is limited to 9% and will be in effect until the first gas pipeline is commissioned (estimated to-date at approximately €400 million and until an estimated date of May 2013).

It follows from the financing documentation of Phase I that in the extension of the completion guarantee (Phase I Completion Guarantee), under certain conditions, it may be necessary for GDF SUEZ as a "Sponsor", as applicable, to sign the following contracts:

- a "Change in Law Commitment Agreement" - a draft of which was annexed to the financing documentation - covering the risk of a change in law (excluding Russian law) between April 16, 2009 (date of signing the Gas Transportation Agreement) and May 14, 2010 (date of the closing of the project financing for Phase I) which would prevent Nord Stream AG to provide the transportation service for its client Gazprom Export under the Gas Transportation Agreement, the only source of income for Nord Stream AG. GDF SUEZ's commitment under the Change in Law Commitment Agreement would be limited to 9% of shareholders' contributions necessary to Nord Stream AG to pay the "senior debt obligations" and "operating costs" for the duration of the financing. Change in the draft Law Commitment Agreement was amended to also cover - for banks lending project financing for Phase II - the risk of a change of law (excluding Russian law) between April 16, 2009 (date of signature of the Gas Transportation Agreement) and the date of closing of the project financing for Phase II which would prevent Nord Stream AG to provide the transport service for its client Gazprom Export under the Gas Transportation Agreement. Under the financing documentation, the signature of this guarantee may be required at the commissioning of the first gas pipeline in favor of the lending banks project financing for Phase I of the lending banks and project financing for Phase II.
- a "Phase I Disputed Claim Commitment Agreement" covering any disputed claims by Nord Stream AG in connection with major construction contracts at the time of completion of Phase I of the gas pipeline. GDF SUEZ's commitment is limited to 9% of such claims. Under the financing documentation, the signature of this guarantee may be required at the commissioning of the first gas pipeline in favor of the lending banks project financing for Phase I of the lending banks and project financing for Phase I;
- a "Decommissioning Commitment Agreement" to cover, in the event of abandonment of the construction of the second pipeline, the potential dismantling costs of any Phase II works that would have been incurred prior to the completion of Phase I. GDF SUEZ's commitment would be limited to 9% of such costs. Under the financing documentation, the signature of this guarantee may be required at the commissioning of the first gas pipeline in favor of the lending banks project financing for Phase I of the lending banks and project financing for Phase I;
- a "Shareholder Commitment Agreement" covering, in the event of abandonment of the construction of the second pipeline, the project cost (development, studies, etc.) in connection with Phase II. GDF SUEZ's commitment would be limited to 9% of such costs. Under the financing documentation, the signature of this guarantee may be required at the commissioning of the first gas pipeline in favor of the lending banks project financing for Phase I of the lending banks and project financing for Phase I.

These guarantees are intended to replace the Phase I Completion Guarantee, dated July 1, 2010.

While GDF SUEZ's commitment is limited to 9% of the secured obligations under the Change in Law Commitment Agreement, the Commitment Phase I Disputed Claim Agreement, the Commitment Agreement and Decommissioning Shareholder Commitment Agreement, these guarantees are not capped and therefore require the prior authorization of the Board of Directors.

The conclusion of these guarantees was thus authorized by the Board of Directors on June 23, 2010 and on January 13, 2011. However, in accordance with Articles L.225-35 and R.225-28 of the French Commercial Code, these authorizations were for a term of 12 months and had therefore expired, without producing any effect in 2012. Since Phase I of the project is nearing completion, the Board of Directors was required to renew its authorization for the conclusion of the Change in Law Commitment Agreement, the Commitment Phase I Disputed Claim Agreement, the Commitment Agreement and Decommissioning Shareholder Commitment Agreement.

The guarantees whose conclusion is contemplated will be issued in favor of Nord Stream AG and Société Générale acting as Security Agent on its behalf and on behalf of the lending banks in Phase I and, in relation to the Change in Law Commitment Agreement, in Phase II, among which are Crédit Agricole Corporate & Investment Bank.

At its meeting of June 27, 2012, the Board of Directors unanimously authorized the signing and issuance of the aforementioned guarantees and gave all powers to the Chairman and Chief Executive Officer, with power of delegation to sign the aforementioned guarantee contracts.

The guarantees were signed on October 11, 2012, with the exception of the Phase I Disputed Claim Commitment Agreement guarantee, which was not required.

To date, these guarantees have not produced any effect.

Agreements and commitments after closing

We have been advised of certain regulated agreements and commitments which received prior authorization from yourBoard of Directors after closing.

7. With the French State

Shareholder and directors concerned

The French State, Mr. Bailly, Mr. Bézard, Mr. Bourges, Mr. Chevet, Mr. Fernandez and Mr. Mongin, Directors representing the French State.

Nature, purpose and terms: Public Service Contract

In December 2009, GDF SUEZ signed a public service contract with the French State The purpose of this contract is to compile and identify the commitments made by GDF SUEZ S.A., with respect to directly managed activities as well as its natural gas distribution (GrDF), natural gas transmission (GRTgaz) networks, and underground natural gas storage (Storengy) and LNG terminals (Elengy) activities at its subsidiaries in order to ensure the longevity of the public service missions entrusted to the company by French law. This contract covers the period 2010-2013.

This contract sets forth the commitments made by the Group in terms of (i) responsibility towards its users, (ii) safety of people and property, (iii) solidarity and assistance to low-income customers, and (iv) sustainable development and research.

Concerning its tariffs, this contract redefines the overall regulatory framework for setting and changing administrative tariffs for natural gas in France. In addition, a ministerial order specifies the rate-changing mechanism for 2010. The overall mechanism specifies the terms and conditions for changing the administrative rates and establishes the rules and responsibilities for the various players over 2010-2013.

Each year, the Government will publish a ministerial order establishing the conditions according to which the administrative tariff for natural gas may change in the coming year. Between two ministerial orders, GDF SUEZ may request the French Energy Regulation Commission (CRE) to make tariff adjustments to take into account changes in index prices included in the tariff formula.

At its December 9, 2009 meeting, the Board of Directors expressly approved this agreement.

At its meeting of January 22, 2013, the Board of Directors expressly authorized Mr. Gérard Mestrallet, Chairman and Chief Executive Officer, and Mr. Jean-François Cirelli, Vice Chairman and President, to sign with an amendment to the current contract agreement on the rate changes, which will now take place monthly rather than quarterly.

B. Agreements and commitments already approved by the General Meeting of Shareholders

Agreements and commitments approved in previous years

a) Whose implementation continued during the year

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed that the implementation of the following agreements and commitments, which were approved by the General Meeting of Shareholders in prior years continued during the year.

1. With Suez Environnement Company (a 35.8%-held subsidiary of the Group)

Directors concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the Board of Directors of Suez Environnement Company and Mr. Cirelli, Vice-Chairman and President of GDF SUEZ and Director of Suez Environnement Company.

Nature, purpose and terms: Financing Agreement with Suez Environnement Company

With the financing framework agreement signed on June 5, 2008 between Suez, Suez Environnement and Suez Environnement Company expiring on December 31, 2010, Suez Environnement Company requested, in advance, that it be extended beyond this date, particularly to maintain a backup line and to strengthen its liquidity sources and credit rating.

This extension of the support granted to Suez Environnement was part of a framework for extending agreements signed in 2008 and for the absence of liquidity concerns for Suez Environnement (estimated at €2.5 billion at the end of 2010).

The new agreement between GDF SUEZ, GDF SUEZ FINANCE and SUEZ Environnement Company, and SUEZ Environnement, sets the main terms of financing the SUEZ Environnement Company Group for the 2011-2013 period. Financing will be provided by GDF SUEZ Finance or any other entity of the GDF SUEZ Group and may be granted to any entity of the SUEZ Environnement Company Group, SUEZ Environnement Company or SUEZ Environnement agreeing to act as guarantor in the event where financing is granted to one of their subsidiaries. The total overall financing granted is limited to the aggregate amount of SUEZ Environnement Company group financing requirements, as agreed to annually between SUEZ and SUEZ Environnement Company. Loans are granted at standard market terms and conditions on an arm's length basis, depending on the term of the loan.

At its meeting of September 15, 2010, the GDF SUEZ Board of Directors approved the signing of a new financing agreement for €350 million, expiring on July 15, 2013. This agreement came into force on January 1, 2011.

As of December 31, 2012, GDF SUEZ had granted loans and current account advances to the Suez Environnement Company group of an overall amount of €144 million. Net financial income generated amounted to €7.3 million for the year ended December 31, 2012.

2. With Electrabel and International Power Plc (wholly-owned subsidiaries of the Group)

Directors concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the Board of Directors of Electrabel, Mr. Cirelli, Vice-Chairman and President of GDF SUEZ and Vice Chairman of Electrabel, Mr. Alphandéry, Director of GDF SUEZ and member of the European Advisory Council of Nomura, International Power Plc's advisory bank.

Nature, purpose and terms: Business combination between GDF SUEZ and International Power

Negotiations were initiated with International Power at the end of 2009, which resulted in a merger plan in the summer of 2010 based on the acquisition by GDF SUEZ of 70% of the capital of International Power through asset contributions from the GDF SUEZ Energy International Business Line of Electrabel and the payment of an extraordinary dividend of 92 pence per share to the shareholders of International Power.

At its meeting of July 19, 2010, the GDF SUEZ Board of Directors of authorized the Chairman and Chief Executive Officer, Gérard Mestrallet, to present an offer to International Power Plc and granted him full powers to negotiate, define the terms of the agreement, and sign the Memorandum of Understanding.

Following the authorization given by the Board of Directors on July 19, 2010, a draft Memorandum of Understanding was signed between GDF SUEZ and International Power on August 8, 2010, and was authorized by the Boards of Directors of both companies at their meeting of August 9, 2010.

The Board of Directors, at its meeting of August 9, 2010, unanimously authorized entering into the Memorandum of Understanding and its signing, and granted full powers to the Chairman and Chief Executive Officer to continue the negotiations.

At its meeting of September 15, 2010, the GDF SUEZ Board of Directors noted the endorsement of the Group's European Works Council and authorized the signing of:

- the Merger Agreement, equivalent to the traité d'apport (transfer agreement) in French law. It especially includes the description of the assets and liabilities being transferred, the exchange ratio and specific representations and warranties;
- the Relationship Agreement, concluded between GDF SUEZ, Electrabel and International Power. It essentially regulates the governance of International Power;
- the Services Agreement, concluded between Electrabel and International Power Plc for a five-year term, renewable annually, and which stipulates Electrabel's provision of support services in various areas relating to strategy, internal control, auditing and risk management, finance, taxation, IT systems, human resources management and communications;
- the Expatriate Services Agreement, concluded between Electrabel and International Power Plc for five-year term renewable annually and which stipulates Electrabel's provision of expatriate management services on behalf of International Power Plc;
- the Financing Framework Agreement which sets out the terms and conditions for financing agreements between Electrabel, GDF SUEZ and International Power Plc (agreement amended in the fiscal year ended: see A.3).

Following these Board decisions, the Memorandum of Understanding was converted into legally binding agreements, which were signed on October 13, 2010; the General Shareholders' Meeting of International Power approved the transaction, with a 99% majority, on December 16, 2010.

The closing of the business combination took place on February 3, 2011.

The services invoiced to International Power in 2012 totaled €26 million for the Services Agreement and €17 million for the Expatriate Services Agreement.

3. With Suez Environnement Company (35.8%-held subsidiaries of the Group), Groupe Bruxelles Lambert, Caisse des Dépôts et Conciliations, CNP Assurances, Sofina, Areva

Directors concerned

Mr. Frère, Director of GDF SUEZ and Chairman and Chief Executive Officer of Groupe Bruxelles Lambert, Mr. Mestrallet, Chairman and CEO of GDF SUEZ and Chairman of the Board of Directors of Suez Environnement Company, Mr. Desmarais Jr. and Mr. Beffa, Directors of GDF SUEZ and of Groupe Bruxelles Lambert, Mr. Bailly, Director of GDF SUEZ and of CNP Assurances, and Mr. Fernandez, Director of GDF SUEZ, of CNP Assurances and member of the Supervisory Board of CDC.

Nature, purpose and terms: Measures adopted by the SUEZ Board of Directors for the IPO of 65% of the capital of SUEZ Environnement Company and its partial spin-off

At its meeting of June 4, 2008, the Board of Directors of SUEZ decided to establish certain measures to accompany the partial spin-off of SUEZ Environnement Company namely:

- a SUEZ Environnement Company shareholders' agreement, with a 5-year renewable term, between SUEZ, Groupe Bruxelles Lambert, Sofina, la Caisse des Dépôts et Consignations, Areva and CNP Assurances.

  Following the June 5, 2008 signing of the aforementioned shareholders' agreement, it was decided to sign an amendment to the shareholders' agreement regarding the operational functioning of the SUEZ Environnement Group, which GDF SUEZ's Board of Directors had expressly authorized at its meeting of October 22, 2008. The amendment entered into force on December 18, 2008.

  The shareholders' agreement continued in 2012 without modification, until December 5, when the Board of Directors decided to denounce it in agreement with the other members of the Shareholders' Agreement. The Shareholders' Agreement will thus end on July 23, 2013 (See A.5.b);
- a cooperation and shared functions agreement between SUEZ and SUEZ Environnement Company to define the terms of cooperation between GDF SUEZ and SUEZ Environnement Company.

  A cooperation and shared functions agreement was entered into between Suez and Suez Environnement Company. Pursuant to this agreement, Suez and Suez Environnement Company agreed to continue their cooperation mainly in the areas of strategy, accounting, internal control, audit and risk management, finance, tax policy, IT services and communications, it being specified that all of the rights and obligations of Suez arising under the agreement were transferred to GDF SUEZ.

Pursuant to the decision of the Board of Directors of December 5, 2012 (See A.5.b), the cooperation and shared functions agreement will be revisited;

- a brand licensing agreement, under which SUEZ would grant to SUEZ Environnement Company for a 5-year tacitly renewable term, the non-exclusive and free-of-charge right to use the "SUEZ" brand in its corporate name, as well as in certain brand names;
- in connection with the spinoff-distribution of the Suez Environnement Division ("Spinoff-Distribution"), Suez and Suez Environnement entered into an agreement with respect to the economic transfer, in favor of SUEZ Environnement, of the rights and obligations related to the shareholding interests held by Suez in the Argentine companies Aguas Argentinas and Aguas Provinciales de Santa Fe, relating thereto to and arising therefrom (the "Argentine Rights").
- at its meeting of June 4, 2008, the Suez Board of Directors expressly approved this agreement.

  Since the Agreement with the fund was not renewed at its expiration date in June 2012 (See A.5), this initial memorandum of understanding remains in effect.

  In 2012, Suez Environnement reinvoiced €2.5 million in attorney and advisory fees to GDF SUEZ SA.

b) which were not implemented during the year

In addition, we have been advised that the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years were not implemented during the year.

4. With CNP Assurances, CDC infrastructure, Caisse des Dépôts et Consignations (CDC), Société d'Infrastructures Gazières (SIG) and GRTgaz (75%-held subsidiary of the Group)

Directors concerned

Mr. Bailly, Director of GDF SUEZ and CNP Assurances and Mr. Fernandez, Director of GDF SUEZ, of CNP Assurances and member of the Supervisory Board of CDC.

a. Nature, purpose and terms: Equity investment by Société Infrastructure Gazières in GRTgaz

The investment agreement signed June 27, 2011 by CNP Assurances, CDC Infrastructure, CDC, SIG, GRTgaz and GDF SUEZ sets out the terms and conditions the equity investment by SIG in GRTgaz. This investment was made on July 12, 2011, in part through SIG's subscription to a capital increase by GRTgaz and in part through SIG's concomitant acquisition of GRTgaz shares from GDF SUEZ.

The purchase price for about 18.2% of the capital was set at €810 million and for the subscription of shares amounting to approximately 6.8% of the capital at €300 million, bringing the aggregate amount of the transaction to €1,110 million.

Various representations and warranties provided by GDF SUEZ. The duration of the warranties is 18 months, except in respect of the specific warranty relating to the environment, which has a duration of 20 years.

At its meeting of June 22, 2011, the Board of Directors was presented the draft Investment Agreement, which it approved.

These guarantee agreements had no impact on fiscal year 2012.

b. Nature, purpose and terms: Shareholders Agreement concerning GRTgaz

The Shareholders' Agreement signed on June 27, 2011 between GDF SUEZ and SIG, in the presence of GRTgaz, CNP Assurances, CDC Infrastructure and CDC, structures the rights and obligations of the GRTgaz shareholders and sets out the rules of governance in compliance with the specific regulations that apply to GRTgaz. This Shareholders' Agreement was concluded for a term of 20 years (renewable once for a 10 year term).

The Agreement grants to SIG the standard rights to which a non-controlling shareholder is entitled.

At its meeting of June 22, 2011, the Board of Directors was presented the draft Shareholders' Agreement, which it approved.

The Shareholders' Agreement continued without modification in 2012.

5. With Electrabel (wholly-owned subsidiary of the Group)

Directors concerned

Mr. Mestrallet, Chairman and Chief Executive of GDF SUEZ and Chairman of the Board of Directors of Electrabel.

Nature, purpose and terms: Sale of Suez Tractebel securities

On July 19, 2007, SUEZ entered into a share purchase agreement with Electrabel whereby it agreed to sell all of its SUEZ Tractebel shares to Electrabel, with the transfer of ownership taking place on July 24, 2007. The Suez Board of Directors, at its July 4, 2007 meeting, expressly approved the sale transaction and the agreement.

The sale agreement included vendor warranties to cover liabilities for a maximum amount of €1.5 billion and for a maximum term ending March 31, 2013.

This agreement had no impact on fiscal year 2012.

6. With GDF SUEZ Group companies that are members of the GDF SUEZ Alliance GIE

Directors concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the Board of Directors of GDF SUEZ Energie Services

Nature, purpose and terms: Membership in the GIE Suez Alliance (now GIE GDF SUEZ Alliance)

In its meeting of July 4, 2001, the Suez Board of Directors authorized the creation of a special-purpose financing vehicle, the Suez Alliance GIE—now the GIE GDF SUEZ Alliance , and the membership of SUEZ in this Economic Interest Group (E.I.G.).

It also approved the guarantee granted by Suez for the benefit of the other members of the E.I.G. that are subsidiaries of Suez. Consequently, GDF SUEZ, in its capacity as parent company of the Group, will be the ultimate guarantor for any debt incurred by the members and exceeding their proportionate share.

These agreements had no impact on fiscal year 2012.

7. With GDF SUEZ Group companies that are not members of the GDF SUEZ Alliance GIE

Directors concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ, Chairman of the Board of Directors of Electrabel and Vice-Chairman of the Board of Directors of Aguas de Barcelona.

Nature, purpose and terms

At its meeting of March 9, 2005, the Suez Board of Directors expressly authorized the extension of the activities of the GIE Suez Alliance (now GIE GDF SUEZ Alliance) to the most significant Suez subsidiaries that are not members of the GIE Suez Alliance, in order to facilitate their financing.

As parent company of the Group, GDF SUEZ is the ultimate guarantor with respect to these subsidiaries for any debt incurred that exceeds the proportionate share of the member company acting as guarantor.

This agreement had no impact on fiscal year 2012.

8. With GDF SUEZ Energie Services (wholly-owned subsidiary of the Group)

Directors concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the Board of Directors of GDF SUEZ Energie Services

Nature, purpose and terms

At its meeting of July 4, 2001, the Board of Directors of SUEZ approved the performance guarantee granted by SUEZ to SUEZ Energy Services, regarding the construction and operation of a household waste incineration plant at Rillieux-la-Pape (Rhône - France).

This agreement will expire on June 30, 2019 and did not have any impact on the 2012 fiscal year.

Neuilly-sur-Seine and Paris-La Défense, March 6, 2013

The Statutory Auditors

Deloitte & Associés	Ernst & Young et Autres	Mazars
Pascal Pincemin	Pascal Macioce	Thierry Blanchetier
Véronique Laurent	Charles-Emmanuel Chosson	Isabelle Sapet

4.4.2 TRANSACTIONS WITH RELATED PARTIES

See Note 25 of the Consolidated Financial Statements.

4.4.3 SERVICE CONTRACTS BINDING MEMBERS OF CORPORATE GOVERNANCE BODIES

To GDF SUEZ' knowledge, there is no service contract binding members of the Company's management bodies or any of its subsidiaries that provides for benefits to be granted under such a contract.

4.5 COMPENSATION AND BENEFITS PAID TO MEMBERS OF CORPORATE GOVERNANCE BODIES

4.5.1 COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

Compensation of executive corporate officers is determined by the Board of Directors based on Appointments and Compensation Committee proposals, taking into account comparisons with comparable companies in France and in Europe, as well as, concerning the variable portion of compensation, the level of achievement of quantitative and qualitative targets set for each officer.

4.5.1.1 Fixed compensation

Fixed compensation for 2012 for the two executive corporate officers remained unchanged (€1,400,000 for Gérard Mestrallet and €1,000,000 for Jean-François Cirelli).

The suspended employment contract of Gérard Mestrallet was terminated on his initiative upon his reappointment as Chairman and Chief Executive Officer on April 23, 2012. He requested the liquidation of his retirement benefit plan (see 4.5.1.2 below). At his request, the amount of his retirement benefit plan under the general retirement plan with *Caisse Nationale d'Assurance Vieillesse* (CNAV) and the mandatory supplementary plans with ARRCO and AGIRC is deducted from the amount paid by GDF SUEZ in such a way that the total fixed compensation paid in 2012 by GDF SUEZ to Gérard Mestrallet was €1,339,687, plus the amount of his mandatory retirement plan since May 1, 2012 (€60,313), making a total of €1,405,079 including benefits in kind of €5,079.

In 2012 Jean-François Cirelli, Vice-Chairman and President, received total fixed compensation of €1,001,028, including benefits in kind of €1,028.

Fixed compensation for 2013 for the two executive corporate officers remains unchanged.

4.5.1.2 Retirement plans

Gérard Mestrallet is not covered by an individual retirement benefit plan. In addition to mandatory retirement plans, he benefits from the former SUEZ Group collective supplementary pension benefits, where he became an employee in 1984. Gérard Mestrallet was reappointed as Chairman and Chief Executive Officer on April 23, 2012 and therefore his employment contract, which was automatically suspended when he became executive corporate officer, was terminated at his initiative, in accordance with the AFEP-MEDEF Code. Gérard Mestrallet requested the liquidation of his retirement pension plan under the general retirement plan with CNAV, the mandatory supplementary plans with ARRCO and AGIRC and the collective supplementary pension plans but for the duration of his current position, he declined to collect all annuity payments resulting from collective supplementary pension plans. The annual pension amount resulting from collective supplementary pension plans from which Gérard Mestrallet shall benefit (once he no longer holds his current position) will amount to €831,641, or 28% of his reference compensation for 2012.

Jean-François Cirelli is covered by a mandatory, special statutory retirement plan, which is defined by the national statute of employees of the Electricity and Gas Industries (EGI), instituted by the Nationalization Act of April 8, 1946, and the Decree of June 22, 1946. This retirement plan is managed by the Caisse Nationale des Industries Électriques et Gazières. The amount of retirement benefits paid based on a career affiliated with the EGI's special retirement plan is proportional to the end-of-career compensation, excluding bonuses, in the electricity and gas industries. The proportionality coefficient is equal to the number of years' service in the electricity and gas industries, multiplied by 75% of the required length of service (currently 41 years), i.e., 1.83% per year of service in the electricity and gas industries.

4.5.1.3 Severance pay and no-competition clause

GDF SUEZ does not currently offer any signing bonus or golden parachute to executive corporate officers. Neither is any compensation payable to executive corporate officers under no-competition clauses.

4.5.1.4 Employment contract, special retirement plans, severance pay and no-competition clause

	Employment contract	Supplementary retirement plan	Compensation or benefits due or that may become due on termination or change of function	Compensation due under a no-competition clause
Gérard Mestrallet *Chairman and Chief Executive Officer*	No	No[(1)]	No	No
Jean-François Cirelli *Vice-Chairman and President*	No	No[(1)]	No	No

(1) See Section 4.5.1.2.

4.5.1.5 Variable compensation

Variable compensation paid in 2012 for 2011 was set by the Board of Directors of GDF SUEZ at its meeting of February 29, 2012 on the recommendation of the Compensation Committee, at €1,683,898 for Gérard Mestrallet (a decrease of 12.2% compared to the variable compensation paid for 2010) and at €842,036 for Jean-François Cirelli (a decrease of 17.6% compared to the variable compensation paid for 2010).

This variable compensation is structured into two components: a quantitative component (70%) and a qualitative component (30%). The quantitative criteria used are EBITDA and free cash flow (1/3), Group adjusted earnings per share and ROCE (1/3) and EFFICIO and Group net debt (1/3). The 2011 quantitative targets were based on the Group's projected budget as approved by the Board of Directors on March 2, 2011.

Variable compensation for 2012 to be paid in 2013 is structured into two components: a quantitative component (70%) and a qualitative component (30%).

The quantitative criteria used are Net Recurring Income, Group Share per share (1/2) and free cash flow, ROCE and net debt (1/2). The quantitative targets for 2012 were included in the Group's projected budget as approved by the Board of Directors on February 29, 2012.

For 2012, Gérard Mestrallet's target bonus was set at 130% of his fixed compensation and capped at 150%. Jean-François Cirelli's target bonus was set at 100% and capped at 120%.

At its meeting of February 27, 2013, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, set the variable compensation for 2012 as follows (in the context of a difficult environment, Gérard Mestrallet and Jean-François Cirelli have forgone a portion of their variable compensation resulting from the applicable criteria):

- for Gérard Mestrallet: €1,600,000, compared with €1,683,898 for 2011, a decrease of 5.2%;
- for Jean-François Cirelli: €840,000 compared with €842,036 for 2011, a decrease of 0.2%.

4.5.1.6 Summary of compensation of each executive corporate officer

	2012		2011	
In euros	Amount due for 2012	Amount paid in 2012	Amount due for 2011	Amount paid in 2011
Gérard Mestrallet *Chairman and Chief Executive Officer*				
Fixed compensation	1,400,000(1)	1,400,000(1)	1,400,000	1,400,000
Variable compensation(2)	1,600,000	1,683,898	1,683,898	1,917,099
Exceptional compensation	0	0	0	0
Directors' fees	0	0	0	0
Benefits in kind(3)	5,079	5,079	5,469	5,469
TOTAL	**3,005,079**	**3,088,977**	**3089367**	**3,322,568**
Jean-François Cirelli *Vice-Chairman and President*				
Fixed compensation	1,000,000	1,000,000	1,000,000	1,000,000
Variable compensation(2)	840,000	842,036	842,036	1,022,501
Exceptional compensation	0	0	0	0
Directors' fees	0	0	0	0
Benefits in kind(4)	1,028	1,028	1,216	1,216
TOTAL	**1,841,028**	**1,843,064**	**1,843,252**	**2,023,717**

(1) Including CNAV, ARRCO and AGIRC (€60,313).
(2) The total amount of variable compensation due in 2011 was determined on February 29, 2012 and paid in March 2012. The total amount of variable compensation due for 2012 was determined on February 27, 2013 and paid in March 2013.
(3) Benefits in kind include: vehicle.
(4) Benefits in kind include: energy.

4.5.1.7 Summary of compensation for each executive corporate officer

In euros	2012	2011
Gérard Mestrallet *Chairman and Chief Executive Officer*		
Compensation due for the fiscal year *(detailed in the preceding table)*	3,005,079	3,089,367
Valuation of options granted for the fiscal year	0	0
Valuation of Performance Shares granted for the fiscal year	0	0
TOTAL	**3,005,079**	**3,089,367**
Jean-François Cirelli *Vice-Chairman and President*		
Compensation due for the fiscal year *(detailed in the preceding table)*	1,841,028	1,843,252
Valuation of options granted for the fiscal year	0	0
Valuation of Performance Shares granted for the fiscal year	0	0
TOTAL	**1,841,028**	**1,843,252**

Total compensation and benefits for the Chairman and Chief Executive Officer and the Vice-Chairman and President for 2012 break down as follows:

In euros	Fixed compensation	Variable compensation	Total compensation	Valuation of options granted(1)	Valuation of Performance Shares granted(1)
Gérard Mestrallet *Chairman and Chief Executive Officer*	1,405,079*	1,600,000	3,005,079	0	0
Jean-François Cirelli *Vice-Chairman and President*	1,001,028	840,000	1,841,028	0	0

** Including CNAV, ARRCO and AGIRC (€60,313).*

(1) No long term incentives have been granted to the two executive corporate officers for 2012.

4.5.2 COMPENSATION OF EXECUTIVES WHO ARE NOT CORPORATE OFFICERS (MEMBERS OF THE GENERAL MANAGEMENT COMMITTEE AND OTHER MEMBERS OF THE EXECUTIVE COMMITTEE)

Compensation of executives who are not corporate officers (members of the General Management Committee and other members of the Executive Committee) is composed of a fixed portion and a variable portion.

Changes in the fixed portion of compensation are linked to changes in specific situations, expansion or significant change in responsibilities and to repositioning necessary in view of internal equity or a clear discrepancy *vis-à-vis* the external market.

The main purpose of the variable portion is to reward the contributions of executives to the Group's results.

Of the variable portion paid in 2012 for 2011, 50% was calculated using economic criteria (EBITDA, free cash flow, Net Recuring Income, Group Share and Efficio), and 50% was calculated using qualitative criteria.

SUMMARY TABLE OF GROSS COMPENSATION, INCLUDING BENEFITS IN KIND, FOR EXECUTIVES WHO ARE NOT CORPORATE OFFICERS (MEMBERS OF THE GENERAL MANAGEMENT COMMITTEE AND OTHER MEMBERS OF THE EXECUTIVE COMMITTEE)*

	2012	2011
GDF SUEZ		
Fixed *(in euros)*	11,160,974	11,864,960
Variable *(in euros)*	11,784,093	11,091,951
TOTAL (in euros)	**22,945,067**	**22,956,911**
Number of members	25	26

* *Compensation for the Executive Committee members is calculated excluding any severance allowances paid, and by taking into account their length of service on the Executive Committee (in 2011, seven members for eight months, three members for eleven months, six months and three months respectively; in 2012, one member for ten months).*

4.5.3 RETIREMENT PROVISION

The total funded amount of retirement commitments for members of the Executive Committee was €103 million at December 31, 2012. The Group has a policy of funding pension obligations via planned assets unless they are specifically dedicated to the pension liabilities of Executive Committee members.

4.5.4 COMPENSATION OF EXECUTIVES WHO ARE NOT CORPORATE OFFICERS AND NON-VOTING DIRECTORS

4.5.4.1 Directors and non-voting Directors appointed by the General Shareholders' Meeting

Upon motion of the Board of Directors, the General Shareholders' Meeting sets the total annual amount of directors' fees, to be distributed by the Board among its members.

At the recommendation of the Compensation Committee, the Board of Directors, at its meetings of August 29, 2008, January 20, 2010 and December 6, 2011, established the rules for distributing the total annual budget set by the Gaz de France General Shareholders' Meeting of July 16, 2008 amounting to €1.4 million, in line with an individual distribution system of directors' fees, combining a fixed portion with a variable portion based on the attendance of Directors and non-voting Directors at Board and Committee meetings. The distribution rules are indicated below. (Note that Gérard Mestrallet, Chairman and Chief Executive Officer, and Jean-François Cirelli, Vice-Chairman and President, received no directors' fees for their participation in the GDF SUEZ Board of Directors.)

DISTRIBUTION OF DIRECTORS' FEES TO NON-EXECUTIVE DIRECTORS AND NON-VOTING DIRECTORS APPOINTED BY THE GENERAL SHAREHOLDERS' MEETING

Director	
• Fixed fee	€35,000 per year
• Variable fee, dependent on attendance	€2,571 per meeting The maximum variable amount per Director is capped at €17,997 per year
Non-voting Director	
• Fixed fee	€20,000 per year
• Variable fee, dependent on attendance	€2,571 per meeting, limited to seven meetings The maximum variable amount per Director is capped at €17,997 per year
Audit Committee	
Chairman:	
• Fixed fee	€40,000 per year
• Variable fee, dependent on attendance	None.
Committee member:	
• Fixed fee	€10,000 per year
• Variable fee, dependent on attendance	€1,000 per meeting
Strategy and Investment Committee	
Chairman:	
• Fixed fee	€25,000 per year
• Variable fee, dependent on attendance	None.
Committee member:	
• Fixed fee	€7,000 per year
• Variable fee, dependent on attendance	€1,000 per meeting
Ethics, Environment and Sustainable Development Committee	
Chairman:	
• Fixed fee	€15,000 per year
• Variable fee, dependent on attendance	None.
Committee member:	
• Fixed fee	€7,000 per year
• Variable fee, dependent on attendance	€1,000 per meeting
Compensation Committee (until April 23, 2012)	
Chairman:	
• Fixed fee	€15,000 per year
• Variable fee, dependent on attendance	None.
Committee member:	
• Fixed fee	€7,000 per year
• Variable fee, dependent on attendance	€1,000 per meeting
Compensation Committee (until April 23, 2012)	
Chairman:	
• Fixed fee	€15,000 per year
• Variable fee, dependent on attendance	None.
Committee member:	
• Fixed fee	€7,000 per year
• Variable fee, dependent on attendance	€1,000 per meeting
Nominations Committee (since April 23, 2012)	
Chairman:	
• Fixed fee	€15,000 per year
• Variable fee, dependent on attendance	None.
Committee member:	
• Fixed fee	€7,000 per year
• Variable fee, dependent on attendance	€1,000 per meeting

On the basis of the above, the executives who are not corporate officers received the directors' fees shown in the above table for fiscal 2012. (Note that unless otherwise indicated, no other compensation was paid to these officers by the Company or by its subsidiaries for the said fiscal year.)

TOTAL COMPENSATION PAID TO NON-EXECUTIVE DIRECTORS AND NON-VOTING DIRECTORS APPOINTED BY THE GENERAL SHAREHOLDERS' MEETING

In euros	Fiscal year 2012[(1)]	Fiscal year 2011[(1)]
Albert Frère	47,855[(2)(9)]	42,713[(2)]
Ann-Kristin Achleitner[(4)]	26,284[(2)]	N/A
Edmond Alphandéry	93,664	83,997
Jean-Louis Beffa	72,330	76,997
Aldo Cardoso	108,997	104,997
René Carron[(5)]	62,997	75,997
Paul Desmarais Jr	64,330[(2)]	68,997[(2)]
Anne Lauvergeon[(6)]	28,617	74,997
Françoise Malrieu[(3)]	84,331	41,330
Thierry de Rudder[(6)]	42,759[(2)(9)]	96,997
Lord Simon of Highbury	74,331[(2)]	67,997[(2)]
Richard Goblet d'Alviella (non-voting Director)[(6)]	19,522[(2)]	37,997[(2)]
Philippe Lemoine (non-voting Director)[(6)]	22,093	37,997
Gérard Lamarche (non-voting Director)[(7)]	30,426[(2)(8)]	N/A
TOTAL	**778,536**	**811,013**

(1) Directors' fees due for a given fiscal year are paid during the fiscal year concerned.
(2) Before the 25% withholding tax levied on directors' fees paid to Directors residing outside France.
(3) Director since May 2, 2011.
(4) Director since September 19, 2012.
(5) Director until September 19, 2012.
(6) Director or non-voting Director until April 23, 2012.
(7) Non-voting Director since April 23, 2012.
(8) This compensation is paid to Groupe Bruxelles Lambert.
(9) These directors' fees are paid to Groupe Bruxelles Lambert.

4.5.4.2 Directors representing the French state

Directors representing the French state received no personal compensation (directors' fees or other) from the Company or from companies controlled by the Company in consideration of their service as Directors. (Note that the amount of directors' fees corresponding to their service on the Board (€353,519) is paid directly to the Public Treasury in accordance with the regulations.)

This applies to Jean-Paul Bailly (until April 23, 2012), Bruno Bézard (until September 19, 2012), Olivier Bourges, Pierre-Franck Chevet (until April 23, 2012), Stéphane Pallez (since April 23, 2012), Ramon Fernandez and Pierre Mongin.

4.5.4.3 Directors representing employees and employee shareholders

Directors representing employees and employee shareholders on the Board of Directors of GDF SUEZ received no compensation (directors' fees or other) from the Company or from companies controlled by the Company in consideration of their service as Directors.

This applies to Alain Beullier, Anne-Marie Mourer, Patrick Petitjean and Gabrielle Prunet.

4.5.5 INFORMATION ON STOCK OPTIONS AND THE AWARD OF FREE SHARES OR PERFORMANCE SHARES

4.5.5.1 Availability of shares resulting from the exercise of stock options and Performance Shares

The French Act No. 2006-1770 of December 30, 2006 for the development of profit-sharing and employee shareholding and covering various economic and social provisions (the "Balladur Act") imposes restrictions on the free availability of shares resulting from the exercise of options and of performance shares granted to executive corporate officer directors under share allocation plans implemented on or after January 1, 2007.

In accordance with these provisions, a system was established specifying the obligation to hold as registered shares, a certain percentage (set by the Board of Directors) of options exercised and of acquired Performance Shares, so that after a certain point, the corporate officers and, more generally, Executive Committee members, would hold a portfolio of GDF SUEZ shares corresponding to a fraction of their compensation.

The Board of Directors of the former Suez SA had applied this provision to each designated person: for each member of the Executive Committee, the Board of Directors set the number of shares to be held in the portfolio for a five-year period. Once this number of shares was reached, the requirement to hold, in shares, 25% of the gross capital gain resulting from the exercise of options and to hold 25% of Performance shares lapsed.

The GDF SUEZ Board of Directors reiterated this measure for all members of the GDF SUEZ Executive Committee at its meeting of November 12, 2008, and again at its meeting of January 20, 2010. Note that the Board set the share ownership requirement at 200% of fixed compensation for the two executive corporate officers[1], and at 150% and 100% of this fixed compensation respectively for other members of the General Management Committee and the Executive Committee. The deadline for reaching these thresholds is four years from January 2010 for executives of the former Suez SA and five years for executives of the former Gaz de France SA.

4.5.5.2 Programmed management of stock options

At its meeting of November 12, 2008, the GDF SUEZ Board of Directors decided to continue the programmed management of stock options granted to the executives of the former SUEZ SA. This mechanism largely anticipates the AMF's recommendations of November 3, 2010 regarding the prevention of insider trading by management. The principle of such programmed management is that the interested parties give an irrevocable power of attorney to a financial institution to exercise the GDF SUEZ stock options, in their name and on their behalf, at the dates and under the conditions previously established by annual instruction, and to sell the corresponding shares on the market, with or without determining a reserve unit price. This annual instruction will include the number and quarterly allocation of transactions to be executed, plan by plan, over the next 12 months. Within each quarterly period, the proxy acts freely at the dates and for the volumes that it judges appropriate within the framework and the limits of the annual instruction, to exercise options and sell shares. The annual instruction is sent to the proxy every year within 15 days following the date of publication of the annual financial statements and on condition that no inside information is disclosed at this date. Once this instruction has been given, it is irrevocable, and the interested party undertakes not to exercise the options other than through the delegated power of attorney. The ban on exercising options and selling shares during the black-out periods preceding the publication of the annual and half-yearly financial statements and quarterly information is maintained.

The Board of Directors of GDF SUEZ also decided that this system is mandatory for the executive corporate officers and for the other members of the General Management Committee and optional for the other members of the Executive Committee.

4.5.5.3 Stock option plans and bonus share or Performance Share plans implemented during fiscal year 2012

Authorizations of the General Shareholders' Meeting of May 2, 2011

The fifteenth resolution of the GDF SUEZ Combined General Shareholders' Meeting of May 2, 2011 authorized the Board of Directors to award bonus shares to employees and/or corporate officers of the Company and/or companies belonging to the Group up to the limit of 0.5% of the share capital on the date of the decision to allocate shares. Also note that the General Shareholders' Meeting was not asked to renew the authorization to grant stock options.

Performance Share Plan for 2011 (Board meeting of February 29, 2012)

At its meeting of February 29, 2012, the Board of Directors decided, as part of the authorization of the Shareholders' Meeting of May 2, 2011, to implement a plan to grant Performance Shares to some staff members of GDF SUEZ Trading, a subsidiary of GDF SUEZ, in accordance with the order of November 3, 2009 regarding the compensation of financial market professionals and with the CRD3 European Directive of November 24, 2010. The main features of this plan are listed on page 215 of the GDF SUEZ Registration Document 2011 filed with the AMF under number D.12-0197 March 28, 2012.

Authorizations of the General Shareholders' Meeting of April 23, 2012

The twenty-second resolution of the GDF SUEZ Combined General Shareholders' Meeting of April 23, 2012 authorized the Board of Directors to award bonus shares to employees and/or corporate officers of the Company and/or companies belonging to the Group up to the limit of 0.5% of the share capital on the date of the decision

(1) In view of this demanding obligation, the purchase of additional shares during the availability of the Performance Shares allocated (Article 20.2.3 of the AFEP-MEDEF Code) was not imposed.

to allocate shares. Also note that the General Shareholders' Meeting was not asked to grant an authorization for stock options.

Global Bonus Share Plan of October 30, 2012

See Section 3.2.5 of this Registration Document.

Performance Share Plans for 2012 (Board meetings of December 5, 2012 and February 27, 2013)

Under the authorization granted by the General Shareholders' Meeting of April 23, 2012, the Board of Directors, at its meeting of December 5, 2012, decided to implement Performance Share Plans for certain employees of GDF SUEZ and its subsidiaries. The main features of this plan are as follows:

(a) a plan with dual performance conditions, pursuant to which 1,839,330 Performance Shares are granted to 547 beneficiaries, including members of the Executive Committee except executive corporate officers;

(b) a plan with a single performance were allocated, under which 1,716,765 Performance Shares to 6,437 beneficiaries, the majority of whom received 60 to 150 Performance Shares each. The Board of Directors set the following schedule and general conditions for the plans:

Acquisition period	From December 5, 2012 to March 14, 2016 (2017 for some countries)
Presence at(1)	March 14, 2016 (2017 for some countries)
Final acquisition date	March 15, 2016 (2017 for some countries)
Holding period(2)	From March 15, 2016 to March 14, 2018 (no holding if acquired in 2017)
Transferable from	March 15, 2018 (2017 for some countries)
Performance conditions(3):	
Dual-condition plan	50% based on the Net Recurring Income, Group share of GDF SUEZ for 2014 and 2015 compared to the net recurring income target over the same years; 50% based on TSR (stock market performance, reinvested dividend) of the GDF SUEZ share compared with those of companies on the Eurostoxx Utilities Index (Eurozone)
Single-condition plan	TSR (stock market performance, reinvested dividend) of the GDF SUEZ share compared with those of companies on the Eurostoxx Utilities Index (Eurozone)

(1) Current employment contract with a Group company at these dates (except in cases of retirement, death, disability or exceptional decision).
(2) Mandatory holding period for acquired shares (except in the case of death or disability).
(3) Performance conditions
(a) internal condition related to Net Recurring Income, Group share for 2014 and 2015 vs the target recurring net income, Group share for the same years (pro forma) :
- *Net Recurring Income, Group share 2014+2015 < 90% target Net Recurring Income, Group share 2014+2015: Success rate of 0%*
- *Net Recurring Income, Group share 2014+2015 = 90% target Net Recurring Income, Group share 2014+2015: success rate of 33%*
- *Net Recurring Income, Group share 2014+2015 > 90% target Net Recurring Income, Group share 2014+2015 and < target Net Recurring Income, Group share 2014+2015: progressive and linear success rate from 33% upwards*
- *Net Recurring Income, Group share 2014+2015 >= target Net Recurring Income, Group share 2014+2015: success rate of 100%*

(b) external condition related to the TSR (stock market performance, reinvested dividend) of the GDF SUEZ share compared with the TSR (stock market performance, reinvested dividend) of companies on the Eurostoxx Utilities Index (Eurozone)
- *GDF SUEZ TSR <= 90% of TSR of Eurostoxx Utilities Eurozone companies: success rate of 0%*
- *GDF SUEZ TSR = 100% of TSR of Eurostoxx Utilities Eurozone companies: success rate of 70%*
- *GDF SUEZ TSR >= 103% of TSR of Eurostoxx Utilities Eurozone companies: success rate of 100%*

For interim results (from 90% to 100% and from 100% to 103%): progressive and linear success rate
To smooth the possible effects of volatility (gain or loss), the TSR (stock market performance, reinvested dividend) will be calculated by taking the average of the TSRs (stock market performance, reinvested dividend) of GDF SUEZ and the Eurostoxx Utilities Eurozone companies over two months, namely January-February 2016, versus November-December 2012.
For the dual condition plan, the sum of the success rate in (a) and (b) is divided by two to obtain a total success rate.

Moreover, under the authorization given by the General Shareholders' Meeting of April 23, 2012, the Board of Directors, at its meeting of February 27, 2013, decided to implement a Performance Share Plan for certain employees of GDF SUEZ Trading, a subsidiary of GDF SUEZ, in accordance with the Decree of November 3, 2009 and with European Directive CRD3 of November 24, 2010 relating to the compensation of financial market professionals and with the Decree of December 13, 2010.

The allocation concerned 38 employees within GDF SUEZ Trading, for a total of 94,764 GDF SUEZ Performance Shares; its features are similar to those of the plan of February 29, 2012 (presence and performance conditions). The general conditions set out by the Board of Directors are as follows:

Acquisition period	From February 27, 2013 to March 14, 2015 for around half the shares From February 27, 2013 to March 14, 2016 for the remaining shares
Presence at(1)	March 14, 2015 for around half the shares March 14, 2016 for the remaining shares
Final acquisition date	March 15, 2015 for around half the shares March 15, 2016 for the remaining shares
Holding period(2)	From March 15, 2015 to March 14, 2017 for around half the shares From March 15, 2016 to March 14, 2018 for the remaining shares
Transferable from	From March 15, 2017 for around half the shares March 15, 2018 for the remaining shares
Performance conditions	• Based on GDF SUEZ Trading's EBITDA for fiscal year 2014 for around half the shares • Based on GDF SUEZ Trading's EBITDA for fiscal year 2015 for the remaining shares

(1) Current employment contract with a Group company at these dates (except in cases of retirement, death or disability).
(2) Mandatory holding period for vested shares (except in the case of death or disability).

4.5.6 STOCK OPTIONS GRANTED TO, AND EXERCISED BY, EACH EXECUTIVE CORPORATE OFFICER – SUMMARY OF CURRENT PLANS

4.5.6.1 GDF SUEZ stock subscription and purchase options granted to executive corporate officers by GDF SUEZ and all GDF SUEZ Group companies in fiscal year 2012

None.

4.5.6.2 GDF SUEZ stock subscription and purchase options exercised by the executive corporate officers of GDF SUEZ in fiscal year 2012

	Plan	Number of options exercised in the fiscal year	Exercise price *(in euros)*
Gérard Mestrallet *Chairman and Chief Executive Officer*	Suez Plan of November 17, 2004	314,841*	16.84
TOTAL		**314,841**	
Jean-François Cirelli *Vice-Chairman and President*	N/A	N/A	N/A
TOTAL		**N/A**	

** Stock subscription options.*

4.5.6.3 Summary of current GDF SUEZ stock purchase option plans

	Plan of November 12, 2008	Plan of November 10, 2009
Date of authorizing Shareholders' Meeting	July 16, 2008	May 4, 2009
Start date for the exercise of options(1)	November 12, 2012	November 10, 2013
Expiry date	November 11, 2016	November 9, 2017
Total number of shares purchasable at December 31, 2011	6,334,254	5,088,999
Total number of shares purchasable by corporate officers:		
• Gérard Mestrallet	0(2)	0(2)
• Jean-François Cirelli	0(2)	0(2)
Exercise conditions	(3)	(6)
Purchase price (in euros)	32.74	29.44
Number of options exercised(4)	0	0
Number of options cancelled(5)	214,700	81,824
Balance at December 31, 2012	6,119,554	5,007,175

(1) Stock options may also be exercised early in the event of retirement or death.

(2) Gérard Mestrallet and Jean-François Cirelli waived their stock options for fiscal years 2008 and 2009.

(3) For the other members of the Executive Committee, 45% of the options are subject to "simple" conditions and 10% to "enhanced" conditions. For other Group senior managers, 50% of the options are subject to "simple" conditions. The enhanced condition was not met in November 2012 and all the options subject to this condition were cancelled. Application of the "simple" condition scheduled a target price of €18.68; as soon as the GDF SUEZ price reaches the target price at market closing, the options subject to this condition may be exercised.

(4) Exercised from January 1 to December 31, 2012.

(5) Cancelled from January 1 to December 31, 2012.

(6) For other Group senior managers, 50% of the options are subject to "simple" conditions. These conditions will be tested in November 2013.

4.5.6.4 Summary of current GDF SUEZ stock subscription option plans

The stock subscription option plans previously granted by the former Suez SA and still valid were adopted by GDF SUEZ in accordance with the commitments made at the Gaz de France General Shareholders' Meeting of July 16, 2008, which, in its fourth resolution, approved the merger with SUEZ.

	2002 plan	2004 plan	2005 plan	2006 plan	2007 plan
Date of authorizing Shareholders' Meeting	05/04/2001	04/27/2004	04/27/2004	04/27/2004	05/04/2007
Total number of shares purchasable as of December 31, 2011	1,617,337	5,062,400	5,691,132	5,741,657	4,472,214
O/w: Total number of shares purchasable by corporate officers(1) as of December 31, 2011	0	314,841	408,899	403,504	0
Start date for the exercise of options(2)	11/20/2006	11/17/2008	12/09/2009	01/17/2011	11/14/2011
Expiry date	11/19/2012	11/16/2012	12/08/2013	01/16/2015	11/13/2015
Exercise condition	*No specific terms*	(3)	(4)	(5)	(6)
Subscription price in euros	15.71	16.84	22.79	36.62	41.78
Options exercised from January 1, 2012 to December 31, 2012	1,303,646	3,301,054	0	0	0
Options cancelled from January 1, 2012 to December 31, 2012	313,691	1,761,346	27,098	36,751	37,954
Balance on December 31, 2012	0	0	5,664,034	5,704,906	4,434,260

(1) Gérard Mestrallet.
(2) Stock options may also be exercised early in the event of retirement or death.
(3) For the members of the Executive Committee at the time, 45% of the options were subject to "simple" conditions and 10% to "enhanced" conditions. For other Group senior managers, 50% of the options are subject to "simple" conditions. These conditions were met in November 2008.
(4) For the members of the Executive Committee at the time, 45% of the options were subject to "simple" conditions and 10% to "enhanced" conditions. These conditions were met in December 2009. For other senior executives of the Group, 50% are subject to "simple" conditions. These conditions were met in December 2009.
(5) For the members of the Executive Committee at the time, 45% of the options were subject to "simple" conditions and 10% to "enhanced" conditions. These conditions were met in January 2011. For other senior executives of the Group, 50% are subject to "simple" conditions. These conditions were met in January 2011.
(6) For the members of the Executive Committee at the time, 45% of the options were subject to "simple" conditions and 10% to "enhanced" conditions. These conditions were met in November 2011. For other Group senior managers, 50% are subject to "simple" conditions. These conditions were met in November 2011.

4.5.6.5 Summary of stock subscription or purchase options held by Gérard Mestrallet at December 31, 2012

Plan	SUEZ	SUEZ 17/01/2007
Exercise date	12/09/2009	01/17/2011
Expiry date	12/08/2013	01/16/2015
Exercise price in euros	22.79	36.62
Balance of options at December 31, 2011:		
• Condition of service only	185,863	180,515
• Performance condition	185,863(1)	185,824(3)
• "Enhanced" performance condition	37,173(2)	37,165(4)

(1) Options were subject to a performance condition, which was met in December 2009.
(2) Options were subject to a "enhanced" performance condition, which was met in December 2009.
(3) Options were subject to a performance condition, which was met in January 2011.
(4) Options were subject to a "enhanced" performance condition, which was met in January 2011.

No hedging instruments have been implemented covering options or Performance Shares granted to executive corporate officers.

4.5.6.6 Summary of stock subscription or purchase options held by Jean-François Cirelli at December 31, 2012

None.

4.5.7 PERFORMANCE SHARES AWARDED AND AVAILABLE TO EACH EXECUTIVE CORPORATE OFFICER – SUMMARY OF CURRENT PLANS

4.5.7.1 GDF SUEZ Performance Shares allocated to each GDF SUEZ corporate officer by GDF SUEZ and all other companies of the GDF SUEZ Group in 2012

Gérard Mestrallet *Chairman and Chief Executive Officer*	None
Jean-François Cirelli *Vice-Chairman and President*	None

4.5.7.2 GDF SUEZ Performance Shares that became available for each executive corporate officer of GDF SUEZ in fiscal year 2012

	Plan	Acquisition date	Date of availability	Number of shares becoming available
Gérard Mestrallet *Chairman and Chief Executive Officer*	None.			
Jean-François Cirelli *Vice-Chairman and President*	05/28/2008 Gaz de France Plan	06/01/2010	06/01/2012	15 GDF SUEZ shares(1)

(1) These shares may not be sold during the term of office.

4.5.7.3 Summary of current GDF SUEZ Performance Share plans

The Performance Share plans previously granted by the former SUEZ SA and still valid were adopted by GDF SUEZ in accordance with the commitments made at the Gaz de France Combined General Shareholders' Meeting of July 16, 2008, which, in its fourth resolution, approved the merger with SUEZ.

For year:	2007	2008	
	2007 plan	06/01/2008 plan	2008 plan
Date of authorizing Shareholders' Meeting	05/04/2007	05/04/2007	07/16/2008
Date of Board decision	11/14/2007	05/06/2008	11/12/2008
Share price in euros(1)	42.4	39.0	28.5
Start of acquisition period(2)	11/14/2007	06/01/2008	11/12/2008
End of acquisition period	03/14/2010(3)	05/31/2012(7)	03/14/2011(9)
Start of holding period	03/15/2010 (4)	None (7)	03/15/2011 (4)
End of holding period	03/14/2012 (5)	None (7)	03/14/2013 (10)
Performance conditions	(6)	(8)	(11)
Shares under acquisition as of December 31, 2011	183,973	18,551	143,959
Shares delivered from January 1, 2012 to December 31, 2011	174,694	6,826	766
Shares cancelled from January 1, 2012 to December 31, 2012	9,009	11,725	4,391
Balance at December 31, 2012	0	0	138,802

(1) According to the method used for the consolidated financial statements.
(2) Early acquisition possible in the event of death or permanent disability Condition of presence at the acquisition date.
(3) For France, Belgium, Italy and Spain; for other countries, March 14, 2012.
(4) For France, Belgium, Italy and Spain; for other countries, no holding period.
(5) For France, Belgium; for Italy and Spain, March 14, 2013; for other countries, no holding period.
(6) Condition on 2009 EBITDA 60.1% met.
(7) Except for France: end of acquisition period May 31, 2010, start of holding period June 1, 2010 and end of lock-up period May 31, 2012.
(8) Conditions: 50% condition on 2009 Group EBITDA 60.1% met; 50% based on SITA UK EBITDA and Capex for the 2008 through 2011 fiscal years 0.5% net.
(9) For France, Belgium, Italy and Spain; for other countries, March 14, 2013.
(10) For France, Belgium; for Italy and Spain, March 14, 2014; for other countries, no holding period.
(11) Condition on 2010 EBITDA 38.54% met.
(12) For France, Belgium, Italy and Spain; for other countries, March 14, 2014
(13) For France, Belgium; for Italy and Spain, March 14, 2015; for other countries, no period.
(14) Condition on 2011 EBITDA 89.4% met.
(15) 50% condition on 2011 EBITDA, and 50% on the share price performance compared to Euro Stoxx Utilities; 94.7% met.
(16) For 50% of shares
(17) For 50% of shares
(18) GDF SUEZ Trading 2011 ROE for 1/3 and GDF SUEZ Trading 2012 ROE for 2/3.

2009			2010		2011		2012	
2009 plan	**01/20/2010 plan**	**03/03/2010 traders' plan**	**2010 plan**	**03/02/2011 traders' plan**	**2011 plan**	**02/29/2012 traders' plan**	**2012 plan**	**02/27/2013 traders' plan**
05/04/2009	05/04/2009	05/04/2009	05/03/2010	05/03/2010	05/02/2011	05/02/2011	04/23/2012	04/23/2012
11/10/2009	01/20/2010	03/03/2010	01/13/2011	03/02/2011	12/06/2011	02/292012	12/05/2012	02/27/2013
24.8	18.5	21.5	18.1	23.3	11.3	15.1	8.1	9.2
11/10/2009	01/20/2010	03/03/2010	01/13/2011	03/02/2011	12/06/2011	02/29/2012	12/05/2012	02/27/2013
03/14/2012 [12]	03/14/2012	03/14/2012 [16] 03/14/2013 [17]	03/14/2014 [19]	03/14/2013 [16] 03/14/2014 [17]	03/15/2015 [22]	03/14/2014 [16] 03/14/2015 [17]	03/14/2016 [25]	03/14/2015 [16] 03/14/2016 [17]
03/15/2012 [4]	03/15/2012	03/15/2012 [16] 03/15/2013 [17]	03/15/2014 [19]	03/15/2013 [16] 03/15/2014 [17]	03/15/2015 [22]	03/15/2014 [16] 03/15/2015 [17]	03/15/2016 [25]	03/15/2015 [16] 03/15/2016 [17]
03/14/2014 [13]	03/14/20124	03/14/2014 [16] 03/14/2015 [17]	03/14/2016 [19]	03/15/2015 [16] 03/15/2016 [17]	03/14/2017 [22]	03/15/2016 [16] 03/15/2017 [17]	03/14/2018 [25]	03/15/2017 [16] 03/15/2018 [17]
(14)	(15)	(18)	(20)	(21)	(23)	(24)	(26)	(27)
1,640,304	348,660	47,779	3,388,734	57,337	2,996,920	70,778	3,556,095	none
1,130,519	330,180	15,926	7,430	0	5,680	0	0	0
196,973	18,480	0	31,050	595	25,595	680	0	0
312,812	0	31,853	3,350,254	56,742	2,965,645	70,098	3,556,095	0

(19) *For France, Belgium, Spain and Romania; for other countries, acquisition March 14, 2015 with no holding period.*

(20) *For 3,367 beneficiaries, dual condition: 50% based on 2013 EBITDA and 50% on the share price performance compared with the Eurostoxx Utilities Index; for 3,480 beneficiaries, a single condition based on 2013 EBITDA; for corporate officers, triple condition: 1/3 based on 2013 EBITDA, 1/3 on TSR compared with Eurostoxx Utilities companies, 1/3 on 2013 ROCE.*

(21) *50% based on 2012 GDF SUEZ Trading EBITDA and 50% based on 2013 GDF SUEZ Trading EBITDA.*

(22) *For France, Belgium and Spain, with holding from March 15, 2015 to March 14, 2017 inclusive and transferable from March 15, 2017; for other countries, acquisition on March 14, 2016 with no holding period.*

(23) *For 464 beneficiaries, dual condition: 50% based on 2014 EBITDA and 50% on the TSR (stock market performance, reinvested dividend) of GDF SUEZ compared with the TSR (stock market performance, reinvested dividend) of the Eurostoxx Utilities Eurozone countries; for 5,531 beneficiaries, simple condition based on the TSR (stock market performance, reinvested dividend) of GDF SUEZ compared with the TSR (stock market performance, reinvested dividend) of Eurostoxx Utilities Eurozone companies.*

(24) *50% based on 2013 GDF SUEZ Trading EBITDA and 50% based on 2014 GDF SUEZ Trading EBITDA.*

(25) *For France, Belgium and Spain, with holding from 03/15/2016 to 03/14/2018 inclusive and transferable from 03/15/2018; for other countries, acquisition on 03/14/2017 with no holding period.*

(26) *For 547 beneficiaries, dual condition: 50% based on 2014 and 2015 recurring net group profit and 50% on the TSR (stock market performance, reinvested dividend) of GDF SUEZ compared with the TSR (stock market performance, reinvested dividend) of the Eurostoxx Utilities Eurozone countries; for 6,437 beneficiaries, simple condition based on the TSR (stock market performance, reinvested dividend) of GDF SUEZ compared with the TSR (stock market performance, reinvested dividend) of Eurostoxx Utilities Eurozone companies.*

(27) *50% based on 2013 GDF SUEZ Trading EBITDA and 50% based on 2014 GDF SUEZ Trading EBITDA.*

4.5.7.4 Summary of Performance Shares held by Gérard Mestrallet at December 31, 2012

Plan	SUEZ 13/02/2006	SUEZ 12/02/2007	GDF SUEZ 12/11/2008	GDF SUEZ 13/01/2011
Conditions	2007 ROCE	2008 ROCE	2010 EBITDA	• 2013 EBITDA (1/3) • TSR (stock market performance, reinvested dividend)/ Eurostoxx Utilities Eurozone (1/3) • 2013 ROCE (1/3)
Acquisition date(1)	03/15/2008	03/15/2009(3)	03/15/2011(3)	03/15/2014(3)
Shares under acquisition	0	0	0	87,000
Shares delivered	2,000(2)	3,186(4)	3,469(5)	0
Transferable from	03/15/2010	03/15/2011	03/15/2013	03/15/2016

(1) Subject to dual condition of performance and presence.
(2) Following the distribution of 65% of SUEZ Environnement Company and the merger with Gaz de France, these 2,000 SUEZ shares were converted to:
- *1,890 GDF SUEZ shares;*
- *500 SUEZ Environnement Company shares; and*
- *20 SUEZ ("fractional") shares, entitling the allocation of GDF SUEZ shares (compensated in August 2010 in accordance with the SUEZ and Gaz de France merger prospectus).*

(3) Acquired shares are subject to a holding period under the Balladur rules (see section 4.5.5.1 of this Registration Document).
(4) Condition met.
(5) Condition partially met.

4.5.7.5 Summary of Performance Shares held by Jean-François Cirelli at December 31, 2012

Plan	Gaz de France 06/20/2007*	Gaz de France 05/28/2008*	GDF SUEZ 11/12/2008	GDF SUEZ 01/13/2011
Terms	EBO 2007 and EBO 2008(1)	EBO 2008 and EBO 2009(3)	2010 EBITDA(4)	• 2013 EBITDA (1/3) • TSR (stock market performance, reinvested dividend)/ Eurostoxx Utilities Eurozone (1/3) • 2013 ROCE (1/3)
Acquisition date	06/23/2009	06/01/2010	03/15/2011	03/15/2014
Shares under acquisition	0	0	0	60,000(6)
Shares delivered	30	15(5)	2,312(5)	0
Transferable from	07/01/2011(2)	06/01/2012(2)	03/15/2013(6)	03/15/2016

** Global bonus share plans for all employees and corporate officers of Gaz de France.*
(1) Conditions met.
(2) These shares may not be sold during the term of office.
(3) Subject to a condition of presence and, for 50% of shares, a performance condition.
(4) Subject to a dual condition of performance and presence.
(5) Performance condition partially met.
(6) Acquired shares are subject to a holding period under the Balladur rules (see section 4.5.5.1 of this Registration Document).

No hedging instruments have been implemented covering options or Performance Shares granted to executive corporate officers.

4.5.8 STOCK SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO THE TEN EMPLOYEES WHO ARE NOT CORPORATE OFFICERS WHO RECEIVED AND EXERCISED THE MOST OPTIONS

4.5.8.1 Stock subscription or purchase options granted by GDF SUEZ and by all companies included in the GDF SUEZ Stock Option Plan in fiscal year 2012 to the ten employees of the issuer and its companies, who are not corporate officers and to whom the greatest number of stock options was allocated

None.

4.5.8.2 GDF SUEZ stock subscription or purchase options exercised in fiscal year 2012 by the ten employees who are not corporate officers of GDF SUEZ with the greatest number of stock subscription or purchase options

Total number of options exercised	Average weighted price *(in euros)*	Plans
257,928	15.71	11/20/2002*
467,651	16.84	11/17/2004*

* *Stock subscription options.*

4.5.9 PERFORMANCE SHARES GRANTED TO THE TEN EMPLOYEES WHO ARE NOT CORPORATE OFFICERS WHO RECEIVED THE MOST PERFORMANCE SHARES

PERFORMANCE SHARES GRANTED BY GDF SUEZ AND BY ALL COMPANIES INCLUDED IN THE GDF SUEZ BONUS SHARE PLAN IN FISCAL YEAR 2012 TO THE TEN EMPLOYEES OF THE ISSUER AND ITS COMPANIES, WHO ARE NOT CORPORATE OFFICERS AND TO WHOM THE GREATEST NUMBER OF BONUS SHARES WAS GRANTED

Total number of shares granted	Share price * *(in euros)*	Issuers	Plans
207,415	9.17	GDF SUEZ	12/05/2012
350	11.71	GDF SUEZ	10/30/2012

* *Average price, according to the method used for the consolidated financial statements.*

4.5.10 SUMMARY OF TRANSACTIONS DISCLOSED BY EXECUTIVE MANAGEMENT AND CORPORATE OFFICERS IN FISCAL YEAR 2012

GDF SUEZ SHARES

	Date of transaction	Type of transaction	Quantity	Unit price *(in euros)*	Transaction price *(in euros)*
Gérard Mestrallet	24/05/2012	Subscription*	2.763	16.43	45.396,09
Person connected to Gérard Mestrallet	24/05/2012	Subscription*	242	16.43	3.976,06
Dirk Beeuwsaert	24/05/2012	Subscription*	1.421	16.43	23.347,03
Albert Frère	11/05/2012	Subscription*	54	16.43	887,22

* *Dividends in shares.*

GDF SUEZ STOCK SUBSCRIPTION OPTIONS

	Transaction date	Transaction type	Plan concerned	Number of stock options exercised	Unit exercise or sale price *(in euros)*	Sale price *(in euros)*
	02/07/2012	Exercise*	Suez Plan of	88,564	16.84	1,491,417.76
Gérard Mestrallet	02/07/2012	Sale*	17/11/2004	88,564	18.3411	1,624,361.18
	01/11/2012	Exercise*		226,277	16.84	3,810,504.68
	01/11/2012	Sale*	Suez Plan of	37,713	17.6814	666,818.84
Gérard Mestrallet	01/11/2012	Sale*	17/11/2004	188,564	17.6894	3,335,584.02
	03/08/2012	Exercise*	Suez Plan of	30,171	16.84	508,079.64
Dirk Beeuwsaert	03/08/2012	Sale*	17/11/2004	30,171	18.4397	556,344.19
	02/11/2012	Exercise*	Suez Plan of	30,171	16.84	508,079.64
Dirk Beeuwsaert	02/11/2012	Sale*	17/11/2004	30,171	17.69	533,770.25

* *Options exercised via an professional intermediary following the implementation of a GDF SUEZ stock subscription and purchase option programmed exercise system (see section 4.5.5.2. “Programmed Management of Stock Options” above).*

5

Information on the share capital and shareholding

5.1 INFORMATION ON THE SHARE CAPITAL

5.1.1 SHARE CAPITAL AND VOTING RIGHTS

5.1.1.1 Share capital

Shares of GDF SUEZ are listed on the Euronext Paris Eurolist market, (Compartment A), under ISIN Code FR0010208488 and ticker GSZ. They are also listed on Euronext Brussels. GDF SUEZ shares are included in the CAC 40 index, the main index published by NYSE Euronext Paris, and are eligible for the Deferred Settlement Service (SRD). GDF SUEZ is also included in all the major stock indexes: BEL. 20, Euro STOXX 50, STOXX Europe 600, MSCI Europe, EURO STOXX Utilities, STOXX Europe 600 Utilities, Vigeo World 120, Vigeo Europe 120 and ASPI Eurozone.

At December 31, 2012, the share capital of GDF SUEZ stood at €2,412,824,089 divided into 2,412,824,089 fully paid-up shares with a par value of €1.

5.1.1.2 Pledges, guarantees and collateral

Pledges of assets

The percentage of shares pledged is not significant.

OTHER PLEDGES

In millions of euros	Total Value	2013	2014	2015	2016	2017	2018-2022	> 2022	Account Total	Corresponding %
Intangible assets	11	2	-	1	-	1	1	6	13,020	0.1%
Property, plant and equipment	6,748	2,622	116	86	94	150	1,960	1,721	86,597	7.8%
Equity investments	5,551	1,388	57	58	54	87	500	3,407	6,359	87.3%
Bank accounts	288	154	2	-	-	3	46	82	11,383	2.5%
Other assets	270	175	-	5	-	3	2	84	40,431	0.7%
TOTAL	**12,868**	**4,341**	**175**	**150**	**148**	**245**	**2,509**	**5,300**	**157,790**	**8.2%**

Note: the total amount of the pledge relating to equity instruments may relate to consolidated equity instruments with zero value in the consolidated balance sheet (elimination of these equity instruments upon consolidation).

5.1.1.3 Voting rights

Under Article 11 of the Company's bylaws, unless otherwise provided for by law, each shareholder has as many voting rights and may cast as many votes at meetings as he or she holds shares which are fully paid up.

On December 31, 2012, after adjusting for treasury stock, the Company held 2,357,290,256 shares representing the same number of eligible voting rights.

Pursuant to Article 24.1 of Act 2004-803 of August 9, 2004 and Decree 2007-1790 of December 20, 2007, the share capital of GDF SUEZ includes a golden share (resulting from the conversion of one ordinary share) which is held by the French State, and is aimed at protecting France's critical interests in the energy sector and more specifically ensuring the continuity and safeguarding of energy supplies (for details on the State's golden share, refer to Section 5.2.4 "Golden Share").

5.1.2 POTENTIAL CAPITAL AND SHARE EQUIVALENTS

As of December 31, 2012, there were no share equivalents conferring direct or indirect access to the share capital of GDF SUEZ.

As of December 31, 2012, there were 15,803,200 stock options outstanding that if exercised would result in the issue of 15,803,200 GDF SUEZ shares.

At that date, the potential capital in the event of the exercise of these stock options would represent 100.65% of the GDF SUEZ share capital, and the dilution percentage would represent 0.65% of the share capital, noting that the French State's shareholding in the Company must remain above one-third, in compliance with Article 24 of Act 2004-803 of August 9, 2004, as amended by Article 39 of Act 2006-1537 of December 7, 2006.

The tables detailing the various stock option plans are provided in Note 24 of Section 6.2 "Consolidated Financial Statements" below.

5.1.3 AUTHORIZATIONS RELATED TO THE SHARE CAPITAL AND THEIR UTILIZATION

The Company's shareholders delegated the following powers and authorizations in relation to financial matters to the Board of Directors:

AUTHORIZATIONS GRANTED BY THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 3, 2010

Resolution	Type of authorization or delegation of authority	Validity and expiration	Maximum nominal amount per authorization	Amounts utilized	Remaining balance
6th	Issue, with preferential subscription rights, of shares and/or share equivalents of the Company or subsidiaries and/or issue of securities entitling the allocation of debt instruments	26 months (until July 3, 2012)	€250 millions for shares(1)(2) +€5 billion for debt securities(1)(2)	None	Authorization expired (cancelled by the 12th resolution of the Combined Shareholders' Meeting of April 23, 2012)
7th	Issue, without preferential subscription rights, of shares and/or share equivalents of the Company or subsidiaries or of shares of the Company to which the securities to be issued by subsidiaries would grant entitlement, including in consideration for securities contributed under a public exchange offer and/or issue of securities entitling the allocation of debt instruments	26 months (until July 3, 2012)	€250 millions for shares(1)(2) +€5 billion for debt securities(1)(2)	None	Authorization expired (cancelled by the 13th resolution of the Combined Shareholders' Meeting of April 23, 2012)

(1) This is a ceiling set by the Combined Shareholders' Meeting of May 3, 2010 for the issued decided pursuant to the 6th, 7th, 8th and 10th resolutions.

(2) The overall ceiling for the issues decided in application of the 6th, 7th, 8th and 10th resolutions of the Combined Shareholders' Meeting of May 3, 2010 and of the 13th and 14th resolutions of the Shareholders' Meeting of May 2, 2011 is set by the 13th resolution of the Shareholders' Meeting of May 3, 2010 at €310 million.

Resolution	Type of authorization or delegation of authority	Validity and expiration	Maximum nominal amount per authorization	Amounts utilized	Remaining balance
8th	Issue with cancellation of preferential subscription rights of shares and/or share equivalents of the Company as part of a private placement to qualified investors or to a limited circle of investors and/or issue of securities entitling the allocation of debt instruments.	26 months (until July 3, 2012)	€250 millions for shares(1)(2) +€5 billion for debt securities(1)(2)	None.	Authorization expired (cancelled by the 14th resolution of the Combined Shareholders' Meeting of April 23, 2012)
10th	Issue of shares and/or share equivalents of the Company within the limit of 10% of the share capital in consideration for contributions in kind granted to the Company and comprised of capital securities	26 months (until July 3, 2012)	€250 millions for shares(1)(2) +€5 billion for debt securities(1)(2)	None.	Authorization expired (cancelled by the 16th resolution of the Combined Shareholders' Meeting of April 23, 2012)
14th	Capital increase by incorporation of premiums, reserves, profits or other	26 months (until July 3, 2012)	Aggregate amount that may be capitalized	None.	Authorization expired (cancelled by the 20th resolution of the Combined Shareholders' Meeting of April 23, 2012)
15th	Authorization to reduce the share capital by canceling treasury stock	26 months (until July 3, 2012)	10% of the share capital per 24 month period	Cancellation of 36,898,000 shares on August 9, 2010, or 1.63% of the share capital at August 9, 2010	Authorization expired (cancelled by the 21st resolution of the Combined Shareholders' Meeting of April 23, 2012)

(1) IIThis is a ceiling set by the Combined Shareholders' Meeting of May 3, 2010 for the issued decided pursuant to the 6th, 7th, 8th and 10th resolutions.

(2) The overall ceiling for the issues decided in application of the 6th, 7th, 8th and 10th resolutions of the Combined Shareholders' Meeting of May 3, 2010 and of the 13th and 14th resolutions of the Shareholders' Meeting of May 2, 2011 is set by the 13th resolution of the Shareholders' Meeting of May 3, 2010 at €310 million.

AUTHORIZATIONS GRANTED BY THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 2, 2011

Resolution	Type of authorization or delegation of authority	Validity and expiration	Maximum nominal amount per authorization	Amounts utilized	Remaining balance
5th	Authorization to trade in the Company's shares	18 months (until, November 2, 2012)	Maximum purchase price: €55. Maximum shareholding: 10% of the share capital Aggregate amount of purchases: ≤ €12 billion	GDF SUEZ holds 2.35% of its share capital as of April 23, 2012	Authorization expired
13th	Capital increase reserved for members of the Group's Company Employee Savings Plan	26 months (until, July 2, 2013)	€40 million(1)	None.	Authorization expired (cancelled by the 17th resolution of the Combined Shareholders' Meeting of April 23, 2012)
14th	Capital increase reserved for any entity formed as part of the implementation of the international employee shareholding plan offered by the Group	18 months (until, November 2, 2012)	€20 million(1)	None.	Authorization expired (cancelled by the 18th resolution of the Combined Shareholders' Meeting of April 23, 2012)
15th	Authorization to award bonus shares to corporate officers and employees of the Company and/or companies of the Group	18 months (until, November 2, 2012)	Maximum shareholding: 0.5% of the share capital	Allocation of 4,199,167 bonus shares on June 22, 2011, of 2,996,920 Performance Shares and on February 29, 2012 of 70,778 Performance Shares, i.e. 0.32% of share capital at February 29, 2012	Authorization expired (cancelled by the 22nd resolution of the Combined Shareholders' Meeting of April 23, 2012)

(1) The overall ceiling for the issues decided in application to the 13th and 14th resolutions of the Combined Shareholders' Meeting of May 2, 2011 and the 6th, 7th, 8th and 10th resolutions is set by the 13th resolution of the Combined Shareholders' Meeting of May 3, 2010 at €310 million.

AUTHORIZATIONS GRANTED BY THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 23, 2012

Resolution	Type of authorization or delegation of authority	Validity and expiration	Maximum nominal amount per authorization	Amounts utilized	Remaining balance
5th	Authorization to trade in the Company's shares	18 months (until October 23, 2013)	Maximum purchase price: €40 Maximum shareholding: 10% of the share capital Aggregate amount of purchases: ≤ €9 billion	GDF SUEZ holds 2.30% of its share capital as of December 31, 2012	7.70% of the share capital
12th	Issue, with preferential subscription rights, of shares and/or share equivalents of the Company or subsidiaries, and/or issue of securities entitling the allocation of debt instruments.	26 months (until June 23, 2014)	€225 million for shares(1)(2) +€5 billion for debt securities(1)(2)	None.	Full amount of the authorization
13th	Issue, without preferential subscription rights, of shares and/or share equivalents of the Company or subsidiaries, and/or issue of securities entitling the allocation of debt instruments.	26 months (until June 23, 2014)	€225 million for shares(1)(2) +€5 billion for debt securities(1)(2)	None.	Full amount of the authorization
14th	Issue, without preferential subscription rights, of shares or share equivalents giving access to the capital of the Company, as part of an offer referred to in Article L. 411-2 II of the French Monetary and Financial Code	26 months (until June 23, 2014)	€225 million for shares(1)(2) +€5 billion for debt securities(1)(2)	None.	Full amount of the authorization
15th	Increase in the number of shares or other securities to be issued in the event of a securities issue with or without preferential subscription rights, in application of the 12th, 13th and 14th resolutions, limited to 15% of the initial issue.	26 months (until June 23, 2014)	€225 million for shares(1)(2) +€5 billion for debt securities(1)(2)	None.	Full amount of the authorization

(1) This is a ceiling set by the Combined Shareholders' Meeting of April 23, 2012 for the issued decided pursuant to the 12th, 13th, 14th, 15th and 16th resolutions.

(2) The overall ceiling for the issues decided in application of the 12th, 13th, 14th, 15th, 16th, 17th and 18th resolutions is set by the 19th resolution of the Combined Shareholders' Meeting of April 23, 2012 at €275 million.

Resolution	Type of authorization or delegation of authority	Validity and expiration	Maximum nominal amount per authorization	Amounts utilized	Remaining balance
16th	Issue of shares and/or share equivalents of the Company limited to 10% of the share capital in consideration for contributions in kind granted to the Company and comprised of capital securities	26 months (until June 23, 2014)	€225 million for shares(1)(2) +€5 billion for debt securities(1)(2)	None.	Full amount of the authorization
17th	Capital increase reserved for members of the Group's Company Employee Savings Plan	26 months (until June 23, 2014)	€40 million(2)	None.	Full amount of the authorization
18th	Capital increase reserved for any entity formed as part of the implementation of the international employee shareholding plan offered by the Group	18 months (until October 23, 2013)	€10 million(2)	None.	Full amount of the authorization
20th	Capital increase by incorporation of premiums, reserves, profits or other	26 months (until June 23, 2014)	Aggregate amount that may be capitalized	None.	Full amount of the authorization
21st	Authorization to reduce the share capital by canceling treasury stock	26 months (until June 23, 2014)	10% of the share capital per 24 month period	None.	Full amount of the authorization
22nd	Authorization to award bonus shares to corporate officers and employees of the Company and/or companies of the Group	18 months (until October 23, 2013)	Maximum shareholding: 0.5% of the share capital	Allocation of 6m bonus shares on October 30, 2012, 3.6m Performance Shares on December 5, 2012 and of 0.1m Performance Shares on February 27, 2013, i.e. 0.40% of share capital at February 27, 2013	0.10% of the share capital

(1) This is a ceiling set by the Combined Shareholders' Meeting of April 23, 2012 for the issued decided pursuant to the 12th, 13th, 14th, 15th and 16th resolutions.

(2) The overall ceiling for the issues decided in application of the 12th, 13th, 14th, 15th, 16th, 17th and 18th resolutions is set by the 19th resolution of the Combined Shareholders' Meeting of April 23, 2012 at €275 million.

5.1.4 FIVE-YEAR SUMMARY OF CHANGES IN THE SHARE CAPITAL

ISSUANCE OF SHARES

Date	Event	Par value *(in euros)*	Premium *(in euros)*	Capital *(in euros)*	Number of shares	Nominal Value per share *(in euros)*
Jul. 22, 2008	Increase of the share capital for the merger-takeover of SUEZ by Gaz de France	1,207,660,692	27,756,244,783	2,191,532,680	2,191,532,680	1.00
Jan. 21, 2009	Increase of the share capital resulting from the exercise of stock options	2,111,140*	-	2,193,643,820	2,193,643,820	1.00
June 6, 2009	Increase of the share capital resulting from the issue of 65,398,018 shares resulting from subscriptions related to the optional payment of a portion of the 2008 dividend in shares	65,398,018	1,311,230,260.90	2,259,041,838	2,259,041,838	1.00
Aug. 26, 2009	Increase of the share capital resulting from the exercise of 585,870 stock options	585,870	9,092,759.77	2,259,627,708	2,259,627,708	1.00
Jan. 20, 2010	Increase of the share capital resulting from the exercise of 1,348,559 stock options	1,348,559**	21,122,672.59	2,260,976,267	2,260,976,267	1.00
Aug. 9, 2010	Increase of the share capital resulting from the exercise of 395,068 stock options	395,068	6,150,334.28	2,261,371,335	2,261,371,335	1.00
Aug. 9, 2010	Reduction of the share capital resulting from the cancellation of 36,898,000 treasury shares	36,898,000	1,377,800,021	2,224,473,335	2,224,473,335	1.00
Aug. 24, 2010	Increase of the share capital resulting from the subscription of 22,165,290 shares under the capital increase reserved for participants in an employee savings plan offered by the Group	22,165,290	416,264,146.20	2,246,638,625	2,246,638,625	1.00
Aug. 24, 2010	Increase of the share capital resulting from 521,056 bonus shares issued by deduction from the €416,264,146.20 in additional paid-in capital mentioned above, under the capital increase reserved for participants in an employee savings plan offered by the Group	521,056	(521,056.00)	2,247,159,681	2,247,159,681	1.00

* *These new shares were recorded in GDF SUEZ's financial statements at December 31, 2008.*

** *These new shares were recorded in GDF SUEZ's financial statements at December 31, 2009.*

*** *These new shares were recorded in GDF SUEZ's financial statements at December 31, 2010.*

**** *These new shares were recorded in GDF SUEZ's financial statements at December 31, 2011.*

***** *These new shares were recorded in GDF SUEZ's financial statements at December 31, 2012.*

Date	Event	Par value *(in euros)*	Premium *(in euros)*	Capital *(in euros)*	Number of shares	Nominal Value per share *(in euros)*
Aug. 24, 2010	Increase of the share capital resulting from the subscription of 2,016,272 shares following capital increases reserved for entities whose sole purpose is to purchase, hold and dispose of GDF SUEZ shares as part of the international employee shareholding plan offered by the Group	2,016,272	37,865,588.16	2,249,175,953	2,249,175,953	1.00
Jan. 13, 2011	Increase of the share capital resulting from the exercise of 1,119,804 stock options	1,119,804***	17,772,036.01	2,250,295,757	2,250,295,757	1.00
Aug. 9, 2011	Increase of the share capital resulting from the exercise of 871,535 stock options	871,535	14,816,093.98	2,251,167,292	2,251,167,292	1.00
Jan. 11, 2012	Increase of the share capital resulting from the exercise of 1,468,916 stock options	1,468,916****	17,838,829.31	2,252,636,208	2,252,636,208	1.00
May 21, 2012	Increase of the share capital resulting from the issue of 69,002,807 shares resulting from subscriptions related to the optional payment of a portion of the 2011 dividend in shares	69,002,807	1,057,241,969.05	2,321,639,015	2,321,639,015	1.00
Aug. 1, 2012	Increase of the share capital resulting from the exercise of 134,434 stock options	134,434	2,070,175.10	2,321,773,449	2,321,773,449	1.00
Oct. 22, 2012	Increase of the share capital resulting from the issue of 86,580,374 shares resulting from subscriptions related to the optional payment of the 2012 interim dividend in shares	86,580,374	1,362,479,204.55	2,408,353,823	2,408,353,823	1.00
Jan. 22, 2013	Increase of the share capital resulting from the exercise of 4,470,266 stock options	4,470,266*****	69,395,152.92	2,412,824,089	2,412,824,089	1.00

* *These new shares were recorded in GDF SUEZ's financial statements at December 31, 2008.*

** *These new shares were recorded in GDF SUEZ's financial statements at December 31, 2009.*

*** *These new shares were recorded in GDF SUEZ's financial statements at December 31, 2010.*

**** *These new shares were recorded in GDF SUEZ's financial statements at December 31, 2011.*

***** *These new shares were recorded in GDF SUEZ's financial statements at December 31, 2012.*

In all, 160,187,881 GDF SUEZ shares were issued between January 1, 2012 and the date of this Registration Document.

5.1.5 STOCK REPURCHASE

5.1.5.1 Treasury stock

The fifth resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of April 23, 2012 authorized the Company to trade in its own shares with a view to managing its shareholders' equity according to the applicable laws and regulations.

Terms:

- maximum purchase price: €40 per share (excluding transaction costs);
- maximum number of shares that may be purchased for the duration of the program: 10% of the share capital at the date of the Combined Shareholders' Meeting of April 23, 2012;
- maximum total amount of acquisitions, net of fees: €9 billion.

A one-year liquidity agreement, renewable by tacit agreement, of an initial value of €55 million was signed on May 2, 2006, on the Euronext Paris market with Rothschild & Cie Banque. The amount of this agreement was raised to €150 million on July 22, 2008. A €15 million extension of this agreement, established on the same date on the Euronext Brussels market, expired on January 13, 2009 due to the implementation of a centralized order book between Paris and Brussels.

The main purpose of this agreement is to reduce the volatility of the GDF SUEZ share and therefore the risk perceived by investors. This agreement complies with the Code of Conduct drawn up by the Association Française des Entreprises d'Investissement (French Association of Investment Companies) and continued to apply in 2012.

Between January 1 and December 31, 2012, under the liquidity agreement, the Company purchased 2,640,600 shares, for a total of €50.0 million or €18.92 per share. Over the same period, and also under this agreement, GDF SUEZ sold 2,465,600 shares for a total price of €48.2 million or €19.53 per share.

Furthermore, between January 1 and December 31, 2012, GDF SUEZ purchased 18,969,160 shares intended to cover its commitments to the beneficiaries of stock options, bonus shares and company savings plans for a total price of €356.6 million or €18.80 per share.

Between January 1 and February 27, 2013, under the liquidity agreement, GDF SUEZ purchased 652,500 shares, for a total of €9.8 million or €15.05 per share. Over the same period, and also under this agreement, GDF SUEZ sold 285,000 shares for a total price of €4.3 million or €14.93 per share.

Furthermore, between January 1 and February 27, 2013, GDF SUEZ did not purchased any shares to cover its commitments to the beneficiaries of stock options, bonus shares and company savings plans.

At February 27, 2013, the Company held 2.32% of its share capital, or 55,895,805 shares, including 7,242,500 shares under the liquidity agreement and 48,653,305 shares to cover its commitments to the beneficiaries of stock options, bonus shares or company savings plans.

5.1.5.2 Description of the stock repurchase program to be submitted to the Ordinary and Extraordinary Shareholders' Meeting of April 23, 2013 (fifth resolution)

Pursuant to Articles 241-1 to 241-6 of the AMF's General Regulations, the purpose of the following program description is to set out the objectives, terms and conditions of GDF SUEZ's stock repurchase program, as it will be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting to be held on April 23, 2013.

A. Main features of the program

The main features and goals of the program are summarized below:

- relevant securities: shares listed on Eurolist – SRD at the Paris Stock Exchange or on Eurolist at the Brussels Stock Exchange;
- maximum capital repurchase percentage authorized by the Shareholders' Meeting: 10%;
- maximum purchase price: €40 per share (excluding transaction costs).

B. Objectives of the stock repurchase program

The objectives of the GDF SUEZ stock repurchase program are summarized below:

- to ensure liquidity in the Company's shares by an investment service provider under liquidity agreements;
- to provide for the subsequent cancellation of the repurchased shares under a decision or authorization to reduce the share capital by the Extraordinary Shareholders' Meeting;
- to allocate or assign such shares to employees or former employees and corporate officers or former corporate officers of the Group;
- to set up stock purchase or stock subscription options or bonus share plans;
- to provide for the holding and subsequent delivery of shares (as exchange, payment or otherwise) in the context of external growth transactions within the limit of 5% of the share capital;
- to provide for the hedging of securities conferring entitlement to Company share allocations upon the exercise of the rights attached to securities conferring entitlement by conversion, redemption, exchange, upon presentation of a warrant or other means of allocation of Company shares;
- to implement any other market practices authorized or to be authorized by market authorities.

C. Terms and conditions

Maximum percentage of share capital that may be repurchased and maximum amount payable by GDF SUEZ

The maximum number of shares that may be purchased by GDF SUEZ may not exceed 10% of the share capital of the Company on the date of the Shareholders' Meeting, i.e., approximately 241 million shares, for a maximum theoretical amount of €9.6 billion. GDF SUEZ reserves the right to hold the maximum amount authorized.

On February 27, 2013, GDF SUEZ directly held 55,895,805 shares, or 2.32% of the share capital.

Therefore, based on the estimated share capital at the date of the Meeting, the stock repurchase program could cover up to 185 million shares, representing 7.68% of the share capital, for a maximum amount payable of €7.4 billion.

Maximum term of the stock repurchase program

In accordance with the fifth resolution proposed to the Shareholders' Meeting of April 23, 2013, the stock repurchase program will be in effect for a period of 18 months beginning on the date of this Shareholders' Meeting, i.e. up to October 23, 2014.

5.1.6 NON-EQUITY

5.1.6.1 Irredeemable and non-voting securities

Gaz de France issued irredeemable and non-voting securities in 1985 and 1986 in two tranches, A and B. Only tranche A securities are still outstanding; Tranche B securities were fully repaid in 2000.

FEATURES OF TRANCHE A IRREDEEMABLE AND NON-VOTING SECURITIES

Unit par value	€762.25	
Interest*	Fixed portion	63% of the average bond rate
	Variable portion	Depends on the added value of GDF SUEZ
Redemption	Possible redemption at any time of all or part on the stock exchange as the Company sees fit. The securities thus redeemed shall be cancelled. The securities are redeemable in full or in part as the Company sees fit at a price equal to 130% of the par value.	
Stock exchange listing	Paris	
ISIN Code	FR 0000047748	

* *The minimum annual interest is 85% of the average bond rate and the maximum annual interest is 130% of the average bond rate.*

As of December 31, 2012, there were 562,402 non-voting tranche A shares outstanding, representing a nominal outstanding of €428,690,924.50. Their total market value, based on the closing price on December 31, 2012 (€685), was €385,245,370.

REMUNERATION OF TRANCHE A IRREDEEMABLE AND NON-VOTING SECURITIES OVER THE LAST THREE YEARS

In euros	2012	2011	2010
Fixed remuneration	14.87	17.11	17.21
Variable remuneration	49.25	49.64	48.06
Theoretical total remuneration	64.12	66.75	65.26
Minimum remuneration	20.06	23.09	23.22
Maximum remuneration	30.68	35.31	35.51
Gross remuneration per security	30.68	35.31	35.51

GDF SUEZ is governed by the provisions of Articles R. 228-49 *et seq.* of the French commercial Code applicable to issuers of irredeemable and non-voting securities and must in this respect, under Article R. 228-67 of the French Commercial Code, call a General Meeting of holders of the said securities by placing a notice in the *Bulletin des Annonces Légales Obligatoires* (Bulletin of Mandatory Legal Announcements or BALO), except when the securities issued have par values

AMOUNT OF SUBSCRIBED CAPITAL TRADING VOLUMES AND HIGH AND LOW PRICES OF THE TRANCHE A SECURITIES IN PARIS

	High *(in euros)*	Low *(in euros)*	Trading volume *(in securities)*
2012			
January	794	790	389
February	799	786	792
March	800	790	1,056
April	790	772	761
May	780	772	345
June	787	769	493
July	785	756	1,221
August	772	756	1,401
September	765	754	1,806
October	763	712	1,355
November	708	688	3,989
December	690	668	2,210

Source : Reuters.

5.1.6.2 Euro Medium Term Notes (EMTN) Program

GDF SUEZ has a €25 billion EMTN program. This program was updated on September 12, 2012 and approved by the AMF (French financial markets regulator).

5.1.6.3 Bonds

The main features of bond issues outstanding at December 31, 2012 by the Company and issued or guaranteed by GIE GDF SUEZ ALLIANCE, of which the Company is a member, are listed in the table below.

Issuer	Currency	Coupon rate	Issue date	Maturity	Amount issued *(in stated currency) (in millions)*	Exchange	ISIN Code
GDF SUEZ	EUR	4.750%	Feb. 19, 2003	Feb. 19, 2013	968	Paris Luxembourg	FR0000472326
GDF SUEZ	EUR	5.125%	Feb. 19, 2003	Feb. 19, 2018	750	Paris Luxembourg	FR0000472334
Belgelec Finance	EUR	5.125%	June 24, 2003	June 24, 2015	662	Luxembourg	FR0000475741
GDF SUEZ Alliance	EUR	5.750%	June 24, 2003	June 24, 2023	1,000	Luxembourg	FR0000475758
Belgelec Finance	CHF	3.250%	Dec. 27, 2007	Dec. 22, 2014	340	SIX	CH0035844890
Electrabel	EUR	4.750%	Apr. 10, 2008	Apr. 10, 2015	600	Luxembourg	BE0934260531
GDF SUEZ*	EUR	6.250%	Oct. 24, 2008	Jan. 24, 2014	845	Luxembourg	FR0010678151
GDF SUEZ*	EUR	6.875%	Oct. 24, 2008	Jan. 24, 2019	1,200	Luxembourg	FR0010678185
GDF SUEZ*	GBP	7.000%	Oct. 30, 2008	Oct. 30, 2028	500	Luxembourg	FR0010680041
GDF SUEZ*	JPY	3.180%	Dec. 18, 2008	Dec. 18, 2023	15,000	None	FR0010697193
GDF SUEZ*	EUR	5.625%	Jan. 16, 2009	Jan. 18, 2016	1,500	Luxembourg	FR0010709279
GDF SUEZ*	EUR	6.375%	Jan. 16, 2009	Jan. 18, 2021	1,000	Luxembourg	FR0010709451
GDF SUEZ*	JPY	Yen Libor 3m + 120bp	Feb. 5, 2009	Feb. 5, 2014	18,000	None	FR0010718205
GDF SUEZ*	GBP	6.125%	Feb. 11, 2009	Feb. 11, 2021	700	Luxembourg	FR0010721704
GDF SUEZ*	EUR	5.000%	Feb. 23, 2009	Feb. 23, 2015	750	Luxembourg	FR0010718189
GDF SUEZ	JPY	1.17%	Dec. 15, 2009	Dec. 15, 2014	65,000	None	JP525007A9C3
GDF SUEZ*	GBP	5.000%	Oct. 1, 2010	Oct. 1, 2060	1,100	Paris	FR0010946855
GDF SUEZ*	EUR	2.750%	Oct. 18, 2010	Oct. 18, 2017	1,000	Paris	FR0010952739
GDF SUEZ*	EUR	3.500%	Oct. 18, 2010	Oct. 18, 2022	1,000	Paris	FR0010952770
GDF SUEZ*	EUR	5.950%	Mar. 16, 2011	Mar. 16, 2111	300	Paris	FR0011022474
GDF SUEZ*	EUR	3.046%	Oct. 17, 2011	Oct. 17, 2018	150	Paris	FR0011131846
GDF SUEZ*	CHF	1.500%	Oct. 20, 2011	Oct. 20, 2017	300	SIX	CH013975685-9
GDF SUEZ*	EUR	3.896%	Oct. 24, 2011	Oct. 24, 2023	100	Paris	FR0011133495
GDF SUEZ*	EUR	3.125%	Nov. 21, 2011	Jan. 21, 2020	1,000	Paris	FR0011147305
GDF SUEZ*	EUR	1.500%	June 1, 2012	Feb. 1, 2016	1,000	Paris	FR0011261890
GDF SUEZ*	EUR	2.250%	June 1, 2012	June 1, 2018	1,000	Paris	FR0011261916
GDF SUEZ*	EUR	3.000%	June 1, 2012	Feb. 1, 2023	1,000	Paris	FR0011261924
GDF SUEZ*	EUR	2.500%	Jul. 2, 2012	Jan. 21, 2020	400	None	FR0011278506
GDF SUEZ*	JPY	1.260%	Jul. 6, 2012	Jul. 6, 2022	10,000	Paris	FR0011283134
GDF SUEZ*	EUR	1.500%	Jul. 20, 2012	Jul. 20, 2017	750	Paris	FR0011289222
GDF SUEZ*	EUR	2.625%	Jul. 20, 2012	Jul. 20, 2022	750	Paris	FR0011289230
GDF SUEZ*	CHF	1.125%	Oct. 9, 2012	Oct. 9, 2020	275	SIX	CH0195288102
GDF SUEZ*	CHF	1.625%	Oct. 9, 2012	Oct. 9, 2024	175	SIX	CH0195288193
GDF SUEZ	USD	1.625%	Oct. 10, 2012	Oct. 10, 2017	750	None	US36160BAB18
GDF SUEZ	USD	2.875%	Oct. 10, 2012	Oct. 10, 2022	750	None	US36160BAA35

* *Issued under the EMTN program.*

5.1.6.4 Commercial paper

The Company has short-term financing programs (commercial paper and US Commercial Paper).

GDF SUEZ set up a commercial paper program for €5 billion on August 13, 2008. This program was updated on August 29, 2012 and approved by the Bank of France. At December 31, 2012 the amount outstanding was €3,974 million.

The Company also has a US Commercial Paper program in place for $4.5 billion. The amount outstanding on December 31, 2012 was $1,241 million.

5.2 SHAREHOLDING

5.2.1 STOCK EXCHANGE QUOTATION

TRADING VOLUMES AND HIGH AND LOW PRICES OF GDF SUEZ SHARES IN PARIS

	High* *(en euros)*	Low* *(en euros)*	Trading volume**
2012			
January	21.79	20.36	3,854,247
February	21.56	19.40	4,876,315
March	20.06	19.16	4,636,014
April	19.58	17.39	6,130,917
May	17.33	15.98	5,132,734
June	18.76	15.95	5,805,032
July	18.90	16.75	5,147,103
August	20.23	18.21	4,178,059
September	20.01	17.40	5,988,717
October	17.98	17.33	4,342,410
November	17.82	16.14	4,782,854
December	17.45	15.10	7,271,738

* *Rate obtained from daily closing prices*
** *Daily average (source: Bloomberg).*

Subsequent to the deregistration of GDF SUEZ with the US Securities & Exchange Commission on October 30, 2009, GDF SUEZ maintains an unlisted Level 1 ADR program on a U.S. stock exchange. These ADRs traded on the Nasdaq over-the-counter market.

5.2.2 BREAKDOWN OF SHARE CAPITAL – CHANGES IN SHAREHOLDING

At December 31, 2012, the Company held 2,412,824,089 shares, including 55,533,833 in treasury stock.

In fiscal 2012, the Company's share capital was increased by 160,187,881 shares with a par value of €1 resulting from the creation of 155,583,181 shares as part of the optional payment of a portion of the dividend in shares and from the issue of 4,604,700 shares following the exercise of stock options.

MAJOR CHANGES IN GDF SUEZ SHAREHOLDINGS DURING THE PAST THREE FISCAL YEARS

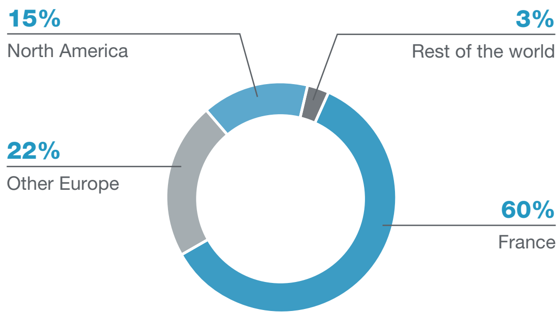
	December 31, 2012		December 31, 2011		December 31, 2010	
	% of share capital	% of voting rights*	% of share capital	% of voting rights	% of share capital	% of voting rights
French State	36.7	37.6	36.0	36.6	36.0	36.5
Groupe Bruxelles Lambert (GBL)	5.1	5.2	5.2	5.3	5.2	5.3
Employee Shareholding	2.3	2.3	2.9	3.0	2.8	2.8
CDC Group	1.9	2.0	2.0	2.0	2.0	2.0
CNP Assurances	1.0	1.1	1.1	1.1	1.1	1.1
Sofina	0.5	0.5	0.6	0.6	0.6	0.6
Treasury stock	2.3	-	1.7	-	1.1	-
Management	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
Public	50.2	51.3	50.5	51.4	51.2	51.7
	100%	100%	100%	100%	100%	100%

* *Calculated based on the number of shares and voting rights outstanding at December 31, 2012.*

At the end of November 2012, GDF SUEZ performed a survey of all identifiable bearer shares and identified 135.8 million shares held by individual shareholders.

"Individuals and others" and "institutional" (investors) account for 11% and 40% of the share capital, respectively.

The geographical breakdown of the share capital (excluding withholding and unidentified) is as follows:



5.2.3 DISCLOSURE THRESHOLDS

No breach of the legal upper or lower thresholds was notified to the Company for 2012.

To the Company's knowledge, as of the date of this Registration Document only the French Government and Groupe Bruxelles Lambert, acting alone or in concert, hold share capital or voting rights in GDF SUEZ that exceeds one of the statutory thresholds.

The Company has no knowledge of any shareholders owning 5% or more of GDF SUEZ's share capital that have notified it of crossing legal disclosure thresholds.

5.2.4 GOLDEN SHARE

Under the terms of Act 2004-803 of August 9, 2004 as amended by Act 2006-1537 of December 7, 2006, the State must at all times hold more than one-third of the Company's capital.

Pursuant to Article 24.1 of Act 2004-803 of August 9, 2004 and Decree 2007-1790 of December 20, 2007, the share capital of GDF SUEZ includes a golden share (resulting from the conversion of one ordinary share) which is held by the French State, and is aimed at protecting France's critical interests in the energy sector and ensuring the continuity and safeguarding of energy supplies. The golden share is granted to the French State indefinitely and entitles it to veto decisions made by GDF SUEZ, or its French subsidiaries, which directly or indirectly seek to sell in any form whatsoever, transfer operations, assign as collateral or guarantee or change the intended use of certain assets covered by the Decree, if it considers they could harm French energy interests as regards the continuity and safeguarding of supplies.

Under the terms of Article 2 of Decree 2007-1790 of December 20, 2007 and its Appendix, the assets covered by the French State's right of veto pursuant to the golden share are:

- natural gas transmission pipelines located in France;
- assets related to the distribution of natural gas in France;
- underground natural gas storage located in France;
- liquefied natural gas facilities located in France.

In accordance with Decree 93-1296 of December 13, 1993 applied pursuant to Article 10 of Act 86-912 (as amended) relating to privatizations and concerning certain rights attached to the golden share, and to Decree 2007-1790 of December 20, 2007, all decisions of this nature must be reported to the Minister of Economic Affairs.

The decisions mentioned above are deemed to be authorized if the Minister of Economic Affairs does not veto them within one month of the date of their disclosure, as recorded by a receipt issued by the administration. This period may be extended for a period of 15 days by order of the Minister of Economic Affairs. Before the expiration of the aforementioned one-month period, the Minister of Economic Affairs may waive the right to veto. If there is a veto, the Minister of Economic Affairs will communicate the reasons of his or her decision to the company in question. The decision of the Minister of Economic Affairs may be appealed.

Pursuant to Decree 93-1296 of December 13, 1993, any transaction executed in violation of Decree 2007-1790 of December 20, 2007 is automatically null and void.

As of the date of this Registration Document, to GDF SUEZ's knowledge, there is no agreement relating to an option on any entity that is a member of the GDF SUEZ Group or any agreement which, if implemented, could lead to a change in its control.

5.2.5 DIVIDEND DISTRIBUTION POLICY

GDF SUEZ seeks to pursue a dynamic and attractive dividend distribution policy. The Group's objectives described in Section 6.1.1.8 "Outlook" do not, however, constitute a commitment by the Company, and future dividends will be assessed on a year-by-year basis depending on the Company's performance, financial position and any other factor considered relevant by the Board of Directors when preparing its proposals to the General Shareholders' Meetings.

At its meeting held on September 19, 2012, the Board of Directors decided on the payment in shares or cash, of an interim dividend for fiscal 2012 of €0.83 net per share.

The Board of Directors decided to propose to the General Shareholders' Meeting of April 23, 2013, the payment of a full dividend for fiscal year 2012 of €1.50 per share (identical to the ordinary dividend paid for fiscal year 2011), including the €0.83 per share interim dividend already paid as an interim dividend.

Dividend per share

GDF SUEZ DIVIDENDS OVER THE LAST FIVE YEARS

Fiscal year (fully paid-up shares)	Net ordinary dividend per share *(in euros)*
2007	N/A*
2008	2,20**
2009	1,47
2010	1,50
2011	1,50

* *Net ordinary dividend per share in 2007: €1.26 for Gaz de France and €1.36 for SUEZ*

** *Including a special non-recurring dividend of €0.80 per share.*

After a period of five years, unclaimed dividends are automatically paid to the French Treasury.

6

Financial statements

6.1. MANAGEMENT REPORT

6.1.1 MANAGEMENT REPORT

In a tough economic and regulatory environment, especially in mature markets, the GDF SUEZ Group reported strong results for 2012.

Revenues increased by 7.0% on a reported basis to €97.0 billion compared with 2011 (organic growth of 5.8%). This growth was due to an increase in gas and electricity sales in France due to more favorable weather conditions than in 2011 and a tariff catch-up, to an improvement in the Global Gas & LNG business line's sales, both in Exploration & Production and within the LNG businesses, and the Group's continued expansion overseas, particularly in Latin America and Asia.

EBITDA, which amounted to €17.0 billion, was up 3.0% on a reported basis (organic growth of 3.6%). Reported EBITDA growth was driven by the return to normal climatic conditions in 2012, the impact of the tariff catch-up related to 2011 in France, the impact of new facilities commissioned across all the Group's businesses, and the effect of the Group's performance plan, as well as by a greater contribution from exploration & production and LNG. These growth factors offset the decrease in EBITDA from the companies sold as part of the Group "portfolio optimization" program, the adverse impact of the changes in gas/electricity spreads on the utilization of the Group's gas-fired power plants, the unavailability of the Doel 3 and Tihange 2 nuclear power plants in Belgium, as well as the continuing impact of the tough economic and regulatory conditions in the Group's mature markets.

Current operating income (COI) increased by 6.0% (organic growth of 8.8%) to €9.5 billion. This improvement is explained by the rise in EBITDA, combined with stable depreciation, amortization, and provision charges.

Net income Group share was dented by impairments, primarily on European assets, and amounted to €1.6 billion, a decrease compared with the figure reported at December 31, 2011 which was boosted by the results of disposals and revaluations, including those of the inter-municipal companies in Belgium, and of the interests in GDF SUEZ LNG Liquefaction and EFOG.

Net recurring income Group share amounted to €3.8 billion, an increase of 10.9% compared with 2011. This improvement is explained by the increase in current operating income, which was partly offset by a higher tax charge than in the previous year. Recurring financial income, recurring income from associates, and income from non controlling interests remained stable compared with the previous year.

Cash generated from operations before income tax and working capital requirements which amounted to €16.6 billion, was up slightly compared with December 31, 2011, in line with the growth in EBITDA.

Net debt, which amounted to €43.9 billion at the end of December 2012, included the results of the transaction to buy out the minority interests in International Power (IPR). This was partly offset by the asset optimization program, which led to partial or full disposals, like those of the Maestrale wind farms in Italy and of the Canadian wind power assets. Taking into account the cash received early 2013 related to the disposal of SPP, adjusted net debt amounted to €42.8 billion.

6.1.1.1 Revenue and earnings trends

In millions of euros	Dec. 31, 2012	Dec. 31, 2011	% change (reported basis)
Revenues	97,038	90,673	+7.0%
EBITDA	17,026	16,525	+3.0%
Depreciation, amortization and provisions	(7,113)	(7,115)	
Net disbursements under concession contracts	(275)	(294)	
Share-based payments	(118)	(138)	
CURRENT OPERATING INCOME	**9,520**	**8,978**	**+6.0%**

Consolidated **revenues** at December 31, 2012 amounted to €97.0 billion, an increase of 7.0% compared with 2011. On an organic basis (excluding the impact of changes in the scope of consolidation and exchange rates), revenues moved up by 5.8%.

Changes in the scope of consolidation had a negative €154 million impact.

- Additions to the scope of consolidation added €786 million to revenues, resulting mainly from the contribution in January of International Power assets acquired at the beginning of February 2011, the increase in the Group's interest in the Njord Field in Norway, the full-year impact of the purchase by Infrastructures of natural gas storage sites in Germany, as well as various small acquisitions made by both the Energy Services business line and SUEZ Environnement.
- The disposals amounted to -€940 million and mainly included EFOG (Exploration & Production), Eurawasser, and Bristol Water within SUEZ Environnement, the G6 Rete Gas entity in Italy within the Energy Europe business line, as well as changes in the consolidation method for Senoko in Singapore and Al Hidd in Bahrain (Energy International business line) following a change of control.

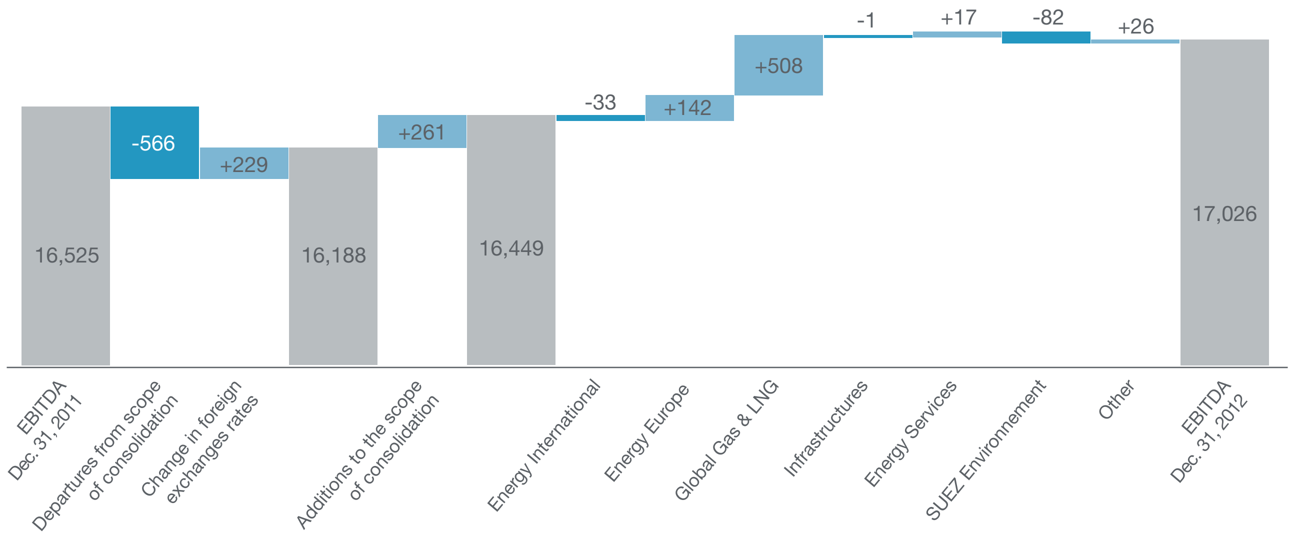
Exchange rates had a €1,208 million impact on Group revenues, due mainly to fluctuations in the US dollar and pounds sterling exchange rates.

Organic revenue performance varied across the Group's business lines: there was a sharp increase in growth at the Global Gas & LNG, Infrastructures and Energy Europe business lines, a slight increase at the Energy Services business line and at SUEZ Environnement, and a small decrease at the Energy International business line.

EBITDA rose by 3.0% to €17.0 billion and by 3.6% on an organic basis.

EBITDA TRENDS

In millions of euros



Changes in the scope of consolidation had a negative impact of €305 million.

- Additions to the scope of consolidation added €261 million to EBITDA and mainly concerned the events described above.
- Departures from the scope of consolidation represented -€566 million and primarily concerned the transactions stated above.

The impact of changes in exchange rates amounted to €229 million.

The organic increase in EBITDA amounted to €577 million (+3.6%), and is explained as follows:

- the EBITDA for Energy International, which amounted to €4,327 million, suffered an organic decline of -0.8%. The positive contribution of commissioned facilities, particularly in Brazil and Thailand, and growth in emerging markets did not manage to offset the end of exceptional commercial conditions in Chile, and tightening margins in North America and Europe due to particularly adverse market conditions. The business line is actually adjusting its industrial capacity in these markets, which includes planned power plant shutdowns in the United Kingdom, for instance;
- EBITDA for Energy Europe, which amounted to €4,180 million, posted organic growth of 3.5% due to a return to normal climatic conditions, better gas supply conditions and the tariff catch-up related to 2011 in France, which was partly offset by competitive pressures, the unavailability of the Belgian Doel 3 and Tihange 2 nuclear power plants, a fall in electricity market prices, and an increase in electricity grid access tariffs in Belgium;
- Global Gas & LNG reported a strong organic increase in its EBITDA, which amounted to €2,377 million, i.e. a rise of 27.8%. This was driven by the exploration & production businesses (favorable volume and price effects), and by a substantial increase in LNG cargo rerouting operations, particularly towards Asia;
- EBITDA for infrastructures, which amounted to €3,049 million, remained stable on an organic basis, thanks to the return to average climatic conditions, although it was penalized by lower storage capacity sales in France and by an increase in operating costs which is taken into account into the distribution infrastructure access tariff which came into force in July 2012;

- EBITDA for Energy Services, which amounted to €1,018 million, slightly increased (+1.7%), demonstrating its ability to withstand tough economic conditions in most of its European markets;
- SUEZ Environnement, which posted EBITDA of €2,426 million, saw a -3.3% decline in its organic growth rate, due to a fall in business activity which significantly impacted volumes handled and the market price of secondary materials for waste services provided in Europe. However, the strong resilience of the Water Europe businesses, the growth of the International segment, and the contribution of the performance plan helped to mitigate this trend.

Current operating income increased on a reported basis by 6.0% compared with December 31, 2011, to €9.5 billion. Net depreciation, amortization, and provision charges remained virtually unchanged, the impact of facilities commissioned over the past twelve months was offset by the impact of disposals and accounting adjustments booked on non-recurring items related to International Power assets acquired in 2011. Excluding changes in the scope of consolidation and exchange rates, the organic growth rate for this indicator was 8.8%, which was mainly explained by the increase in EBITDA.

6.1.1.2 Business trends

6.1.1.2.1 Energy International

	Dec. 31, 2012							Dec. 31, 2011							
In millions of euros	Total *	Latin America	North America	UK and other Europe	Middle East, Turkey & Africa	Asia	Australia	Total *	Latin America	North America	UK and other Europe	Middle East, Turkey & Africa	Asia	Australia	% change (reported basis)
Revenues	16,044	3,827	4,412	3,382	1,217	2,045	1,160	15,754	3,694	4,830	3,410	1,175	1,764	877	+1.8%
EBITDA	4,327	1,690	1,092	625	247	401	387	4,225	1,736	1,015	600	304	332	347	+2.4%
Depreciation, amortization and provisions	(1,391)	(462)	(444)	(216)	(30)	(123)	(112)	(1,470)	(404)	(445)	(310)	(59)	(94)	(156)	
Share-based payments	(6)	-	-	-	-	-	-	(1)	-	-	-	-	-	-	
CURRENT OPERATING INCOME	**2,931**	**1,228**	**649**	**409**	**217**	**278**	**275**	**2,754**	**1,332**	**570**	**290**	**245**	**238**	**191**	**+6.4%**

** The Energy International business line also has a "headquarters" function, the costs for which are not broken down in the table above.*

Branch Energy International's **revenues** for 2012 came in at €16,044 million, up 1.8% on a reported basis (down -3.0% on an organic basis) mainly driven by:

- a negative -€67 million impact of changes in the scope of consolidation mainly as a result of the contribution in January 2012 of the International Power assets acquired at the beginning of February 2011, offset by the change in consolidation method of Senoko in Singapore following a change in control, and Al Hidd in Bahrain, following the partial disposal in May;
- +3.3% organic evolution in Latin America due mainly to higher revenues in Brazil following commissioning of new power plants;
- strong organic growth of 28.0% in Asia, resulting from a combination of new plant commissioning in Thailand (Gheco One in August 2012 and Glow Phase 5 in late 2011) and positive performance from Glow Energy's hydro power plant in Laos;
- lower performance in North America, due mainly to a decrease in natural gas prices which pushed down electricity prices and reduced income from gas sales.

During the period, reported **EBITDA** was up 2.4% at €4,327 million, including a positive €136 million impact of changes in scope of consolidation and favorable foreign exchange rates. On an organic basis, EBITDA was down -0.8%, following a number of favorable one-off items in 2011 and challenging environments in mature markets offsetting achieved growth in emerging markets.

Reported **current operating income** came in at €2,931 million, up 5.9% on a organic basis, mainly due to accounting adjustments booked on non-recurring items related to the acquisition of International Power in 2011.

Latin America

Revenues for the Latin America region totaled €3,827 million during 2012, up €132 million on a reported basis or €121 million (up 3.3%) higher on an organic basis compared to 2011. This evolution is partially a result of higher revenues in Brazil, thanks to the progressive commissioning of units at Estreito hydro power plant (436 MW) combined with an increase in the average sales price primarily due to mechanical inflation-driven price increases in sales contracts. In Chile, a positive contribution from the commissioning of the CTA and CTH power plants in mid-2011 with a capacity of 264 MW, was more than offset by lower LNG revenues in line with the progressive expiration of high margin initial gas supply agreements. Peru delivered a positive evolution in line with new PPAs (Power Purchase Agreement) and favorable pricing conditions.

Electricity sales rose 3.7 TWh to 52.8 TWh, while gas sales fell 2.3 GWh, mainly in Chile, coming in at 14.7 TWh.

EBITDA totaled €1,690 million, organically in line with 2011 mainly reflecting:

- the progressive commissioning of the units of the Estreito hydro power plant and the increase in average prices in Brazil offset by;
- the end of exceptional conditions under certain agreements in Chile in 2011; and
- the positive impact of compensation recorded in the previous period for delays in the commissioning of the coal power plants in Chile (CTA / CTH) and Panama (Bahia Las Minas).

Current operating income amounted to €1,228 million, down -€58 million or -4.5% on an organic basis. This decrease reflects the EBITDA evolution and an increase in amortization expense following the commissioning of the Estreito hydro power plant (Brazil) and CTA and CTH (Chile) power plants.

North America

Revenues for the North America region came in at €4,412 million, down -€812 million (or -15.7%) on an organic basis, due mainly to the significant drop in NYMEX natural gas prices which pushed down electricity prices and reduced income from gas sales.

Electricity sales for 2012 in the North America region fell by 0.4 TWh to 78.8 TWh, whilst natural gas sales, excluding intragroup transactions, fell by 12.8 TWh to 50.6 TWh [(1)].

EBITDA came in at €1,092 million, flat on an organic basis. The strong performance from the non-US gas business (up €37 million) benefited from compensation received following the termination of an agreement in Mexico and the slightly improved generation performance, were enough to offset:

- lower prices for LNG sales (down -€21 million or -10.2% on an organic basis);
- lower performance of the retail energy sales business (down -€39 million), which delivered slightly lower volumes (down -2.6%) at lower margins.

Current operating income came in at €649 million, up by €47 million or 7.7% on an organic basis, due mainly to the ending of the amortization of an expired power purchase agreement and the reduction in depreciation on the Choctaw and Hot Spring plants after their recognition as assets held for sale. The Choctaw plant was sold in February and the Hot Spring plant was sold in September.

UK-other Europe [(2)]

Revenues for the UK–Europe region totaled €3,382 million in 2012, a reduction of -€409 million or -11.4% on an organic basis.

Electricity sales for the period were 35.4 TWh (up 0.5 TWh) with lower volumes in the continental generation assets offset by higher volumes in the retail business (up 1.8 TWh). Gas sales were 23.0 TWh, down 0.5 TWh, following lower volumes in the UK.

In the United Kingdom, the generation sector suffered from lower electricity prices. However, the UK also benefitted from higher retail prices and increase retail volumes.

EBITDA amounted to €625 million, falling -7.7% or -€48 million on an organic basis. Power production assets in the United Kingdom faced challenging market conditions, although these were partially offset by the strong contribution from ancillary services at First Hydro. In light of these difficult conditions, the Group closed the Shotton (210 MW) and Derwent (210 MW) power plants at the end of 2012.

In continental Europe, wind capacity benefited from favorable weather conditions, notably in Italy, whereas the hydro power plants in Spain suffered from a lack of rain in the first half of the year.

Current operating income amounted to €409 million, increasing €83 million or 27.8% on an organic basis. The decrease in EBITDA was offset by accounting adjustments booked on non-recurring items related to the acquisition of International Power in 2011.

Middle East, Turkey & Africa

Revenues for the Middle East, Turkey and Africa region came in at €1,217 million gaining 6.6% or €75 millions on an organic basis. This increase was driven by an upturn in power sales in Turkey, although no effect on margins, as well as higher revenues from operation and maintenance activities.

EBITDA came in at €247 million, down -€21 million or -8.1% on organic basis. The decrease is mainly attributable to a lower contribution of development activities.

Current operating income totalled €217 million, gaining 3.6% or €7 million on an organic basis, the EBITDA decrease being offset by the reduction of the depreciation charges of Al Hidd (Bahrain) and Sohar (Oman) power plants following their classification as assets held for sale. The participation in Al Hidd power plant is now accounted for under the equity method following its partial disposal in May.

Asia

The Asia region maintained strong growth, with **revenues** increasing 28.0% on an organic basis to €2,045 million. Electricity sales rose 1.5 TWh to 23.3TWh.

This growth resulted partly from sustained activity in Thailand with a full year contribution from Glow Phase 5 (342 MW, commissioned in October 2011), the commissioning of Gheco One (660 MW) in August 2012 and the recovery in volumes at the gas distribution activities, PTT NGD. Following the declared drought year in 2011, the Laos hydro plant was highly dispatched in 2012. The increase also reflects better performance at Senoko in Singapore during the first half of the year. From July 1, 2012 Senoko has been equity consolidated.

EBITDA amounted to €401 million and grew 23.7% or €74 million on an organic basis. This growth was attributable to the first-time contribution of Gheco One and optimization of Glow SPP operations improving the performance of the thermal power plants. This increase was strengthened by a positive performance from operating and maintenance activities in Pakistan and Indonesia.

Current operating income came in at €278 million, up €46 million or 20.5% on an organic basis, reflecting the evolution of EBITDA and the start of the amortization of the recently commissioned plant (Gheco One).

(1) It should be noted that the sales of natural gas, including intra-group sales were 73.7 TWh with an organic decrease of 11.2 TWh.

(2) GDF SUEZ Energy UK-other Europe includes assets that were formerly part of International Power's UK-other Europe region but does not include GDF SUEZ's other generation assets or activities across Europe.

Australia

Revenues in Australia came in at €1,160 million, up 11.2% on an organic basis. This increase is mainly attributable to increased wholesale electricity prices in Victoria and South Australia due to the introduction of the greenhouse gas scheme on July 1, 2012.

Electricity sales remained flat at 24.1 TWh, while natural gas sales rose by 0.1 TWh to 2.4 TWh.

EBITDA came in at €387 million, down -€28 million (-7.4%) compared to 2011 on an organic basis mainly attributable to mild weather, reduced energy consumption and positive non-recurring items recognized in the first half of 2011 (proceeds from insurance).

Current operating income came in at €275 million, rising by 20.4% or €42 million on an organic basis. The increase is mainly explained by accounting adjustments booked on non-recurring items related to the acquisition of International Power in 2011.

6.1.1.2.2 Energy Europe

	Dec. 31, 2012			Dec. 31, 2011			
In millions of euros	Total *	Central Western Europe	Other Europe	Total	Central Western Europe	Other Europe	% change (reported basis)
Revenues	44,418	35,804	8,614	41,269	33,444	7,824	+7.6%
EBITDA	4,180	3,427	880	4,078	3,126	1,066	+2.5%
Depreciation, amortization and provisions	(1,670)	(1,200)	(467)	(1,690)	(1,229)	(459)	
Share-based payments	(16)	(13)	-	(18)	(14)	-	
CURRENT OPERATING INCOME	**2,494**	**2,214**	**413**	**2,370**	**1,883**	**606**	**+5.2%**

(*) Of which business line corporate function costs.

The revenues of the new Energy Europe business line include all the businesses that were previously managed by the Energy France business line, the European businesses of the Energy Europe & International business line (except for the new Energy International business line), and the Global Gas & LNG business line's key account supply and sales businesses.

Volumes sold by the business line

In TWh	Dec. 31, 2012	Dec. 31, 2011	% change (reported basis)
Gas sales	658	638	+3.1%
Electricity sales	193	198	-2.2%

The contribution of the Energy Europe business line to Group **revenues** amounted to €44,418 million, an increase of 7.6%. Gas sales amounted to 658 TWh, including 141 TWh to key accounts. Electricity sales amounted to 193 TWh. As at the end of December, the business line was supplying gas to some 16 million retail customers, and electricity to more than 5 million retail customers.

The business line's **EBITDA** rose by 2.5% to €4,180 million. The year 2012, which was characterized by a return to normal climatic conditions, benefited from an improvement in the Group's gas supply conditions and from the tariff catch-up related to the fourth quarter of 2011 despite increased competitive and regulatory pressure, a fall in electricity market prices, the unavailability of the Doel 3 and Tihange 2 nuclear power plants, and an unfavorable change in consolidation scope impact in Italy (disposal of G6 Rete Gas in the second half of 2011).

The **current operating income** trend was slightly more favorable than that of EBITDA due to lower depreciation, amortization and provision charges.

Central Western Europe (CWE)

The contribution of CWE to Group **revenues** amounted to €35,804 million, an increase of 7,1%, as the strong performance in France, Germany and the Netherlands more than offset lower sales in Belgium.

CWE's **EBITDA** increased by 9.6% (on a reported basis), primarily due to the return to normal climatic conditions, the tariff catch-up related to 2011 in France, an improvement in gas supply conditions and an increase in LNG cargoes to Asia [(1)], which were partly offset by an increase in electricity transmission system access tariffs in Belgium, an overall fall in electricity market prices in Europe, and by the unavailability of two nuclear power plants in Belgium.

Current operating income followed the same favorable trend as EBITDA.

(1) Activity for which the margin is split between the Energy Europe and Global Gas & LNG business lines.

CWE France

In millions of euros	Dec. 31, 2012	Dec. 31, 2011 (*)	% change (reported basis)
REVENUES	17,183	14,922	+15.2%
EBITDA	1,175	543	+116.3%
Depreciation, amortization and provisions	(470)	(413)	
Share-based payments	(5)	(5)	
CURRENT OPERATING INCOME	**700**	**125**	**+461.4%**

(*) Pro forma data, specifically including sales to key gas accounts in France, which were recognized in the Global Gas and LNG business line in the 2011 results presentation.

Volumes sold in France

In TWh	Dec. 31, 2012	Dec. 31, 2011 (*)	% change (reported basis)
Gas sales (**)	288	280	+2.9%
Electricity sales	50	41	+22.3%

(*) Pro forma data, specifically including sales to key gas accounts in France, which were recognized in the Global Gas and LNG business line in the 2011 results presentation.
(**) Business line contribution data.

France climate adjustment

In TWh	Dec. 31, 2012	Dec. 31, 2011	Total change in TWh
Climate adjustment volumes (negative figure = warm climate, positive figure = cold climate)	(0.9)	(30.4)	+29.5

The CWE France contribution to Group **revenues** amounted to €17,183 million as at the end of December 2012. This figure was €2,261 million higher than the one reported in 2011.

Natural **gas sales** rose by 8 TWh, as the difference in climatic conditions between both periods more than offset any customer losses. GDF SUEZ maintained a share of around 86% of the retail market and of around 58% of the business market.

Electricity sales increased by 9.2 TWh thanks to a rise in sales to direct customers, and to sales on the market, as a result of the increase in electricity production. The electricity production amounted to 31.5 TWh (30.2 TWh in 2011) thanks to the commissioning of wind farms, and to a higher level of hydropower than in 2011 (the first half of 2011 had been particularly dry), which were partly offset by a fall in production from gas-fired power plants (unfavorable market conditions).

EBITDA increased by €632 million due mainly to the fact that climatic conditions in 2012 were more favorable than in 2011 (positive impact on gas sales and hydropower), a lower tariff shortfall related to 2012 than the one seen in 2011, and to the impact of the tariff catch-up in the fourth quarter of 2011, which had a near €210 million impact on the 2012 financial statements. These various favorable factors were partly offset by a fall in prices on the electricity market.

Current operating income improved by €575 million due to the increase in EBITDA, minus the increase in depreciation and amortization charges (commissioning of the new wind farms) and the impact of provision reversals in 2011.

CWE Benelux & Germany

In millions of euros	Dec. 31, 2012	Dec. 31, 2011	% change (reported basis)
REVENUES	14,210	15,319	-7.2%
EBITDA	1,883	2,165	-13.0%
Depreciation, amortization and provisions	(665)	(735)	
Share-based payments	(6)	(9)	
CURRENT OPERATING INCOME	1,212	1,421	-14.6%

Revenues from Benelux & Germany amounted to €14,210 million, a fall of -7.2% compared with 2011. Electricity volumes sold amounted to 103 TWh, which was down -14% due to the slowdown of sales in Belgium. Electricity production amounted to 66 TWh, a fall of around -13 TWh, due mainly to the unavailability of two nuclear power plants and a fall in production in the Netherlands, as a result of unfavorable spreads for the gas units.

- Electricity sales in Belgium and Luxembourg decreased, and volumes were down -17% to 84.7 TWh, due mainly to a fall in sales on the market and to the loss of business customers.
- Electricity sales in the Netherlands were stable at 9.2 TWh.
- Electricity sales in Germany rose by 3% to 9.4 TWh due to the impact of better plant availability.

The gas volumes sold decreased by 14 TWh (-10%) due to the loss of customers primarily in the Business and Key Account segment in Belgium, and lower sales on the market, which were partially offset by colder climatic conditions.

EBITDA for Benelux & Germany was down 13%, due to the unavailability of the Doel 3 and Tihange 2 nuclear power plants for 24 and 14 weeks respectively, an increase in electricity transmission system access tariffs, and a fall in sales in Belgium, which was partly offset by improved profitability in Germany.

Current operating income followed the same trend as EBITDA.

Other Europe

In millions of euros	Dec. 31, 2012	Dec. 31, 2011	% change (reported basis)
REVENUES	8,614	7,824	+10.1%
EBITDA	880	1,066	-17.4%
Depreciation, amortization and provisions	(467)	(460)	
Share-based payments	-	-	
CURRENT OPERATING INCOME	**413**	**606**	**-31.8%**

The Other Europe region saw its **revenues** increase by 10.1%, driven by strong business volumes in Italy.

EBITDA for Other Europe fell by 17.4%, as it was impacted by an unfavorable change in the scope of consolidation in Italy (disposal of G6 Rete Gas in the second half of 2011) and by a worse performance in Slovakia and Hungary, primarily due to an unfavorable regulatory environment.

Current operating income followed a similar trend as EBITDA, net depreciation, amortization and provision being stable.

6.1.1.2.3 Global Gas & LNG

In millions of euros	Dec. 31, 2012	Dec. 31, 2011	% change (reported basis)
Revenues	4,759	3,135	+51.8%
Total revenues *(incl. intra-group transactions)*	7,945	6,824	+16.4%
EBITDA	2,377	2,074	+14.6%
Depreciation, amortization and provisions	(1,255)	(1,154)	
Share-based payments	(3)	(3)	
CURRENT OPERATING INCOME	**1,119**	**917**	**+22.1%**

The Global Gas & LNG business line now comprises the Exploration & Production activity and the LNG sales business. The Gas supplies and Key account sales activities have been transferred to Energy Europe.

The contribution to Group **revenues** amounted to €4,759 million, a gross increase of €1,624 million, up 51.8% compared with 2011, of which €1,651 million was organic growth [(1)] (+54.3%).

The contribution to Group revenues was boosted by the increase in the Exploration & Production activity, as well as by the strength of the LNG activity, with:

- an increase in the level of the Exploration & Production hydrocarbon production contribution, bolstered by production in the Gjøa field in Norway, and by the impact of higher commodity prices. The hydrocarbon production contribution to Group at the end of December 2012 rose by 6.0 Mboe [(2)] to 43.6 Mboe compared with 37.6 Mboe at the end of December 2011;

(1) The impact of the disposal of EFOG in December 2011 was partly offset by the acquisition of a 20% interest in Njord in July 2011; the disposal of GDF SUEZ LNG Liquefaction in December 2011 had no impact on revenues.

(2) A 2.9 Mboe fall in total production, which amounted to 54.9 Mboe at the end of December 2012 compared with 57.8 Mboe at the end of December 2011 (fewer internal sales due mainly to the disposal of EFOG).

- a 19 TWh increase in external LNG sales, with volumes amounting to 60 TWh, representing 66 cargo loads in total, of which 39 to Asia at the end of December 2012, compared with volumes amounting to 41 TWh, representing 45 cargo loads in total, of which 25 to Asia, at the end of December 2011.

The **EBITDA** of the Global Gas & LNG business line amounted to €2,377 million at December 31, 2012 compared with €2,074 million at the end of December 2011, a gross increase of €303 million (+14.6%), of which €508 million was organic growth [1] (+27.8%). This growth was boosted by the Exploration & Production activity, thanks to the favorable trend in commodity prices recorded over the period and to the increase in production from the Gjøa field in Norway, as well as by a better LNG arbitrage performance, primarily in Asia.

Current operating income amounted to €1,119 million at the end of December 2012, a gross increase of €202 million (+22.1%).

6.1.1.2.4 Infrastructures

In millions of euros	Dec. 31, 2012	Dec. 31, 2011	% change (reported basis)
Revenues	2,031	1,491	+36.2%
Total revenues *(incl. intra-group transactions)*	6,216	5,703	+9.0%
EBITDA	3,049	2,991	+1.9%
Depreciation, amortization and provisions	(1,239)	(1,189)	
Share-based payments	(5)	(10)	
CURRENT OPERATING INCOME	**1,805**	**1,793**	**+0.7%**

Total **revenues** for the Infrastructures business line, including intra-group services, amounted to €6,216 million, an increase of 9.0% compared with 2011. This was primarily due to the impact of an increase in gas purchase-sale transactions carried out to maintain the technical and physical performance of the storage facilities, in an environment marked by lower storage capacity sales in France and by colder weather conditions (as compared to warmer weather in 2011).

Revenues trends also reflect:

- an increase in the volumes transported by GrDF due to colder weather conditions in 2012 than in 2011 (+33.5 TWh);
- the annual review of the distribution infrastructure access tariff (1.85% decrease at July 1, 2011, and 8.0% increase at July 1, 2012);
- the annual review of the transport infrastructure access tariff at April 1, 2011 (2.9% increase) and at April 1, 2012 (6% increase);
- the acquisition of gas storage facilities in Germany by Storengy on August 31, 2011. GDF SUEZ became the market leader in Europe in terms of storage capacity sales.

The business line's contribution to Group revenues amounted to €2,031 million, up 36.2% compared with December 2011. This increased contribution, due to weather condition and regulatory environment, reflects also:

- the acquisition of gas storage facilities in Germany by Storengy on August 31, 2011;
- the growth of transportation, storage, and terminal services on behalf of third parties, due to an increasingly deregulated market;
- the ramp-up of gas purchase-sale transactions to maintain technical storage performance.

The **EBITDA** for the Infrastructures business line amounted to €3,049 million over the period, up 1.9% compared with December 2011, thanks to the return to average climatic conditions, although it was penalized by lower storage capacity sales in France and by an increase in operating costs which is taken into account in the distribution infrastructure access tariff which came into force in July 2012.

Current operating income amounted to €1,805 million for the period, i.e. a 0.7% increase compared with December 2011.

6.1.1.2.5 Energy Services

In millions of euros	Dec. 31, 2012	Dec. 31, 2011	% change (reported basis)
Revenues	14,693	14,206	+3.4%
EBITDA	1,018	1,005	+1.2%
Depreciation, amortization and provisions	(317)	(308)	
Net disbursements under concession contracts	(30)	(28)	
Share-based payments	(11)	(14)	
CURRENT OPERATING INCOME	**660**	**655**	**+0.7%**

Revenues for Energy Services business line rose by 3.4% to €14,693 million at December 31, 2012, i.e. an increase of €487 million on a reported basis.

Organic growth amounted to 2.7%, and was explained by:

- the growth in the networks activity in France (+9.7%), which was primarily due to the positive impact of rate increases and to the return to colder weather conditions over the first and last quarters;
- growth in installation activities in France (+2.4%) and in Benelux (+4.7%), and, to a lesser extent, in services activities in France (+1.0%);
- the stability of the International business unit (+0.9%) with contrasting results across all geographic areas (growth in Northern Europe and International activities outside Europe, decrease in Southern Europe);
- a decline in the engineering business (-0.7%), which still managed to partially offset the impact of the downturn in energy investments in Europe by expanding its international activities outside Europe.

EBITDA rose by +1.2% to €1,018 million in 2012, i.e. an increase of €12 million. Organic growth amounted to €17 million (+1.7%) despite the following adverse impacts:

- the non-recurring impact, related to a €17 million compensation, which positively impacted the EBITDA of the Italian cogeneration activities in the first-half of 2011;
- the end of gas cogeneration contracts in France, and the price scissors effect in relation to the cogeneration and heating network rates in France;
- narrower margins, especially in engineering.

Those items were offset by:

- the return of colder weather conditions;
- cost reduction measures, primarily in terms of overheads;
- the positive impact of the commissioning of the SWIFT drilling rig in May 2011, operated on behalf of Shell, the strong performance of the oil & gas business in the United Kingdom, and the resilience of the installation and services activities in Belgium, and to a lesser extent, in France.

Current operating income amounted to €660 million compared with €655 million in 2011. Its trend followed the evolution of EBITDA, while it was also affected by additional provisions due to the unfavorable macro-economic environment in Europe.

6.1.1.2.6 SUEZ Environnement

In millions of euros	Dec. 31, 2012	Dec. 31, 2011	% change (reported basis)
Revenues	15,093	14,819	+1.8%
EBITDA	2,426	2,513	-3.5%
Depreciation, amortization and provisions	(1,036)	(1,179)	
Net disbursements under concession contracts	(245)	(265)	
Share-based payments	(24)	(29)	
CURRENT OPERATING INCOME	**1,121**	**1,039**	**+7.9%**

Revenues amounted to €15,093 million in 2012, an increase of 1.8% compared with 2011, of which 0.3% was organic growth. The Water Europe segment, where revenues were up 3.3%, benefited from positive price impacts, the expansion of service offers (France and Spain) and increased volumes in Chile, which offset a slight fall in consumption in Spain and a net downturn in services in that country. The Waste Europe segment remained stable (+0.1%), due to the impact of resilient waste treatment prices in France, the revenues generated by the construction of recovery units (France and United Kingdom) and an increase in taxes (France and UK), at a time when the volumes processed (down 2.5%) and the price of secondary materials declined against a particularly unfavorable economic backdrop. The International segment benefited from positive business volumes in most regions and businesses, especially in the Asia-Pacific region (Water and Waste in China and Waste in Australia) but was still down 2.3% due to the end of the construction of the Melbourne plant, which was successfully commissioned on December 17 last year.

EBITDA amounted to €2,426 million, down 3.3% on an organic basis compared with 2011, due to a significant downturn at Waste Europe (-10.9%) where the volumes processed, business mix and price of secondary materials all weighed over the past year. Water Europe (+0.6%) benefited from the implementation of tariff increases in the three main countries and from an improvement in the margins on the new offers that are currently being marketed, which offset the fall in construction works in Spain. The International segment expanded by 3.3% due to the impact of tariff increases in several North American States, favorable volumes in Waste (Australia, China and Poland) and Water (China and North Africa). The COMPASS performance plan, including the exceptional measures taken to adjust to the economic environment in the waste business, contributed gains of €150 million compared with 2011.

Current operating income rose by 7.9% compared with 2011, and amounted to €1,121 million, which represented organic growth of 10.7%. This significant improvement in results reflects the end of the Melbourne construction site, where most of the expected cost overruns had been provisioned in 2011, and slightly increased in the first half of 2012. The trends in the other geographical regions and businesses were in line with those recorded at the EBITDA level.

Details of the 2012 operating performance are provided in the SUEZ Environnement Management Report.

6.1.1.2.7 Other

In millions of euros	Dec. 31, 2012	Dec. 31, 2011	% change (reported basis)
Revenues			
EBITDA	(351)	(360)	+2.6%
Depreciation, amortization and provisions	(205)	(127)	
Share-based payments	(54)	(63)	
CURRENT OPERATING INCOME	**(610)**	**(550)**	**-10.9%**

At December 31, 2012, **EBITDA** (-€351 million) improved slightly compared with the previous year, due primarily to the performance efforts made by Group corporate functions.

Nevertheless, **current operating income** deteriorated compared with December 31, 2011, due mainly to an increase in provisions.

6.1.1.3 Other income statement items

In millions of euros	Dec. 31, 2012	Dec. 31, 2011	% change (reported basis)
Current operating income	9,520	8,978	+6.0%
Mark-to-market on commodity contracts other than trading instruments	109	(105)	
Impairment losses	(2,474)	(532)	
Restructuring costs	(342)	(189)	
Changes in scope of consolidation	155	1,514	
Other non-recurring assets	165	18	
Income from operating activities	7,133	9,684	-26.3%
Net financial loss	(2,756)	(2,606)	
Income tax expense	(2,054)	(2,119)	
Share in net income of associates	433	462	
NET INCOME	**2,755**	**5,420**	**-49.2%**
Net income Group share	1,550	4,003	-61.3%
Non controlling interests	1,205	1,418	

Income from operating activities amounted to €7,133 million, representing a 26.3% decrease compared with 2011, due primarily to the significant impairments recorded in 2012 and to positive non-recurring items relating to business combinations in 2011 (results on disposals or on revaluations).

Changes in the fair value of commodity instruments had a positive impact of €109 million on income from operating activities (reflecting the impact of transactions not eligible for hedge accounting) compared with a negative impact of €105 million at December 31, 2011. The impact for the period was primarily due to the positive impact of the unwinding of positions with a negative market value at December 31, 2011, which was partially offset by a negative price effect relating to changes in forward commodity prices over the period.

Impairments amounted to €2,474 million and were mainly divided between Energy Europe (€1,523 million) and Energy International (€409 million). In addition to the impairment of goodwill (€294 million, of which €176 million related to the goodwill on the interest in SPP that is currently being sold), impairments related mainly to European assets, which are suffering from deteriorating economic conditions, and included €513 million on a thermal power plant in the Netherlands, €294 million on thermal assets in Italy, €152 million on various power plants in the United Kingdom, €90 million on a coal power plant in Germany related to the replacement of defective parts, and €42 million on power generation assets in Greece, as a result of the country's current economic environment and of technical problems at a combined-cycle power plant.

In addition, the Group recorded an impairment of €144 million on its interest in the GASAG gas operator, and an impairment of €84 million on its listed Acea securities.

Furthermore, income from operating activities was also affected by:

- restructuring costs of €342 million, including the costs of adapting to the economic climate at Energy Europe (€136 million), which primarily consisted of the costs relating to the shutdown of generation units in Belgium, the Netherlands and Hungary, as well as the costs arising from the definitive shutdown of the Photovoltech activity. At

SUEZ Environnement (€78 million), this item primarily included the costs relating to the restructuring programs decided on by Agbar in its Spanish activities and by Degrémont (primarily in France) as well as the costs of the adapting programs relating to the slowdown in activity in the Waste Europe segment. Restructuring costs also included the costs of adapting to the climate environment at Energy Services (€53 million);

- "Changes in the scope of consolidation" (gains and losses on the disposal of consolidated equity interests or on the revaluations of previously-held interests in accordance with IFRS 3) which amounted to €155 million, and primarily corresponding to the capital gains on the disposals of 60% of the Canadian renewable energy activities (€136 million) and of the shares of the Brussels inter-municipal company Sibelga (€105 million), which were partly offset by the impact of transactions relating to the disposal of Breeze II (-€35 million);
- "Other non-recurring items", which amounts to a +€165 million at December 31, 2012, mainly corresponding to income relating to the reduction of a penalty (+€233 million) within the scope of the "MEGAL" proceedings, after the decision of the Court of European Union on June 29, 2012.

Net financial loss at December 31, 2012 amounted to -€2,756 million, compared with -€2,606 million at December 31, 2011. This change was mainly the result of a volume effect on net debt (increase in average net debt), which was offset by lower interest rates, and by non-recurring effects, primarily relating to debt restructuring.

The effective recurring tax rate is flat (32.9% in 2012, 33.2% in 2011).

Income from associates decreased by €29 million compared with December 31, 2011. This change was primarily explained by impairments recorded by associates in 2012 and by the transactions involving the Walloon and Flemish inter-municipal companies in 2011.

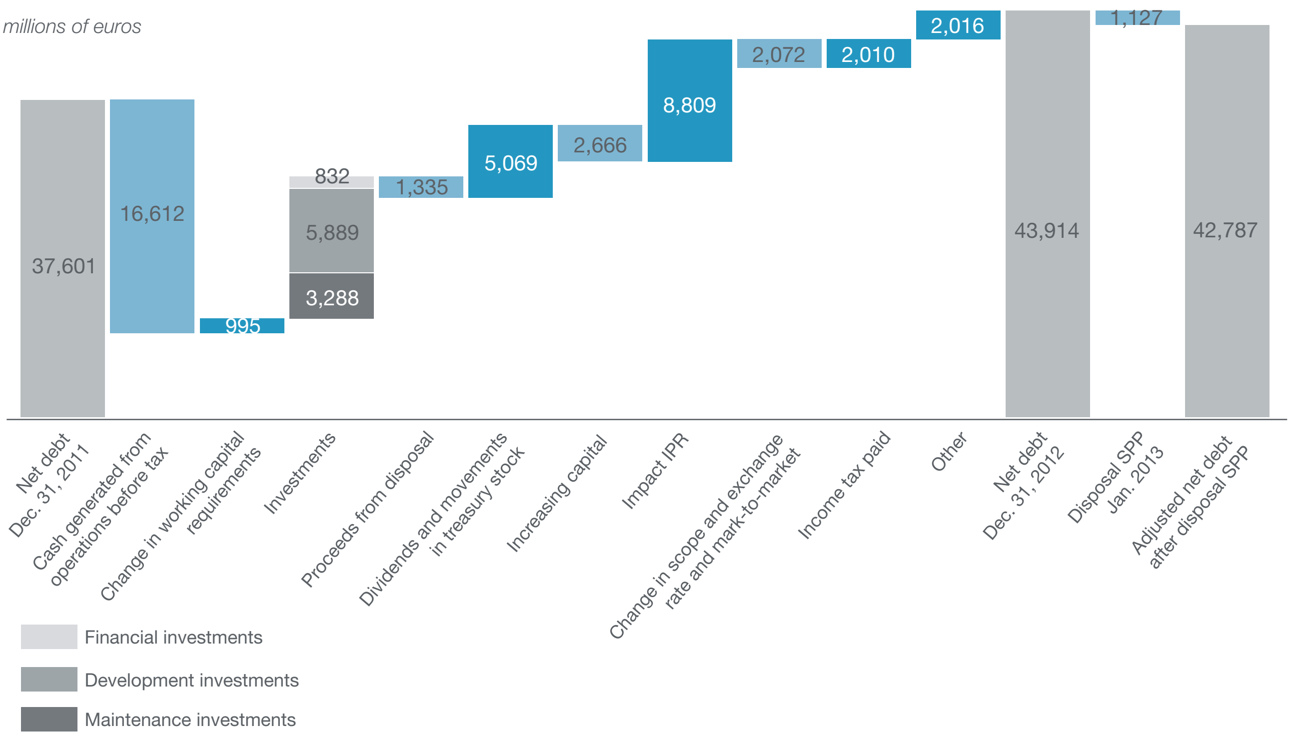
Net income from non-controlling interests amounted to €1,205 million, a decrease compared with 2011, as a result of the buyout of International Power and of the deterioration in SUEZ Environnement's net income.

6.1.1.4 Changes in net debt

Net debt including the cash received early 2013 following the disposal of SPP amounted to €42.8 billion at the end of December 2012, and increased by €5.2 billion compared with the level of net debt at the end of December 2011 (€37.6 billion). This change was mainly due to the acquisition of the non-controlling interests in International Power plc (€8.8 billion).

The changes relating to net debt were as follows:

In millions of euros



The adjusted net debt to EBITDA ratio amounted to 2.51 at December 31, 2012. The ratio is calculated as follows:

In millions of euros	Dec. 31,2012	Dec. 31, 2011
Net debt	43,914	37,601
Payment received after SPP disposal *	(1,127)	-
Adjusted net debt	**42,787**	**37,601**
EBITDA	**17,026**	**16,525**
Adjusted net debt /EBITDA ratio	**2.51**	**2.28**

* *Payment received on January 23, 2013.*

6.1.1.4.1 Cash generated from operations before income tax and working capital requirements

Cash generated from operations before income tax and working capital requirements amounted to €16,612 million at December 31, 2012, an increase of €495 million compared with 2011. The change (+3.0%) was in line with the change in EBITDA, as the positive effect on EBITDA of the reversal of provisions for long-term benefits obligations (payment of €260 million in one-off premiums) offset the positive effect of the MEGAL agreement on cash generated from operations before income tax and working capital requirements.

6.1.1.4.2 Change in working capital requirements

The change in working capital requirements (WCR) represented a cash outflow of €995 million mainly due to the evolution of margin calls (€449 million) and to commodity instruments (€363 million).

6.1.1.4.3 Net investments

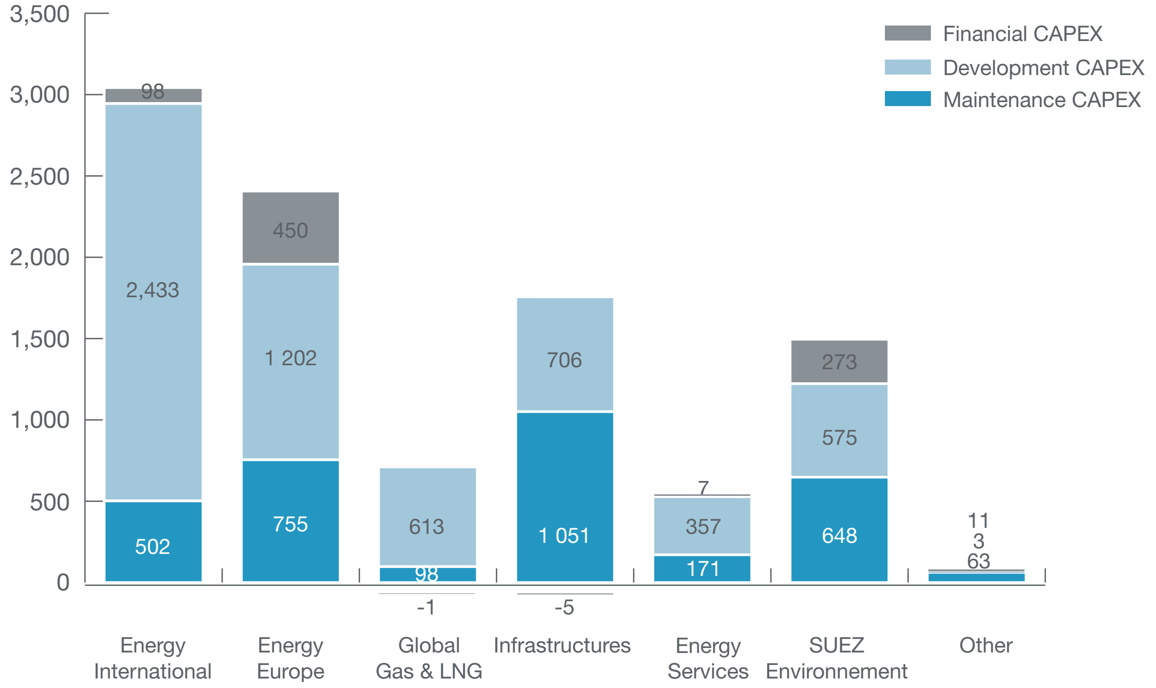
Excluding the impact of the buyout of the minority interests in International Power plc (€8.8 billion), investments amounted to €10,009 million in 2012, and included:

- €832 million in financial investments, including the acquisition of the non-controlling interests in AES and the purchase of additional securities in the company owning the Jirau project. A significant portion of the other financial investments related to loans to associates or non consolidated companies;
- development investments totalling €5,889 million. Most of this amount was invested by the Energy International business line to build power plants in Brazil (Jirau) and in Peru (Chilca and Quitarasca), as well as wind farms in Canada, and by the Energy Europe business line to build two coal-fired power plants in Wilhelmshaven and Maasvlakte, and wind farms in Poland;
- and maintenance investments of €3,288 million.

Disposals amounted to €1,335 million and primarily involved the sale of 60% of the Canadian wind power assets for €351 million, the sale of Electrabel's shareholding in Sibelga at a price of €211 million, the sale of Eurawasser by SUEZ Environnement for €95 million, and the sale of 40% of Hidd Power Company for €87 million, as well as the disposals of the Hot Spring and Choctaw power plants for €196 million and €74 million respectively (payment of the balance of the sale price has occurred in January 2013).

Capital expenditure breaks down as follows by business lines:

In millions of euros



6.1.1.4.4 Share buybacks, dividends and capital increase

Total dividends paid by GDF SUEZ SA to its shareholders amounted to €3,360 million. This amount corresponds to the balance of the 2011 dividend, i.e. €0.67 per share, for a total amount of €1,474 million, and to the interim dividend, i.e. €0.83 per share, for a total amount of €1,887 million. €767 million were paid in cash and €2,594 million by the creation of new shares (to remunerate the shareholders having chosen payment in shares).

The balance of the capital increases, i.e. €73 million, relates to the exercise of stock options.

The dividends paid by various subsidiaries to non-controlling interest totaled €1,352 million.

The Group also bought back its own shares for an amount of €359 million.

6.1.1.4.5 Net debt at December 31, 2012

Excluding amortized cost but including the currency impact of derivatives, at December 31,2012, 65% of net debt was denominated in euros, 16% in US dollar, and 6% in Brazilian real.

Including the impact of financial instrument, 78% of net debt is at fixed rates.

The average maturity for the net debt is 9.8 years.

At December 31, 2012, the Group had total undrawn confirmed credit lines (which may be used as back up lines for Commercial Paper programs) of €15.6 billion.

6.1.1.5 Other items in the statement of financial position

Property, plant and equipment and intangible assets amounted to €99.6 billion, a decrease of €3.7 billion compared with December 31, 2011. This change was primarily the result of depreciation, amortization and impairments (- €8.9 billion), disposals (-€0.5 billion), changes in the scope of consolidation (-€1.3 billion) and transfers to assets classified as held for sale (-€2.5 billion), which were partly offset by investments (+€9.1 billion).

Goodwill decreased by €1.3 billion to €30.0 billion, primarily as the result of changes in the scope of consolidation (-€0.6 billion), the transfer of SPP to assets classified as held for sale (-€0.3 billion), and the finalization of the allocation of goodwill concerning the acquisition of storage facilities in Germany in August 2011.

Available-for-sale securities were unchanged at €3.4 billion.

Investments in associates amounted to €3.0 billion, an increase of €0.3 billion mainly due to Energy International (Asia).

Total equity amounted to €71.2 billion, down €9.1 billion compared to December 31, 2011 (€80.3 billion), essentially reflecting the acquisition of the non-controlling interests in International Power (-€8.1 billion), net income for the year (+€2.8 billion), the payment of dividends in cash (-€2.1 billion), other comprehensive income items (translation differences and others amounting to -€1.1 billion), and the purchases of treasury stock (-€0.4 billion).

Provisions increased by €1.5 billion to €17.7 billion mainly resulting from the impact of actuarial gains and losses and the unwinding of discounting adjustments to provisions.

6.1.1.6 Pro forma financial statements including the SUEZ Environnement Company Group as an associate

The Group announced on December 5, 2012, in mutual agreement with the other members, its intention not to renew the shareholders' agreement in SUEZ Environnement Company which is due to expire in July 2013.

In line with this announcement and given the various notices of termination received from the parties concerned, the Board of Directors of January 22, 2013, confirmed that the SUEZ Environnement shareholders' agreement will not be renewed and will therefore expire on July 22, 2013 for all the parties involved.

As a consequence of the end of the shareholders' agreement, GDF SUEZ will lose control over SUEZ Environnement Company, which will be accounted for under the equity method as from that date in the GDF SUEZ's consolidated financial statements.

For information purpose, the Group prepared pro forma financial statements including the SUEZ Environnement Company Group as an associate as from January 1, 2012.

Income statement

In millions of euros	Dec. 31, 2012	Exclusion of SUEZ Environnement Group contribution and presentation as an associate	Intra-group and others	Pro foma GDF SUEZ: SUEZ Environnement as investment in associates
Revenues	97,038	(15,093)	15	81,960
Purchases	(52,177)	3,481	(9)	(48,704)
Personnel costs	(13,234)	3,767	-	(9,467)
Depreciation, amortization and provisions	(7,113)	1,036	-	(6,077)
Other operating expenses	(17,188)	5,925	(24)	(11,288)
Other operating income	2,194	(238)	18	1,974
CURRENT OPERATING INCOME	**9,520**	**(1,121)**	**-**	**8,399**
Mark-to-market on commodity contracts other than trading instruments	109	(4)	-	105
Impairment losses	(2,474)	87	-	(2,387)
Restructuring costs	(342)	78	-	(263)
Changes in scope of consolidation	155	(45)	-	110
Other non-recurring items	165	(4)	-	161
INCOME FROM OPERATING ACTIVITIES	**7,133**	**(1,009)**	**-**	**6,124**
Financial expenses	(3,652)	544	(7)	(3,116)
Financial income	896	(119)	7	784
NET FINANCIAL LOSS	**(2,756)**	**424**	**-**	**(2,332)**
Income tax expense	(2,054)	180	(12)	(1,885)
Share in net income of associates	433	45	4	482
NET INCOME	**2,755**	**(359)**	**(7)**	**2,389**
Net income Group share	1,550	-	-	1,550
Non-controlling interest	1,205	(359)	(7)	839
EBITDA	**17,026**	**(2,426)**	**-**	**14,600**

Statement of financial position

ASSETS

In millions of euros	Dec. 31, 2012	Exclusion of SUEZ Environnement Group assets contribution and presentation as an associate	Intra-group and others	Pro foma GDF SUEZ: SUEZ Environnement as investment in associates
Non-current assets				
Intangible assets, net	13,020	(4,056)	-	8,965
Goodwill	30,035	(3,257)	-	26,778
Property, plant and equipment, net	86,597	(8,867)	-	77,730
Available-for-sale securities	3,398	(393)	-	3,005
Loans and receivables at amortized cost	3,541	(703)	128	2,966
Derivative instruments	3,108	(257)	-	2,851
Investments in associates	2,961	962	10	3,933
Other non-current assets	962	(80)	-	881
Deferred tax assets	1,537	(761)	(24)	752
TOTAL NON-CURRENT ASSETS	**145,159**	**(17,413)**	**113**	**127,860**
Current assets				
Loans and receivables at amortized cost	1,630	(215)	-	1,416
Derivative instruments	4,280	(5)	-	4,274
Trade and other receivables, net	25,034	(3,763)	34	21,305
Inventories	5,423	(291)	-	5,131
Other current assets	9,012	(1,111)	(6)	7,896
Financial assets at fair value through income	432	(24)	-	408
Cash and cash equivalents	11,383	(2,233)	-	9,149
Assets classified as held for sale	3,145	-	-	3,145
TOTAL CURRENT ASSETS	**60,339**	**(7,643)**	**29**	**52,725**
TOTAL ASSETS	**205,498**	**(25,055)**	**142**	**180,585**

NB: Amounts in tables are generally expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals and changes.

LIABILITIES

In millions of euros	Dec. 31, 2012	Exclusion of SUEZ Environnement Group liabilities contribution and presentation as an associate	Intra-group and others	Pro foma GDF SUEZ: SUEZ Environnement as investment in associates
Shareholders' equity	59,745	-	-	59,745
Non-controlling interests	11,462	(5,389)	(17)	6,056
TOTAL EQUITY	71,207	(5,389)	(17)	65,801
Non-current liabilities				
Provisions	15,626	(1,406)	-	14,221
Long term borrowings	45,247	(8,392)	-	36,855
Derivative instruments	2,751	(91)	-	2,660
Other financial liabilities	343	(3)	-	340
Other non-current liabilities	2,063	(640)	(5)	1,418
Deferred tax liabilities	11,959	(578)	-	11,381
TOTAL NON-CURRENT LIABILITIES	77,989	(11,109)	(5)	66,875
Current liabilities				
Provisions	2,071	(560)	-	1,511
Short term borrowings	11,962	(1,488)	143	10,617
Derivative instruments	4,092	(9)	-	4,083
Trade and other payables	19,481	(2,834)	31	16,679
Other current liabilities	16,820	(3,666)	(10)	13,144
Liabilities directly related with assets classified as held for sale	1,875	-	-	1,875
TOTAL CURRENT LIABILITIES	56,302	(8,557)	164	47,909
TOTAL EQUITY AND LIABILITIES	**205,498**	**(25,055)**	**142**	**180,585**

NB: Amounts in tables are generally expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals and changes.

Statement of cash flows

In millions of euros	Dec. 31, 2012	Exclusion of SUEZ Environnement Group contribution and presentation as an associate	Intra-group and others	Pro foma GDF SUEZ: SUEZ Environnement as investment in associates
NET INCOME	2,755	(359)	(7)	2,389
- Share in consolidated net income of associates	(433)	(45)	(4)	(482)
+ Dividends received from associates	315	79	-	394
- Net provisions, depreciation and amortization & impairment charges	9,246	(1,121)	-	8,125
- Impact of changes in scope of consolidation, other non-recurring items	(87)	50	-	(37)
- Mark-to-market of operating financial instruments	(109)	4	-	(105)
- Other items with no cash impact	114	(24)	-	90
- Income tax expense	2,054	(180)	12	1,885
- Net financial loss	2,756	(424)	-	2,332
Cash generated form operations before income tax and working capital requirements	**16,612**	**(2,022)**	**-**	**14,590**
+ Tax paid	(2,010)	113	-	(1,898)
Change in working capital requirements	**(995)**	**(328)**	**(2)**	**(1,325)**
CASH FLOW FROM OPERATING ACTIVITIES	**13,607**	**(2,238)**	**(2)**	**11,367**
Acquisitions of property, plant and equipment and intangible assets	(9,177)	1,222	-	(7,955)
Acquisitions of control over subsidiaries net of cash and cash equivalent acquired	(103)	5	-	(98)
Acquisitions of investments in associates and joint ventures	(306)	65	-	(241)
Acquisitions of available-for-sale securities	(142)	21	-	(121)
Disposals of property, plant and equipment and intangible assets	185	(35)	-	151
Loss of control over subsidiaires net of cash and cash equivalents sold	537	(74)	-	462
Disposals of investments of associates and joint ventures	300	(3)	-	297
Disposals of available-for-sale securities	93	(32)	-	61
Interest received on non-current financial assets	54	(1)	7	60
Dividendes received on non-current financial assets	129	(19)	-	110
Change in loans and receivables originated by the Group and other	(21)	145	8	132
CASH FLOW USED IN INVESTING ACTIVITIES	**(8,451)**	**1,295**	**14**	**(7,142)**
Dividends paid	(2,117)	483	-	(1,634)
Repayment of borrowings and debt	(7,558)	1,485	-	(6,073)
Change in financial assets at fair value through income	2,473	9	-	2,482
Interest paid	(1,915)	417	(7)	(1,504)
Interest received on cash and cash equivalents	185	(45)	-	139
Cash flow on derivatives qualified as net investment hedges and cash payments on derivatives	(721)	68	-	(653)
Increase in borrowings and debt	11,587	(1,146)	(6)	10,435
Increase/decrease in capital	229	-	-	229
Purchases and/or sales of treasury stock	(358)	-	-	(358)
Changes in ownership interest in controlled entities	(10,125)	(21)	-	(10,147)
CASH FLOW USED IN FINANCING ACTIVITIES	**(8,322)**	**1,250**	**(13)**	**(7,085)**
Effect of change in exchange rates and other	(126)	(2,541)	-	(2,667)
TOTAL CASH FLOW FOR THE PERIOD	**(3,293)**	**(2,234)**	**-**	**(5,526)**
OPENING CASH AND CASH EQUIVALENTS POSITION	**14,675**	**-**	**-**	**14,675**
CLOSING CASH AND CASH EQUIVALENTS POSITION	**11,383**	**(2,234)**	**-**	**9,149**

NB: Amounts in tables are generally expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals and changes.

6.1.1.7 Parent company financial statements

The figures provided below relate to the financial statements of GDF SUEZ SA, prepared in accordance with French GAAP and applicable regulations.

Revenues for GDF SUEZ SA totaled €27,915 million in 2012, up 15.7% on 2011 due mainly to better weather conditions versus last year.

The Company posted a net operating loss of -€267 million versus -€1,075 million in 2011. The increase is due primarily to the impact of weather conditions on volumes and the gas tariff shortfall impact recorded in 2012.

The Company reported net financial income of €749 million, compared with €3,161 million one year earlier. This includes mainly dividends received from subsidiaries for €1,734 million compared to €4,087 million dividend received in 2012 (which included significant exceptional payments), and the cost of debt amounting to -€844 million. At December 31,2012, net debt (including irredeemable and non voting securities) came out at €28,019 million. At the same date, cash and cash equivalents totaled €9,118 million.

The company posted net non-recurring loss of €134 million buoyed by the decrease of the fine paid related to the MEGAL legal proceeding (+€233 million) compensated by shares and loans depreciation of -€344 million.

Tax consolidation resulted in a net benefit of €381 million (€353 million in 2011), shown within "Income tax".

Net result amounted up to €890 million.

Equity amounted to €46,976 million at end-2012, versus €46,838 million at end-2011, reflecting the dividend payout, partially offset by net income for the period.

Information relating to supplier payment deadlines

The law in favor of the modernization of the economy ("LME" law No. 2008-776 of August 4, 2008) and its implementing decree No. 2008-1492 of December 30, 2008, provide that companies whose annual financial statements are audited by a Statutory Auditor must publish information regarding supplier payment deadlines. The purpose of publishing this information is to ensure that there are no significant delays in the payment of suppliers.

The breakdown by maturity of outstanding amounts payable by GDF SUEZ SA with regard to its suppliers over the last two reporting periods is as follows:

	Dec. 31, 2012			Dec. 31, 2011		
In millions of euros	External	Group	Total	External	Group	Total
Past due	2	43	45	1	53	54
30 days	476	27	503	520	98	618
45 days	17	8	25	20	13	34
More than 45 days	3	-	3	3	27	30
TOTAL	**498**	**78**	**576**	**544**	**192**	**736**

6.1.1.8 Outlook

Confirmation of strategic priorities for the Group's development

GDF SUEZ confirms its strategic development priorities focused on the following objectives:

- accelerate its international development through its electricity production and LNG activities
- optimize its positions on mature markets leveraging the Group's competitive advantage in energy efficiency and its expertise in renewable energy and
- strengthen activities that generate recurring income

Confirmation of 2013 and 2014 financial targets

For 2013, the Group reaffirms its financial targets (1), with the following assumptions:

- positive impact from the January 30, 2013 "Conseil d'Etat" decision on natural gas tariffs in France
- restarting of the Doel 3 and Tihange 2 Belgian power plants during 2nd quarter 2013 and
- update on commodity prices as of January 2013

Based on these assumptions, the Group anticipates:

- **net recurring income Group share** (2) between €3.1 and €3.5 billion, assuming average weather conditions and stable regulation. This target is based on an estimated EBITDA between €13 and €14 billion, after pro forma equity consolidation of SUEZ Environnement

(1) These targets assume average weather conditions, restarting Doel 3 and Tihange 2 in Q2 2013, no substantial regulatory or macro-economic changes, pro forma equity consolidation of SUEZ Environnement effective 01/01/2013, commodity price assumptions based on market conditions as of the end of January 2013 for the non-hedged portion of production, and average foreign exchange rates for 2013 as follows: €/$1.27, €/BRL 2.42. These targets include the positive impact of the January 30, 2013 "Conseil d'Etat" decision on gas tariffs.

(2) Excluding restructuring costs, MtM, impairments, disposal, other non-recurring items and nuclear contribution in Belgium.

- **gross capex** between €7 and €8 billion and
- a **net debt/EBITDA ratio** below or equal to 2.5x and an “A” category rating

Net recurring income Group share performance for 2014 is expected to be in the same range as in 2013.

Implementation of ambitious Perform 2015 action plan

In response to the deteriorating European environment, GDF SUEZ launched an ambitious ***Perform 2015*** action plan with the following targets:

- a gross P&L contribution of €3.5 billion in 2015, with an impact of +€0.2 billion on net recurring income Group share each year starting in 2013
- an additional gross contribution of €1 billion in 2015 thanks to capex and working capital optimization
- a reduction in net debt to approximately €30 billion by year-end 2014 and
- an asset optimization program with a €11 billion impact on net debt over 2013-2014, mainly concentrated on mature markets

Pursuit of social and environmental goals

GDF SUEZ is also well on the way to achieving its extra financial targets by the year 2015, with its training target already met with 69% of employees trained in 2012:

- renewable energy: a 50% increase in installed capacity compared with 2009
- health and safety: achieve an accident frequency rate below 6
- biodiversity: implementation of an action plan for each sensitive site within the European Union
- diversity: 25% of women in managerial staff
- annual training of at least two-thirds of Group employees
- employee shareholding: 3% of the Group’s capital held by Group employees

Furthermore, the Group is reshaping its organization in conjunction with its *Perform 2015* action plan, producing a dynamic that will lead to maintaining an ambitious job program involving 18,000 permanent hires in France over the next three years. GDF SUEZ is one of the largest employers in France with more than 100,000 employees.

6.1.2 STATUTORY AUDITORS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION RELATED TO THE YEAR ENDED DECEMBER 31, 2012

To the Chairman & Chief Executive Officer, and, to the Vice-Chairman & President,

In our capacity as statutory auditors and in accordance with EU Regulation N° 809/2004, we have prepared the present report on the non audited pro forma financial information ("the Pro Forma Information") of GDF SUEZ for the year ended December 31, 2012 which is included in section 6.1.1. of its 2012 Registration Document.

The pro forma financial information has been prepared, for illustrative purposes only, to show the effect of the accounting of Suez Environnement as an associate that will result from its loss of control by GDF SUEZ as a consequence of the termination of the shareholders' agreement expected on July 22, 2013. This Pro Forma Information shows the impact on the consolidated statement of financial position, income statement and statement of cash flows of GDF SUEZ at December 31, 2012 of the accounting of Suez Environnement as an associate as from January 1, 2012. Because of its nature, the Pro Forma Information addresses a hypothetical situation and, therefore, does not necessarily represent the actual financial position or results had the transaction or event occurred at an earlier date than the actual or contemplated date.

In accordance with EU Regulation N° 809/2004 and the relevant CESR guidance, you are responsible for the preparation, on a voluntary basis, of the Pro Forma Information.

It is our responsibility to express our conclusion, on the basis of our work and in the terms required by EU Regulation N° 809/2004, Appendix II, item 7, on the proper compilation of the Pro Forma Information.

We performed those procedures which we considered necessary having regard to the professional guidance of the Compagnie nationale des commissaires aux comptes (French Institute of Statutory Auditors) for this type of engagement. Our work, which does not include an examination of any of the underlying financial information supporting the Pro Forma Information, consisted primarily of verifying that the basis on which this Pro Forma Information was prepared was consistent with the source documents, considering the evidence supporting the pro forma adjustments and discussing with the management of GDF SUEZ to gather the information and explanations we deemed necessary.

In our opinion:

- the Pro Forma Information has been properly compiled on the basis stated;
- this basis is consistent with the accounting policies of the issuer.

This report is intended for the sole purpose of filling the Registration Document with the French Stock Exchange Regulatory Body (AMF), and, where relevant, for the public offering in France and other European Union countries in which a prospectus containing this Registration Document, authorized by the AMF, would be published, and may not be used for any other purpose.

Neuilly-sur-Seine and Paris-La Défense, March 21, 2013

The Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres	MAZARS
Véronique Laurent	Pascal Macioce	Isabelle Sapet
Pascal Pincemin	Charles-Emmanuel Chosson	Thierry Blanchetier

6.1.3 CASH AND SHAREHOLDERS' EQUITY

6.1.3.1 The issuer's equity

Total shareholders' equity stood at €71.2 billion on December 31,2012, a decrease of €9.1 billion from the previous year (€80.3 billion).

Net income for the year (€2.8 billion), the effect of comprehensive income recognized directly in equity (-€1.1 billion, including -€0.4 billion in translation adjustments), capital increases subscribed by employees under the exercise of stock options (€0.2 billion) and the increase in capital in non-controlling interest (€0.2 billion) did not compensate the payment of dividends in cash (-€2.1 billion), the impact of the operations related to International Power (transactions between shareholders for the purchase of the 30% non controlling interests representing -€8.1 billion and the impact of the conversion of convertible bonds representing -€0.3 billion), as well as the other transactions with shareholders (-€0.3 billion) and the repurchase of share (-€0.4 billion).

6.1.3.2 Borrowing conditions and financing structure applicable to the issuer

Debt structure

Gross debt (excluding bank overdrafts, financial derivative instruments and amortized cost) amounted to €53.3 billion on December 31, 2012, unchanged from the previous year, and was primarily made up of €31.4 billion in bond issues and €13.5 billion in bank loans (including finance leases). Short-term loans (commercial papers plus draws on credit lines) accounted for 13.7% of this total gross debt at the end of 2012.

69% of the gross debt was issued on financial markets (bond issues and commercial paper).

Net debt, excluding amortized costs, effect of financial derivative instruments and cash collateral, came to €42.7 billion at the end of 2012.

At the end of 2012, net debt was 65% denominated in euro, 16% in US dollars and 6% in Brazilian real, excluding amortized cost but after the foreign exchange impact of derivatives.

After the impact of derivatives, 78% of the net debt was at a fixed rate. On December 31, 2012, the average cost of gross debt stood at 4.20%, down 37 basis points compared to 2011. The average maturity of net debt was 9.8 years.

Main transactions in 2012

The main transactions performed in 2012 affecting financial debt are described in Note 15.3.2. of Section 6.2 "Consolidated Financial Statements".

Furthermore, the Group implemented €700 million in new centralized credit lines, with the aim of diversifying counterparties. In addition, the Group once again extended the syndicated loan for €4.5 billion signed in March 2011 to increase the term by one year, taking it to March 27, 2018.

On September 12, 2012, the annual update of the prospectus for GDF SUEZ's €25 billion EMTN program received approval No. 12-441 from the *Autorité des Marchés Financiers* (AMF – French financial markets authority).

Ratings

GDF SUEZ is rated A/A-1 by Standard & Poor's which put the rating on negative credit watch on January 29, 2013. GDF SUEZ has been rated A1/P-1 with a negative outlook by Moody's since July 2012.

6.1.3.3 Restrictions on the use of capital

On December 31, 2012, the Group had total undrawn confirmed credit lines (usable, among other things, as back-up lines for the commercial paper programs) of €15.6 billion. Of these lines, 78% are managed in a pooled fashion and are not subject to any credit ratio or credit rating. The counterparties of these lines are well diversified, with no single counterparty holding more than 7% of the total of these pooled lines. No pooled credit facility was in use at the end of 2012.

Furthermore, the Group has set up credit lines in some subsidiaries, for which the documentation includes ratios related to their financial standing. These lines of credit are not guaranteed by GDF SUEZ SA or GIE SUEZ Alliance.

The definition, as well as the level of these ratios, also known as "financial covenants", are determined by agreement with the lenders and may be reviewed during the life of the loan.

The most frequent ratios are:

- Debt Service Cover Ratio = Free Cash Flow (Principal + interest expense) or for servicing interest (Interest Cover Ratio = EBITDA/interest expense);
- Loan Life Cover Ratio (= adjustment of the average cost of the future Free Cash Flows debt divided by the borrowed amount still owed);
- Debt/Equity ratio or maintenance of a minimum amount of equity.

At December 31, 2012, all Group companies were compliant with the covenants and representations contained in their financial documentation and no payment default was ongoing on the Group's consolidated debt, with the exception of:

- A subsidiary of the Energy International business line that failed to comply with a financial covenant
- A subsidiary of the Energy Services business line that failed to comply with a financial covenant.

No default has been claimed by the counterparties; waivers are currently being discussed or already granted, and these defaults have no impact on the lines accessible to the Group.

6.1.3.4 Expected sources on financing to honor commitments relative to investment decisions

The Group believes that its funding needs will be covered by available cash and the possible use of its existing credit facilities. However, it may call upon the capital markets on an *ad hoc* basis.

If necessary, dedicated financings could be established for very specific projects.

The Group has a total of €3.5 billion in credit lines or loans expiring in 2013 (excluding the maturity of €5.4 billion in commercial paper). In addition, at December 31, 2012 it had €10.3 billion in cash (net of bank overdrafts) and, as mentioned in Section 6.1.3.3 "Restrictions on the use of capital", a total of €15.6 billion in available lines (not net of the amount of commercial paper issued), including €1.9 billion expiring in 2013.

6.2. CONSOLIDATED FINANCIAL STATEMENTS

6.2.1 CONSOLIDATED FINANCIAL STATEMENTS

Income statement

In millions of euros	Notes	Dec. 31, 2012	Dec. 31, 2011
Revenues	4	97,038	90,673
Purchases		(52,177)	(46,695)
Personnel costs	4	(13,234)	(12,775)
Depreciation, amortization and provisions	4	(7,113)	(7,115)
Other operating expenses		(17,188)	(17,226)
Other operating income		2,194	2,116
CURRENT OPERATING INCOME		**9,520**	**8,978**
Mark-to-market on commodity contracts other than trading instruments		109	(105)
Impairment losses		(2,474)	(532)
Restructuring costs		(342)	(189)
Changes in scope of consolidation		155	1,514
Other non-recurring items		165	18
INCOME FROM OPERATING ACTIVITIES	5	**7,133**	**9,684**
Financial expense		(3,652)	(3,383)
Financial income		896	778
NET FINANCIAL LOSS	6	**(2,756)**	**(2,606)**
Income tax expense	7	(2,054)	(2,119)
Share in net income of associates	13	433	462
NET INCOME		**2,755**	**5,420**
Net income Group share		1,550	4,003
Non-controlling interests		1,205	1,418
BASIC EARNINGS PER SHARE *(EUROS)*(*)	9	**0.68**	**1.79**
DILUTED EARNINGS PER SHARE *(EUROS)*(*)	9	**0.67**	**1.77**

(*) Earnings per share at December 31, 2011 have been adjusted in order to factor in the impact of the share-based dividend paid in May 2012 and of the share-based interim dividend paid in October 2012. The earnings per share published in the consolidated financial statements at December 31, 2011 amounted to €1.80 and €1.78 respectively for basic earnings per share and diluted earnings per share.

Statement of financial position

ASSETS

In millions of euros	Notes	Dec. 31, 2012	Dec. 31, 2011
Non-current assets			
Intangible assets, net	11	13,020	13,226
Goodwill	10	30,035	31,362
Property, plant and equipment, net	12	86,597	90,120
Available-for-sale securities	15	3,398	3,299
Loans and receivables at amortized cost	15	3,541	3,813
Derivative instruments	15	3,108	2,911
Investments in associates	13	2,961	2,619
Other non-current assets		962	1,173
Deferred tax assets	7	1,537	1,379
TOTAL NON-CURRENT ASSETS		**145,159**	**149,902**
Current assets			
Loans and receivables at amortized cost	15	1,630	1,311
Derivative instruments	15	4,280	5,312
Trade and other receivables, net	15	25,034	23,135
Inventories		5,423	5,435
Other current assets		9,012	9,455
Financial assets at fair value through income	15	432	2,885
Cash and cash equivalents	15	11,383	14,675
Assets classified as held for sale	2	3,145	1,298
TOTAL CURRENT ASSETS		**60,339**	**63,508**
TOTAL ASSETS		**205,498**	**213,410**

NB: The amounts shown in the tables are expressed in millions of euros. In some cases, rounding may lead to a non-material difference in the totals.

LIABILITIES

In millions of euros	Notes	Dec. 31, 2012	Dec. 31, 2011
Shareholders' equity		59,745	62,930
Non-controlling interests		11,462	17,340
TOTAL EQUITY	**17**	**71,207**	**80,270**
Non-current liabilities			
Provisions	18	15,626	14,431
Long term borrowings	15	45,247	43,375
Derivative instruments	15	2,751	3,310
Other financial liabilities	15	343	684
Other non-current liabilities		2,063	2,202
Deferred tax liabilities	7	11,959	13,038
TOTAL NON-CURRENT LIABILITIES		**77,989**	**77,040**
Current liabilities			
Provisions	18	2,071	1,751
Short term borrowings	15	11,962	13,213
Derivative instruments	15	4,092	5,185
Trade and other payables	15	19,481	18,387
Other current liabilities		16,820	16,738
Liabilities directly associated with assets classified as held for sale	2	1,875	827
TOTAL CURRENT LIABILITIES		**56,302**	**56,100**
TOTAL EQUITY AND LIABILITIES		**205,498**	**213,410**

NB: The amounts shown in the tables are expressed in millions of euros. In some cases, rounding may lead to a non-material difference in the totals.

Statement of changes in equity

In millions of euros	Number of shares	Share capital	Additional paid-in capital	Consolidated reserves	Changes in fair value and other	Translation adjustments	Treasury stock	Shareholders' equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2010	**2,250,295,757**	**2,250**	**29,683**	**29,524**	**800**	**522**	**(665)**	**62,114**	**8,513**	**70,627**
Net income				4,003				4,003	1,418	5,420
Other comprehensive income items				(386)	(590)	99		(877)	(282)	(1,158)
TOTAL COMPREHENSIVE INCOME				**3,617**	**(590)**	**99**		**3,126**	**1,136**	**4,262**
Employee share issues and share-based payment	2,340,451	2	33	122				157	12	169
Cash dividends paid				(3,328)				(3,328)	(1,033)	(4,361)
Acquisitions/disposals of treasury stock				(97)			(264)	(362)		(362)
Business combinations (International Power)				302	28	(175)		155	6,303	6,458
Transactions between owners (GRTgaz transaction)				167				167	923	1,090
Transactions between owners (sale of 30% of Exploration & Production to CIC)				938	1	1		940	1,341	2,281
Other transactions between owners				(11)				(11)	(25)	(36)
Share capital increases subscribed by non-controlling interests									217	217
SUEZ Environnement: stock dividends, change in treasury stock (SUEZ Environnement Company)				(2)				(2)	(33)	(35)
Other changes				(25)				(25)	(14)	(39)
EQUITY AT DECEMBER 31, 2011	**2,252,636,208**	**2,253**	**29,716**	**31,205**	**240**	**447**	**(930)**	**62,931**	**17,340**	**80,270**

In millions of euros	Number of shares	Share capital	Additional paid-in capital	Consolidated reserves	Changes in fair value and other	Translation adjustments	Treasury stock	Shareholders' equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2011	**2,252,636,208**	**2,253**	**29,716**	**31,205**	**240**	**447**	**(930)**	**62,931**	**17,340**	**80,270**
Net income				1,550				1,550	1,205	2,755
Other comprehensive income items				(387)	(325)	(452)		(1,164)	62	(1,102)
TOTAL COMPREHENSIVE INCOME				**1,163**	**(325)**	**(452)**		**386**	**1,267**	**1,654**
Employee share issues and share-based payment	4,604,700	5	68	102				175	8	183
Dividends paid in shares	155,583,181	156	2,438	(2,593)						
Cash dividends paid				(767)				(767)	(1,352)	(2,119)
Acquisitions/disposals of treasury stock				(83)			(276)	(359)		(359)
Transactions between owners (International Power transaction - see Note 2.1)				(2,304)	(157)	240		(2,221)	(5,841)	(8,062)
Conversion of International Power convertible bonds (see Note 2.1)				(288)				(288)		(288)
Other transactions between owners				(102)				(102)	(175)	(277)
Share capital increases subscribed by non-controlling interests									156	156
Other changes			(15)	6				(10)	59	49
EQUITY AT DECEMBER 31, 2012	**2,412,824,089**	**2,413**	**32,207**	**26,337**	**(242)**	**235**	**(1,206)**	**59,745**	**11,462**	**71,207**

Statement of comprehensive income

In millions of euros	Notes	Dec. 31, 2012	Dec. 31, 2012 Group share	Dec 31, 2012 Share attributable to non-controlling interests	Dec. 31, 2011	Dec. 31, 2011 Group share	Dec. 31, 2011 Share attributable to non-controlling interests
NET INCOME		**2,755**	**1,550**	**1,205**	**5,420**	**4,003**	**1,418**
Available-for-sale financial assets	15	309	273	36	(495)	(448)	(47)
Net investment hedges		(76)	(66)	(10)	(70)	(58)	(12)
Cash flow hedges (excl. commodity instruments)	16	(304)	(326)	22	(214)	(139)	(75)
Commodity cash flow hedges	16	(445)	(469)	25	317	327	(10)
Deferred tax on the above items	7	276	272	4	(68)	(87)	19
Share of associates of recyclable items, net of tax		(28)	(8)	(20)	(281)	(185)	(96)
Translation adjustments		(372)	(452)	80	115	100	15
TOTAL RECYCLABLE ITEMS		(640)	(777)	137	(697)	(491)	(207)
Actuarial gains and losses		(695)	(592)	(103)	(755)	(639)	(116)
Deferred tax on actuarial gains and losses	7	234	205	29	248	207	41
Share of associates of non-recyclable items from actuarial gains and losses, net of tax		(1)	-	(1)	46	46	-
TOTAL NON-RECYCLABLE ITEMS		(462)	(387)	(75)	(461)	(386)	(75)
TOTAL COMPREHENSIVE INCOME		**1,654**	**386**	**1,267**	**4,262**	**3,126**	**1,136**

Statement of cash flows

In millions of euros	Notes	Dec. 31, 2012	Dec. 31, 2011
NET INCOME		2,755	5,420
- Share in consolidated net income of associates		(433)	(462)
+ Dividends received from associates		315	265
- Net provisions, depreciation and amortization & impairment charges		9,246	7,431
- Impact of changes in scope of consolidation and other non-recurring items		(87)	(1,497)
- Mark-to-market of operating financial instruments		(109)	105
- Other items with no cash impact		114	130
- Income tax expense		2,054	2,119
- Net financial loss		2,756	2,606
Cash generated from operations before income tax and working capital requirements		**16,612**	**16,117**
+ Tax paid		(2,010)	(1,853)
Change in working capital requirements		**(995)**	**(426)**
CASH FLOW FROM OPERATING ACTIVITIES		13,607	13,838
Acquisitions of property, plant and equipment and intangible assets	3.4.3	(9,177)	(8,898)
Acquisition of control over subsidiaries net of the cash and cash equivalents acquired	3.4.3	(103)	(1,745)
Acquisitions of investments in associates and joint ventures	3.4.3	(306)	(119)
Acquisitions of available-for-sale securities	3.4.3	(142)	(258)
Disposals of property, plant and equipment and intangible assets		185	167
Loss of control over subsidiaries net of cash and cash equivalents sold		537	1,024
Disposals of investments in associates and joint ventures		300	1,570
Disposals of available-for-sale securities		93	76
Interest received on non-current financial assets		54	81
Dividends received on non-current financial assets		129	138
Change in loans and receivables originated by the Group and other	3.4.3	(21)	60
CASH FLOW USED IN INVESTING ACTIVITIES		(8,451)	(7,905)
Dividends paid		(2,117)	(4,363)
Repayment of borrowings and debt		(7,558)	(6,517)
Change in financial assets at fair value through income		2,473	(1,146)
Interest paid		(1,915)	(1,977)
Interest received on cash and cash equivalents		185	212
Cash flow on derivatives qualified as net investment hedges and cash payments on derivatives (1)		(721)	-
Increase in borrowings and debt		11,587	8,114
Increase/decrease in capital		229	569
Purchases and/or sales of treasury stock		(358)	(362)
Changes in ownership interests in controlled entities	3.4.3	(10,125)	2,974
CASH FLOW USED IN FINANCING ACTIVITIES		(8,322)	(2,496)
Effect of changes in exchange rates and other		(126)	(58)
TOTAL CASH FLOWS FOR THE PERIOD		**(3,293)**	**3,379**
OPENING CASH AND CASH EQUIVALENTS POSITION		**14,675**	**11,296**
CLOSING CASH AND CASH EQUIVALENTS POSITION		**11,383**	**14,675**

(1) The cash flows relating to derivatives designated as net investment hedges and the cash payments made and/or received on the early unwinding of derivative instruments are now shown on a specific line in the cash flow statement called "Cash flows on derivatives qualified as net investment hedges and cash payments on derivatives. The comparable information for fiscal year 2011 has not been restated, as the cash flows relating to these transactions were not material in 2011.

6.2.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GDF SUEZ SA, the parent company of the GDF SUEZ Group, is a French société anonyme with a Board of Directors that is subject to the provisions of Book II of the French Commercial Code (Code de Commerce), as well as all other provisions of French law applicable to commercial companies. GDF SUEZ was incorporated on November 20, 2004 for a period of 99 years.

It is governed by current and future laws and by regulations applicable to sociétés anonymes and its bylaws.

The Group is headquartered at 1, place Samuel de Champlain, 92400 Courbevoie (France).

GDF SUEZ shares are listed on the Paris, Brussels and Luxembourg stock exchanges.

The Group is one of the world's leading energy providers, active across the entire energy value chain – upstream and downstream – in both electricity and natural gas. It develops its businesses (energy, energy services and environment) around a responsible growth model in order to meet the challenges of satisfying energy needs, safeguarding supplies, combating climate change and optimizing the use of resources.

On February 27, 2013, the Group's Board of Directors approved and authorized for issue the consolidated financial statements of the Group for the year ended December 31, 2012.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

Pursuant to European Regulation (EC) 809/2004 on prospectuses dated April 29, 2004, financial information concerning the assets, liabilities, financial position and profit and loss of GDF SUEZ has been provided for the last two reporting periods (ended December 31, 2011 and 2012). This information was prepared in accordance with European Regulation (EC) 1606/2002 on international accounting standards (IFRS) dated July 19, 2002. The Group's consolidated financial statements for the year ended December 31, 2012 have been prepared in accordance with IFRS as published by the International Accounting Standards Board (IASB) and endorsed by the European Union [(1)]

The accounting standards applied in the consolidated financial statements for the year ended December 31, 2012 are consistent with the policies used to prepare the consolidated financial statements for the year ended December 31, 2011, except for those described in section 1.1.1 below.

1.1.1 IFRS standards, amendments and IFRIC interpretations applicable in 2012

- Amendments to IAS 12 – *Income Taxes - Deferred tax: Recovery of Underlying Assets.* The Group is not concerned by these amendments.
- Amendments to IFRS 7 – *Disclosures: Transfers of Financial Assets*. These amendments have no material impact on the Group's consolidated financial statements for the year ended December 31, 2012.

1.1.2 Amendment effective in 2013 that the Group has elected to early adopt in 2011

- Amendment to IAS 1 – *Presentation of items of Other Comprehensive Income*

1.1.3 IFRS standards, amendments and IFRIC interpretations applicable in 2013

- IFRS 13 – *Fair Value Measurement*;
- Amendments to IAS 19 – *Employee Benefits*;
- Amendments to IFRS 7 – *Disclosures - Offsetting Financial Assets and Financial Liabilities*;
- Improvements to IFRSs 2009-2011 [(2)];
- IFRIC 20 - *Stripping Costs in the Production Phase of a Surface Mine.* The Group is not affected by this interpretation.

The analyses of the new standards and amendments show that they are not expected to have a material impact on the Group as of January 1, 2013.

1.1.4 Standards and amendments applicable after 2013

Standards and amendments applicable in 2014

- IFRS 10 – *Consolidated Financial Statements*;
- IFRS 11 – *Joint Arrangements*;
- IFRS 12 – *Disclosure of Interests in Other Entities*;
- Amendment to IAS 28 – *Investments in Associates and Joint Ventures*;
- Amendments to IAS 32 – Presentation - *Offsetting financial assets and financial liabilities.*

The potential impact on the Group resulting from the application of these standards and amendments is currently being assessed.

(1) Available on the European Commission's website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.
(2) These standards and amendments have not yet been adopted by the European Union.

Standard applicable in 2015

- IFRS 9 – *Financial Instruments: Classification and Measurement* (1)

The impact resulting from the application of this standard is currently being assessed.

1.1.5 Reminder of IFRS 1 transition options

The Group used some of the options available under IFRS 1 for its transition to IFRS in 2005. The options that continue to have an effect on the consolidated financial statements are:

- translation adjustments: the Group elected to reclassify cumulative translation adjustments within consolidated equity at January 1, 2004;
- business combinations: the Group elected not to restate business combinations that took place prior to January 1, 2004 in accordance with IFRS 3.

1.2 Measurement and presentation basis

The consolidated financial statements have been prepared using the historical cost convention, except for financial instruments that are accounted for according to the financial instrument categories defined by IAS 39.

Assets or disposal groups held for sale

In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", assets or group of assets held for sale are presented separately on the face of the statement of financial position, at the lower of their carrying amount and fair value less costs to sell.

Assets are classified as "held for sale" when they are available for immediate sale in their present condition, their sale is highly probable within one year from the date of classification, management is committed to a plan to sell the asset and an active program to locate a buyer and complete the plan has been initiated. To assess whether a sale is highly probable, the Group takes into consideration among other items, indications of interest and offers received from potential buyers and specific risks to the execution of certain transactions.

1.3 Use of estimates and judgment

The financial crisis prompted the Group to step up its risk oversight procedures and include an assessment of risk – particularly counterparty risk – in measuring its financial instruments. The Group's estimates used in business plans and determination of discount rates used in impairment tests and for calculating provisions take into account the crisis situation and the resulting important market volatility.

1.3.1 Estimates

The preparation of consolidated financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, and contingent assets and liabilities at the reporting date, as well as revenues 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 consolidated financial statements relate mainly to:

- measurement of the fair value of assets acquired and liabilities assumed in a business combination;
- measurement of the recoverable amount of goodwill, property, plant and equipment and intangible assets (see sections 1.4.4 and 1.4.5);
- measurement of provisions, particularly for nuclear waste processing and storage, dismantling obligations, disputes, pensions and other employee benefits (see section 1.4.15);
- financial instruments (see section 1.4.11);
- measurement of revenues not yet metered, so called un-metered revenues;
- measurement of recognized tax loss carry-forwards.

1.3.1.1 Measurement of the fair value of assets acquired and liabilities assumed in a business combination

The key assumptions and estimates used to determine the fair value of assets acquired and liabilities assumed include the market outlook for the measurement of future cash flows, and the applicable discount rate.

These assumptions reflect management's best estimates.

1.3.1.2 Recoverable amount of goodwill, property, plant and equipment and intangible assets

The recoverable amount of goodwill, intangible assets and property, plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook – whose sensitivity varies depending on the activity – which are used for the measurement of cash flows, and the determination of the discount rate. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in adjustments to the impairment losses to be recognised.

The key assumptions made in the impairment tests of material goodwill CGUs (see Note 10.3 "Impairment tests on goodwill CGU") are as follows:

- Energy – Central Western Europe ("CWE") CGU

The projections of cash flows for the electricity and gas activities in the CWE region are based on a high number of key assumptions, such as the long-term prices for the various fuel and CO2, the trend in electricity and gas demand, the future outlook for the markets, forecasts for new generation capacity requirements, and changes to the regulatory framework (especially concerning the nuclear capacities in Belgium) and to price regulation on European energy markets. Lastly, the discount rates also represent one of the key assumptions for calculating the value-in-use of this goodwill CGU.

- Distribution CGU (GDF SUEZ Infrastructures business line)

The projections of cash flow are drawn up based on the tariff for public natural gas distribution networks, known as the "ATRD 4", which entered into effect for a period of four years on July 1, 2012, and on the overall level of investments agreed by the French Energy Regulatory Commission (CRE) as part of its decision on the ATRD 4 tariff. The terminal value calculated at the end of the medium-term business plan corresponds to the expected Regulated Asset Base (RAB) with no premium at the end of 2018. The RAB is the value assigned by the regulator to the assets operated by the distributor.

(1) These standards and amendments have not yet been adopted by the European Union.

- Global Gas & LNG CGU

The main assumptions and key estimates primarily include the discount rates, the estimated hydrocarbon prices, changes in the euro/US dollar exchange rate, and the market outlook.

- Storage CGU (GDF SUEZ Infrastructures business line)

The key assumptions notably include capacity reservation forecasts, the expected period required for the realignment of oil and gas prices, the market outlook, and especially the medium-term gas demand trend in Europe, as well as the discount rates to apply.

1.3.1.3 Estimates of provisions

Parameters having a significant influence on the amount of provisions, and particularly, but not solely, those relating to the back-end of nuclear fuel cycle and to the dismantling of nuclear facilities, as those relating to the dismantling for gas infrastructures in France, include:

- cost forecasts (notably the retained scenario for reprocessing and storage of radioactive nuclear fuel consumed);
- the timing of expenditure (notably, for nuclear power generation activities, the timetable for reprocessing of radioactive nuclear fuel consumed and for dismantling facilities as well as, regarding the gas infrastructure businesses in France, the timetable for the end of gas operations);
- and the discount rate applied to cash flows.

These parameters are based on information and estimates deemed to be appropriate by the Group at the current time.

The modification of certain parameters could involve a significant adjustment of these provisions. However, to the Group's best knowledge, there is no information suggesting that the parameters used taken as a whole are not appropriate. Further, the Group is not aware of any developments that are likely to have a material impact on the provisions booked.

1.3.1.4 Pensions and other employee benefit obligations

Pension commitments and other employee benefit obligations are measured on the basis of actuarial assumptions. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

1.3.1.5 Financial instruments

To determine the fair value of financial instruments that are not listed on an active market, the Group uses valuation techniques that are based on certain assumptions. Any change in these assumptions could have a material impact on the resulting calculations.

1.3.1.6 Revenues

Revenues generated from types of customers whose energy consumption is metered during the accounting period, particularly customers supplied with low-voltage electricity or low-pressure gas, are estimated at the reporting date based on historical data, consumption statistics and estimated selling prices. For sales on networks used by a large number of grid operators, the Group is allocated a certain volume of energy transiting through the networks by the grid managers. The final allocations are often only known several months down the line, which means that revenue figures are only an estimate.

However, the Group has developed measuring and modeling tools allowing it to estimate revenues with a satisfactory degree of accuracy and subsequently ensure that risks of error associated with estimating quantities sold and the resulting revenues can be considered as not material. In France, delivered unbilled natural gas ("gas in the meter") is calculated using a direct method taking into account estimated customers consumption since the last metering not yet billed. These estimates are in line with the volume of energy allocated by the grid managers on the same period.The average price is used to measure the "gas in the meter". The average price used takes account of the category of customer and the age of the delivered unbilled "gas in the meter". These estimates fluctuate according to the assumptions used to determine the portion of unbilled revenues at year-end.

1.3.1.7 Measurement of tax loss carry-forward assets

Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. The probability that taxable profit will be available against which the unused tax losses can be utilized, is based on taxable temporary differences relating to the same taxation authority and the same taxable entity and estimates future taxable profits. These estimates and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts as included in the medium-term business plan and, if necessary, on the basis of additional forecasts.

1.3.2 Judgment

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

In particular, the Group exercised its judgment in determining the accounting treatment applicable to concession contracts, the classification of arrangements which contain a lease, the recognition of acquisitions of non-controlling interests prior to January 1, 2010 and the identification of electricity and gas purchase and sale "own use" contracts as defined by IAS 39.

In accordance with IAS 1, the Group's current and non-current assets and liabilities are shown separately on the consolidated statements of financial position. For most of the Group's activities, the breakdown into current and non-current items is based on when assets are expected to be realized, or liabilities extinguished. Assets expected to be realized or liabilities extinguished within 12 months of the reporting date are classified as current, while all other items are classified as non-current.

1.4 Significant accounting policies

1.4.1 Scope and methods of consolidation

The consolidation methods used by the Group consist of the full consolidation method, the proportionate consolidation method and the equity method:

- subsidiaries (companies over which the Group exercises exclusive control) are fully consolidated;
- companies over which the Group exercises joint control are consolidated by the proportionate method, based on the Group's percentage interest;

- the equity method is used for all associate companies over which the Group exercises significant influence. In accordance with this method, the Group recognizes its proportionate share of the investee's net income or loss on a separate line of the consolidated income statement under "Share in net income of associates".

The Group analyzes what type of control exists on a case-by-case basis, taking into account the situations illustrated in IAS 27, 28 and 31.

All intra-group balances and transactions are eliminated on consolidation.

A list of the main fully and proportionately consolidated companies, together with investments accounted for by the equity method, is presented in the Notes to the consolidated financial statements.

1.4.2 Foreign currency translation methods

1.4.2.1 Presentation currency of the consolidated financial statements

The Group's consolidated financial statements are presented in euros (€).

1.4.2.2 Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates, which in most cases corresponds to local currency. However, certain entities may have a functional currency different from local currency when that other currency is used for an entity's main transactions and better reflects its economic environment.

1.4.2.3 Foreign currency transactions

Foreign currency transactions are recorded in the functional currency at the exchange rate prevailing on the date of the transaction. At each reporting date:

- monetary assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. The related translation gains and losses are recorded in the consolidated statement of income for the year to which they relate;
- non-monetary assets and liabilities denominated in foreign currencies are recognized at the historical cost applicable at the date of the transaction.

1.4.2.4 Translation of the financial statements of subsidiaries with a functional currency other than the euro (the presentation currency)

The statements of financial position of these subsidiaries are translated into euros at the official year-end exchange rates. Income statement and cash flow statement items are translated using the average exchange rate for the year. Any differences arising from the translation of the financial statements of these subsidiaries are recorded under "Cumulative translation differences" as other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are classified as assets and liabilities of those foreign entities and are therefore denominated in the functional currencies of the entities and translated at the year-end exchange rate.

1.4.3 Business combinations

Business combinations carried out prior to January 1, 2010 have been accounted for in accordance with IFRS 3 prior to the revision. In accordance with IFRS 3 revised, these business combinations have not been restated.

Since January 1, 2010, the Group applied the purchase method as defined in IFRS 3 revised, which consists in recognizing the identifiable assets acquired and liabilities assumed at their fair values at the acquisition date, as well as any non-controlling interest in the acquiree. Non-controlling interests are measured either at fair value or at the entity's proportionate interest in the net identifiable assets of the acquiree. The Group determines on a case-by-case basis which measurement option to be used to recognize non controlling interests.

1.4.4 Intangible assets

Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

1.4.4.1 Goodwill

Recognition of goodwill

Due to the application of IFRS 3 revised at January 1, 2010, the Group is required to separately identify business combinations carried out before or after this date.

Business combinations carried out prior to January 1, 2010

Goodwill represents the excess of the cost of a business combination (acquisition price of shares plus any costs directly attributable to the business combination) over the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognized at the acquisition date (except if the business combination is achieved in stages).

For a business combination achieved in stages – i.e., where the Group acquires a subsidiary through successive share purchases – the amount of goodwill is determined for each exchange transaction separately based on the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of each exchange transaction.

Business combinations carried out after January 1, 2010

Goodwill is measured as the excess of the aggregate of:

(i) the consideration transferred;

(ii) the amount of any non-controlling interests in the acquiree; and

(iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree;

over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

The amount of goodwill recognized at the acquisition date cannot be adjusted after the end of the measurement period.

Goodwill relating to interests in associate companies is recorded under "Investments in associates".

Measurement of goodwill

Goodwill is not amortized but tested for impairment each year, or more frequently where an indication of impairment is identified. Impairment tests are carried out at the level of cash-generating units (CGUs) or groups of CGUs which constitute groups of assets generating cash inflows that are largely independent of the cash inflows from other cash-generating units.

The methods used to carry out these impairment tests are described in section 1.4.8 "Impairment of property, plant and equipment and intangible assets".

Impairment losses in relation to goodwill cannot be reversed and are shown under "Impairment" in the consolidated income statements.

1.4.4.2 Other intangible assets

Development costs

Research costs are expensed as incurred.

Development costs are capitalized when the asset recognition criteria set out in IAS 38 are met. Capitalized development costs are amortized over the useful life of the intangible asset recognized. In view of the Group's activities, capitalized development costs are not material.

Other internally-generated or acquired intangible assets

Other intangible assets include mainly:

- amounts paid or payable as consideration for rights relating to concession contracts or public service contracts;
- customer portfolios acquired on business combinations;
- power station capacity rights: the Group helped finance the construction of certain nuclear power stations operated by third parties and in consideration received the right to purchase a share of the production over the useful life of the assets. These rights are amortized over the useful life of the underlying assets, not to exceed 40 years;
- surface and underground water drawing rights, which are not amortized as they are granted indefinitely;
- concession assets;
- the GDF Gaz de France brand and gas supply contracts acquired as part of the business combination with Gaz de France in 2008.

Intangible assets are amortized on the basis of the expected pattern of consumption of the estimated future economic benefits embodied in the asset. Amortization is calculated mainly on a straight-line basis over the following useful lives (in years):

	Useful life	
Main depreciation periods (years)	**Minimum**	**Maximum**
Concession rights	10	65
Customer portfolios	10	40
Other intangible assets	1	40

Some intangible assets with an indefinite useful life such as trademarks and water drawing rights are not amortized.

1.4.5 Property, plant and equipment

1.4.5.1 Initial recognition and subsequent measurement

Items of property, plant and equipment are recognized at historical cost less any accumulated depreciation and any accumulated impairment losses.

The carrying amount of these items is not revalued as the Group has elected not to apply the allowed alternative method, which consists of regularly revaluing one or more categories of property, plant and equipment.

Investment subsidies are deducted from the gross value of the assets concerned.

In accordance with IAS 16, the initial cost of the item of property, plant and equipment includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has a present legal or constructive obligation to dismantle the item or restore the site. A corresponding provision for this obligation is recorded for the amount of the asset component.

Property, plant and equipment acquired under finance leases is carried in the consolidated statement of financial position at the lower of market value and the present value of the related minimum lease payments. The corresponding liability is recognized under borrowings. These assets are depreciated using the same methods and useful lives as set out below.

The Group applies IAS 23, whereby borrowing costs that are directly attributable to the construction of the qualifying asset are capitalized as part of the cost of that asset.

Cushion gas

"Cushion" gas injected into underground storage facilities is essential for ensuring that reservoirs can be operated effectively, and is therefore inseparable from these reservoirs. Unlike "working" gas which is included in inventories, cushion gas is reported in property, plant and equipment. It is measured at average purchase price plus regasification, transportation and injection costs.

1.4.5.2 Depreciation

In accordance with the components approach, each significant component of an item of property, plant and equipment with a different useful life from that of the main asset to which it relates is depreciated separately over its own useful life.

Property, plant and equipment is depreciated mainly using the straight-line method over the following useful lives:

	Useful life	
Main depreciation periods (years)	**Minimum**	**Maximum**
Plant and equipment		
• Energy		
Storage – Production – Transport – Distribution	5	60 *
Installation – Maintenance	3	10
Hydraulic plant and equipment	20	65
• Environment	2	70
Other property, plant and equipment	2	33

* *Excluding cushion gas.*

The range of useful lives is due to the diversity of the assets in each category. The minimum periods relate to smaller equipment and furniture, while the maximum periods concern network infrastructures and storage facilities. In accordance with the law of January 31, 2003 adopted by the Belgian Chamber of Representatives with respect to the gradual phase-out of nuclear energy for the industrial production of electricity, the useful lives of nuclear power stations were reviewed and adjusted prospectively to 40 years as from 2003.

Fixtures and fittings relating to the hydro plant operated by the Group are depreciated over the shorter of the contract term and useful life of the assets, taking into account the renewal of the concession period if such renewal is considered to be reasonably certain.

1.4.6 Assets relating to the exploration and production of mineral resources

The Group applies IFRS 6 – *Exploration for and Evaluation of Mineral Resources*.

Geological and geophysical studies are expensed in the year in which they are incurred.

Exploration costs (other than geological and geophysical studies) are temporarily capitalized in “pre-capitalized exploration costs” before the confirmation of the technical feasibility and commercial viability of extracting resources. These exploration drilling costs are temporarily capitalized when the following two conditions are met:

- sufficient reserves have been found to justify completion as a producing well if the required capital expenditure is made;
- the Group has made significant progress in determining that reserves exist and that the project is technically and economically viable. This progress is assessed based on criteria such as whether any additional exploratory work (drilling, seismic studies or other significant surveys) is underway or firmly planned for the near future. Progress is also assessed based on any expenses incurred in conducting development studies and on the fact that the Group may be required to wait for the relevant government or third party authorizations for the project, or for available transport capacity or treatment capacity at existing facilities.

In accordance with this method known as “successful efforts” method, when the exploratory phase has resulted in proven, commercially viable reserves, the related costs are reported in property, plant and equipment and depreciated over the period during which the reserves are extracted. Otherwise, the costs are expensed as incurred.

Depreciation begins when the oil field is brought into production.

Production assets including site rehabilitation costs are depreciated using the unit of production method (UOP) in proportion to the depletion of the oil field, and based on proven developed reserves.

1.4.7 Concession arrangements

SIC 29 – *Service Concession Arrangements: Disclosures* prescribes the information that should be disclosed in the Notes to the financial statement of a concession grantor and concession operator, while IFRIC 12 deals with the treatment to be applied by the concession operator in respect of certain concession arrangements.

These interpretations set out the common features of concession arrangements:

- concession arrangements involve the provision of a public service and the management of associated infrastructure, together with specific capital renewal and replacement obligations;
- the grantor is contractually obliged to offer these services to the public (this criterion must be met for the arrangement to qualify as a concession);
- the operator is responsible for at least some of the management of the infrastructure and does not merely act as an agent on behalf of the grantor;
- the contract sets the initial prices to be levied by the operator and regulates price revisions over the concession period.

For a concession arrangement to fall within the scope of IFRIC 12, usage of the infrastructure must be controlled by the concession grantor. This requirement is met when:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls the infrastructure, i.e., retains the right to take back the infrastructure at the end of the concession.

Under IFRIC 12, the operator’s rights over infrastructure operated under concession arrangements should be accounted for based on the party responsible for payment. Accordingly:

- the “intangible asset” model is applied when the concession operator has the right to charge for use of the public sector asset, and when users have primary responsibility to pay the operator for the services; and

- the "financial asset" model is applied when the concession operator has an unconditional right to receive cash or another financial asset, either directly from the grantor or indirectly by means of a guarantee provided by the grantor for amounts receivable from users of the public sector asset (for example, via a contractually guaranteed internal rate of return), or in other words, when the grantor is primarily responsible for payment.

"Primary responsibility" signifies that while the identity of the payer of the services is not an essential criterion, the person ultimately responsible for payment should be identified.

In cases where the local authority pays the Group but merely acts as an intermediary fee collector and does not guarantee the amounts receivable ("pass through arrangement"), the intangible asset model should be used to account for the concession since the users are, in substance, primarily responsible for payment.

However, where the users pay the Group, but the local authority guarantees the amounts that will be paid over the term of the contract (e.g., via a guaranteed internal rate of return), the financial asset model should be used to account for the concession infrastructure, since the local authority is, in substance, primarily responsible for payment. In practice, the financial asset model is mainly used to account for BOT (Build, Operate and Transfer) contracts entered into with local authorities for public services such as wastewater treatment and household waste incineration.

Pursuant to these principles:

- infrastructure to which the operator is given access by the grantor of the concession at no consideration is not recognized in the consolidated statement of financial position;
- start-up capital expenditure is recognized as follows:
  - under the intangible asset model, the fair value of construction and other work on the infrastructure represents the acquisition cost of the intangible asset and should be recognized when the infrastructure is built provided that this work is expected to generate future economic benefits (e.g., the case of work carried out to extend the network). Where no such economic benefits are expected, the present value of commitments in respect of construction and other work on the infrastructure is recognized from the outset, with a corresponding adjustment to concession liabilities,
  - under the financial asset model, the amount receivable from the grantor is recognized at the time the infrastructure is built, at the fair value of the construction and other work carried out,
  - when the grantor has a payment obligation for only part of the investment, the cost is recognized in financial assets for the amount guaranteed by the grantor, with the balance included in intangible assets ("mixed model").

Renewal costs consist of obligations under concession arrangements with potentially different terms and conditions (obligation to restore the site, renewal plan, tracking account, etc.).

Renewal costs are recognized as either (i) intangible or financial assets depending on the applicable model when the costs are expected to generate future economic benefits (i.e., they bring about an improvement); or (ii) expenses, where no such benefits are expected to be generated (i.e., the infrastructure is restored to its original condition).

Costs incurred to restore the asset to its original condition are recognized as a renewal asset or liability when there is a timing difference between the contractual obligation calculated on a time proportion basis, and its realization.

The costs are calculated on a case-by-case basis based on the obligations associated with each arrangement.

Other concessions

Concession infrastructures that do not meet the requirements of IFRIC 12 are presented as property, plant and equipment.

This is the case of the distribution of gas in France. The related assets are recognized in accordance with IAS 16, since GrDF operates its network under long-term concession arrangements, most of which are renewed upon expiration pursuant to French law no. 46-628 of April 8, 1946.

1.4.8 Impairment of property, plant and equipment and intangible assets

In accordance with IAS 36, impairment tests are carried out on items of property, plant and equipment and intangible assets where there is an indication that the assets may be impaired. Such indications may be based on events or changes in the market environment, or on internal sources of information. Intangible assets that are not amortized are tested for impairment annually.

Impairment indicators

Property, plant and equipment and intangible assets with finite useful lives are only tested for impairment when there is an indication that they may be impaired. This is generally the result of significant changes to the environment in which the assets are operated or when economic performance is worse than expected.

The main impairment indicators used by the Group are described below:

- external sources of information:
  - significant changes in the economic, technological, political or market environment in which the entity operates or to which an asset is dedicated,
  - fall in demand,
  - changes in energy prices and US dollar exchange rates,
  - carrying amount of an asset exceeding its regulated asset base.
- internal sources of information:
  - evidence of obsolescence or physical damage not budgeted for in the depreciation/amortization schedule,
  - worse-than-expected performance,
  - fall in resources for Exploration & Production activities.

Impairment

Items of property, plant and equipment and intangible assets are tested for impairment at the level of the individual asset or cash-generating unit (CGU) as appropriate, determined in accordance with IAS 36. If the recoverable amount of an asset is lower than its carrying amount, the carrying amount is written down to the recoverable amount by recording an impairment loss. Upon recognition of an impairment loss, the depreciable amount and possibly the useful life of the assets concerned is revised.

Impairment losses recorded in relation to property, plant and equipment or intangible assets may be subsequently reversed if the recoverable amount of the assets is once again higher than their carrying value. The increased carrying amount of an item of property, plant or equipment attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined (net of depreciation/amortization) had no impairment loss been recognized in prior periods.

Measurement of recoverable amount

In order to review the recoverable amount of property, plant and equipment and intangible assets, the assets are grouped, where appropriate, into cash-generating units (CGUs) and the carrying amount of each unit is compared with its recoverable amount.

For operating entities which the Group intends to hold on a long-term and going concern basis, the recoverable amount of an asset corresponds to the higher of its fair value less costs to sell and its value in use. Value in use is primarily determined based on the present value of future operating cash flows and a terminal value. Standard valuation techniques are used based on the following main economic data:

- discount rates based on the specific characteristics of the operating entities concerned;
- terminal values in line with the available market data specific to the operating segments concerned and growth rates associated with these terminal values, not to exceed the inflation rate.

Discount rates are determined on a post-tax basis and applied to post-tax cash flows. The recoverable amounts calculated on the basis of these discount rates are the same as the amounts obtained by applying the pre-tax discount rates to cash flows estimated on a pre-tax basis, as required by IAS 36.

For operating entities which the Group has decided to sell, the related carrying amount of the assets concerned is written down to estimated market value less costs of disposal. Where negotiations are ongoing, this value is determined based on the best estimate of their outcome as of the reporting date.

In the event of a decline in value, the impairment loss is recorded in the consolidated income statement under “Impairment”.

1.4.9 Leases

The Group holds assets for its various activities under lease contracts.

These leases are analyzed based on the situations and indicators set out in IAS 17 in order to determine whether they constitute operating leases or finance leases.

A finance lease is defined as a lease which transfers substantially all the risks and rewards incidental to the ownership of the related asset to the lessee. All leases which do not comply with the definition of a finance lease are classified as operating leases.

The following main factors are considered by the Group to assess if a lease transfers substantially all the risks and rewards incidental to ownership: whether (i) the lessor transfers ownership of the asset to the lessee by the end of the lease term; (ii) the lessee has an option to purchase the asset and if so, the conditions applicable to exercising that option; (iii) the lease term is for the major part of the economic life of the asset; (iv) the asset is of a highly specialized nature; and (v) the present value of minimum lease payments amounts to at least substantially all of the fair value of the leased asset.

1.4.9.1 Accounting for finance leases

On initial recognition, assets held under finance leases are recorded as property, plant and equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments.

1.4.9.2 Accounting for operating leases

Payments made under operating leases are recognized as an expense on a straight-line basis over the lease term.

1.4.9.3 Accounting for arrangements that contain a lease

IFRIC 4 deals with the identification of services and take-or-pay sales or purchasing contracts that do not take the legal form of a lease but convey rights to customers/suppliers to use an asset or a group of assets in return for a payment or a series of fixed payments. Contracts meeting these criteria should be identified as either operating leases or finance leases. In the latter case, a finance receivable should be recognized to reflect the financing deemed to be granted by the Group where it is considered as acting as lessor and its customers as lessees.

The Group is concerned by this interpretation mainly with respect to:

- some energy purchase and sale contracts, particularly where the contract conveys to the purchaser of the energy an exclusive right to use a production asset;
- certain contracts with industrial customers relating to assets held by the Group.

1.4.10 Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value corresponds to the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is determined based on the first-in, first-out method or the weighted average cost formula.

Nuclear fuel purchased is consumed in the process of producing electricity over a number of years. The consumption of this nuclear fuel inventory is recorded based on estimates of the quantity of electricity produced per unit of fuel.

Gas inventories

Gas injected into underground storage facilities includes working gas which can be withdrawn without adversely affecting the operation of the reservoir, and cushion gas which is inseparable from the reservoirs and essential for their operation (see the section on property, plant and equipment).

Working gas is classified in inventory and measured at weighted average purchase cost upon entering the transportation network regardless of its source, including any regasification costs.

Group inventory outflows are valued using the weighted average unit cost method.

An impairment loss is recognized when the net realizable value of inventories is lower than their weighted average cost.

Greenhouse gas emissions rights

Under European Directive 2003/87/EC establishing a greenhouse gas (GHG) emissions allowance trading scheme within the European Union, several of the Group’s industrial sites were granted GHG emission rights free of charge. Under the Directive, each year the sites concerned have to surrender a number of allowances equal to the total emissions from the installations during the previous calendar year. Therefore, the Group may have to purchase emissions allowances on pollution rights markets in order to cover any shortfall in the allowances required for surrender.

As there are no specific rules under IFRS dealing with the accounting treatment of GHG emissions allowances, the Group decided to apply the following principles:

- emission rights are classified as inventories, as they are consumed in the production process;
- emission rights granted free of charge are recorded in the statement of financial position at a value of nil;
- emission rights purchased on the market are recognized at acquisition cost.

The Group records a liability at year-end in the event that it does not have enough emission rights to cover its GHG emissions during the period. This liability is measured at the market value of the allowances required to meet its obligations at year-end.

1.4.11 Financial instruments

Financial instruments are recognized and measured in accordance with IAS 32 and IAS 39.

1.4.11.1 Financial assets

Financial assets comprise available-for-sale securities, loans and receivables carried at amortized cost including trade and other receivables, and financial assets measured at fair value through income, including derivative financial instruments. Financial assets are broken down into current and non-current assets in the consolidated statement of financial position.

Available-for-sale securities

"Available-for-sale securities" include the Group's investments in non-consolidated companies and equity or debt instruments that do not satisfy the criteria for classification in another category (see below). Cost is determined using the weighted average cost formula.

These items are measured at fair value on initial recognition, which generally corresponds to the acquisition cost plus transaction costs.

At each reporting date, available-for-sale securities are measured at fair value. For listed securities, fair value is determined based on the quoted market price at the reporting date. For unlisted securities, fair value is measured using valuation models based primarily on recent market transactions, discounted dividends and future cash flows or net asset value. Changes in fair value are recorded directly in other comprehensive income, except when the decline in the value of the investment below its historical acquisition cost is judged significant or prolonged enough to require an impairment loss to be recognized. In this case, the loss is recognized in income under "Impairment". Only impairment losses recognized on debt instruments (debt securities/bonds) may be reversed through income.

Loans and receivables carried at amortized cost

This item primarily includes loans and advances to associates or non-consolidated companies, guarantee deposits, trade and other receivables.

On initial recognition, these loans and receivables are recorded at fair value plus transaction costs. At each statement of financial position date, they are measured at amortized cost using the effective interest rate method.

On initial recognition, trade and other receivables are recorded at fair value, which generally corresponds to their nominal value. Impairment losses are recorded based on the estimated risk of non-recovery. This item also includes amounts due from customers under construction contracts.

Financial assets at fair value through income

These financial assets meet the qualification or designation criteria set out in IAS 39.

This item mainly includes trading securities and short-term investments which do not meet the criteria for classification as cash or cash equivalents (see section 1.4.12). The financial assets are measured at fair value at the statement of financial position date and changes in fair value are recorded in the consolidated income statement.

1.4.11.2 Financial liabilities

Financial liabilities include borrowings, trade and other payables, derivative financial instruments and other financial liabilities.

Financial liabilities are broken down into current and non-current liabilities in the consolidated statement of financial position. Current financial liabilities primarily comprise:

- financial liabilities with a settlement or maturity date within 12 months after the reporting date;
- financial liabilities in respect of which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date;
- financial liabilities held primarily for trading purposes;
- derivative financial instruments qualifying as fair value hedges where the underlying is classified as a current item;
- all commodity trading derivatives not qualifying as hedges.

Measurement of borrowings and other financial liabilities

Borrowings and other financial liabilities are measured at amortized cost using the effective interest rate method.

On initial recognition, any issue or redemption premiums and discounts and issuing costs are added to/deducted from the nominal value of the borrowings concerned. These items are taken into account when calculating the effective interest rate and are therefore recorded in the consolidated income statement over the life of the borrowings using the amortized cost method.

As regards structured debt instruments that do not have an equity component, the Group may be required to separate an "embedded" derivative instrument from its host contract. The conditions under which these instruments must be separated are detailed below. When an embedded derivative is separated from its host contract, the initial carrying amount of the structured instrument is broken down into an embedded derivative component, corresponding to the fair value of the embedded derivative, and a financial liability component, corresponding to the difference between the amount of the issue and the fair value of the embedded derivative. The separation of components upon initial recognition does not give rise to any gains or losses.

The debt is subsequently recorded at amortized cost using the effective interest method, while the derivative is measured at fair value, with changes in fair value taken to income.

Put options on non-controlling interests

Other financial liabilities primarily include put options granted by the Group in respect of non-controlling interests.

Put options on non-controlling interests granted prior to January 1, 2010

As no specific guidance is provided by IFRS, and based on recommendations issued by the AMF for the 2009 reporting period, the Group decided to continue accounting for instruments recognized prior to January 1, 2010 using its previous accounting policies:

- when the put option is initially granted, the present value of the exercise price is recognized as a financial liability, with a corresponding reduction in non-controlling interests. When the value of the put option is greater than the carrying amount of the non-controlling interests, the difference is recognized as goodwill;
- at each reporting date, the amount of the financial liability is revised and any changes in the amount are recorded with a corresponding adjustment to goodwill;
- payments of dividends to non-controlling interests result in an increase in goodwill;
- in the consolidated income statement, non-controlling interests are allocated their share in income. In the consolidated statement of financial position, the share in income allocated to non-controlling interests reduces the carrying amount of goodwill. No finance costs are recognized in respect of changes in the fair value of liabilities recognized against goodwill.

1.4.11.3 Derivatives and hedge accounting

The Group uses financial instruments to manage and reduce its exposure to market risks arising from fluctuations in interest rates, foreign currency exchange rates and commodity prices, mainly for gas and electricity. The use of derivative instruments is governed by a Group policy for managing interest rate, currency and commodity risks.

Definition and scope of derivative financial instruments

Derivative financial instruments are contracts: (i) whose value changes in response to the change in one or more observable variables; (ii) that do not require any material initial net investment; and (iii) that are settled at a future date.

Derivative instruments therefore include swaps, options, futures and swaptions, as well as forward commitments to purchase or sell listed and unlisted securities, and firm commitments or options to purchase or sell non-financial assets that involve physical delivery of the underlying.

For purchases and sales of electricity and natural gas, the Group systematically analyzes whether the contract was entered into in the "normal" course of operations and therefore falls outside the scope of IAS 39. This analysis consists firstly of demonstrating that the contract is entered into and held for the purpose of making or taking physical delivery of the commodity in accordance with the Group's expected purchase, sale or usage requirements.

The second step is to demonstrate that:

- the Group has no practice of settling similar contracts on a net basis. In particular, forward purchases or sales with physical delivery of the underlying that are carried out with the sole purpose of balancing Group energy volumes are not considered by the Group as contracts that are settled net;
- the contract is not negotiated with the aim of realizing financial arbitration;
- the contract is not equivalent to a written option. In particular, in the case of electricity and gas sales allowing the buyer a certain degree of flexibility concerning the volumes delivered, the Group distinguishes between contracts that are equivalent to capacity sales considered as transactions falling within the scope of ordinary operations and those that are equivalent to written financial options, which are accounted for as derivative financial instruments.

Only contracts that meet all of the above conditions are considered as falling outside the scope of IAS 39. Adequate specific documentation is compiled to support this analysis.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

The main Group contracts that may contain embedded derivatives are contracts with clauses or options affecting the contract price, volume or maturity. This is the case primarily with contracts for the purchase or sale of non-financial assets, whose price is revised based on an index, the exchange rate of a foreign currency or the price of an asset other than the contract's underlying.

Embedded derivatives are separated from the host contract and accounted for as derivatives when:

- the host contract is not a financial instrument measured at fair value through income;
- if separated from the host contract, the embedded derivative fulfills the criteria for classification as a derivative instrument (existence of an underlying, no material initial net investment, settlement at a future date); and
- its characteristics are not closely related to those of the host contract. The analysis of whether or not the characteristics of the derivative are "closely related" to the host contract is made when the contract is signed.

Embedded derivatives that are separated from the host contract are recognized in the consolidated statement of financial position at fair value, with changes in fair value recognized in income (except when the embedded derivative is part of a designated hedging relationship).

Hedging instruments: recognition and presentation

Derivative instruments qualifying as hedging instruments are recognized in the consolidated statement of financial position and measured at fair value. However, their accounting treatment varies according to whether they are classified as:

- a fair value hedge of an asset or liability;
- a cash flow hedge;
- a hedge of a net investment in a foreign operation.

Fair value hedges

A fair value hedge is defined as a hedge of the exposure to changes in fair value of a recognized asset or liability such as a fixed-rate loan or borrowing, or of assets, liabilities or an unrecognized firm commitment denominated in a foreign currency.

The gain or loss from remeasuring the hedging instrument at fair value is recognized in income. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in income even if the hedged item is in a category in respect of which changes in fair value are recognized through other comprehensive income. These two adjustments are presented net in the consolidated income statement, with the net effect corresponding to the ineffective portion of the hedge.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that could affect the Group's income. The hedged cash flows may be attributable to a particular risk associated with a recognized financial or non-financial asset or a highly probable forecast transaction.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income, net of tax, while the ineffective portion is recognized in income. The gains or losses accumulated in equity are reclassified to the consolidated income statement under the same caption as the loss or gain on the hedged item – i.e., current operating income for operating cash flows and financial income or expenses for other cash flows – in the same periods in which the hedged cash flows affect income.

If the hedging relationship is discontinued, in particular because the hedge is no longer considered effective, the cumulative gain or loss on the hedging instrument remains separately recognized in equity until the forecast transaction occurs. However, if a forecast transaction is no longer expected to occur, the cumulative gain or loss on the hedging instrument is recognized in income.

Hedge of a net investment in a foreign operation

In the same way as for a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge of the currency risk is recognized directly in other comprehensive income, net of tax, while the ineffective portion is recognized in income. The gains or losses accumulated in other comprehensive income are transferred to the consolidated income statement when the investment is sold.

Identification and documentation of hedging relationships

The hedging instruments and hedged items are designated at the inception of the hedging relationship. The hedging relationship is formally documented in each case, specifying the hedging strategy, the hedged risk and the method used to assess hedge effectiveness. Only derivative contracts entered into with external counterparties are considered as being eligible for hedge accounting.

Hedge effectiveness is assessed and documented at the inception of the hedging relationship and on an ongoing basis throughout the periods for which the hedge was designated. Hedges are considered to be effective when changes in fair value or cash flows between the hedging instrument and the hedged item are offset within a range of 80%-125%.

Hedge effectiveness is demonstrated both prospectively and retrospectively using various methods, based mainly on a comparison between changes in the fair value or cash flows between the hedging instrument and the hedged item. Methods based on an analysis of statistical correlations between historical price data are also used.

Derivative instruments not qualifying for hedge accounting: recognition and presentation

These items mainly concern derivative financial instruments used in economic hedges that have not been – or are no longer – documented as hedging relationships for accounting purposes.

When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, changes in fair value are recognized directly in income, under "Mark-to-market" or "Mark-to-market on commodity contracts other than trading instruments" in current operating income for derivative instruments with non-financial assets as the underlying, and in financial income or expenses for currency, interest rate and equity derivatives.

Derivative instruments used by the Group in connection with proprietary energy trading activities and energy trading on behalf of customers and other derivatives expiring in less than 12 months are recognized in the consolidated statement of financial position in current assets and liabilities, while derivatives expiring after this period are classified as non-current items.

Fair value measurement

The fair value of instruments listed on an active market is determined by reference to the market price. In this case, these instruments are presented in level 1 of the fair value hierarchy.

The fair value of unlisted financial instruments for which there is no active market and for which observable market data exist is determined based on valuation techniques such as option pricing models or the discounted cash flow method.

Models used to evaluate these instruments take into account assumptions based on market inputs:

- the fair value of interest rate swaps is calculated based on the present value of future cash flows;
- the fair value of forward foreign exchange contracts and currency swaps is calculated by reference to current prices for contracts with similar maturities by discounting the future cash flow spread (difference between the forward exchange rate under the contract and the forward exchange rate recalculated in line with the new market conditions applicable to the nominal amount);
- the fair value of currency and interest rate options is calculated using option pricing models;
- commodity derivatives contracts are valued by reference to listed market prices based on the present value of future cash flows (commodity swaps or commodity forwards) or option pricing models (options), which may factor in market price volatility. Contracts with maturities exceeding the depth of transactions for which prices are observable, or which are particularly complex, may be valued based on internal assumptions;
- exceptionally, for complex contracts negotiated with independent financial institutions, the Group uses the values established by its counterparties.

These instruments are presented in level 2 of the fair value hierarchy except when the evaluation is based mainly on data that are not observable; in this case they are presented in level 3 of the fair value hierarchy. Most often, this is the case for derivatives with a maturity that falls outside the observability period for market data relating to the underlying or when some parameters such as the volatility of the underlying are not observable.

1.4.12 Cash and cash equivalents

These items include cash equivalents as well as short-term investments that are considered to be readily convertible into a known amount of cash and where the risk of a change in their value is deemed to be negligible based on the criteria set out in IAS 7.

Bank overdrafts are not included in the calculation of cash and cash equivalents and are recorded under "Short-term borrowings".

1.4.13 Treasury shares

Treasury shares are recognized at cost and deducted from equity. Gains and losses on disposals of treasury shares are recorded directly in equity and do not therefore impact income for the period.

1.4.14 Share-based payment

Under IFRS 2, share-based payments made in consideration for services provided are recognized as personnel costs. These services are measured at the fair value of the instruments awarded.

Share-based payments may involve equity-settled or cash-settled instruments.

Equity-settled instruments

1.4.14.1 Stock option plans

Options granted by the Group to its employees are measured at the grant date using a binomial pricing model for options with no performance conditions or using a Monte Carlo pricing model for options with performance conditions. These models take into account the characteristics of the plan concerned (exercise price, exercise period, performance conditions if any), market data at the time of grant (risk-free rate, share price, volatility, expected dividends), and a behavioral assumption in relation to beneficiaries. The value determined is recorded in personnel costs over the vesting period, offset through equity.

1.4.14.2 Shares and performance shares granted to employees

The fair value of bonus share plans is estimated by reference to the share price at the grant date, taking into account the fact that no dividends are payable over the vesting period, and based on the estimated turnover rate for the employees concerned and the probability that the Group will meet its performance targets. The fair value measurement also takes into account the non-transferability period associated with these instruments. The cost of shares granted to employees is expensed over the vesting period of the rights and offset against equity.

A Monte Carlo pricing model is used for performance shares granted on a discretionary basis and subject to external performance criteria.

1.4.14.3 Employee share purchase plans

The Group's corporate savings plans enable employees to subscribe to shares at a lower-than-market price. The fair value of instruments awarded under employee share purchase plans is estimated at the grant date based on the discount awarded to employees and the non-transferability period applicable to the shares subscribed. The cost of employee share purchase plans is recognized in full and offset against equity.

Cash-settled instruments

In some countries where local legislation prevents the Group from offering employee share purchase plans, the instruments awarded consist of share appreciation rights (SARs). SARs are settled in cash. Their fair value is expensed over the vesting period of the rights, with an offsetting entry recorded in employee-related liabilities.

Changes in the fair value of the liability are taken to income for each period.

1.4.15 Provisions

1.4.15.1 Provisions for post-employment benefit obligations and other long-term employee benefits

Depending on the laws and practices in force in the countries where GDF SUEZ operates, Group companies have obligations in terms of pensions, early retirement payments, retirement bonuses and other benefit plans. Such obligations generally apply to all of the employees within the companies concerned.

The Group's obligations in relation to pensions and other employee benefits are recognized and measured in compliance with IAS 19. Accordingly:

- the cost of defined contribution plans is expensed based on the amount of contributions payable in the period;
- the Group's obligations concerning pensions and other employee benefits payable under defined benefit plans are assessed on an actuarial basis using the projected unit credit method. These calculations are based on assumptions relating to mortality, staff turnover and estimated future salary increases, as well as the economic conditions specific to each country or subsidiary of the Group. Discount rates are determined by reference to the yield, at the measurement date, on high-quality corporate bonds in the related geographical area (or on government bonds in countries where no representative market for such corporate bonds exists).

Provisions are recorded when commitments under these plans less the unrecognized past service cost exceed the fair value of plan assets. Where the value of plan assets (capped where appropriate) is greater than the related commitments, the surplus is recorded as an asset under "Other current assets" or "Other non-current assets".

As regards post-employment benefit obligations, the Group elected in 2006 to use the option available under IAS 19 and to discontinue the corridor method.

Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are henceforth recognized in other comprehensive income. Where appropriate, adjustments resulting from applying the asset ceiling to net assets relating to overfunded plans are treated in a similar way.

However, actuarial gains and losses on other long-term benefits such as long-service awards, continue to be recognized immediately in income.

The interest cost in respect of pensions and other employee benefit obligations and the expected return on related plan assets are presented as a financial expense.

1.4.15.2 Other provisions

The Group records a provision where it has a present obligation (legal or constructive), the settlement of which is expected to result in an outflow of resources embodying economic benefits with no corresponding consideration in return.

A provision for restructuring costs is recorded when the general criteria for setting up a provision are met, i.e., when the Group has a detailed formal plan relating to the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Provisions with a maturity of over 12 months are discounted when the effect of discounting is material. The Group's main long-term provisions are provisions for nuclear waste reprocessing and storage, provisions for dismantling facilities and provisions for site restoration costs. The discount rate (or rates) used reflect current market assessments of the time value of money and the risks specific to the liability concerned. Expenses corresponding to the reversal of discounting adjustments to long-term provisions are recorded under other financial income and expenses.

A provision is recognized when the Group has a present legal or constructive obligation to dismantle facilities or to restore a site. An asset is recorded simultaneously by including this dismantling obligation in the carrying amount of the facilities concerned. Adjustments to the provision due to subsequent changes in the expected outflow of resources, the dismantling date or the discount rate are deducted from or added to the cost of the corresponding asset in a symmetrical manner. The impacts of unwinding the discount are recognized in expenses for the period.

1.4.16 Revenues

Group revenues (as defined by IAS 18) are mainly generated from the following:

- energy sales;
- rendering of services;
- lease and construction contracts.

Revenues on sales of goods are recognized on delivery, i.e., when the significant risks and rewards of ownership are transferred to the buyer. For services and construction contracts, revenues are recognized using the percentage-of-completion method. In both cases, revenues are recognized solely when the transaction price is fixed or can be reliably determined and the recovery of the amounts due is probable.

Revenues are measured at the fair value of the consideration received or receivable. Where deferred payment has a material impact on the measurement of the fair value of this consideration, this is taken into account by discounting future receipts.

1.4.16.1 Energy sales

These revenues primarily include sales of electricity and gas, transport and distribution fees relating to services such as electricity and gas distribution network maintenance, and heating network sales.

Part of the price received by the Group under certain long-term energy sales contracts may be fixed rather than being based on volumes. In rare cases, the fixed amount can change over the term of the contract. In accordance with IAS 18, revenues from such components are recognized on a straight-line basis because, in substance, the fair value of the services rendered does not vary from one period to the next.

In accordance with IAS 1 and IAS 18, both proprietary energy trading transactions and energy trading carried out on behalf of customers are recorded within "Revenues" after netting off sales and purchases. Under the same principle, when sale contracts are offset by similar purchase contracts, or if the sale contracts are entered into as part of an offset strategy, the contribution of operational energy trading activities (wholesale or arbitrage) relating to assets, aimed at optimizing production assets and fuel purchase energy sale portfolios, is recognized in revenues based on the net amount.

1.4.16.2 Rendering of services

Environment

Water

Revenues generated by water distribution are recognized based on volumes delivered to customers, either specifically metered and invoiced or estimated based on the output of the supply networks.

For sanitation services and wastewater treatment, either the price of the services is included in the water distribution invoice or it is specifically invoiced to the local authority or industrial customer concerned.

Commission fees received from the grantors of concessions are recorded as revenues.

Waste services

Revenues arising from waste collection are generally recognized based on the tonnage collected and the service provided by the operator.

Revenues from other forms of treatment (principally sorting and incineration) are recognized based on volumes processed by the operator and the incidental revenues generated by recycling and reuse, such as the sale of paper, cardboard, glass, metals and plastics for sorting centers, and the sale of electricity and heat for incinerators.

Energy services

These revenues relate mainly to installation, maintenance and energy services, and are recognized in accordance with IAS 18, which requires services to be accounted for on a percentage-of-completion basis.

1.4.16.3 Lease and construction contracts

Revenues from construction contracts are determined using the percentage-of-completion method and more generally according to the provisions of IAS 11. Depending on the contract concerned, the stage of completion may be determined either based on the proportion that costs incurred to date bear to the estimated total costs of the transaction, or on the physical progress of the contract based on factors such as contractually defined stages.

Revenues also include revenues from financial concession assets (IFRIC 12) and finance lease receivables (IFRIC 4).

1.4.17 Current operating income

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". (This complies with CNC

Recommendation 2009-R03 on the format of financial statements of entities applying IFRSs.) Current operating income is a sub-total 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. For GDF SUEZ, such elements relate to mark-to-market on commodity contracts other than trading instruments, impairment losses, restructuring costs, changes in the scope of consolidation and other non-recurring items, and are defined 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 trading or hedging instruments. These contracts are used in economic hedges of operating transactions in the energy sector. Since changes in the fair value of these instruments which must be recognized through income in IAS 39 can be material and difficult to predict, they are presented on a separate line of the consolidated income statement;
- impairment includes impairment losses on goodwill, tangible and intangible assets, associate companies and available-for-sale securities;
- 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.

This line includes:

- costs related to acquisitions of controlling interests;
- in the event of a business combination achieved in stages, impacts of the remeasurement of the previously held equity interest at acquisition-date fair value,
- subsequent changes in the fair value of contingent consideration,
- gains or losses from disposals of investments which result in a change in consolidation method, as well as any impact of the remeasurement of retained interests.

- other non-recurring items notably include capital gains and losses on disposals of non-current assets and available-for-sale securities.

1.4.18 Consolidated statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method starting from net income.

"Interest received on non-current financial assets" is classified within investing activities because it represents a return on investments. "Interest received on cash and cash equivalents" is shown as a component of financing activities because the interest can be used to reduce borrowing costs. This classification is consistent with the Group's internal organization, where debt and cash are managed centrally by the treasury department.

As impairment losses on current assets are considered to be definitive losses, changes in current assets are presented net of impairment.

Cash flows relating to the payment of taxes are presented on a separate line of the consolidated statement of cash flows.

1.4.19 Income tax expense

The Group computes taxes in accordance with prevailing tax legislation in the countries where income is taxable.

In accordance with IAS 12, deferred taxes are recognized according to the liability method on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases, using tax rates that have been enacted or substantively enacted by the reporting date. However, under the provisions of IAS 12, no deferred taxes are recognized for temporary differences arising from goodwill for which impairment losses are not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting income nor taxable income. In addition, deferred tax assets are only recognized to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilized.

Temporary differences arising on restatements of finance leases result in the recognition of deferred taxes.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except if the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Net balances of deferred tax are calculated based on the tax position of each company or on the total income of companies included within the consolidated tax group, and are presented in assets or liabilities for their net amount per tax entity.

Deferred taxes are reviewed at each reporting date to take into account factors including the impact of changes in tax laws and the prospects of recovering deferred tax assets arising from deductible temporary differences.

Deferred tax assets and liabilities are not discounted.

1.4.20 Earnings per share

Basic earnings per share are calculated by dividing net income Group share for the year by the weighted average number of ordinary shares outstanding during the year. The average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year.

The weighted average number of shares and earnings per share are adjusted to take into account the impact of the conversion or exercise of any dilutive potential ordinary shares (options, warrants and convertible bonds, etc.).

NOTE 2 MAIN CHANGES IN GROUP STRUCTURE

2.1 International Power

2.1.1 Acquisition of non-controlling interests

On June 29, 2012, the Group completed the acquisition of 30.26% of non-controlling interests in International Power following the approval of the transaction by the qualified British authorities. GDF SUEZ now holds 100% of the voting rights of the International Power Group. On July 2, 2012, the International Power plc shares were delisted from the London Stock Exchange.

The purchase offer was carried out as part of a scheme of arrangement at 418 pence per ordinary International Power plc share, in compliance with British legislation and approved by more than 99% of International Power's minority shareholders at its Shareholders' Meeting on June 7, 2012.

The purchase price of the 1,542 million ordinary International Power plc shares which were not yet held by the Group amounted to €7,974 million (£6,445 million). On July 12, 2012, a cash payment of €7,875 million was made and loan notes with a nominal value of €99 million were issued. These non-subordinated loan notes pay annual interest of 0.25%.

2.1.2 Purchase of the International Power plc shares arising from the conversion of the bonds convertible into International Power plc shares

During the third quarter, the Group purchased 346 million International Power plc shares that had been created following the conversions carried out between July 1 and August 28, 2012 by the holders of bonds convertible into International Power plc shares. In accordance with the terms of the scheme of arrangement, bondholders who exercised their conversion option were paid 418 pence per International Power plc share. The total consideration paid by the Group in connection with these purchases amounted to €1,828 million.

The Group repaid the bonds convertible into International Power plc shares that remained outstanding following these transactions at par at a cost of €25 million on September 27, 2012.

2.1.3 Impact on the consolidated financial statements at December 31, 2012

The table below summarizes the individual and aggregate impact of the transactions described in sections 2.1.1 and 2.1.2 on the cash flows for the period, the level of net debt, and the equity.

In millions of euros	Disbursement made	Increase in net debt	Impact recognized in shareholders' equity	Impact recognized in non-controlling interests	Impact on total equity
Acquisition of 30.26% of non-controlling interests in International Power	7,875	7,974	(2,133)	(5,841)	(7,974)
Transaction fees	112	112	(88)	-	(88)
Purchase of the International Power plc shares issued following the conversion of the bonds convertible into International Power plc shares	1,828	723	(288)	-	(288)
Repayment at par of the balance of the bonds convertible into International Power shares plc	25	-	-	-	-
TOTAL	**9,840**	**8,809**	**(2,509)**	**(5,841)**	**(8,350)**

The disbursement of €9,840 million is shown on the "Changes in ownership interests in controlled entities" (€9,815 million) and "Repayment of borrowings and debt" (€25 million) lines in the statement of cash flows.

Acquisition of 30.26% of non-controlling interests in International Power

As the transaction was carried out between owners, the €2,133 million difference between the purchase price of €7,974 million and the carrying amount of the 30.26% non-controlling interests was deducted from shareholders' equity.

Including the transaction fees of €112 million recognized by deduction from shareholders' equity, this transaction led to a decrease in total equity by €8,062 million at December 31, 2012.

Purchase of the International Power plc shares arising from the conversion of the convertible bonds, and repayment of the balance of the convertible bonds

The transactions involving the purchase of International Power plc shares for an amount of €1,828 million, and the repayment of the balance of the convertible bonds for €25 million increased net debt by €723 million, given the derecognition of the €1,130 million in borrowings and debt corresponding to the bonds that were converted or repaid.

The purchase of the bonds converted into shares had a negative impact of €288 million on shareholders' equity. This impact corresponds to the difference between the €1,828 million purchase price and the carrying amount of the corresponding convertible bonds (€1,635 million), and of the related deferred tax assets (€95 million) in the statement of financial position prior to the completion of these transactions. The total carrying amount of these convertible bonds in the statement of financial position comprised the following items: a financial debt of €1,105 million, a derivative liability of €505 million, corresponding to the equity component of the US-dollar denominated International Power plc convertible bonds, and to the equity component of the euro-denominated convertible bonds, which was accounted for under non-controlling interests for an amount of €25 million.

Finally, these acquisitions of non-controlling interests had no significant impact on the International Power option plans (see Note 24.3.5 "International Power - Performance share plans").

2.2 Announcement of the non-renewal of the SUEZ Environnement Company Shareholder Agreement

As part of the merger with Gaz de France in 2008, SUEZ distributed 65% of the shares composing the share capital of SUEZ Environnement Company to its shareholders. Consequently, GDF SUEZ held a 35% interest in SUEZ Environnement Company, a percentage later increased to 35.8%, and retained control over the company through a shareholders' agreement including GDF SUEZ and the major shareholders of the former SUEZ Group.

On December 5, 2012, the GDF SUEZ Group announced by mutual agreement with the other members its intention not to renew the agreement when it expires in July 2013. At the end of the shareholders' agreement, GDF SUEZ will lose the control of SUEZ Environnement Company in July 2013. As a consequence, SUEZ Environnement Company will be accounted for under the equity method as from that date in the GDF SUEZ's consolidated financial statements. In accordance with IAS 27 - *Consolidated and separate financial statements*, a fair value revaluation gain [1] of the 35,8% interest will be accounted for at that date. Given the specific nature of this transaction, namely the loss of de facto control due to the end of the shareholders' agreement, and the Group's intention to retain its 35,8% interests in SUEZ Environnement Company, the Group has considered that this transaction did not fall under the scope of IFRS 5 - *Non-current assets held for sale and discontinued operations*. GDF SUEZ's interests in SUEZ Environnement Company will be accounted for under the equity method as from July 2013, while the corresponding share in net income will be included in income from continued operations. Pro forma information is provided in the Management Report in order to materialize the impacts on the GDF SUEZ Group's financial statements. Furthermore, SUEZ Environnement's contribution to the Group's key financial indicators at December 31, 2012 is presented in Note 3 "Segment information".

2.3 Disposals carried out in 2012

During 2012, the Group continued to roll out its "portfolio optimization" program, aimed at reducing consolidated net debt.

The disposals carried out in 2012 within the scope of this program led to a €2,026 million decrease in net debt compared with December 31, 2011.

The table below shows the cumulative impact of these disposals on the Group's consolidated financial statements at December 31, 2012:

In millions of euros	Disposal price	Decrease in net debt	Net gain (loss) on disposals, and changes in scope recognized in income
Disposal of 60% of the Canadian renewable energy activities	351	(952)	136
Disposal of thermal power plants in the United States			
of which disposal of the Choctaw power plant	*200*	*(74)*	*4*
of which disposal of the Hot Spring power plant	*200*	*(196)*	*(3)*
of which disposal of other assets	*45*	*(41)*	*(5)*
Disposal of the interest in Sibelga – electricity and gas distribution in Belgium	211	(209)	105
Disposal of 40% in Hidd Power Company (Bahrain)	87	(87)	-
Disposal of Eurawasser (Germany)	95	(89)	34
Disposal of Breeze II (Germany/France)	30	(283)	(35)
Disposal of the 17.44% interest in HUBCO (Pakistan)	52	(52)	(9)
Other	48	(42)	(3)
TOTAL		**(2,026)**	**222**

(1) *Using as stock quote as at December 31, 2012, the revaluation gain would amount to €178 million.*

Hidd Power Company, the Choctaw and Hot Spring power plants, and the Group's interests in the T-Power project were classified as "Assets held for sale" at December 31, 2011. This classification had already resulted in a €580 million decrease in net debt at December 31, 2011. In total, taking into consideration the disposal prices of €399 million received in 2012, these four operations have therefore led to a decrease in the Group's net debt by €979 million.

Moreover, the Group has recognized operations which are highly probable to be sold within a reasonable timeframe at December 31, 2012 as "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale". The related operations are detailed in Note 2.4 "Assets held for sale". This classification in the statement of financial position led to a €946 million decrease in net debt.

2.3.1 Disposal of 60% of the Canadian renewable energy activities

On December 14, 2012, GDF SUEZ sold 60% of its Canadian renewable energy portfolio to Mitsui & Co. Ltd. and a consortium headed by Fiera Axium Infrastructure Inc. for 451 million Canadian dollars (€351 million).

The Group's residual 40% interest in the Canadian renewable energy activities has been accounted for under the equity method. Pursuant to IAS 27, the retained interest was revalued at fair value at the transaction date. After taking the transaction fees into consideration, this transaction generated a total gain of 174 million Canadian dollars (€136 million), including 67 million Canadian dollars (€52 million) in respect of the revaluation of the retained interest (see Note 5.4 "Changes in scope of consolidation").

This transaction also led to a €952 million decrease in the Group's net debt at December 31, 2012 (including the consideration paid of €351 million and the net debt derecognition impact of €601 million presented in the statement of financial position of the activities covered by the agreement before their disposal).

The contribution of the Canadian renewable energy activities to "Net income Group share" amounted to €6 million in 2012 (before taking the disposal proceeds into consideration) and to -€4 million in 2011.

2.3.2 Disposal of thermal power plants in the United States

2.3.2.1 Disposal of the Choctaw plant

On February 7, 2012, the Group finalized the sale of the 746 MW Choctaw combined cycle plant in Mississippi for a total of $259 million (€200 million).

An initial payment of $96 million (€74 million) was made in February 2012. The remaining amount was paid in January 2013.

The gain on disposal amounted to €4 million.

2.3.2.2 Disposal of the Hot Spring plant

On September 10, 2012, the Group finalized the sale of the 746 MW Hot Spring combined cycle plant in Arkansas for a total of $257 million (€200 million).

The loss on disposal amounted to -€3 million.

2.3.2.3 Other disposals

The Group also sold various energy assets for a total amount of $58 million (€45 million) during the second half of 2012. The individual and aggregate impacts of these disposals on the Group's financial statements were not material.

2.3.3 Disposal of the interest in Sibelga – (Belgian electricity and gas distribution)

On December 31, 2012, Electrabel sold its 30% interest in Sibelga, Brussels gas and electricity distribution network operator, to the public inter-municipal company Interfin for €211 million. The gain on disposal amounted to €105 million (see Note 5.4 "Changes in scope of consolidation").

This transaction was in continuity with the agreements previously entered into by the Group and the public sector as part of the deregulation of the energy markets, and with the European Union and the Belgian Government's desire to boost the independence of transportation and distribution network operators.

2.3.4 Disposal of 40% interest in Hidd Power Company (Bahrain)

On May 10, 2012, the Group sold 40% of the share capital of its subsidiary Hidd Power Company to Malakoff International Ltd for $113 million (€87 million).

The Group's residual 30% interest in Hidd Power Company is accounted for under the equity method. The carrying amount of this associate amounted to €33 million at December 31, 2012.

The transaction had no material impact on the income statement at December 31, 2012.

2.3.5 Disposal of Eurawasser (Germany)

On February 13, 2012, the Group sold its subsidiary Eurawasser, which specializes in water distribution and treatment services, to the Remondis Group, for €95 million. The gain on disposal amounted to €34 million (see Note 5.4 "Changes in scope of consolidation").

2.3.6 Disposal of Breeze II (Germany/France)

In December 2012, the Group entered into an agreement with Christofferson Robb & Company ("CRC") covering the financing and governance of its subsidiary Breeze II, which owns a portfolio of wind power assets with a capacity of 338 MW under development in France and Germany. Pursuant to this agreement, the Group sold 70% of the subordinated bonds issued by Breeze II, together with the related rights pertaining to the control over Breeze II's strategic and operational decisions. Following this transaction, the Group surrendered control over Breeze II to CRC, and now accounts for the 30% share of the subordinated bonds as a financial asset in the statement of financial position. This transaction led to a loss on disposal of -€35 million in the Group's financial statements (see Note 5.4 "Changes in scope of consolidation") as well as to a €283 million decrease in net debt.

2.3.7 Disposal of HUBCO (Pakistan)

On June 13, 2012, the Group sold all of its 17.44% interest in The Hub Power Company Ltd ("HUBCO"), an independent power producer in Pakistan, for 6.3 billion Pakistani rupees (€52 million). The loss on disposal amounted to -€9 million.

2.4 Assets held for sale

Total "Assets classified as held for sale" and total "Liabilities directly associated with assets classified as held for sale" amounted to €3,145 million and €1,875 million respectively at December 31, 2012.

The main categories of assets and liabilities reclassified on these two lines of the statement of financial position are detailed below:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Property, plant and equipment, net	2,282	1,125
Other assets	864	173
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**3,145**	**1,298**
Borrowings and debt	1,259	596
Other liabilities	616	231
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**1,875**	**827**

At December 31, 2012, assets held for sale included the IP Maestrale and Sohar Power Company subsidiaries (GDF SUEZ Energy International), and the interest in SPP (GDF SUEZ Energy Europe). The Group had already finalized two of these transactions (SPP and IP Maestrale) in January and February 2013 and expects to finalize the disposal of part of its interest in Sohar Power Company during the first half of 2013.

All the assets classified as assets held for sale at December 31, 2011 have been sold (Choctaw and Hot Spring in the United States, together with the interest in the T-Power project in Belgium) or have been the subject of a partial disposal resulting in a loss of control in 2012 (Hidd Power Company).

Slovenský Plynárenský Priemysel a.s.- "SPP" (Slovakia)

At December 31, 2012, the Group considered that the disposal of its 24.5% interest in Slovenský Plynárenský Priemysel a.s. ("SPP"), the Slovak gas operator, through the disposal of its 50% interest in Slovak Gas Holding ("SGH") was highly probable, given the advanced state of negotiations with the various parties, and therefore classified these entities, consolidated under the proportionate method, as "Assets held for sale".

As the carrying amount of this group held for sale is higher than the expected disposal price, the Group has recognized an impairment loss of -€176 million. This loss was fully deducted from the goodwill allocated to this group of assets held for sale.

The classification as "Assets held for sale" resulted in a €35 million increase in net debt as at December 31, 2012, given the positive net cash held by this group held for sale.

SPP's contribution to "Net income Group share" amounted to €81 million in 2012 (before the impairment loss relating to its classification as assets held for sale) and to €128 million in 2011.

The sale was finalized on January 23, 2013: the Group and E.ON sold to Energetický a Průmyslový Holding ("EPH") their interests in SGH (in which the Group and E.ON held an equal interest), the holding company that owns a 49% interest in SPP.

This disposal valued the 24.5% interest in SPP at €1,301 million. The Group received a payment of €1,127 million on January 23, 2013 which corresponds to the disposal price of €1,301 million less the €59 million dividend paid in December 2012 and a guaranteed deferred payment of €115 million to be received in 2015.

At the date when the 2012 consolidated financial statements are authorised for issue, this transaction resulted in a €1,092 million reduction in the Group's net debt (i.e. the payment of €1,127 million less the net cash and cash equivalents sold of €35 million). This transaction also brings the arbitration proceedings that GDF SUEZ and E.ON had launched against the Slovak State before the ICSID to an end (see Note 27.1 "Legal and anti-trust proceedings").

IP Maestrale (Italy and Germany)

On December 5, 2012, the Group announced that it had reached an agreement with the ERG Group regarding the disposal of 80% of IP Maestrale's share capital, a transaction that will result in the loss of control over this subsidiary. IP Maestrale operates a portfolio of wind power generation assets in Italy (550 MW) and Germany (86 MW) within the GDF SUEZ Energy International business line. The agreement also specifies that GDF SUEZ will retain a 20% non-controlling interest in IP Maestrale.

At December 31, 2012, as conditions precedent to the execution of the transaction (authorization from the competition authorities and from Maestrale's banking pool) had not yet been formally completed, IP Maestrale's assets and liabilities were classified as "Assets held for sale". This classification led to a decrease in the Group's net debt by €737 million at December 31, 2012.

IP Maestrale's contribution to "Net income Group share" amounted to €51 million in 2012 and to €9 million in 2011.

This disposal became effective on February 13, 2013. The Group received a payment of €28 million, which corresponds to the disposal price of its 80% controlling interest. The gain on disposal is not material. As at the date when the 2012 consolidated financial statements are authorised for issue, this transaction therefore led to a €765 million decrease in the Group's net debt (including the IP Maestrale's net debt derecognition impact of €737 million and the payment of the €28 million disposal price).

Sohar Power Company SAOG (Oman)

During the 2012 financial year, the Group initiated the disposal of part of its interest in Sohar Power Company SAOG, a transaction that will result in the loss of control over this subsidiary. The Group expects to complete this partial disposal during the first half of 2013.

2.5 Other transactions and changes in consolidation methods for 2012

2.5.1 Acquisition of an additional 9.9% interest in Energia Sustentavel Do Brasil (Jirau)

During the second half of 2012, the Group acquired a 9.9% interest held by Camargo Correa in Energia Sustentavel Do Brasil ("ESBR") for a consideration amount of 539 million Brazilian real (€215 million). The Group now holds a 60% interest in ESBR, a company established in order to build, own, and operate the Jirau hydroelectric plant (3,750 MW).

As this acquisition does not alter the joint control exercised on ESBR by the Group, the €31 million difference between the €215 million purchase price and the carrying amount of the 9.9% interest acquired was recognized as a goodwill in the Group's financial statements.

At December 31, 2012, 60% of ESBR was consolidated under the proportionate method in the Group's financial statements (see Note 14 "Investments in joint ventures").

2.5.2 Change in consolidation method in Senoko

On June 29, 2012, an amendment to the Senoko shareholders' agreement, implying the loss of joint control over this company, was approved by the partners and lenders. The 30% interest held by the Group in Senoko, which was previously accounted for under the proportionate method, is now accounted for under the equity method [(1)]. The carrying amount of this associate amounted to €311 million at December 31, 2012 (see Note 13 "Investments in associates"). The remeasurement of the previously held interest in this company pursuant to the change in consolidation method is not material.

2.5.3 Other transactions carried out in 2012

Furthermore, several acquisitions, equity transactions and disposals took place in 2012, including the acquisition of controlling interests in UCH Power (PvT) in Pakistan and the acquisition of a non-controlling interest in AES Energia Cartagena.

The individual and aggregate impacts of these transactions on the Group financial statements are not material.

2.6 Finalization of the purchase price allocation of German storage facilities acquired in 2011

On August 31, 2011, the Group acquired BEB Speicher GmbH ("BEB") and ExxonMobil Gasspeicher Deutschland GmbH ("EMGSG") which operate underground natural gas storage sites in Germany for €915 million.

The accounting for this business combination was provisional at December 31, 2011. Provisional goodwill amounted to €566 million.

During 2012, the Group finalized its review to determine the fair value of the identifiable acquired assets and liabilities assumed at the acquisition date, and accounted for adjustments in comparison to the provisional fair value recognized in 2011. The main adjustments relate to industrial storage facilities, whose fair value was increased by €153 million compared with provisional values in 2011 and the related deferred tax liabilities increased by €44 million. Consequently to the recognition of these adjustments, the goodwill on this acquisition amounted to €436 million.

The accounting for this business combination is finalized at December 31, 2012.

2.7 Main transactions in 2011

2.7.1 Acquisition of International Power Group

The acquisition of International Power Group ("International Power") by GDF SUEZ, publicly announced on August 10, 2010, was completed on February 3, 2011.

The acquisition of International Power took the form of a contribution by GDF SUEZ of GDF SUEZ Energy International to International Power, in exchange for 3,554,347,956 new ordinary International Power plc shares issued on February 3, 2011. As a result of this combination, GDF SUEZ held 69.78% of the voting rights of the International Power Group.

International Power has been fully consolidated in GDF SUEZ's financial statements since February 3, 2011.

The fair value of the consideration transferred to acquire 69.78% of International Power was calculated based on International Power plc share price on February 3, 2011, the date of the business combination. The fair value transferred amounted to €5,130 million, corresponding to the 1,073 million International Power plc shares acquired (i.e. 69.78% of existing International Power plc shares prior to the transaction) multiplied by February 3 share price of £4.08 per share (at an exchange rate of £1 = €1.17).

(1) This change of consolidation method led in particular to a €526 million decrease in the Group's net debt.

The final accounting for the business combination had been completed at December 31, 2011. The table below shows the fair values assigned to the identifiable assets and liabilities of International Power at the acquisition date (in millions of euros):

In millions of euros	Total
Non-current assets	
Property, plant and equipment, net	10,941
Other non-current assets	3,189
TOTAL NON-CURRENT ASSETS	**14,129**
Current assets	
Trade and other receivables	1,081
Other current assets	473
Cash and cash equivalents	1,232
TOTAL CURRENT ASSETS	**2,787**
TOTAL ASSETS	**16,916**
Non-current liabilities	
Long-term borrowings	7,451
Other non-current liabilities	1,434
TOTAL NON-CURRENT LIABILITIES	**8,885**
Current liabilities	
Short-term borrowings	669
Trade and other payables	1,228
Other current liabilities	838
TOTAL CURRENT LIABILITIES	**2,735**
TOTAL NET ASSETS (100%)	**5,296**
Purchase consideration transferred	5,130
Remeasurement of previously-held equity interest in Hidd Power Company	32
Unwinding of the foreign currency derivatives hedging the special dividend	23
Non-controlling interests	2,932
GOODWILL	**2,822**

This acquisition resulted in a €6,458 million increase in equity, of which €6,303 million related to non-controlling interests. The remaining €155 million impact on shareholders' equity corresponds to the impact of the 30% dilution of the Group's interests in GDF SUEZ Energy International, as a result of the acquisition of a 69.78% controlling interest in International Power.

This transaction was completed in February 2011 and had a net negative impact of -€427 million on the Group's cash flows, which breaks down as follows:

- cash and cash equivalents acquired at the acquisition date: €1,232 million;
- payment of a special dividend: -€1,659 million.

2.7.2 Completion of the agreement with Acea Spa concerning the termination of the partnership between the two groups for Energy activities in Italy

The agreement dated December 16, 2010 terminating the partnership and shareholder agreement between the Group and Acea concerning energy activities in Italy came into effect during the first quarter of 2011. The overall agreement entered into with Acea concerning the unwinding of cross holdings resulted in for the Group to:

- an increase in the interest in the power generation company Tirreno Power from 35% to 50% for €108 million;
- the full takeover of the activities of AceaElectrabel Trading ("AET") and AceaElectrabel Produzione ("AEP") for €20 million and €76 million respectively; the acquisition of AEP took place following a "spin off" transaction that involved the transfer of power generation assets to Acea for €130 million;
- the sale of the Group's 40.59% interest in AceaElectrabel Elettricita ("AEE"), a company that markets gas and electricity, to Acea for €57 million.

2.7.3 Other changes in Group structure during 2011

In millions of euros	Disposal price	Decrease in net debt	Net gain (loss) on disposals, and changes in scope recognized in income	Impact recognized in shareholders' equity
Disposal of the 22.5% interest in EFOG	631	(460)	355	-
Entry of a 30% non-controlling shareholder in Exploration & Production	2,491	(2,298)	-	940
Disposal of the interest in GDF SUEZ LNG Liquefaction	672	(579)	479	-
Entry of a 25% non-controlling shareholder in GRTgaz	810	(1,100)	-	167
Investments in electricity and gas distribution in Belgium	-	(723)	533	-
Disposal of G6 Rete Gas	402	(737)	(38)	-
Disposal of a 70% interest in Bristol Water	152	(386)	88	-
Disposal of Noverco	194	(194)	28	-
TOTAL	**5,352**	**(6,476)**	**1,446**	**1,107**

2.7.3.1 Sale of the Group's interest in EFOG

EFOG was a joint venture (proportionately consolidated) between GDF SUEZ (22.5%) and the operator Total E&P UK Limited (77.5%, operator), which itself held a 46.2% interest in the Elgin-Franklin natural gas and condensate fields in the British North Sea.

On December 31, 2011, the Group sold its 22.5% interest in EFOG to Total for a consideration of €631 million.

2.7.3.2 Entry of a 30% non-controlling shareholder in the Group's Exploration & Production activities, and disposal of the Group's interest in GDF SUEZ LNG Liquefaction

As part of the cooperation agreement signed in August 2011 with China Investment Corporation ("CIC"), the Group and CIC entered into an agreement regarding the acquisition by CIC of a non-controlling interest in the Group's Exploration & Production activities ("GDF SUEZ E&P") on October 31, 2011. CIC's acquisition of a 30% interest in GDF SUEZ E&P for a price of $3,257 million (€2,491 million) became effective on December 20, 2011. The Group retains exclusive control of GDF SUEZ E&P.

Under the terms of the same agreement the Group also sold its interest in GDF SUEZ LNG Liquefaction, which owns a 10% interest in the Atlantic LNG liquefaction plant in Trinidad & Tobago, to CIC for $879 million (€672 million) on December 20, 2011.

2.7.3.3 Entry of a 25% non-controlling shareholder in GRTgaz

On June 27, 2011, the Group and the public consortium comprising CNP Assurances, CDC Infrastructure and Caisse des Dépôts entered into a long-term partnership in natural gas transmission.

Pursuant to the investment agreement, the consortium acquired 25% of the share capital and voting rights of the Group's subsidiary GRTgaz, a natural gas transmission network in France, for €1,110 million. The Group retains exclusive control of GRTgaz.

2.7.3.4 Investments in electricity and gas distribution in Belgium

Following various transactions carried out on the Flemish mixed inter-municipal companies' share capital and the measures taken regarding their governance, the Group ceased to exercise a significant influence over the Flemish mixed inter-municipal companies as from June 30, 2011, and has recognized its interest in these mixed inter-municipal companies as "Available-for-sale securities" from that date. In accordance with the applicable standards, the residual interest was recognized at fair value. The difference between carrying amount and fair value (€425 million) was recognized in the income statement under "Changes in scope of consolidation" within income from operating activities.

Furthermore, the various disposals of Walloon mixed inter-municipal companies performed in 2011 generated a €108 million gain on disposal.

NOTE 3 SEGMENT INFORMATION

3.1 Operating segments

The operating segments presented below reflect the segments used by the Group's Management Committee to allocate resources to the segments and assess their performance. No segments have been aggregated. The Group's Management Committee is the Group's "chief operating decision maker" within the meaning of IFRS 8.

On January 1, 2012, the Group reorganized its Energy businesses by creating two business lines, GDF SUEZ Energy International and GDF SUEZ Energy Europe, and redefining the scope of the GDF SUEZ Global Gas & LNG business line.

The Group is now organized around the following six operating segments: GDF SUEZ Energy International, GDF SUEZ Energy Europe, GDF SUEZ Global Gas & LNG, GDF SUEZ Infrastructures, GDF SUEZ Energy Services and SUEZ Environnement business lines.

- **GDF SUEZ Energy International business line** corresponds to the International Power group until December 31, 2011. These subsidiaries produce and market power in North America, Latin America, Asia, the United Kingdom and Other Europe, the Middle East, Africa and Australia. They also distribute and market gas in North America, Asia, Turkey and Australia. GDF SUEZ Energy International is active in LNG import and regasification in North America and Chile and seawater desalination in the Arabian peninsula.
- **GDF SUEZ Energy Europe business line** includes the following former operating segments: the Energy France business line; the Energy Benelux & Germany and Energy Europe business areas of the Energy Europe & International business line; and the "Gas Supply" and "Key Account Sales" activities within the GDF SUEZ Global Gas & LNG business line. GDF SUEZ Energy Europe carries out activities involving electricity production and energy sales in continental Europe. It operates the Group's assets in continental Europe in the fields of gas (excluding infrastructures managed by the GDF SUEZ Infrastructures business line) and electricity (excluding certain assets historically operated by GDF SUEZ Energy International in Italy, Germany, the Netherlands, Spain and Portugal).
- Following the transfer of the "Gas Supply" and "Key Account Sales" activities to GDF SUEZ Energy Europe, **GDF SUEZ Global Gas & LNG business line** now carries out upstream activities of the natural gas value chain. In the area of exploration and production, the business line engages in the exploration, development and operation of oil and gas fields. On the LNG chain, the business line manages a long-term gas supply contract portfolio and interests in liquefaction facilities, operates a LNG fleet, and owns regasification capacities in LNG terminals. Global Gas & LNG is selling a portion of its LNG supply contracts to other Group entities and, in particular, the "Gas Supply" activity of the GDF SUEZ Energy Europe business line.
- **GDF SUEZ Infrastructures business line**: subsidiaries in this segment operate gas transportation, storage and distribution networks, and LNG terminals, essentially in France and Germany. They also sell access rights to this infrastructure to third parties.
- **GDF SUEZ Energy Services business line**: these subsidiaries provide engineering, installation, maintenance and delegated management services, particularly in relation to electrical and heating facilities, pipeline systems and energy networks.
- **SUEZ Environnement business line**: subsidiaries in this operating segment provide private customers, local authorities and industrial customers with:
  - water distribution and treatment services, notably under concession contracts (water management), and water purification facility design and construction services (turnkey engineering), and
  - waste collection and treatment services including sorting, recycling, composting, landfilling, energy recovery and hazardous waste treatment.

The "Other" line presented in the table below includes contributions from corporate holding companies and entities centralizing the Group's financing requirements.

The methods used by the Group's Management Committee to recognize and measure these segments for internal reporting purposes are the same as those used to prepare the consolidated financial statements. EBITDA, industrial capital employed and capital expenditure (CAPEX) are reconciled with the consolidated financial statements.

The main relationships between operating segments other than the GDF SUEZ Global Gas & LNG supply contracts to GDF SUEZ Energy Europe concern GDF SUEZ Infrastructures business line and GDF SUEZ Energy Europe.

Services relating to the use of the Group's gas infrastructures in France are billed based on regulated fees applicable to all network users, except for storage infrastructure. The prices for reservations and use of storage facilities are established by storage operators and based on auctions of available capacity.

Due to the variety of its business lines and their geographical location, the Group serves a very diverse range of customer types and situations (industry, local authorities and individual customers). Accordingly, no external customer represents individually 10% or more of the Group's consolidated revenues.

Comparative segment information for 2011 has been restated to reflect the Group's new organization at December 31, 2012.

3.2 Key indicators by operating segment

REVENUES

In millions of euros	Dec. 31, 2012 External Revenues	Dec. 31, 2012 Intra-Group Revenues	Dec. 31, 2012 Total	Dec. 31, 2011 External Revenues	Dec. 31, 2011 Intra-Group Revenues	Dec. 31, 2011 Total
Energy International	16,044	435	16,480	15,754	413	16,167
Energy Europe	44,418	1,666	46,084	41,270	1,517	42,787
Global Gas & LNG	4,759	3,186	7,945	3,135	3,689	6,824
Infrastructures	2,031	4,184	6,216	1,491	4,212	5,703
Energy Services	14,693	230	14,923	14,206	204	14,409
SUEZ Environnement	15,093	10	15,103	14,819	10	14,829
Other	-	-	-	-	-	-
Elimination of internal transactions	-	(9,712)	(9,712)	-	(10,044)	(10,044)
TOTAL REVENUES	**97,038**	**-**	**97,038**	**90,673**	**-**	**90,673**

EBITDA

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Energy International	4,327	4,225
Energy Europe	4,180	4,078
Global Gas & LNG	2,377	2,074
Infrastructures	3,049	2,991
Energy Services	1,018	1,005
SUEZ Environnement	2,426	2,513
Other	(351)	(360)
TOTAL EBITDA	**17,026**	**16,525**

CURRENT OPERATING INCOME

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Energy International	2,931	2,754
Energy Europe	2,494	2,370
Global Gas & LNG	1,119	917
Infrastructures	1,805	1,793
Energy Services	660	655
SUEZ Environnement	1,121	1,039
Other	(610)	(550)
TOTAL CURRENT OPERATING INCOME	**9,520**	**8,978**

DEPRECIATION AND AMORTIZATION

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Energy International	(1,391)	(1,484)
Energy Europe	(1,567)	(1,649)
Global Gas & LNG	(1,202)	(1,113)
Infrastructures	(1,233)	(1,178)
Energy Services	(335)	(334)
SUEZ Environnement	(1,101)	(1,039)
Other	(111)	(89)
TOTAL DEPRECIATION AND AMORTIZATION	**(6,941)**	**(6,886)**

INDUSTRIAL CAPITAL EMPLOYED

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Energy International	27,823	30,263
Energy Europe	24,028	25,460
Global Gas & LNG	4,967	5,639
Infrastructures	20,877	20,581
Energy Services	3,141	3,030
SUEZ Environnement	13,683	13,628
Other	884	938
TOTAL INDUSTRIAL CAPITAL EMPLOYED	**95,404**	**99,539**

CAPITAL EXPENDITURE (CAPEX)

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Energy International	12,947	2,513
Energy Europe	2,408	2,326
Global Gas & LNG	710	656
Infrastructures	1,752	2,672
Energy Services	535	551
SUEZ Environnement	1,495	1,916
Other	77	114
TOTAL CAPITAL EXPENDITURE	**19,923**	**10,748**

In 2012, GDF SUEZ Energy International capital expenditure include a €9,815 million outflow related to the acquisition of non-controlling interests in International Power (see Note 2.1 “International Power”).

3.3 Key indicators by geographic area

The amounts set out below are analyzed by:

- destination of products and services sold for revenues;
- geographic location of consolidated companies for industrial capital employed.

	Revenues		Industrial capital employed	
In millions of euros	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
France	35,914	31,156	33,914	34,302
Belgium	11,110	11,817	3,943	4,010
Other EU countries	28,978	27,640	27,537	29,789
Other European countries	1,040	1,676	1,426	1,691
North America	5,469	5,745	9,118	9,947
Asia, Middle East & Oceania	8,633	7,011	9,155	10,285
South America	4,951	4,673	10,091	9,297
Africa	941	957	219	216
TOTAL	**97,038**	**90,673**	**95,404**	**99,539**

3.4 Reconciliation of indicators with consolidated financial statements

3.4.1 Reconciliation of EBITDA with current operating income

The bridge between EBITDA and current operating income is explained as follows:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Current operating income	9,520	8,978
Net depreciation, amortization and provisions	7,113	7,115
Share-based payments (IFRS 2) and other	118	138
Net disbursements under concession contracts	275	294
EBITDA	**17,026**	**16,525**

3.4.2 Reconciliation of industrial capital employed with items in the statement of financial position

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
(+) Property, plant and equipment and intangible assets, net	99,617	103,346
(+) Goodwill	30,035	31,362
(-) Goodwill arising on the Gaz de France - SUEZ merger (1)	*(11,592)*	*(11,832)*
(-) Goodwill arising on International Power combination (1)	*(2,750)*	*(2,894)*
(+) IFRIC 4 and IFRIC 12 receivables	2,682	2,483
(+) Investments in associates	2,961	2,619
(+) Trade and other receivables	25,034	23,135
(-) Margin calls (1)(2)	(800)	(567)
(+) Inventories	5,423	5,435
(+) Other current and non-current assets	9,974	10,628
(+) Deferred tax	(10,421)	(11,659)
(-) Provisions	(17,698)	(16,183)
(+) Actuarial gains and losses in shareholders' equity (net of deferred tax) (1)	*1,336*	*1,156*
(-) Trade and other payables	(19,481)	(18,387)
(+) Margin calls (1)(2)	*302*	*518*
(-) Other liabilities	(19,219)	(19,623)
INDUSTRIAL CAPITAL EMPLOYED	**95,404**	**99,539**

(1) For the purpose of calculating industrial capital employed, the amounts recorded in respect of these items have been adjusted from those appearing in the statement of financial position.

(2) Margin calls included in "Trade and other receivables" and "Trade and other payables" headings correspond to advances received or paid as part of the collateralization agreements set up by the Group to reduce its exposure to counterparty risk relating to commodities transactions.

3.4.3 Reconciliation of capital expenditure (CAPEX) with items in the statement of cash flows

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Acquisitions of property, plant and equipment and intangible assets	9,177	8,898
Acquisition of control over subsidiaries net of the cash and cash equivalents acquired	103	1,745
(+) Cash and cash equivalents acquired	*60*	*1,327*
(-) Payment of the exceptional International Power plc dividend	-	*(1,659)*
Acquisitions of investments in associates and joint ventures	306	119
(+) Cash and cash equivalents acquired	*12*	*3*
Acquisitions of available-for-sale securities	142	258
Change in loans and receivables originated by the Group and other	21	(60)
(+) Other	*1*	*(6)*
Change in ownership interests in controlled entities	10,125	(2,974)
(+) Payments received in respect of the disposal of non-controlling interests	*(24)*	*3,097*
TOTAL CAPITAL EXPENDITURE	**19,923**	**10,748**

NOTE 4 CURRENT OPERATING INCOME

4.1 Revenues

Group revenues break down as follows:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Energy sales	65,241	59,499
Rendering of services	29,750	28,953
Lease and construction contracts	2,047	2,221
REVENUES	**97,038**	**90,673**

In 2012, revenues from lease and construction contracts amounted to €1,128 million and €919 million, respectively (€1,056 million and €1,165 million in 2011).

4.2 Personnel costs

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Short-term benefits	(12,627)	(12,174)
Share-based payments (see Note 24)	(114)	(145)
Costs related to defined benefit plans (see Note 19.3.4)	(340)	(333)
Costs related to defined contribution plans (see Note 19.4)	(153)	(122)
PERSONNEL COSTS	**(13,234)**	**(12,775)**

4.3 Depreciation, amortization and provisions

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Depreciation and amortization (see Notes 11 and 12)	(6,941)	(6,886)
Net change in write-downs of inventories, trade receivables and other assets	(194)	(67)
Net change in provisions (see Note 18)	22	(163)
DEPRECIATION, AMORTIZATION AND PROVISIONS	**(7,113)**	**(7,115)**

Depreciation and amortization break down as €1,175 million for intangible assets and €5,807 million for property, plant and equipment. A breakdown by type of asset is provided in Notes 11 "Intangible assets" and 12 "Property, plant and equipment" respectively.

NOTE 5 INCOME FROM OPERATING ACTIVITIES

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
CURRENT OPERATING INCOME	**9,520**	**8,978**
Mark-to-market on commodity contracts other than trading instruments	109	(105)
Impairment losses	(2,474)	(532)
Restructuring costs	(342)	(189)
Changes in scope of consolidation	155	1,514
Other non-recurring items	165	18
INCOME FROM OPERATING ACTIVITIES	**7,133**	**9,684**

5.1 Mark-to-market on commodity contracts other than trading instruments

In 2012, this item represents a net gain of €109 million, compared with a net loss of €105 million in 2011, mainly reflecting:

- changes in the fair value of the electricity and natural gas sale and purchase contracts falling within the scope of IAS 39 and financial instruments used as economic hedges but not eligible for hedge accounting, resulting in a net gain of €138 million (compared with a net loss of €125 million in 2011). This gain is mainly due to the positive impact of the settlement of positions with a negative market value at December 31, 2011. This net positive impact is partly offset by a negative price effect related to changes in the forward prices of the underlying commodities during the period;
- the ineffective portion of cash flow hedges representing a loss of €29 million (compared to a gain of €20 million in 2011).

5.2 Impairment losses

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Impairment losses:		
Goodwill	(294)	(61)
Property, plant and equipment and other intangible assets	(1,899)	(332)
Financial assets	(212)	(212)
Investments in associates	(144)	-
TOTAL IMPAIRMENT LOSSES	**(2,549)**	**(605)**
Reversals of impairment losses:		
Property, plant and equipment and other intangible assets	67	45
Financial assets	8	28
TOTAL REVERSALS AND IMPAIRMENT LOSSES	**75**	**73**
TOTAL	**(2,474)**	**(532)**

Impairment losses of €2,474 million primarily break down between the GDF SUEZ Energy Europe (€1,639 million) and GDF SUEZ Energy International (€409 million) business lines, the "Other" business line (€155 million) and the Global Gas and LNG business line (€107 million).

After taking into account the related income tax effects, the after tax impact of these 2012 impairment losses amounts to €1,973 million.

5.2.1 Impairment losses of goodwill

In 2012, the Group recognized in accordance with IFRS 5 a €176 million impairment loss relating to its interest in SPP, which was classified under "Assets held for sale". This impairment was fully recognized against the goodwill allocated to this disposal group (see Note 2.4 "Assets held for sale"). No other impairment loss was material taken individually in 2012.

In 2011, in light of Greece's economic situation and the uncertainty regarding the medium to long-term conditions of this market, the Group had recognized a €61 million impairment loss against goodwill allocated to the Energy-Southern Europe CGU.

5.2.2 Impairment losses of property, plant and equipment and intangible assets

The €1,899 million impairment losses recognized in 2012 mainly related to thermal power generation assets from the GDF SUEZ Energy Europe and the GDF SUEZ Energy International business lines.

In Europe, the Group is currently facing a particularly tough economic environment, which is affecting the competitiveness and profitability of its thermal power plant portfolio, and especially its gas-fired power plants. The combined effects of a flat power demand, of the development of renewable energies, and of competition from coal-fired power plants are resulting in a decrease in electricity prices and in the margin levels captured by gas-fired power plants.

The impairment tests performed in this difficult economic environment led the Group to recognize impairment losses on the following assets:

In millions of euros	Location	Impairment losses	Valuation method	Discount rate
Impairment losses on the power generation assets relating to the European economic environment:		**(1,268)**		
Thermal power plant	The Netherlands	(513)	Value-in-use - DCF	8.8%
Thermal power plants	Italy	(294)	Value-in-use - DCF	7.8%
Thermal power plants	United Kingdom	(152)		
Pumped-storage plant	Germany	(56)	Value-in-use - DCF	8.1%
Thermal power plant	Greece	(42)	Value-in-use - DCF	11.1%
Other thermal power plants		(211)	Value-in-use - DCF	11.3%
Other impairment losses:		**(631)**		
French civil nuclear project	France	(100)		
Power plant under construction	Germany	(90)		
Office building	France	(60)	Fair value less costs to sell	
Coal-fired plant	United States	(45)	Value-in-use - DCF	6.8%
Thermal power plant	Panama	(44)	Value-in-use - DCF	8.6%
Exploration & Production licenses	Egypt & Libya	(46)	Value-in-use - DCF	14.2%/17%
Other		(246)		
TOTAL IMPAIRMENT LOSSES RECOGNIZED ON PROPERTY PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS		**(1,899)**		

In the Netherlands, an impairment loss of €513 million was recognized on a gas-fired power plant. The value in use of this generation asset was calculated based on 2013-2016 projections of cash flows, approved by the Group's Management Committee, and beyond that period, on projections of cash flows until the end of the asset's useful life. The forecasts for the electricity sale prices that will be captured during peak periods were determined based on the Group methodology described in Note 10.3 "Impairment testing of goodwill CGUs".

A one year delay in the time frame for reaching equilibrium electricity prices would lead to the recognition of an additional impairment loss of €31 million on this power plant.

In Italy, an impairment loss of €294 million was recognized on a part of the thermal assets portfolio. The value in use of these assets was calculated based on projections of cash flows included in the 2013 budget and in the 2014-2018 medium-term business plan, approved by the Group's Management Committee, and beyond that period on projections of cash flows until the end of the assets' useful life. The method applied by the Group in order to determine medium and long-term prices for electricity, and the marginal cost of these thermal assets is described in Note 10.3 "Impairment testing of goodwill CGUs".

A change in the following key assumptions, namely an increase of 0.5% in the discount rate combined with a one-year delay in the time frame for reaching equilibrium electricity prices would lead to the recognition of an additional impairment loss of €74 million on these thermal assets.

Due to the current market conditions in the United Kingdom, the Group has decided to shut down some thermal power plants.

In Germany, an impairment loss of €56 million was recognized on a pumped-storage plant. The value in use of this asset was calculated using projections of cash flows included in the 2013 budget and in the 2014-2018 medium-term business plan approved by the Group Management Committee, and beyond this period, using the projections of cash flows until the end of the asset's useful life. The post-2018 projections of cash flows have been calculated by applying a 2% annual growth rate to the 2018 cash flow up until the end of the asset useful life. A negative 10% change in the margins generated on energy sales would not have a material impact on the plant's recoverable amount.

The Group has taken notice of the French Government's decision not to launch any new nuclear civil project in France during the current five-year term, and has therefore recognized a total impairment loss of €100 million on certain related assets.

Furthermore in Germany, technical problems forced the Group to recognize an impairment loss of €90 million on a coal power plant under construction.

The Group recognized a €60 million impairment loss on an office building in France, based on a valuation performed by an independent appraiser.

The impairment losses recognized in 2011 chiefly related to the following assets:

- a power production asset in Spain (impairment loss of €120 million) in the GDF SUEZ Energy Europe business line, given the persistent nature of difficult market conditions in Spain;
- a power production asset in the United States (impairment loss of €86 million) in the GDF SUEZ Energy International business line, following a succession of technical problems resulting in lower availability of this asset.

5.2.3 Impairment losses of financial assets

Impairment losses recognized in 2012, net of reversals of impairment losses, amounted to €204 million. This amount included an impairment loss of €84 million recognized by the Group against its listed Acea shares based on the closing share price at December 31, 2012 (see Note 15.1.1."Available-for-sale securities"). No other impairment loss was material taken individually.

Impairment losses recognized in 2011, net of reversals of impairment losses, amounted to €184 million, with no individual impairment loss being material.

The analysis on available-for-sale securities is presented in Note 15 "Financial instruments".

5.2.4 Impairment losses of investments in associates

The impairment test performed on the GASAG (Berliner Gaswerke) associate valued the Group's 31.6% interest in the gas operator at €300 million at December 31, 2012. An impairment loss of €144 million was therefore recognized in order to bring the book value in line with the recoverable amount.

This impairment loss was mainly due to GASAG's deteriorating market share of gas distribution activities, due to competitive pressure from alternative suppliers. The value in use of this investment was calculated using projections of cash flows included in the medium-term business plan covering a period of four years and approved by GASAG's Executive Board, and beyond this period, using a terminal value calculated by applying a 2% growth rate to the normative cash flow of the last year of the medium-term business plan. A discount rate of 6.3% was applied to these projections.

5.3 Restructuring costs

In 2012, the €342 million restructuring costs mainly include in the GDF SUEZ Energy Europe business line the costs incurred to adapt to economic conditions (€136 million) which primarily consist of the costs relating to the shutdown of generation units in Belgium, in the Netherlands and in Hungary, as well as the costs arising from the definitive shutdown of the Photovoltech activity. In SUEZ Environnement business line (€78 million), this item mainly includes the costs relating to the restructuring programs decided on by Agbar in its Spanish activities and by Degrémont (primarily in France) as well as the cost of the adjustment programs relating to the slowdown in activity in the Waste Europe segment. Restructuring costs also include the costs incurred to adapt to economic conditions in the GDF SUEZ Energy Services business line (€53 million).

Restructuring costs in 2011 mainly included in the GDF SUEZ Energy International business line (€89 million) costs relating to the implementation of the combination with International Power and of the operating synergies plan and also costs incurred to adapt to economic conditions in the United States. They also included costs incurred to adapt to economic conditions in the SUEZ Environnement (€40 million) and GDF SUEZ Energy Services (€37 million) business lines.

5.4 Changes in scope of consolidation

In 2012, this item mainly includes capital gains on the disposal of a 60% interest in the Canadian renewable energy activities (€136 million), disposal of the shares in the Brussels inter-municipal company Sibelga (€105 million) and in Eurawasser (€34 million) and a capital loss on the transactions relating to Breeze II (-€35 million) (see Note 2 "Main changes in Group structure").

In 2011, this item included capital gains on the disposal of shares in GDF SUEZ LNG Liquefaction (€479 million), EFOG (€355 million), Noverco (€28 million) and Bristol Water (€88 million), capital losses on the disposal of G6 Rete Gas (-€38 million), and a €108 million capital gain on the disposal of a portion of the share capital of the inter-municipal companies in the Walloon region.

This item also included the positive impact of remeasuring at fair value the previously-held equity interests in the Flemish inter-municipal companies (€425 million) following the loss of significant influence and the recognition of these shares as "Available-for-sale securities".

5.5 Other non-recurring items

In 2012, this item mainly includes a €233 million gain which corresponds to the decrease in the fine paid related to the "MEGAL" legal proceedings following the judgment handed down by the General Court of the European Union on June 29, 2012 (see Note 27 "Legal and anti-trust proceedings"). No other item was material taken individually.

In 2011, this item mainly included €33 million in capital gains on the disposal of property, plant and equipment in SUEZ Environnement business line.

NOTE 6 NET FINANCIAL INCOME/(LOSS)

In millions of euros	Dec. 31, 2012 Expense	Dec. 31, 2012 Income	Dec. 31, 2012 Total	Dec. 31, 2011 Expense	Dec. 31, 2011 Income	Dec. 31, 2011 Total
Cost of net debt	(2,137)	191	(1,945)	(2,188)	243	(1,945)
Income from debt restructuring transactions and from early unwinding of derivative financial instruments	(299)	210	(89)	-	-	-
Other financial income and expenses	(1,217)	494	(723)	(1,195)	535	(661)
NET FINANCIAL INCOME/LOSS	**(3,652)**	**896**	**(2,756)**	**(3,383)**	**778**	**(2,606)**

To ensure better comparability of the "Cost of net debt", the Group now presents separately the non-recurring effects of "Income from debt restructuring transactions and from early unwinding of derivative financial instruments" which represent the non recurring impacts relating to debt restructuring transactions (early repayments) and to early unwinding of derivative financial instruments. These items are excluded from the "Net recurring income Group share" indicator (see Note 8 "Net recurring income Group share").

Last year's net financial income/(loss) was not restated as the impact of these debt restructuring transactions was not material in 2011.

6.1 Cost of net debt

The main items of the cost of net debt break down as follows:

In millions of euros	Expense	Income	Total December 31, 2012	December 31, 2011
Interest expense on gross debt and hedges	(2,464)	-	(2,464)	(2,511)
Foreign exchange gains/losses on borrowings and hedges	(38)	-	(38)	(57)
Ineffective portion of derivatives qualified as fair value hedges (1)	-	-	-	5
Gains and losses on cash and cash equivalents and financial assets at fair value through income	-	191	191	238
Capitalized borrowing costs	365	-	365	379
COST OF NET DEBT	**(2,137)**	**191**	**(1,945)**	**(1,945)**

(1) Items excluded from net recurring income (see Note 8 "Net recurring income Group share").

The cost of net debt remains stable between 2011 and 2012. The impact of the rise in average debt outstanding (see Note 15.3 "Net debt") compared to 2011 is offset by a decrease of interest rates.

6.2 Income from debt restructuring transactions and from early unwinding of derivative financial instruments

The main effects of debt restructuring break down as follows:

In millions of euros	Expense	Income	Total Dec. 31, 2012	Dec. 31, 2011
Impact of early unwinding of derivative financial instruments on income statement	(234)	210	(24)	-
of which cash payments made on the unwinding of swaps	(234)	-	(234)	-
of which reversal of the negative fair value of these derivatives at December 31, 2011	-	210	210	-
Impact of debt restructuring transactions on the income statement	(65)	-	(65)	-
of which early refinancing transactions expenses	(65)	-	(65)	-
GAINS AND LOSSES ON DEBT RESTRUCTURING TRANSACTIONS AND ON THE EARLY UNWINDING OF DERIVATIVE FINANCIAL INSTRUMENTS (1)	**(299)**	**210**	**(89)**	**-**

(1) Items excluded from net recurring income (see Note 8 "Net recurring income Group share").

During the period, the Group settled a number of US dollar interest rate swaps. The compensation payments amount to -€213 million with a negative impact of -€25 million on the income statement, taking into account the reversal of €188 million negative value of the related derivative instruments at December 31, 2011. This cash outflow of €213 million is part of the "Cash flow on derivatives qualified as net investment hedges and cash payments on derivatives" line in the statement of cash flow.

Furthermore, the "Early refinancing transactions expenses" item includes a -€39 million expense relating to the redemption of the "High Yield Bond" held by International Power Finance Ltd (see Note 15.3.2 "Main events of the period").

6.3 Other financial income and expenses

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Other financial expenses		
Change in fair value of derivatives not qualified as hedges (1)	(214)	(189)
Gains and losses on the dequalification and inefficiency of economic hedges on other financial items	(16)	(68)
Unwinding of discounting adjustments to provisions	(866)	(845)
Interest on trade and other payables	(92)	(83)
Other financial expenses	(29)	(10)
TOTAL	**(1,217)**	**(1,195)**
Other financial income		
Expected return on pension plan assets	238	248
Income from available-for-sale securities	123	140
Interest income on trade and other receivables	58	69
Interest income on loans and receivables at amortized cost	47	51
Other financial income	30	28
TOTAL	**494**	**535**
OTHER FINANCIAL INCOME AND EXPENSES, NET	**(723)**	**(661)**

(1) Items excluded from net recurring income (see Note 8 "Net recurring income Group share").

The "Change in fair value of derivatives not qualified as hedges" line (derivatives excluded from net debt at December 31, 2012) includes a €160 million expense in respect of the change in fair value of the derivative corresponding to the optional component of bonds convertible into International Power plc shares denominated in US dollars (against a non-material change in 2011). The increase in fair value of this derivative is primarily due to the terms and conditions of the tender offer for the non-controlling interests in International Power plc (see Note 2.1 "International Power"). This derivative was derecognized during the third quarter of 2012 and has been taken to equity following the conversion of these bonds into International Power plc shares (see Note 2.1 "International Power").

NOTE 7 INCOME TAX EXPENSE

7.1 Actual income tax expense recognized in the income statement

7.1.1 Breakdown of actual income tax expense recognized in the income statement

The income tax expense recognized in the income statement for 2012 amounts to €2,054 million (€2,119 million in 2011), breaking down as:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Current income taxes	(2,530)	(1,647)
Deferred taxes	475	(473)
TOTAL INCOME TAX EXPENSE RECOGNIZED IN INCOME	**(2,054)**	**(2,119)**

7.1.2 Reconciliation of theoretical income tax expense with actual income tax expense

A reconciliation of theoretical income tax expense with the Group's actual income tax expense is presented below:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Net income	**2,755**	**5,420**
• Share in net income of associates	433	462
• Income tax expense	(2,054)	(2,119)
Income before income tax expense and share in net income of associates (A)	**4,377**	**7,078**
Of which French companies	*1,278*	*640*
Of which companies outside France	*3,099*	*6,438*
Statutory income tax rate of the parent company (B)	36.1%	36.1%
THEORETICAL INCOME TAX EXPENSE (C) = (A) X (B)	**(1,580)**	**(2,555)**
Reconciling items between theorical and actual income tax expense		
Difference between statutory tax rate applicable to the parent and statutory tax rate in force In jurisdictions in France and abroad [a]	(215)	94
Permanent differences [b]	(255)	(80)
Income taxed at a reduced rate or tax-exempt [c]	603	758
Additional tax expense [d]	(771)	(491)
Effect of unrecognized deferred tax assets on tax loss carry-forwards and other tax-deductible temporary differences	(317)	(320)
Recognition or utilization of tax income on previously unrecognized tax loss carry-forwards and other tax-deductible temporary differences	223	80
Impact of changes in tax rates [e]	(18)	(45)
Tax credits and other tax reductions [f]	237	435
Other	39	7
ACTUAL INCOME TAX EXPENSE	**(2,054)**	**(2,119)**

(a) This effect is due to a significant increase in the profits generated in countries with a high tax rate (including the profits of the Exploration & Production entities) and in the losses generated in countries with a lower tax rate.

(b) Includes the effects relating to the thin cap on borrowings interest in France, in accordance with the Loi de Finances rectificative 2012 and the increase in tax disallowable impairments on goodwill.

(c) Reflects mainly capital gains on disposals of securities exempt from tax or taxed at a reduced rate in Luxembourg, Belgium and in other countries, the impact of the specific tax regimes used by some entities in Luxembourg, Belgium, Thailand and Brazil, and the impact of the untaxed income from remeasuring previously-held equity interests in connection with acquisitions and changes in consolidation methods described in Note 5.4 "Changes in scope of consolidation".

(d) Includes mainly tax on dividends resulting from the parent company tax regime and the withholding tax on dividends and interest levied in several tax jurisdictions, the contribution on nuclear activities payable by nuclear-sourced electricity utilities in Belgium (€212 million in 2011 and €489 million in 2012), allocations to provisions for income tax, and regional corporate taxes.

(e) Includes mainly the impact of the increase in the tax rate for exploration-production activities in the United Kingdom in 2011 (increase from 50% to 62%), the impact of the reduction in the tax rate for other activities in the United Kingdom (decrease from 27% to 25% in 2011, and then from 25% to 23% in 2012), as well as the impact of changes in the tax rate in France (amount of the exceptional 5% contribution for the reversal of timing differences occurring in 2013 and 2014), in Chile (increase from 17% to 20%) and in Slovakia (increase from 19% to 23%).

(f) Includes mainly the impact of deductible notional interest in Belgium and of tax credits in Norway, the United Kingdom and France.

In 2011, the income tax rate payable by companies in France with revenues over €250 million was increased to 36.10% (34.43% in 2010). This new tax rate resulted from the introduction of an exceptional 5% contribution payable in respect of 2011 and 2012. This measure was extended in December 2012 for two further financial years, i.e. until 2014.

For French companies, the timing differences expected to reverse after 2014 continue to be measured at the rate of 34.43%.

7.1.3 Analysis of the deferred tax income (expense) recognized in the income statement, by type of temporary difference

	Impact in the income statement	
In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Deferred tax assets:		
Tax loss carry-forwards and tax credits	639	156
Pension obligations	42	(60)
Non-deductible provisions	41	177
Difference between the carrying amount of PP&E and intangible assets and their tax bases	(9)	(45)
Measurement of financial instruments at fair value (IAS 32/39)	(308)	127
Other	64	(547)
TOTAL	469	(192)
Deferred tax liabilities:		
Difference between the carrying amount of PP&E and intangible assets and their tax bases	(28)	(282)
Tax-driven provisions	50	(75)
Measurement of financial assets and liabilities at fair value (IAS 32/39)	82	(151)
Other	(98)	227
TOTAL	6	(281)
DEFERRED TAX INCOME / (EXPENSE)	**475**	**(473)**

7.2 Deferred tax income (expense) recognized in "Other comprehensive income"

Deferred tax income (expense) recognized in "Other comprehensive income" is broken down by component as follows:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Available-for-sale financial assets	(26)	(9)
Actuarial gain and losses	234	247
Net investment hedges	30	37
Cash flow hedges	273	(97)
TOTAL EXCLUDING SHARE OF ASSOCIATES	510	178
Share of associates	8	30
TOTAL	**518**	**208**

7.3 Deferred taxes presented in the statement of financial position

7.3.1 Change in deferred taxes

Changes in deferred taxes recognized in the statement of financial position, after netting deferred tax assets and liabilities by tax entity, break down as follows:

In millions of euros	Assets	Liabilities	Net position
At December 31, 2011	1,379	(13,038)	(11,659)
Impact on net income for the year	469	6	475
Impact on other comprehensive income items	393	156	548
Impact of changes in scope of consolidation	(30)	53	23
Impact of translation adjustments	(17)	(80)	(97)
Transfers to assets and liabilities classified as held for sale	(51)	369	318
Other	(435)	406	(29)
Impact of netting by tax entity	(170)	170	-
AT DECEMBER 31, 2012	**1,537**	**(11,959)**	**(10,421)**

7.3.2 Analysis of the net deferred tax position recognized in the statement of financial position (before netting deferred tax assets and liabilities by tax entity), by type of temporary difference

	Statement of financial position at	
In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Deferred tax assets:		
Tax loss carry-forwards and tax credits	2,464	1,835
Pension obligations	1,660	1,404
Non-deductible provisions	668	956
Difference between the carrying amount of PP&E and intangible assets and their tax bases	1,007	1,321
Measurement of financial instruments at fair value (IAS 32/39)	1,299	1,283
Other	876	849
TOTAL	**7,974**	**7,648**
Deferred tax liabilities:		
Difference between the carrying amount of PP&E and intangible assets and their tax bases	(16,388)	(16,714)
Tax-driven provisions	(249)	(334)
Measurement of financial assets and liabilities at fair value (IAS 32/39)	(1,114)	(1,194)
Other	(644)	(1,065)
TOTAL	**(18,395)**	**(19,307)**
NET DEFERRED TAX ASSETS/(LIABILITIES)	**(10,421)**	**(11,659)**

A total of €2,464 million in deferred tax assets were recognized in respect of tax losses and tax credits carried forward at December 31, 2012 (€1,835 million at end-2011). As in 2011, this amount includes all tax loss carry-forwards relating to the GDF SUEZ SA and SUEZ Environnement tax consolidation groups.

In the case of:

- the “International Power North America” tax consolidation group, the Group believes that all the tax-loss carry-forwards will be utilized over a period of ten years;
- the SUEZ Environnement tax consolidation group, the management considers that the tax consolidation group will use all the deferred tax assets recognized on tax-loss carry-forwards over the period covered by the medium-term plan (up to around 45%) or beyond that time frame.

Aside from these two tax entities, the deferred tax assets recognized in respect of tax-loss carry-forwards are justified by the existence of adequate taxable timing differences and/or by expectations that these loss carry-forwards will be used over the period covered by the medium-term plan (2013-2018), as approved by the management.

7.4 Unrecognized deferred taxes

7.4.1 Unrecognized deductible temporary differences

At December 31, 2012, the tax effect of tax losses and tax credits eligible for carry-forward but not utilized and not recognized in the statement of financial position amounted to €1,245 million (€1,112 million at December 31, 2011). Most of these unrecognized tax losses relate to companies based in countries which allow losses to be carried forward indefinitely (mainly Belgium, France, Luxembourg and Australia). These tax-loss carry-forwards did not give rise to the recognition of deferred tax due to the absence of sufficient profit forecasts in the medium term.

The tax effect of other tax-deductible temporary differences not recorded in the statement of financial position was €230 million at end-December 2012 versus €238 million at end-December 2011.

7.4.2 Unrecognized deferred taxes on taxable temporary differences relating to investments in subsidiaries, joint ventures and associates

No material deferred tax liabilities are recognized on temporary differences when the Group is able to control the timing of their reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTE 8 NET RECURRING INCOME GROUP SHARE

Net recurring income Group share is a financial indicator used by the Group in its financial reporting to present net income Group share adjusted for unusual or non-recurring items.

This financial indicator therefore excludes:

- all items presented between the lines “Current operating income” and “Income from operating activities”, i.e., “Mark-to-market on commodity contracts other than trading instruments”, “Impairment losses “, “Restructuring costs”, “Changes in scope of consolidation” and “Other non-recurring items”. These items are defined in Note 1.4.17 “Current operating income” of the consolidated financial statements as at December 31, 2012;
- the following components of net financial expense: the impact of debt restructuring, the compensation payments on the unwinding of derivative instruments, changes in the fair value of derivative instruments which, in accordance with IAS 39, do not qualify as hedges, as well as the ineffective portion of derivative instruments that qualify as hedges;
- the tax impact of the items described above and determined using the statutory income tax rate applicable to the relevant tax entity;
- the net expense relating to the nuclear contribution in Belgium of which the legality is contested by the Group;
- net non-recurring items included in “Share in net income of associates”. The excluded items correspond to non-recurring items as defined above.

The reconciliation of net recurring income Group share with net income is as follows:

In millions of euros	Note	Dec. 31, 2012	Dec. 31, 2011
NET INCOME GROUP SHARE		**1,550**	**4,003**
Non-controlling interests' share of net income		1,205	1,418
NET INCOME		2,755	5,420
Reconciliation between current operating income and income from operating activities		2,387	(706)
Mark-to-market on commodity contracts other than trading instruments	*5.1*	*(109)*	*105*
Impairment losses	*5.2*	*2,474*	*532*
Restructuring costs	*5.3*	*342*	*189*
Changes in scope of consolidation	*5.4*	*(155)*	*(1,514)*
Other non-recurring items	*5.5*	*(165)*	*(18)*
Other adjusted items (not included in income from operating activities)		65	144
Gains (losses) on debt restructuring and early settlement of derivative instruments	*6.2*	*89*	*-*
Changes in the fair value of derivative instruments not qualifying for hedge accounting	*6.3*	*214*	*184*
Tax on non-recurring items		*(544)*	*(176)*
Net expense relating to the nuclear contribution in Belgium		*274*	*118*
Non-recurring income included in share of net income of associates	*13.1*	*32*	*18*
NET RECURRING INCOME		5,208	4,858
Net recurring income of non-controlling interests		1,377	1,403
NET RECURRING INCOME GROUP SHARE		**3,831**	**3,455**

NOTE 9 EARNINGS PER SHARE

	Dec. 31, 2012	Dec. 31, 2011
Numerator *(in millions of euros)*		
Net income Group share	1,550	4,003
Impact of dilutive instruments:		
• International Power convertible bonds	(21)	(19)
Diluted net income Group share	1,529	3,984
Denominator *(in millions of shares)*		
Average number of shares outstanding	2,271	2,235
Impact of dilutive instruments		
• Bonus share plans reserved for employees	12	9
• Employee stock subscription and purchase plans	-	3
DILUTED AVERAGE NUMBER OF SHARES OUTSTANDING	**2,284**	**2,247**
Earnings per share *(in euros)*		
Basic earnings per share	0.68	1.79
Diluted earnings per share	0.67	1.77

In accordance with IAS 33, earnings per share for the 2011 financial year have been restated in order to take into account the impact of shares created in the framework of dividends paid in shares in May and October 2012.

The Group's dilutive instruments included in the calculation of diluted earnings per share include the bonds convertible into International Power plc shares, and the bonus shares and performance shares granted in the form of GDF SUEZ securities described in Note 24.3 "Bonus shares and Performance shares", together with the stock option plans described in Note 24.1 "Stock option plans" where the exercise price is lower than the average annual GDF SUEZ share price (the average annual GDF SUEZ share price amounted to €18.3 in 2012 and to €24.2 in 2011).

Diluted earnings per share do not take into account the stock subscription options granted to employees at an exercise price higher than the average annual GDF SUEZ share price.

As far as the 2012 financial year is concerned, the stock option plans awarded in 2005, 2007, 2008 and 2009 were excluded from the diluted earnings per share calculation due to their accretive effect. The stock option plans awarded in 2007, 2008 and 2009 were also excluded from the 2011 diluted earnings per share calculation due to their accretive effect.

Instruments that were accretive at December 31, 2012 may become dilutive in subsequent periods due to changes in the average annual share price.

NOTE 10 GOODWILL

10.1 Movements in the carrying amount of goodwill

In millions of euros	Gross amount	Impairment losses	Net amount
At December 31, 2010	**28,332**	**(399)**	**27,933**
Impairment losses	-	(61)	
Changes in scope of consolidation and other	3,343	23	
Translation adjustments	107	17	
At December 31, 2011	**31,782**	**(420)**	**31,362**
Impairment losses	-	(118)	
Changes in scope of consolidation	(594)	-	
Other	(336)	-	
Transfer to Assets classified as held for sale	(263)	-	
Translation adjustments	(12)	(4)	
AT DECEMBER 31, 2012	**30,577**	**(542)**	**30,035**

The impact of the changes in scope in the statement of financial position at December 31, 2012 relates primarily to the derecognition of goodwill following the change in the consolidation method for Senoko (€406 million), the partial disposal of the Canadian renewable energy activities (€140 million), and the disposal of Sibelga, the Brussels inter-municipal company (€62 million). These transactions and changes in consolidation method are described in Note 2 "Main changes in Group structure".

The €336 million decrease in the carrying amount of the goodwill shown on the "Other" line was primarily due to:

- the finalization of the purchase accounting relating to the gas storage activities in Germany that were acquired in 2011 (see Note 2 "Main changes in Group structure");
- the reduction in the fair value of the financial liability relating to the put option granted by the Group to the non-controlling interests in La Compagnie du Vent, for which the offsetting entry is recognized in goodwill, in accordance with Group accounting policies (see Note 15.2.4 "Other financial liabilities" and Note 1.4.11.2 "Financial liabilities").

The "Transfer to Assets classified as held for sale" line includes the goodwill allocated to the SPP activities classified as held for sale (see Note 2 "Main changes in Group structure").

The impairment losses of €118 million recorded at December 31, 2012 do not include any material amount on an individual basis.

The increase in the goodwill amount in the statement of financial position at December 31, 2011 was essentially due to the €2,822 million in goodwill arising from the acquisition of International Power, the provisional goodwill amount of €566 million arising from the acquisition of gas storage activities in Germany, and from the acquisition of Ne Varietur (GDF SUEZ Energy Services) for €129 million. These increases were partly offset by the derecognition of €209 million in goodwill resulting from the partial disposal of Walloon inter-municipal companies, and the loss of significant influence over Flemish inter-municipal companies.

As a result of the 2011 annual impairment tests on the goodwill CGUs', the Group had recognized an impairment loss of €61 million on the goodwill of the Energy-Southern Europe CGU.

10.2 Main goodwill CGUs

10.2.1 Adaptation of the goodwill CGUs to the Group's new operating organizational structure

Following the implementation of the new operating organization for the energy businesses in Europe on January 1, 2012, and the redefinition of the scope of GDF SUEZ Global Gas & LNG (see Note 3.1 "Operating segments"), the Group reviewed the definition and scope of the groups of cash generating units (goodwill CGUs) to which the goodwill of the Energy Europe and Global Gas & LNG activities must be allocated.

In the Central Western Europe (CWE) region, which consists of France, Benelux and Germany, the business line has set up a new operating organizational and managerial structure that enables it to address the challenges entailed by the unification of energy markets in this region, where the networks are now heavily interconnected. This new organizational structure is reflected in the centralized and pooled operational management of the gas and electricity activities in this region.

As a result, the Group decided to set up an Energy – Central Western Europe CGU, which brings together the activities included in the following CGUs until December 31, 2011:

- Energy – France CGU for the power generation, the sale of gas and electricity and related services, as well as for eco-friendly solutions for housing;
- Energy – Benelux & Germany CGU for the power generation, the sale of gas and electricity, distribution activities, in Belgium, the Netherlands, Luxembourg and Germany;
- Midstream/Downstream CGU for the Group's trading and gas supply activities under supply contracts and using organized markets (excluding the LNG value chain), and for the activities that market energy offers and related energy services to the Group's largest customers in Europe.

Following this reorganization, the total amount of goodwill at December 31, 2011 carried by the former Energy – France and Energy – Benelux & Germany CGUs (which is €2,906 million and €7,536 million respectively) and a €2,196 million share of the goodwill carried by the former Midstream/Downstream CGU were allocated to the Energy – Central Western Europe CGU.

At December 31, 2012, the amount of goodwill carried by this new "Central Western Europe" CGU therefore amounted to €12,352 million.

The GDF SUEZ Energy Europe activities outside the "Central Western Europe" region were tested within the same goodwill CGUs as in 2011, namely:

- the Energy – Eastern Europe CGU for the power generation, the sale of gas and electricity and distribution activities in Poland, Romania, and Hungary;
- the Energy – Southern Europe CGU for the power generation, the sale of gas and electricity and distribution activities in Italy and Greece;
- the Energy – Iberia CGU for the power generation, the sale of gas and electricity and distribution activities in Spain and Portugal.

Until December 31, 2011, GDF SUEZ Global Gas & LNG was organized in two CGUs: the Exploration-Production CGU, which included the oil and gas field exploration, development and operation activities; and the Midstream/Downstream CGU, which included the "gas supply" and "key account sales" activities, as well as the "LNG value chain" activities.

The transfer of the "gas supply" and " key account sales" activities to GDF SUEZ Energy Europe led the Group to redefine GDF SUEZ Global Gas & LNG's role and business model. Since January 1, 2012, the business line has therefore refocused on a single business, i.e. upstream activities of the natural gas value chain which includes the exploration & production activities and the LNG activities. This refocusing, together with the global monitoring of the performance of "upstream gas activities" have led the Group to combine the "exploration & production" activities and the "LNG value chain" within a single goodwill CGU, namely "GDF SUEZ Global Gas & LNG" which corresponds to the IFRS 8 operating segment. The total amount of goodwill at December 31, 2011 carried by the former Exploration – Production CGU (i.e. €62 million), together with the former Midstream/Downstream CGU goodwill attributable to the LNG activities (€2,100 million) have been allocated to this new CGU.

The impairment tests performed in 2012 on these new goodwill CGUs resulted in a recoverable amount that exceeds their respective carrying amount.

10.2.2 Presentation of the main goodwill CGUs

The table below provides a breakdown of goodwill by CGU:

In millions of euros	Operating segment	December 31, 2012	December 31, 2011
MATERIAL CGUs (1)			
Energy - Central Western Europe (2)	Energy Europe	12,352	12,638
Distribution	Infrastructures	4,009	4,009
Global Gas & LNG (2)	Global Gas & LNG	2,162	2,162
Storage	Infrastructures	1,794	1,359
OTHER SIGNIFICANT CGUs			
Energy - North America	Energy International	1,450	1,627
Energy - United Kingdom & Other Europe	Energy International	678	663
Transmission France	Infrastructures	614	614
Energy - Asia	Energy International	423	820
OTHER CGUs *(INDIVIDUALLY LESS THAN €600 MILLION)*		**6,553**	**7,470**
TOTAL		**30,035**	**31,362**

(1) Material CGUs correspond to CGUs that represent over 5% of the Group's total goodwill.
(2) The goodwill at December 31, 2011 has been restated according to the new goodwill CGU scope at December 31, 2012.

10.3 Impairment testing of goodwill CGUs

All the goodwill Cash Generating Units (goodwill CGUs) are tested for impairment on data as of end-June, supplemented by a review of events in the second half of the year. In most cases, the recoverable amount of the goodwill CGUs is determined by reference to a value-in-use that is calculated based on projections of cash flows drawn from the 2013 budget and from the medium-term 2014-2018 business plan, as approved by the Group Management Committee, and on extrapolated cash flows beyond that time frame.

The projections of cash flows for the period covered by the medium-term business plan, together with the extrapolations beyond that time frame are drawn up on the basis of macro-economic assumptions (inflation, exchange rates, and growth rates) and, for the energy businesses, on the basis of the following parameters:

- the market prices within a liquid time frame ("forward prices") for fuel (coal, oil and gas) prices, the CO_2 price, and the price of electricity on the various markets;
- beyond that liquid time frame, on the basis of medium and long-term assumptions concerning the changes in the price of these fuels, the gas and electricity demand and electricity prices. The electricity price forecasts are based on a forward-looking economic analysis of the equilibrium between electricity supply and demand.

The medium and long-term assumptions used by the Group are consistent with the data and research provided by external studies.

The discount rates used correspond to the weighted average cost of capital, which is adjusted in order to reflect the business, country, and currency risk relating to each goodwill CGU reviewed. These discount rates applied comprise a risk-free market rate and a country risk premium component. The discount rates used are consistent with available external information sources. The post-tax rates used in 2012 to measure the value-in-use of the goodwill CGUs ranged between 4.8% and 17% compared with a range of between 5.2% and 13.6% in 2011. The discount rates used for each of the eight main goodwill CGUs are shown in Notes 10.3.1 "Material CGUs" and 10.3.2 "Other significant CGUs" below.

10.3.1 Material CGUs

This section presents the method for determining value-in-use, the key assumptions underlying the valuation, and the sensitivity analyses for the impairment tests on CGUs where the amount of goodwill represents more than 5% of the Group's total goodwill at December 31, 2012.

Goodwill allocated to the Energy - Central Western Europe ("CWE") CGU

The total amount of goodwill allocated to this CGU amounted to €12,352 million at December 31, 2012. The Central Western Europe CGU is composed of natural gas supply and trading, power generation and sale of energy in France, Belgium, the Netherlands, Luxembourg and Germany.

The value-in-use was calculated based on the projections of cash flows drawn up using the 2013 budget and the medium-term 2014-2018 business plan, as approved by the Group Management Committee, and on discount rates ranging between 6.5% and 9%, depending on the risk profile assigned to each type of generation asset (wind farm, hydroelectricity power plants, nuclear power stations and thermal power stations). A terminal value was determined by extrapolating the cash flows beyond that period.

The projections of cash flows for the electricity and gas activities in the CWE region are based on a high number of key assumptions, such as the long-term prices for the various fuel and CO2, the trend in electricity and gas demand, the future outlook for the markets, forecasts for new generation capacity requirements, and changes to the regulatory framework (especially concerning the nuclear capacities in Belgium) and to price regulation on European energy markets. Lastly, the discount rates also represent one of the key assumptions for calculating the value-in-use of this goodwill CGU.

The terminal values for the main contributing activities were determined as follows:

Activities	Terminal value assumptions
Electricity generation in France	Projection of cash flows on the residual useful life of generation assets and underlying contracts
Gas supply and trading activities	Exit value extrapolated on the basis of the last cash flow (2018) of the medium term plan using a growth rate equal to 2%
Electricity generation in Benelux and Germany	Projection of cash flows until 2025 and an exit value in 2025

The electricity sale price projections used over the medium-term business plan time frame (beyond the liquid time frame) and for extrapolating cash flows beyond 2018 (the last year of the business plan) are based on fundamental long-term electricity supply and demand equilibrium models for the CWE region, and on the assumed gradual convergence towards a price level that enables the new entrant's investment costs and marginal costs to be covered. The resulting medium and long-term electricity price forecasts are consistent with the trends shown in external studies.

Concerning the electricity generation portfolio, the reactors of the Doel 3 and Tihange 2 units were shut down in 2012, following the indications found in the vessels of these reactors. In December 2012, Electrabel has submitted to the Belgian Federal Agency for Nuclear Control (FANC) a technical dossier executed by a multidisciplinary team assisted by national and international experts. This technical report demonstrates that the vessels' structural integrity meets, within significant margins, all safety criteria for each of the detected indications. On January 15 and February 1, 2013, the FANC has communicated on the justification file provided by Electrabel. The FANC considers that a restart of the nuclear power plants can be contemplated but has asked for additional information from Electrabel. In this context, the Group is planning to restart the two units in 2013.

Assumptions on the regulatory frameworks and the gas prices

- In France, the cash flows forecasts for the sales of natural gas takes into account the full application of the provisions of the public service contract dated December 23, 2009 regarding the regulated natural gas prices in France (see Note 25.1.1 "Relations with the French State").
- In Belgium, following its meetings on July 4 and 20, 2012, the Council of Ministers has announced a series of decisions regarding the electricity market. In particular, the Belgian Government has confirmed the following schedule, while removing the possibility provided for by Article 9 of the Act of 2003 Law on the phase-out of nuclear power, to derogate from the phase-out schedule by ordinary Royal Decree:
  - the Doel 1 and Doel 2 reactors will be closed in 2015, while the operating lifetime for Tihange 1 will be extended by 10 years until 2025. The conditions concerning the nuclear capacities offered to the market are still to be detailed,
  - the Doel 3, Tihange 2 and Tihange 3/Doel 4 reactors will be closed in 2022, 2023 and 2025 respectively.

At this stage, the content and consequences of most of these announcements remain unclear, both in terms of the energy landscape as a whole and the conditions in which the measures announced are to be implemented and applied. Accordingly, the Group has not modified its position with respect to its vision of the power industry and, in particular, considers that a nuclear power production will still be necessary to ensure the security of supply in Belgium beyond 2025. The terminal value calculated in 2025 for the Belgian generation activities therefore includes a nuclear power generation for a total capacity equivalent to the aggregated capacities of the four reactors of Doel 3, Doel 4, Tihange 2 and Tihange 3.

Regarding the Doel 1 and 2 reactors, the Group considers that as a result of these decisions, the Belgian Government is not complying with the Memorandum of Understanding entered into in October 2009, which contains firm and reciprocal commitments that are binding on the parties, especially as regards the ten year extension of the lifespans of the Doel 1, Doel 2 and Tihange 1 nuclear power plants. However, while disputing this measure, the Group has determined the value-in-use of the goodwill CGU by considering a shutdown of the Doel 1 and 2 units in 2015, as well as a principle of "profit sharing" for the nuclear units benefiting from a life time extension granted by the Government.

Sensitivity analyses

An increase of 0.5% in the discount rate used would have a negative impact of 70% on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. A decrease of 0.5% in the discount rate used would have a positive 56% impact on this calculation.

A decrease of €1/MWh in electricity sale price would have a negative impact of 14% on the excess of the recoverable amount over the carrying amount, however, the recoverable amount would remain above the carrying amount. An increase of €1/MWh in electricity sale price would have a positive 14% impact on this calculation.

Lastly, various transformational scenarios have been considered concerning nuclear generation in Belgium:

- the ten year extension of the lifespans of the Doel 3, Doel 4, Tihange 2 and Tihange 3 reactors, followed by the disappearance of any nuclear component in the portfolio, would have a negative impact of 64% on the excess of the recoverable amount over the carrying amount. However, the recoverable value would remain above the carrying amount;
- the disappearance of any nuclear component from the portfolio after a period of 40 years operating the current plants, would have a sharply negative impact on the recoverable amount. The resulting recoverable amount would be lower than the carrying amount of the CGU. In that scenario, the risk of impairment loss would amount to approximately €1,200 million at December 31, 2012 assuming that the other impairment test assumptions remained unchanged.

Goodwill allocated to the Distribution CGU

The total amount of goodwill allocated to this CGU amounted to €4,009 million at December 31, 2012. The Distribution CGU brings together the French gas distribution activities.

The value-in-use of the Distribution CGU was calculated using the projections of cash flow drawn up on the basis of the 2013 budget and of the medium-term 2014-2018 business plan, as approved by the Group Management Committee. The discount rate applied to these projections was 5.2%. The terminal value calculated at the end of the medium-term business plan corresponds to the expected Regulated Asset Base (RAB) with no premium at the end of 2018. The RAB is the value assigned by the regulator to the assets operated by the distributor. It is the sum of the future pre-tax cash flows, discounted at a rate that equals to the pre-tax rate of return guaranteed by the regulator.

The projections of cash flows are drawn up based on the tariff for public natural gas distribution networks, known as the “ATRD 4 tariff”, which entered into effect for a period of four years on July 1, 2012, and on the overall level of investments agreed by the French Energy Regulatory Commission (CRE) as part of its decision on the ATRD 4 tariff.

Given the regulated nature of the businesses grouped within the Distribution CGU, a reasonable change in any of the valuation parameters would not result in the recoverable amount becoming lower than the carrying amount.

Goodwill allocated to the Global Gas & LNG CGU

The total amount of goodwill allocated to this CGU amounted to €2,162 million at December 31, 2012. The Global Gas & LNG CGU brings together the upstream activities of the natural gas value chain.

The value-in-use was calculated using the projections of cash flow drawn up on the basis of the 2013 budget and of the medium-term 2014-2018 business plan, as approved by the Group Management Committee. A terminal value was determined by extrapolating the cash flows beyond that period.

In the case of the LNG activities, the terminal value corresponds to an exit value determined by applying a long-term growth rate of 2.5% to the cash flows of the last year of the medium-term business plan approved by the Group Management Committee. This 2.5% growth rate includes the effect of inflation at 2% and the effect of an expected long-term increase in LNG volumes of 0.5%. This long-term growth assumption is widely corroborated by external studies and by other market players’ forecasts. The discount rate applied to these projections was 9.3%.

The value-in-use of the Exploration-Production activities in the development or production phase is determined based on a projection time frame that corresponds to the useful life of the underlying developed proven reserves.

The main assumptions and key estimates primarily include the discount rates, changes in hydrocarbon prices, changes in the euro/US dollar exchange rate, as well as the market outlook. The values assigned reflect our best estimates for market prices and the expected future trend for these markets. The projections used for oil and natural gas prices are in line with the consensus drawn up on the basis of several external studies. The discount rates applied range between 9% and 17%, and differ primarily in accordance with the risk premiums assigned to the countries in which the Group operates.

An increase of 0.5% in the discount rate used would have a negative impact of 14.9% on the excess of the recoverable amount of goodwill CGU over the carrying amount. However, the recoverable value would remain above the carrying amount. A reduction of 0.5% in the discount rate used would have a positive 16% impact on this calculation.

A decrease of 10% in the hydrocarbon prices used would have a negative impact of 23% on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. An increase of 10% in the hydrocarbon prices used would have a positive 20% impact on this calculation.

A decrease of 0.5% in the long-term growth rate used to determine the terminal value of the LNG activities would have a negative impact of 7% on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. An increase of 0.5% of the long term growth rate used would have a positive 9% impact on this calculation.

Goodwill allocated to the Storage CGU

The total amount of goodwill allocated to this CGU amounted to €1,794 million at December 31, 2012. The Storage CGU brings together the entities that own, operate, and market underground natural gas storage capacities in France, Germany, and the United Kingdom.

The value-in-use of the Storage CGU was calculated using projections of cash flows drawn up on the basis of the 2013 budget and of the medium-term 2014-2018 business plan, as approved by the Group Management Committee. The terminal value for the period beyond this six-year time frame was determined by applying a 1.8% growth rate to the normalized cash flows for the last year of the medium-term business plan. The discount rates applied to these projections ranged between 6.6% and 6.9%.

The key assumptions notably include capacity reservation forecasts, the expected period required for the realignment of oil and gas prices, the market outlook, and especially the medium-term gas demand trend in Europe, as well as the discount rates to apply. The values assigned to these assumptions reflect our best estimates for market prices and for the expected future trend for these markets.

The impact of a decrease of 5% in storage capacity sales over the time frame of the medium-term business plan, and on the normalized cash flows used in the terminal value would have a negative impact of 81% on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. An increase of 5% in storage capacity sales over the time frame of the medium-term business plan would have a positive 81% impact on this calculation.

An increase of 0.5% in the discount rate used would have a negative impact of 99% on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. A decrease of 0.5% in the discount rate used would have a positive 121% impact on this calculation.

10.3.2 Other significant CGUs

The table below sets out the assumptions used to determine the recoverable amount of the other main CGUs.

CGU	Operating segment	Measurement	Discount rate
Energy - North America	Energy International	DCF	5.2% - 9.3%
Energy - United Kingdom & Other Europe	Energy International	DCF + DDM	5.5% - 9.2%
Transmission France	Infrastructures	DCF	5.5%
Energy - Asia	Energy International	DCF + DDM	7.4% - 15.1%

The “DDM” method refers to the method known as the discounted dividend model (DDM).

10.4 Goodwill segment information

The carrying amount of goodwill can be analyzed as follows by operating segment:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Energy International	3,653	4,281
Energy Europe	13,030	13,642
Global Gas & LNG	2,162	2,162
Infrastructures	6,574	6,705
Energy Services	1,357	1,325
SUEZ Environment	3,257	3,246
TOTAL	**30,035**	**31,362**

NOTE 11 INTANGIBLE ASSETS

11.1 Movements in intangible assets

In millions of euros	Intangible rights arising on concession contracts	Capacity entitlements	Other	Total
GROSS AMOUNT				
At December 31, 2010	**5,304**	**2,424**	**11,251**	**18,979**
Acquisitions	369	-	606	975
Disposals	(16)	-	(75)	(91)
Translation adjustments	61	-	50	111
Changes in scope of consolidation	(8)	-	491	483
Other	51	(70)	41	23
At December 31, 2011	**5,762**	**2,354**	**12,363**	**20,480**
Acquisitions	439	-	606	1,045
Disposals	(31)	-	(348)	(379)
Translation adjustments	1	-	(11)	(10)
Changes in scope of consolidation	4	-	57	61
Transfer to Assets classified as held for sale	-	-	(327)	(327)
Other	59	24	140	223
AT DECEMBER 31, 2012	**6,235**	**2,379**	**12,480**	**21,094**
ACCUMULATED AMORTIZATION AND IMPAIRMENT				
At December 31, 2010	**(1,789)**	**(753)**	**(3,657)**	**(6,199)**
Amortization and impairment losses	(260)	(85)	(815)	(1,160)
Disposals	14	-	61	75
Translation adjustments	(9)	-	(20)	(29)
Changes in scope of consolidation	22	-	53	75
Other	(77)	69	(8)	(16)
At December 31, 2011	**(2,099)**	**(769)**	**(4,387)**	**(7,254)**
Amortization and impairment losses	(290)	(88)	(890)	(1,268)
Disposals	27	-	310	338
Translation adjustments	3	-	8	11
Changes in scope of consolidation	-	-	3	3
Transfer to Assets classified as held for sale	-	-	158	158
Other	129	-	(190)	(61)
AT DECEMBER 31, 2012	**(2,229)**	**(857)**	**(4,988)**	**(8,073)**
CARRYING AMOUNT				
At December 31, 2011	3,664	1,586	7,977	13,226
AT DECEMBER 31, 2012	**4,006**	**1,522**	**7,492**	**13,020**

Acquisitions relating to intangible rights arising on concession contracts correspond to the construction work carried out under concession contracts on infrastructure managed by SUEZ Environnement and GDF SUEZ Energy Services.

As Slovenský Plynárenský Priemysel a.s. (“SPP”), IP Maestrale and Sohar Power Company SAOG were classified as “Assets held for sale” (see Note 2.4 “Assets held for sale”), the carrying amount of the corresponding intangible assets has been transferred to the “Assets held for sale” line in the statement of financial position at December 31, 2012.

Changes in the scope of consolidation in 2011 primarily include the first-time consolidation of International Power (€430 million), the acquisition of WSN Environmental Solutions (€128 million), and the disposal of G6 Rete Gas (-€115 million).

11.1.1 Intangible rights arising on concession contracts

This item primarily includes the rights to bill users recognized in accordance with the intangible asset model as set out in IFRIC 12 (see Note 23 “Service concession arrangements”).

11.1.2 Capacity entitlements

The Group has acquired capacity entitlements from power stations operated by third parties. These power station capacity rights were acquired in connection with transactions or within the scope of the Group’s involvement in financing the construction of certain power stations. In consideration, the Group received the right to purchase a share of the production over the useful life of the underlying assets. These rights are amortized over the useful life of the underlying assets, not to exceed 40 years. The Group currently holds entitlements in the Chooz B power plant in France and the virtual power plant (VPP) in Italy.

11.1.3 Other

At end-2012, this caption chiefly relates to water drawing rights, licenses and intangible assets acquired as a result of the merger with Gaz de France, essentially comprising the GDF Gaz de France brand and customer relationships, as well as supply agreements. The exploration and production licenses presented under “Other” in the table above are detailed in Note 20, “Exploration - Production activities”.

The carrying amount of intangible assets that are not amortized because they have an indefinite useful life was €1,012 million at December 31, 2012 (€936 million at December 31, 2011). This caption relates mainly to water drawing rights and to the GDF Gaz de France brand recognized as part of the allocation of the cost of the business combination to the assets and liabilities of Gaz de France.

11.2 Information regarding research and development costs

Research and development activities primarily relate to various studies regarding technological innovation, improvements in plant efficiency, safety, environmental protection, service quality, and the use of energy resources.

Research and development costs (excluding technical assistance costs) that do not meet the criteria for recognition as an intangible asset as set out in IAS 38, totaled €236 million in 2012 and €231 million in 2011. Expenses related to in-house projects in the development phase that meet the criteria for recognition as an intangible asset are not material.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

12.1 Movements in property, plant and equipment

In millions of euros	Land	Buildings	Plant and equipment	Vehicles	Dismantling costs	Assets in progress	Other	Total
GROSS AMOUNT								
At December 31, 2010	2,937	5,813	87,568	1,791	1,648	10,618	1,175	111,551
Acquisitions	44	93	1,273	131	-	6,549	91	8,182
Disposals	(45)	(88)	(402)	(85)	-	-	(31)	(650)
Translation adjustments	(9)	(75)	2	1	6	(159)	1	(232)
Changes in scope of consolidation	160	429	9,265	11	11	707	15	10,598
Transfer to Assets classified as held for sale	-	-	(1,487)	-	(12)	(2)	(2)	(1,504)
Other	122	927	5,029	65	98	(6,359)	43	(75)
At December 31, 2011	3,209	7,100	101,248	1,916	1,751	11,354	1,292	127,869
Acquisitions	77	99	1,049	117	-	6,576	122	8,041
Disposals	(34)	(68)	(657)	(134)	(3)	(28)	(41)	(965)
Translation adjustments	20	101	(276)	9	18	(280)	(1)	(410)
Changes in scope of consolidation	(12)	(10)	(1,354)	-	4	(149)	(3)	(1,524)
Transfer to Assets classified as held for sale	(4)	(154)	(3,116)	(3)	(23)	(52)	1	(3,351)
Other	(41)	245	5,138	(10)	226	(5,206)	3	354
AT DECEMBER 31, 2012	**3,215**	**7,313**	**102,033**	**1,895**	**1,973**	**12,214**	**1,372**	**130,015**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES								
At December 31, 2010	(1,029)	(2,273)	(26,616)	(1,158)	(832)	(139)	(802)	(32,848)
Depreciation and impairment losses	(76)	(358)	(5,018)	(154)	(122)	(70)	(134)	(5,933)
Disposals	23	67	356	81	-	8	27	562
Translation adjustments	(13)	16	149	1	(4)	(1)	2	151
Changes in scope of consolidation	-	-	(50)	4	2	-	-	(43)
Transfer to Assets classified as held for sale	-	-	455	-	1	-	1	458
Other	-	(8)	(105)	(2)	(6)	(5)	32	(95)
At December 31, 2011	(1,094)	(2,555)	(30,828)	(1,229)	(960)	(208)	(874)	(37,749)
Depreciation	(87)	(379)	(4,917)	(173)	(130)	-	(122)	(5,807)
Impairment losses	(46)	(35)	(1,440)	-	(1)	(284)	(1)	(1,806)
Disposals	17	61	466	121	1	67	39	772
Translation adjustments	(5)	(15)	89	(6)	(8)	8	-	63
Changes in scope of consolidation	3	(4)	114	2	(5)	-	2	111
Transfer to Assets classified as held for sale	1	67	927	1	11	9	1	1,017
Other	(12)	66	(214)	25	(8)	103	21	(19)
AT DECEMBER 31, 2012	**(1,224)**	**(2,794)**	**(35,803)**	**(1,258)**	**(1,100)**	**(304)**	**(934)**	**(43,418)**
CARRYING AMOUNT								
At December 31, 2011	2,115	4,544	70,420	687	791	11,146	417	90,120
AT DECEMBER 31, 2012	**1,991**	**4,519**	**66,230**	**637**	**873**	**11,910**	**438**	**86,597**

Changes in scope of consolidation had a net impact of -€1,413 million on property, plant and equipment. These changes mainly result from the loss of control of the renewable energy activities in Canada -€1,150 million), the disposal of Breeze II in Germany (-€332 million), the change in the consolidation method for Senoko (-€442 million) and the increase of the contribution of Energia Sustentavel Do Brasil (Jirau) in the Group's statement of financial position (€565 million) (see Note 2 "Main changes in Group structure").

As Slovenský Plynárenský Priemysel a.s. ("SPP"), IP Maestrale, and Sohar Power Company SAOG were classified as held for sale (see Note 2.4 "Assets held for sale"), the carrying amount of the corresponding property, plant and equipment has been transferred to the "Assets held for sale" line in the statement of financial position at December 31,2012.

Impairment losses recognized against property, plant and equipment in 2012, detailed in Note 5.2.2 "Impairment of property, plant and equipment and intangible assets (excluding goodwill)", amounted to €1,806 million. They mainly concern European thermal power plant portfolio, including a thermal power plant in the Netherlands (-€513 million), thermal power plants in Italy (-€294 million), thermal power plants in the United Kingdom (-€152 million), as well as a pumped-storage plant in Germany (-€56 million).

The main impacts of exchange rate fluctuations on the net value of property, plant and equipment at December 31, 2012 chiefly consist of translation losses on the Brazilian real (-€678 million), the US dollar (-€258 million), and translation gains on the Chilean peso (€205 million), the Norwegian krone (€169 million), and the British pound (€86 million).

In 2011, changes in the scope of consolidation had a net impact of €10,555 million on property, plant and equipment. These mainly resulted from the consolidation of the International Power's opening statement of financial position (€10,941 million), the acquisition of gas storage facilities in Germany (€403 million), the Acea transaction (€312 million), and the acquisition of WSN Environmental Solutions by Sita Australia (€144 million). They also resulted from the disposal of G6 Rete Gas (-€624 million), EFOG (-€336 million), and the loss of control of Bristol Water (-€380 million) (see Note 2.7 "Main transactions in 2011").

Further to the classification of the Hidd Power company, Choctaw, and Hot Springs power plants in 2011 as "Assets held for sale" (see Note 2.4 "Assets held for sale"), the carrying amount of the corresponding property, plant and equipment was transferred to "Assets held for sale" in the statement of financial position.

Assets relating to the exploration and production of mineral resources included in the table above are detailed in Note 20, "Exploration & Production activities". Fields under development are shown under "Assets in progress", while fields in production are included in "Plant and equipment".

12.2 Pledged and mortgaged assets

Items of property, plant and equipment pledged by the Group to guarantee borrowings and debt amounted to €6,748 million at December 2012 versus €9,383 million a year earlier. This decrease results primarily from debt refinancing transactions, and changes in scope of consolidation that occurred during 2012.

12.3 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 for equipment, vehicles, and material required for the construction of energy production units (power plants and fields under development of the Exploration & Production activities), and for service agreements.

Investment commitments made by the Group to purchase property, plant and equipment totaled €6,486 million at December 31, 2012 versus €6,459 million at December 31, 2011.

12.4 Other information

Borrowing costs for 2012 included in the cost of property, plant and equipment amounted to €365 million at December 31, 2012 and €379 million at December 31, 2011.

NOTE 13 INVESTMENTS IN ASSOCIATES

13.1 Breakdown of investments in associates

	Carrying amount of investments in associates		Share in income (loss) of associates	
In millions of euros	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Paiton (BEI, Indonesia)	604	614	66	65
GASAG (BEE, Germany)	300	471	(14)	16
Senoko (BEI, Singapore)	311	-	27	-
Canadian renewable energy activities (BEI, Canada)	225	-	-	-
ISAB Energy (BEI, Italy)	191	153	34	4
Umm Al Nar (BEI, United Arab Emirates)	101	101	17	14
GTT (B3G, France)	86	88	4	(8)
Belgian inter-municipal companies (BEE, Belgium)	7	39	60	187
Interests in SUEZ Environnement's equity associates	490	497	22	37
Other	647	656	217	147
TOTAL	**2,961**	**2,619**	**433**	**462**

The increase in the carrying amount of investments in associates is mainly explained by the following items:

- Senoko is consolidated under the equity method since June 29, 2012, following the change in consolidation method detailed in Note 2.5 "Other transactions and changes in consolidation methods for 2012";
- the Canadian renewable energy activities are consolidated under the equity method since their partial disposal in December 2012 (see Note 2.3. "Disposals carried out during the 2012 year");
- following the impairment test performed on the Group's investment in GASAG, a €300 million impairment was recorded on this investment in order to bring its carrying amount in line with its recoverable value (see Note 5.2.4 "Impairment losses of investments in associates").

During the last two years, changes in scope on the Belgian inter-municipal companies resulted from:

- the sale of the 30% interest in Sibelga, the operator of the Brussels gas and electricity distribution network, on December 31, 2012 (see Note 2.3 "Disposals carried out during the 2012 year");
- the classification of the investment in the Flemish inter-municipal companies as available-for-sale securities as of June 30, 2011, as the Group had no longer significant influence on these companies.

The share in income/(loss) of associates includes non-recurring income/(loss) for a total amount of -€32 million (-€18 million in 2011), mainly including impairments, fair value variations on derivative instruments, and gains/(losses) on disposals, net of taxes (see Note 8 "Net recurring income Group share").

Total amount of unrecognized losses of associates (corresponding to the cumulative amount of the losses exceeding the carrying amount of investments in associates concerned) including other comprehensive income, amounted to €361 million at December 31, 2012 (€412 million at December 31, 2011). These unrecognized losses mainly correspond to the negative fair value of financial instruments designated as interest rate hedges ("Other comprehensive income") arranged by associates in the Middle East in connection with the financing for the construction of power and seawater desalination plants.

13.2 Key figures of associates

In millions of euros	% Control	% Interest	Total Assets (1)	Total Liabilities (1)	Equity (1)	Revenues (1)	Net income/ (loss) (1)
At December 31, 2012							
Paiton (BEI, Indonesia)	40.5	40.5	3,928	2,427	1,501	816	161
GASAG (BEE, Germany)	31.6	31.6	2,575	1,861	714	1,371	(38)
Senoko (BEI, Singapore) (2)	30.0	30.0	3,515	2,477	1,038	1,366	89
ISAB Energy (BEI, Italy)	49.0	34.3	763	382	381	608	69
Umm Al Nar (BEI, United Arab Emirates)	20.0	20.0	1,251	814	436	206	91
GTT (B3G, France)	40.0	40.0	150	101	48	90	12
Canadian renewable energy activities (BEI, Canada)	40.0	40.0	1,246	931	315	10	2
Walloon inter-municipal companies (BEE, Belgium) (3)	25.0	25.0	3,496	2,167	1,329	926	232
At December 31, 2011							
Paiton (BEI, Indonesia)	44.7	28.3	3,658	2,285	1,373	558	145
GASAG (BEE, Germany)	31.6	31.6	2,770	2,054	716	1,165	52
ISAB Energy (BEI, Italy)	49.0	23.9	652	340	312	430	7
Umm Al Nar (BEI, United Arab Emirates)	20.0	14.0	1,285	872	414	289	65
GTT (B3G, France)	40.0	40.0	102	78	24	53	10
Walloon and Brussels inter-municipal companies (BEE, Belgium) (3)			4,685	2,816	1,869	1,227	266

(1) The key figures for associates are presented at a 100% basis.

(2) Senoko's revenues and net income are related to the second half of 2012.

(3) Based on the combined financial data for the previous financial year, which have been restated in accordance with IFRS.

NOTE 14 INVESTMENTS IN JOINT VENTURES

The contributions of the main joint ventures to the Group's consolidated financial statements are as follows:

In millions of euros	% Control	% Interest	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	Net income
At December 31, 2012								
Energia Sustentavel Do Brasil (BEI, Brazil)	60.0	60.0	197	3,036	209	1,717	-	(95)
SPP Group (BEE, Slovakia) - "Assets classified as held for sale"	24.5	24.5	1,675	-	516	-	658	(82)
WSW Energie und Wasser (BEE, Germany)	33.1	33.1	43	300	54	75	189	20
Senoko (BEI, Singapore)			-	-	-	-	387	12
Eco Electrica Project (BEI, Puerto Rico)	50.0	35.0	82	384	49	108	158	26
Other			1,591	3,665	2,092	1,797	1,910	(204)
TOTAL			**3,588**	**7,386**	**2,920**	**3,696**	**3,301**	**(323)**
At December 31, 2011								
Energia Sustentavel Do Brasil (BEI, Brazil)	50.1	35.0	177	1,936	125	1,035	-	15
SPP Group (BEE, Slovakia)	24.5	24.5	308	1,655	95	342	752	140
WSW Energie und Wasser (BEE, Germany)	33.1	33.1	43	304	57	75	190	11
Senoko (BEI, Singapore)	30.0	20.9	123	864	217	470	603	28
Eco Electrica Project (BEI, Puerto Rico)	50.0	24.4	77	416	48	134	136	19
Other			1,686	4,079	2,165	1,899	2,269	(108)
TOTAL			**2,415**	**9,255**	**2,707**	**3,954**	**3,950**	**104**

During the second half of 2012, the Group acquired a 9.9% interest held by Camargo Correa in Energia Sustentavel Do Brasil ("Jirau") increasing its percentage of joint-control from 50.1% to 60% (see Note 2 "Main changes in Group structure").

SPP's contribution to the statement of financial position is classified as "Assets held for sale" at December 31, 2012 (see Note 2 "Main changes in Group structure"). SPP's contribution to the Net income amounted to €94 million in 2012 excluding an impairment loss of -€176 million related to this group of assets held for sale (see Note 5.2.1 "Impairment of goodwill").

Due to the change in consolidation method as of June 29, 2012 (see Note 2 "Main changes in Group structure"), Senoko's contribution to the income statement is classified as "Share in net income of associates" as of July 1, 2012 (see Note 13 "Investments in associates"). Revenues and Net income, displayed in the table above, are the contributions of Senoko during the first half of the year 2012.

NOTE 15 FINANCIAL INSTRUMENTS

15.1 Financial assets

The following table presents the Group's different categories of financial assets, broken down into current and non-current items:

	Dec. 31, 2012			Dec. 31, 2011		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Available-for-sale securities	3,398		3,398	3,299		3,299
Loans and receivables at amortized cost	3,541	26,664	30,206	3,813	24,446	28,259
Loans and receivables at amortized cost (excluding trade and other receivables)	*3,541*	*1,630*	*5,171*	*3,813*	*1,311*	*5,124*
Trade and other receivables		*25,034*	*25,034*		*23,135*	*23,135*
Other financial assets at fair value	3,108	4,711	7,819	2,911	8,197	11,108
Derivative instruments	*3,108*	*4,280*	*7,387*	*2,911*	*5,312*	*8,223*
Financial assets at fair value through income		*432*	*432*		*2,885*	*2,885*
Cash and cash equivalents		11,383	11,383		14,675	14,675
TOTAL	**10,047**	**42,758**	**52,805**	**10,023**	**47,319**	**57,342**

15.1.1 Available-for-sale securities

In millions of euros	
At December 31, 2010	**3,252**
Acquisitions	249
Disposals - carrying amount excluding changes in fair value recorded in "Other comprehensive income"	(50)
Disposals - "Other comprehensive income" derecognized	(425)
Other changes in fair value recorded in equity	(70)
Changes in fair value recorded in income	(130)
Changes in scope of consolidation, foreign currency translation and other changes	473
At December 31, 2011	**3,299**
Acquisitions	142
Disposals - carrying amount excluding changes in fair value recorded in "Other comprehensive income"	(55)
Disposals - "Other comprehensive income" derecognized	(1)
Other changes in fair value recorded in equity	310
Changes in fair value recorded in income	(191)
Changes in scope of consolidation, foreign currency translation and other changes	(106)
AT DECEMBER 31, 2012	**3,398**

The Group's available-for-sale securities amounted to €3,398 million at December 31, 2012, breaking down as €1,309 million of listed securities and €2,089 million of unlisted securities (respectively, €1,243 million and €2,056 million at December 31, 2011).

The Group recognized impairment losses of €84 million on Acea's listed securities at December 31, 2012, as a result of the prolonged decline of the market price below its historical cost (see Note 5.2.3 "Impairment losses of financial assets").

The main transactions performed in 2011 corresponded to the recognition of the Group's interests in the Flemish mixed inter-municipal companies as available-for-sale securities (€587 million), and to the disposal of GDF SUEZ LNG Liquefaction which held a stake in Atlantic LNG whose historical value amounted to €97 million.

15.1.1.1 Gains and losses on available-for-sale securities recognized in equity or income

The table below shows gains and losses on available-for-sale securities recognized in equity or income:

		Post-acquisition measurement				
In millions of euros	Dividends	Change in fair value	Foreign currency translation	Impairment	Reclassified to income	Net gain (loss) on disposals
Equity *	-	310	-	-	(1)	-
Income	122			(191)	1	(5)
TOTAL AT DECEMBER 31, 2012	**122**	**310**		**(191)**		**(5)**
Equity *	-	(70)	14	-	(425)	-
Income	139			(130)	425	33
TOTAL AT DECEMBER 31, 2011	**139**	**(70)**	**14**	**(130)**		**33**

* *Excluding tax impact.*

In 2011, gains recognized in equity within "Other comprehensive income" and reclassified to income following the disposal of Atlantic LNG shares amounted to €421 million.

15.1.1.2 Analysis of available-for-sale securities in connection with impairment tests

The Group reviewed the value of its available-for-sale securities on a case-by-case basis in order to determine whether any impairment losses should be recognized in light of the current market environment.

Among factors taken into account, an impairment indicator for listed securities is when the value of any such security falls below 50% of its historical cost or remains below its historical cost for more than 12 months.

The Group recognized an impairment loss of €191 million. It included a €92 million impairment loss on listed securities (of which €84 million related to Acea securities).

Based on its analyses, the Group did not recognize any other impairment losses on available-for-sale securities at December 31, 2012. Moreover, the Group has not identified any evidence of material unrealized capital losses as at December 31, 2012 on other securities.

15.1.2 Loans and receivables at amortized cost

	Dec. 31, 2012			Dec. 31, 2011		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Loans and receivables at amortized cost (excluding trade and other receivables)	3,541	1,630	5,171	3,813	1,311	5,124
Loans granted to affiliated companies	*805*	*543*	*1,348*	*875*	*555*	*1,430*
Other receivables at amortized cost	*847*	*297*	*1,144*	*1,056*	*159*	*1,215*
Amounts receivable under concession contracts	*421*	*628*	*1,049*	*418*	*466*	*884*
Amounts receivable under finance leases	*1,468*	*162*	*1,630*	*1,464*	*132*	*1,596*
Trade and other receivables		25,034	25,034		23,135	23,135
TOTAL	**3,541**	**26,664**	**30,206**	**3,813**	**24,446**	**28,259**

The table below shows impairment losses on loans and receivables at amortized cost:

	Dec. 31, 2012			Dec. 31, 2011		
In millions of euros	Gross	Allowances and impairment	Net	Gross	Allowances and impairment	Net
Loans and receivables at amortized cost (excluding trade and other receivables)	5,556	(385)	5,171	5,504	(380)	5,124
Trade and other receivables	26,079	(1,044)	25,034	24,133	(997)	23,135
TOTAL	**31,635**	**(1,430)**	**30,206**	**29,637**	**(1,377)**	**28,259**

Data on the age of receivables past due but not impaired and on counterparty risk associated with loans and receivables at amortized cost (including trade and other receivables) are provided in Note 16.2 "Counterparty risk".

Net gains and losses recognized in the consolidated income statement with regard to loans and receivables at amortized cost (including trade and other receivables) break down as follows:

		Post-acquisition measurement	
In millions of euros	Interest income	Foreign currency translation	Impairment
At December 31, 2011	142	15	17
At December 31, 2012	**155**	**(6)**	**(134)**

Loans and receivables at amortized cost (excluding trade and other receivables)

At December 31, 2012 and December 31, 2011, no material impairment losses had been recognized against loans and receivables at amortized cost (excluding trade and other receivables).

Trade and other receivables

On initial recognition, trade and other receivables are recorded at fair value, which generally corresponds to their nominal value. Impairment losses are recorded based on the estimated risk of non-recovery. The carrying amount of trade and other receivables in the consolidated statement of financial position represents a reasonable estimate of the fair value.

Impairment losses recognized against trade and other receivables amounted to €1,044 million at end-2012 and €977 million at end-2011.

15.1.3 Other financial assets at fair value through income

	Dec. 31, 2012			Dec. 31, 2011		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Derivative instruments	3,108	4,280	7,387	2,911	5,312	8,223
Derivatives hedging borrowings	*1,363*	*102*	*1,464*	*1,187*	*314*	*1,502*
Derivatives hedging commodities	*737*	*4,155*	*4,893*	*969*	*4,916*	*5,885*
Derivatives hedging other items	*1,008*	*23*	*1,030*	*755*	*81*	*836*
Financial assets at fair value through income (excluding margin calls)	-	255	255	-	2,572	2,572
Financial assets qualifying as at fair value through income	-	*255*	*255*	-	*2,527*	*2,527*
Financial assets designated as at fair value through income	-	-	-	-	*45*	*45*
Margin calls on derivatives hedging borrowings - assets	-	177	177	-	314	314
TOTAL	**3,108**	**4,711**	**7,819**	**2,911**	**8,197**	**11,108**

Financial assets qualifying as at fair value through income (excluding derivatives) are mainly money market funds held for trading purposes and held to be sold in the near term. They are included in the calculation of the Group's net debt (see Note 15.3 "Net debt").

Gains on financial assets at fair value through income (excluding derivatives) held for trading purposes totaled €7 million in 2012 versus €26 million in 2011.

Gains and losses on financial assets designated as at fair value through income in 2012 and 2011 were not material.

15.1.4 Cash and cash equivalents

Cash and cash equivalents totaled €11,383 million at December 31, 2012 (€14,675 million at December 31, 2011).

At end-2012, this amount included €270 million in cash and cash equivalents subject to restrictions (€600 million at December 31, 2011). Cash and cash equivalents subject to restrictions include chiefly €182 million of cash equivalents set aside to cover the repayment of borrowings and debt as part of project financing arrangements in certain subsidiaries.

Gains recognized in respect of "Cash and cash equivalents" amounted to €177 million in 2012 compared to €206 million in 2011.

15.1.5 Financial assets set aside to cover the future costs of dismantling nuclear facilities and managing radioactive fissile material

As indicated in Note 18.2 "Nuclear dismantling liabilities", the Belgian law of April 11, 2003, amended by the law of April 25, 2007, granted the Group's wholly-owned subsidiary Synatom responsibility for managing and investing funds received from operators of nuclear power plants in Belgium and designed to cover the costs of dismantling nuclear power plants and managing radioactive fissile material.

Pursuant to the law, Synatom may lend up to 75% of these funds to operators of nuclear plants provided that they meet certain financial criteria – particularly in terms of credit quality. The funds that cannot be lent to operators are either lent to entities meeting the credit quality criteria set by the law or invested in financial assets such as bonds and money-market funds.

Loans to entities outside the Group and other cash investments are shown in the table below:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Loans to third parties	**696**	**534**
Loan to Eso/Elia	454	454
Loan to Eandis	80	80
Loan to Ores	80	-
Loan to Sibelga	82	-
Other cash investments	**733**	**727**
Bond portfolio	213	207
Money market funds	520	520
TOTAL	**1,429**	**1,261**

Loans to entities outside the Group are shown in the statement of financial position as "Loans and receivables at amortized cost". Bonds and money market funds held by Synatom are shown as "Available-for-sale securities".

15.1.6 Transfer of financial assets

At December 31, 2012, the outstanding amount of transferred financial assets (as well as the risks to which the Group remains exposed following the transfer of those financial assets) as part of transactions leading to either (i) all or part of those assets being retained in the statement of financial position, or (ii) to their full deconsolidation while retaining a continuing involvement in these financial assets, were not material at Group level.

15.1.7 Financial assets and equity instruments pledged as collateral for borrowings and debt

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Financial assets and equity instruments pledged as collateral	5,821	4,789

This item mainly includes equity instruments pledged as collateral for borrowings and debt.

15.2 Financial liabilities

Financial liabilities are recognized either:

- as "Liabilities at amortized cost" for borrowings and debt, trade and other payables, and other financial liabilities;
- as "Financial liabilities at fair value through income" for derivative instruments or financial liabilities designated as derivatives.

The following table presents the Group's different financial liabilities at December 31, 2012, broken down into current and non-current items:

	Dec. 31, 2012			Dec. 31, 2011		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt	45,247	11,962	57,209	43,375	13,213	56,588
Derivative instruments	2,751	4,092	6,844	3,310	5,185	8,495
Trade and other payables	-	19,481	19,481	-	18,387	18,387
Other financial liabilities	343	-	343	684	-	684
TOTAL	**48,341**	**35,536**	**83,877**	**47,369**	**36,784**	**84,153**

15.2.1 Borrowings and debt

In millions of euros	Dec. 31, 2012			Dec. 31, 2011		
	Non-current	Current	Total	Non-current	Current	Total
Bond issues	30,309	1,099	31,407	26,197	2,522	28,719
Commercial paper		5,378	5,378		4,116	4,116
Drawdowns on credit facilities	1,582	319	1,902	1,537	506	2,043
Liabilities under finance leases	913	447	1,360	1,250	139	1,389
Other bank borrowings	10,595	1,565	12,161	12,478	2,935	15,413
Other borrowings	982	143	1,125	942	636	1,578
TOTAL BORROWINGS	44,381	8,951	53,332	42,404	10,853	53,257
Bank overdrafts and current accounts		1,326	1,326		1,310	1,310
OUTSTANDING BORROWINGS AND DEBT	44,381	10,277	54,658	42,404	12,163	54,568
Impact of measurement at amortized cost	331	692	1,023	689	243	932
Impact of fair value hedges	535	89	624	281	77	358
Margin calls on derivatives hedging borrowings - liabilities		904	904		730	730
BORROWINGS AND DEBT	**45,247**	**11,962**	**57,209**	**43,375**	**13,213**	**56,588**

The fair value of gross borrowings and debt amounted to €62,828 million at December 31, 2012, compared with a carrying amount of €57,209 million.

Financial income and expenses relating to borrowings and debt are detailed in Note 6 “Net financial income/(loss)”.

Borrowings and debt are analyzed in Note 15.3 “Net debt”.

15.2.2 Derivative instruments

Derivative instruments recorded in liabilities are evaluated at fair value and broken down as follows:

In millions of euros	Dec. 31, 2012			Dec. 31, 2011		
	Non-current	Current	Total	Non-current	Current	Total
Derivatives hedging borrowings	225	54	279	76	331	407
Derivatives hedging commodities	724	3,960	4,684	994	4,699	5,693
Derivatives hedging other items	1,803	78	1,881	2,241	155	2,396
TOTAL	**2,751**	**4,092**	**6,844**	**3,310**	**5,185**	**8,495**

15.2.3 Trade and other payables

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Trade payables	17,981	16,780
Payable on fixed assets	1,500	1,608
TOTAL	**19,481**	**18,387**

The carrying amount of these financial liabilities represents a reasonable estimate of their fair value.

15.2.4 Other financial liabilities

Other financial liabilities break down as follows:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Payables related to acquisitions of securities	207	548
Other	136	136
TOTAL	**343**	**684**

Other financial liabilities chiefly relate to liabilities in respect of various counterparties resulting from put options granted by the Group to non-controlling shareholders of fully consolidated companies. These commitments to purchase equity instruments have been recognized under financial liabilities (see Note 1.4.11.2 “Financial liabilities”) and concern:

- 33.20% of the capital of Compagnie Nationale du Rhône (CNR);
- 41.01% of the capital of La Compagnie du Vent.

The change over the period corresponds mainly to the decrease in the fair value of the put option granted by the Group on the La Compagnie du Vent securities.

The exercise of the options on CNR is conditional on the abolition of the French “Murcef” law, while the exercise of the options on La Compagnie du Vent may now take place in several phases (see Note 27 “Legal and anti-trust proceedings”).

The Group also holds call options on these shares as part of agreements entered into between the parties.

15.3 Net debt

15.3.1 Net debt by type

In millions of euros	Dec. 31, 2012 Non-current	Dec. 31, 2012 Current	Dec. 31, 2012 Total	Dec. 31, 2011 Non-current	Dec. 31, 2011 Current	Dec. 31, 2011 Total
Borrowings and debt outstanding	44,381	10,277	54,658	42,404	12,163	54,568
Impact of measurement at amortized cost	331	692	1,023	689	243	932
Impact of fair value hedge [(a)]	535	89	624	281	77	358
Margin calls on derivatives hedging borrowings - liabilities		904	904		730	730
BORROWINGS AND DEBT	**45,247**	**11,962**	**57,209**	**43,375**	**13,213**	**56,588**
Derivatives hedging borrowings - carried in liabilities [(b)]	225	54	279	76	331	407
GROSS DEBT	**45,472**	**12,017**	**57,489**	**43,451**	**13,543**	**56,994**
Assets related to financing	(59)	(237)	(295)	(311)	(20)	(331)
ASSETS RELATED TO FINANCING	**(59)**	**(237)**	**(295)**	**(311)**	**(20)**	**(331)**
Financial assets at fair value through income (excluding margin calls)	-	(255)	(255)	-	(2,572)	(2,572)
Margin calls on derivatives hedging borrowings - assets		(177)	(177)		(314)	(314)
Cash and cash equivalents	-	(11,383)	(11,383)	-	(14,675)	(14,675)
Derivatives hedging borrowings - carried in assets [(b)]	(1,363)	(102)	(1,464)	(1,187)	(314)	(1,502)
NET CASH	**(1,363)**	**(11,916)**	**(13,279)**	**(1,187)**	**(17,875)**	**(19,063)**
NET DEBT	**44,050**	**(136)**	**43,914**	**41,952**	**(4,352)**	**37,601**
Borrowings and debt outstanding	44,381	10,277	54,658	42,404	12,163	54,568
Assets related to financing	(59)	(237)	(295)	(311)	(20)	(331)
Financial assets at fair value through income (excluding margin calls)	-	(255)	(255)	-	(2,572)	(2,572)
Cash and cash equivalents	-	(11,383)	(11,383)	-	(14,675)	(14,675)
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, CASH COLLATERAL AND AMORTIZED COST	**44,323**	**(1,598)**	**42,725**	**42,093**	**(5,103)**	**36,990**

(a) This item corresponds to the revaluation of the interest rate component of debt in a qualified fair value hedging relationship.
(b) This item represents the fair value of debt-related derivatives irrespective of whether or not they are qualified as hedges.

15.3.2 Main events of the period

a. Impact of changes in the scope of consolidation and in the exchange rates on the changes in net debt

In 2012, changes in the scope of consolidation led to a €5,564 million increase in net debt. This increase results from:

- Purchase of 30% of non-controlling interests in International Power.

  The purchase of non-controlling interests in International Power (see Note 2.1 "International Power") led to a €8,086 million increase in net debt. Details regarding the financing of this transaction are provided in Note 15.3.2.b "Financing set-up as part of the acquisition of non-controlling interests in International Power" below,

- Purchase of International Power plc shares created following the conversion of a portion of convertible bonds into International Power plc shares (see Note 2.1 "International Power").

  The Group purchased 346 million International Power plc shares that resulted from the conversions carried out between July 1 and August 28, 2012, by the holders of bonds convertible into International Power plc shares. The disbursements made by the Group for these converted bonds amounted to €1,828 million.

  Following these transactions, the outstanding amount of bonds convertible into International Power plc shares was repaid at par at a cost of €25 million.

  Taking into account the derecognition of borrowings and debt corresponding to the convertible bonds (€1,130 million), these transactions led to an increase in net debt by €723 million;

- The disposals carried out as part of the "portfolio optimization" program (see Note 2.3 "Disposals carried out during the 2012 year") which reduced the net debt by €2,026 million;

- The classification of IP Maestrale, Sohar and SPP as "Assets held for sale" (see Note 2.4 "Assets held for sale") resulted in a €946 million decrease in net debt at December 31, 2012;
- Other changes in the scope of consolidation reduced net debt by €273 million.

Changes in exchange rates in 2012 resulted in a €149 million decrease in net debt (including -€285 million on the Brazilian real and +€115 million on the Chilean peso).

b. Financing set-up as part of the acquisition of non-controlling interests in International Power

In order to comply with British regulatory requirements, the Group put in place a €6,000 million dedicated syndicated credit facility on May 4, 2012. The amount of this facility was gradually reduced as it was refinanced by the following bond issues:

Date of issue	Par value *(millions)*	Currency	Interest rate	Maturity
May 22, 2012	1,000	EUR	1.50%	Feb. 2016
	1,000	EUR	2.25%	June 2018
	1,000	EUR	3.00%	Feb. 2023
July 10, 2012	750	EUR	1.50%	July 2017
	750	EUR	2.63%	July 2022
October 2, 2012	750	USD	1.63%	Oct. 2017
	750	USD	2.88%	Oct. 2022

This dedicated syndicated credit facility was cancelled when the final repayment was made on December 17, 2012.

Swaps were arranged on these borrowings, as part of the interest rate risk management policy defined in Note 16 "Risks arising from financial instruments".

c. Other financing and refinancing transactions

The Group carried out the following transactions in 2012 as part of its current financing transactions:

Issuance and redemption of bond issues by GDF SUEZ SA and GIE GDF SUEZ Alliance:

GDF SUEZ SA redeemed the remaining €1,140 million of the €1,750 million bond issue paying interest of 4.375% which matured on January 16, 2012. In 2010, an amount of €610 million of this bond was repaid in advance.

The €300 million bond issue paying interest of 5.5% issued by GIE GDF SUEZ Alliance was redeemed at expiration date on November 26, 2012.

GDF SUEZ SA redeemed a 975 million Swiss francs (€802 million) bond paying interest at fixed rate of 3.5% at its expiration date on December 19, 2012.

Furthermore, GDF SUEZ proceeded to the following issues:

Date of issue	Par value *(millions)*	Currency	Interest rate	Maturity
July 2, 2012	400	EUR	2.50%	January 2020
July 6, 2012	10,000	YEN	1.26%	July 2022
October 9, 2012	275	CHF	1.13%	October 2020
	175	CHF	1.63%	October 2024

Swaps were arranged on these borrowings, as part of the interest rate risk management policy defined in Note 16 "Risks arising from financial instruments".

Issuance and redemption of borrowings by SUEZ Environnement Company

On May 31, 2012, SUEZ Environnement Company carried out a drawdown of €250 million on a "Club Deal" syndicated credit line.

On June 11, 2012, SUEZ Environnement Company launched an intermediated redemption offer on the bonds maturing in 2014, issued in 2009 and paying interest of 4.875%. At the close of the transaction, €191 million in bonds had been redeemed. On the same day, SUEZ Environnement Company launched an additional €250 million 10-year bond issue, maturing on June 24, 2022 and paying interest of 4.125%.

Financing transactions performed by the GDF SUEZ Energy International business line

The Group paid off in advance of term the external debt of entities of the GDF SUEZ Energy International business line in North America for an amount of $514 million (€400 million).

Bank debts expiring at the end of June 2012 of Australian based entities of the GDF SUEZ Energy International business line were refinanced as follows:

- Hazelwood's debt totaling 652 million Australian dollars (€526 million) was internally refinanced on June 29, 2012 by the Group;
- Loy Yang B's debt amounting to 1,107 million Australian dollars (€892 million) was refinanced through a new syndicated bank loan of 1,062 million Australian dollars (€856 million) expiring on June 30, 2017.

The Group redeemed the €250 million High Yield Bond, maturing in 2017 issued by International Power Finance Ltd. This bond paid interest of 7.25%. Following the tender periods opened in September and October 2012, 95.9% of the bonds were brought and redeemed for an amount of €300 million.

The £234 million project finance debt, expiring in July 2014, relating to the financing of the Rugeley Power Limited coal-fired plant, was paid off in advance in December 2012 (€288 million) and was refinanced internally.

Lastly, on October 1, 2012, BNDES, the Brazilian Development Bank, confirmed the grant of an additional 2,300 million Brazilian real loan (€900 million) to the Jirau hydroelectric power plant project in Brazil (the project entity is consolidated under the proportionate method with a 60% interest). This loan enabled the total available net debt for this project to be increased to 9,500 million Brazilian real (€3,600 million).

15.4 Fair value of financial instruments by level in the fair value hierarchy

15.4.1 Financial assets

The table below shows the allocation of financial instruments carried in assets to the different levels in the fair value hierarchy:

	Dec. 31, 2012				Dec. 31, 2011			
In millions of euros	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Available-for-sale securities	3,398	1,309	-	2,089	3,299	1,243	-	2,057
Loans and receivables at amortized cost used in designated fair value hedges	416	-	416	-	290	-	290	-
Loans and receivables at amortized cost (excluding trade and other receivables)	*416*	-	*416*	-	*290*	-	*290*	-
Derivative instruments	7,387	108	7,192	88	8,223	200	7,926	97
Derivatives hedging borrowings	*1,464*	-	*1,464*	-	*1,502*	-	*1,502*	-
Derivatives hedging commodities - relating to portfolio management activities	*2,282*	*101*	*2,105*	*77*	*3,622*	*180*	*3,359*	*83*
Derivatives hedging commodities - relating to trading activities	*2,610*	*7*	*2,592*	*11*	*2,263*	*20*	*2,229*	*14*
Derivatives hedging other items	*1,030*	-	*1,030*	-	*836*	-	*836*	-
Financial assets at fair value through income (excluding margin calls)	255	125	129	-	2,572	2,371	200	-
Financial assets qualifying as at fair value through income	*255*	*125*	*129*	-	*2,527*	*2,371*	*156*	-
Financial assets designated as at fair value through income	-	-	-	-	*45*	-	*45*	-
TOTAL	**11,456**	**1,542**	**7,738**	**2,177**	**14,384**	**3,814**	**8,417**	**2,153**

A definition of these three levels is provided in Note 1.4.11.3 "Derivatives and hedge accounting".

Available-for-sale securities

Listed securities – measured at their market price at the end of the reporting period – are included in level 1.

Unlisted securities – measured using valuation models based primarily on recent market transactions, the present value of dividends/cash flows or net asset value – are included in level 3.

At December 31, 2012, changes in level 3 available-for-sale securities can be analyzed as follows:

In millions of euros	Available-for-sale securities
At December 31, 2011	**2,057**
Acquisitions	73
Disposals - carrying amount excluding changes in fair value recorded in “Other comprehensive income”	(55)
Disposals - “Other comprehensive income” derecognized	(1)
Other changes in fair value recorded in equity	187
Changes in fair value recorded in income	(100)
Changes in scope of consolidation, foreign currency translation and other changes	(72)
At December 31, 2012	**2,089**
Gains and losses recorded in income relating to instruments held at the end of the period	(3)

Loans and receivables at amortized cost (excluding trade and other receivables)

Loans and receivables at amortized cost (excluding trade and other receivables) in a designated fair value hedging relationship are presented in level 2 in the above table. Only the interest rate component of these items is remeasured, with fair value determined by reference to observable data.

Derivative instruments

Derivative instruments included in level 1 are mainly futures traded on organized markets with clearing houses. They are measured at fair value based on their quoted price.

The measurement at fair value of derivative instruments included in level 3 is based on non-observable inputs and internal assumptions, usually because the maturity of the instruments exceeds the observable period of the underlying forward price, or because certain inputs such as the volatility of the underlying were not observable at the measurement date.

The measurement at fair value of other derivative instruments is based on commonly-used models in the commodities trading environment, and includes directly and indirectly observable inputs. These instruments are included in level 2 of the fair value hierarchy.

Financial assets qualifying or designated as at fair value through income

Financial assets qualifying as at fair value through income for which the Group has regular net asset value data are included in level 1. If net asset values are not available on a regular basis, these instruments are included in level 2.

Financial assets designated as at fair value through income are included in level 2.

15.4.2 Financial liabilities

The table below shows the allocation of financial instruments carried in liabilities to the different levels in the fair value hierarchy:

	Dec. 31, 2012				Dec. 31, 2011			
In millions of euros	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Borrowings used in designated fair value hedges	11,027	-	11,027	-	9,458	-	9,458	-
Derivative instruments	6,844	67	6,600	176	8,495	89	8,049	357
Derivatives hedging borrowings	*279*	*-*	*279*	*-*	*407*	*-*	*407*	*-*
Derivatives hedging commodities - relating to portfolio management activities	*2,271*	*48*	*2,115*	*108*	*3,291*	*81*	*2,917*	*293*
Derivatives hedging commodities - relating to trading activities	*2,412*	*19*	*2,385*	*8*	*2,402*	*9*	*2,389*	*4*
Derivatives hedging other items	*1,881*	*-*	*1,821*	*60*	*2,396*	*-*	*2,335*	*60*
TOTAL	**17,870**	**67**	**17,627**	**176**	**17,953**	**89**	**17,507**	**357**

Borrowings and debt

This caption includes bonds in a designated fair value hedging relationship which are presented in level 2 in the above table. Only the interest rate component of the bonds is remeasured, with fair value determined by reference to observable data.

Derivative instruments

Please refer to the classification of derivative financial instruments in Note 15.4.1 “Financial assets”.

NOTE 16 RISKS ARISING FROM FINANCIAL INSTRUMENTS

GDF SUEZ mainly uses derivative instruments to manage its exposure to market risks. Financial risk management procedures are set out in section 2, "Risk factors" of the Registration Document.

16.1 Market risks

16.1.1 Commodity risk

Commodity risk arises primarily from the following activities:

- portfolio management; and
- trading.

The Group has identified two types of commodity risks: price risk resulting from fluctuations in market prices, and volume risks inherent to the business.

In the ordinary course of its operations, the Group is exposed to commodity risks on gas, electricity, coal, oil and oil products, other fuels, CO_2 and other "green" products. The Group is active on these energy markets either for supply purposes or to optimize and secure its energy production chain and its energy sales. The Group also uses derivatives to offer hedging instruments to its clients and to hedge its own positions.

16.1.1.1 Portfolio management activities

Portfolio management seeks to optimize the market value of assets (power plants, gas and coal supply contracts, energy sales and gas storage and transmission) over various timeframes (short-, medium- and long-term). Market value is optimized by:

- guaranteeing supply and ensuring the balance between needs and physical resources;
- managing market risks (price, volume) to unlock optimum value from portfolios within a specific risk framework.

The risk framework aims to safeguard the Group's financial resources over the budget period and smooth out medium-term earnings (over three or five years, depending on the maturity of each market). It encourages portfolio managers to take out economic hedges on their portfolio.

Sensitivities of the commodity-related financial derivatives portfolio used as part of the portfolio management activities as at December 31, 2012 are detailed in the table below. They are not representative of future changes in consolidated earnings and equity, insofar as they do not include the sensitivities relating to the purchase and sale contracts for the underlying commodities.

SENSITIVITY ANALYSIS (1)

		Dec. 31, 2012		Dec. 31, 2011	
In millions of euros	Changes in price	Pre-tax impact on income	Pre-tax impact on equity	Pre-tax impact on income	Pre-tax impact on equity
Oil-based products	+US$10/bbl	200	(6)	(159)	123
Natural gas	+€3/MWh	13	(186)	267	(77)
Electricity	+€5/MWh	(333)	45	(394)	17
Coal	+ US$10/ton	60	69	9	48
Greenhouse gas emission rights	+€2/ton	169	(4)	33	(2)
EUR/USD	+10%	(315)	(13)	(1)	(209)
EUR/GBP	+10%	80	22	(33)	(3)
GBP/USD	+10%	21	-	39	-

(1) The sensitivities shown above apply solely to financial commodity derivatives used for hedging purposes as part of the portfolio management activities.

As options contracts are not frequently used, the sensitivity analysis is symmetrical for price increases and decreases.

16.1.1.2 Trading activities

The Group's trading activities are primarily conducted within GDF SUEZ Trading. The purpose of this wholly-owned company is to (i) assist Group entities in optimizing their asset portfolios; (ii) create and implement energy price risk management solutions; and (iii) develop proprietary trading activities.

Revenues from trading activities totaled €258 million for the year ended December 31, 2012 (€227 million in 2011).

The use of Value at Risk (VaR) to quantify market risk arising from trading activities provides a transversal measure of risk taking all markets and products into account. VaR represents the maximum potential loss on a portfolio of assets over a specified holding period based on a given confidence interval. It is not an indication of expected results but is back-tested on a regular basis.

The Group uses a one-day holding period and a 99% confidence interval to calculate VaR, as well as stress tests, in accordance with banking regulatory requirements.

The value-at-risk shown below corresponds to the aggregated VaR of the Group's trading entities.

VALUE AT RISK USED

In millions of euros	Dec. 31, 2012	2012 average (1)	2012 maximum (2)	2012 minimum (2)	2011 average (1)
Trading *activities*	2	4	8	2	4

(1) Average daily VaR.
(2) Maximum and minimum daily VAR observed in 2012.

16.1.2 Hedges of commodity risks

The Group enters into cash flow hedges and fair value hedges as defined by IAS 39, using derivative instruments (firm or options contracts) contracted over-the-counter or on organized markets. These instruments may be settled net or involve physical delivery of the underlying.

The fair values of commodity derivatives at December 31, 2012 and December 31, 2011 are indicated in the table below:

	Dec. 31, 2012				Dec. 31, 2011			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Derivative instruments relating to portfolio management activities	737	1,545	(724)	(1,548)	969	2,653	(994)	(2,297)
Cash flow hedges	*273*	*614*	*(256)*	*(551)*	*349*	*1,227*	*(208)*	*(710)*
Other derivative instruments	*464*	*931*	*(467)*	*(996)*	*620*	*1,426*	*(786)*	*(1,587)*
Derivative instruments relating to trading activities	-	2,610	-	(2,412)	-	2,263	-	(2,402)
TOTAL	**737**	**4,155**	**(724)**	**(3,960)**	**969**	**4,916**	**(994)**	**(4,699)**

See also Notes 15.1.3 "Other financial assets at fair value through income" and 15.2.2 "Derivative instruments".

The fair values shown in the table above reflect the amounts for which assets could be exchanged, or liabilities settled, at the end of the reporting period. They are not representative of expected future cash flows insofar as positions (i) are sensitive to changes in prices; (ii) can be modified by subsequent transactions; and (iii) can be offset by future cash flows arising on the underlying transactions.

16.1.2.1 Cash flow hedges

The fair values of cash flow hedges by type of commodity are as follows:

	Dec. 31, 2012				Dec. 31, 2011			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Natural gas	33	157	(30)	(144)	101	268	(41)	(248)
Electricity	165	266	(129)	(217)	93	258	(85)	(220)
Coal	6	17	(42)	(75)	18	22	(27)	(33)
Oil	20	158	(19)	(76)	52	546	(26)	(179)
Other	49	16	(36)	(39)	85	133	(29)	(30)
TOTAL	**273**	**614**	**(256)**	**(551)**	**349**	**1,227**	**(208)**	**(710)**

Notional amounts and maturities of cash flow hedges are as follows:

NOTIONAL AMOUNTS (NET) *

In GWh	Total at Dec. 31, 2012	2013	2014	2015	2016	2017	Beyond 5 years
Natural gas, electricity and coal	19,479	(9,368)	16,919	10,961	456	248	263
Oil-based products	64,935	50,558	14,007	743	(373)	-	-
Other	-	-	-	-	-	-	-
TOTAL	**84,414**	**41,190**	**30,926**	**11,704**	**83**	**248**	**263**

* *Long/(short) position.*

NOTIONAL AMOUNTS (NET) *

In thousands of tons	Total at Dec. 31, 2012	2013	2014	2015	2016	2017	Beyond 5 years
Greenhouse gas emission rights	24	19	5	-	-	-	-
TOTAL	**24**	**19**	**5**	**-**	**-**	**-**	**-**

* *Long/(short) position.*

At December 31, 2012, a loss of €127 million was recognized in equity in respect of cash flow hedges, versus a gain of €430 million at end-2011. A gain of €393 million was reclassified from equity to income in 2012, compared with a gain of €71 million reclassified in 2011.

Gains and losses arising from the ineffective portion of hedges are taken to income. A loss of €29 million was recognized in income in 2012, compared with a gain of €20 million in 2011.

16.1.2.2 Other commodity derivatives

Other commodity derivatives include embedded derivatives, commodity purchase and sale contracts which were not entered into within the ordinary course of business at the statement of financial position date, and derivative financial instruments not eligible for hedge accounting in accordance with IAS 39.

16.1.3 Currency risk

The Group is exposed to currency risk, defined as the impact on its statement of financial position and income statement of fluctuations in exchange rates affecting its operating and financing activities. Currency risk comprises (i) transaction risk arising in the ordinary course of business; (ii) transaction risk specifically linked to planned investments or mergers and acquisitions; and (iii) translation risk arising on the consolidation in euros of the financial statements of subsidiaries with a functional currency other than the euro. This risk chiefly concerns Brazil, Thailand, Norway, the United Kingdom, Australia, the United States and the assets considered to be dollar based.

16.1.3.1 Analysis of financial instruments by currency

The following tables present a breakdown by currency of outstanding gross debt and net debt, before and after hedging:

OUTSTANDING GROSS DEBT

	Dec. 31, 2012		Dec. 31, 2011	
	Before hedging	After hedging	Before hedging	After hedging
EUR	63%	66%	61%	60%
USD	12%	14%	12%	16%
GBP	8%	3%	8%	4%
Other currencies	17%	17%	19%	20%
TOTAL	**100%**	**100%**	**100%**	**100%**

NET DEBT

	Dec. 31, 2012		Dec. 31, 2011	
	Before hedging	After hedging	Before hedging	After hedging
EUR	62%	65%	53%	52%
USD	13%	16%	14%	21%
GBP	8%	3%	9%	2%
Other currencies	17%	16%	24%	25%
TOTAL	**100%**	**100%**	**100%**	**100%**

16.1.3.2 Currency risk sensitivity analysis

Sensitivity was analyzed based on the Group's net debt position (including the impact of interest rate and foreign currency derivatives) and financial instruments qualified as net investment hedges at the reporting date.

For currency risk, sensitivity corresponds to a 10% rise or fall in exchange rates compared to closing rates.

Impact on income after currency hedges

Changes in exchange rates against the euro only affect income via gains and losses on liabilities denominated in a currency other than the functional currency of companies carrying the liabilities on their statements of financial position, and when the liabilities in question do not qualify as net investment hedges. The impact of a uniform increase (or decrease) of 10% in foreign currencies against the euro would ultimately be a gain (or loss) of €30 million.

Impact on equity

For financial instruments (debt and derivatives) qualified as net investment hedges, a uniform adverse change of 10% in foreign currencies against the euro would have a positive impact of €629 million on equity. This impact is countered by the offsetting change in the net investment hedged.

16.1.4 Interest rate risk

The Group seeks to manage its borrowing costs by limiting the impact of interest rate fluctuations on its income statement. It does this by ensuring a balanced interest rate structure in the medium-term (five years). The Group's aim is therefore to use a mix of fixed rates, floating rates and capped floating rates for its net debt. The interest rate mix may shift around this balance in line with market trends.

In order to manage the interest rate structure for its net debt, the Group uses hedging instruments, particularly interest rate swaps and options. At December 31, 2012, the Group had a portfolio of interest rate options (caps) protecting it from a rise in short-term interest rates for the euro, US dollar and pound sterling.

16.1.4.1 Analysis of financial instruments by type of interest rate

The following tables present a breakdown by type of interest rate of outstanding gross debt and net debt before and after hedging.

OUTSTANDING GROSS DEBT

	Dec. 31, 2012		Dec. 31, 2011	
	Before hedging	After hedging	Before hedging	After hedging
Floating rate	38%	39%	42%	41%
Fixed rate	62%	61%	58%	59%
TOTAL	**100%**	**100%**	**100%**	**100%**

NET DEBT

	Dec. 31, 2012		Dec. 31, 2011	
	Before hedging	After hedging	Before hedging	After hedging
Floating rate	21%	22%	15%	12%
Fixed rate	79%	78%	85%	88%
TOTAL	**100%**	**100%**	**100%**	**100%**

16.1.4.2 Interest rate risk sensitivity analysis

Sensitivity was analyzed based on the Group's net debt position (including the impact of interest rate and foreign currency derivatives relating to net debt) at the reporting date.

For interest rate risk, sensitivity corresponds to a 1% rise or fall in the yield curve compared with year-end interest rates.

Impact on income after hedging

A uniform rise of 1% in short-term interest rates (across all currencies) on the nominal amount of floating-rate net debt and the floating-rate leg of derivatives, would increase net interest expense by €96 million. A fall of 1% in short-term interest rates would reduce net interest expense by €6 million. The asymmetrical impacts are attributable to the low short-term interest rates (less than 1%) applicable to certain financial assets and liabilities.

In the income statement, a uniform rise of 1% in interest rates (across all currencies) on derivative instruments not qualifying for hedge accounting would result in a gain of €193 million attributable to changes in the fair value of derivatives. However, a fall of 1% in interest rates would generate a loss of €351 million. The asymmetrical impacts are attributable to the interest rate options portfolio.

Impact on equity

A uniform rise of 1% in interest rates (across all currencies) would have a positive impact of €312 million on equity, attributable to changes in the interest rate impact of the fair value of derivative instruments qualified as cash flow and net investment hedges recognized in the statement of financial position. However, a fall of 1% in interest rates would have a negative impact of €356 million.

16.1.4.3 Currency and interest rate hedges

The table below shows the fair values and notional amounts of financial instruments designated as currency or interest rate hedges:

CURRENCY DERIVATIVES

	Dec. 31, 2012		Dec. 31, 2011	
In millions of euros	Fair value	Nominal amount	Fair value	Nominal amount
Fair-value hedges	64	1,953	404	2,221
Cash-flow hedges	(36)	4,101	155	6,089
Net investment hedges	65	6,288	(130)	6,918
Derivative instruments not qualifying for hedge accounting	(38)	13,881	(21)	11,196
TOTAL	**55**	**26,222**	**408**	**26,424**

INTEREST-RATE DERIVATIVES

	Dec. 31, 2012		Dec. 31, 2011	
In millions of euros	Fair value	Nominal amount	Fair value	Nominal amount
Fair-value hedges	804	6,546	563	8,490
Cash-flow hedges	(460)	4,568	(694)	7,261
Derivative instruments not qualifying for hedge accounting	(66)	28,239	(636)	20,782
TOTAL	**279**	**39,353**	**(766)**	**36,532**

The fair values shown in the table above are positive for an asset and negative for a liability.

The Group qualifies foreign currency derivatives hedging firm foreign currency commitments and interest rate swaps transforming fixed-rate debt into floating-rate debt as fair value hedges.

Cash flow hedges are mainly used to hedge future foreign currency cash flows as well as floating-rate debt.

Net investment hedging instruments are mainly cross currency swaps.

Derivative instruments not qualifying for hedge accounting correspond to instruments that do not meet the definition of hedges from an accounting perspective, even though they are used as economic hedges of borrowings and foreign currency commitments.

Fair value hedges

At December 31, 2012, the net impact of fair value hedges recognized in the income statement is a loss of €12 million.

Cash flow hedges

Foreign currency and interest rate derivatives qualified as cash flow hedges can be analyzed as follows by maturity:

AT DECEMBER 31, 2012

In millions of euros	Total	2013	2014	2015	2016	2017	Beyond 5 years
Breakdown of the fair value of the derivatives by maturity date	(496)	(51)	(74)	(51)	(43)	(28)	(249)

AT DECEMBER 31, 2011

In millions of euros	Total	2012	2013	2014	2015	2016	Beyond 5 years
Breakdown of the fair value of the derivatives by maturity date	(539)	(30)	(156)	(108)	(76)	(52)	(117)

At December 31, 2012, the loss of €340 million was recognized in equity.

The amount reclassified from equity to income in the period was a gain of €4 million.

The ineffective portion of cash flow hedges recognized in income was not material.

Net investment hedges

The ineffective portion of net investment hedges recognized in income represented a loss of €10 million.

16.2 Counterparty risk

The Group is exposed to counterparty risk from customers, suppliers, partners, intermediaries and banks on its operating and financing activities, when such parties are unable to honor their contractual obligations. Counterparty risk results from a combination of payment risk (failure to pay for services or deliveries carried out), delivery risk (failure to deliver services or products paid for) and the risk of replacing contracts in default (known as mark-to-market exposure – i.e., the cost of replacing the contract in conditions other than those initially agreed).

16.2.1 Operating activities

Counterparty risk arising on operating activities is managed via standard mechanisms such as third-party guarantees, netting agreements and margin calls, using dedicated hedging instruments or special prepayment and debt recovery procedures, particularly for retail customers.

Under the Group's policy, each business line is responsible for managing counterparty risk, although the Group continues to manage the biggest counterparty exposures.

The credit quality of large- and mid-sized counterparties with which the Group has exposures above a certain threshold is measured based on a specific ratings process, while a simplified credit scoring process is used for commercial customers with which the Group has fairly low exposures. These processes are based on formally documented, consistent methods across the Group. Consolidated exposures are monitored by counterparty and by segment (credit quality, sector, etc.) using current exposure (payment risk, MtM exposure).

The Group's Energy Market Risk Committee (CRME) consolidates and monitors the Group's exposure to its main energy counterparties on a quarterly basis and ensures that the exposure limits set for these counterparties are respected.

Past-due trade and other receivables are analyzed below:

TRADE AND OTHER RECEIVABLES

	Past due unimpaired assets at the reporting date				Impaired assets	Assets neither impaired nor past due	
In millions of euros	0-6 months	6-12 months	Beyond 1 year	Total	Total	Total	Total
At December 31, 2012	1,273	373	335	1,981	1,452	22,646	26,079
At December 31, 2011	1,324	285	512	2,121	1,464	20,547	24,132

The age of receivables that are past due but not impaired may vary significantly depending on the type of customer with which the Group does business (private corporations, individuals or public authorities). The Group decides whether or not to recognize impairment on a case-by-case basis according to the characteristics of the customer concerned. The Group does not consider that it is exposed to any material concentration of risk in respect of receivables.

In the case of commodity derivatives, counterparty risk arises from positive fair value. Counterparty risk is taken into account when calculating the fair value of these derivative instruments.

COUNTERPARTY RISK

In millions of euros	Dec. 31, 2012 Investment Grade (2)	Dec. 31, 2012 Total	Dec. 31, 2011 Investment Grade (2)	Dec. 31, 2011 Total
Gross exposure (1)	4,617	4,893	5,079	5,885
Net exposure (3)	1,418	1,575	2,428	2,620
% of credit exposure to "Investment Grade" counterparties	90.0%		92.7%	

(1) Corresponds to the maximum exposure, i.e. the value of the derivatives shown under balance sheet assets (positive fair value).

(2) Investment Grade corresponds to transactions with counterparties that are rated at least BBB- by Standard & Poor's, Baa3 by Moody's, or equivalent by Dun & Bradstreet are included in the "Investment Grade" column. "Investment Grade" is also determined based on an internal rating tool that is currently being rolled out within the Group, and covers its main counterparties.

(3) After taking into account the liability positions with the same counterparties (negative fair value), collateral, netting agreements and other credit enhancement techniques.

16.2.2 Financing activities

For its financing activities, the Group has put in place procedures for managing and monitoring risk based on (i) the accreditation of counterparties according to external credit ratings, objective market data (credit default swaps, market capitalization) and financial structure, and (ii) counterparty risk exposure limits.

To reduce its counterparty risk exposure, the Group drew increasingly on a structured legal framework based on master agreements (including netting clauses) and collateralization contracts (margin calls).

The oversight procedure for managing counterparty risk arising from financing activities is managed by a middle office that operates independently of the Group's Treasury department and reports to the Finance division.

16.2.2.1 Counterparty risk arising from loans and receivables at amortized cost (excluding trade and other receivables)

The balance of outstanding past-due loans and receivables at amortized cost (excluding trade and other receivables) is analyzed below:

LOANS AND RECEIVABLES AT AMORTIZED COST (EXCLUDING TRADE AND OTHER RECEIVABLES)

	Past due unimpaired assets at the reporting date				Impaired assets	Assets neither impaired nor past due	
In millions of euros	0-6 months	6-12 months	Beyond 1 year	Total	Total	Total	Total
At December 31, 2012	10	11	98	119	408	4,982	5,509
At December 31, 2011	6	10	24	40	412	4,891	5,343

The balance of outstanding loans and receivables carried at amortized cost (excluding trade and other receivables) does not include impairment losses or changes in fair value and in amortized cost, which totaled -€385 million, -€2 million and €49 million, respectively, at December 31, 2012 (-€380 million, -€2 million, and €163 million, respectively, at December 31, 2011). Changes in these items are presented in Note 15.1.2, "Loans and receivables at amortized cost".

16.2.2.2 Counterparty risk arising from investing activities and the use of derivative financial instruments

The Group is exposed to counterparty risk arising from investments of surplus cash and from the use of derivative financial instruments. In the case of financial instruments at fair value through income, counterparty risk arises on instruments with a positive fair value.

At December 31, 2012, total outstandings exposed to credit risk amounted to €12,046 million.

	Dec. 31, 2012				Dec. 31, 2011			
In millions of euros	Total	Investment Grade (1)	Unrated (2)	Non Investment Grade (2)	Total	Investment Grade (1)	Unrated (2)	Non Investment Grade (2)
Exposure (3)	12,046	91%	8%	1%	19,755	94%	5%	1%

(1) Counterparties that are rated at least BBB- by Standard & Poor's, and Baa3 by Moody's.

(2) Most of these two exposures is carried by consolidated companies that include non-controlling interests, or by Group companies that operate in emerging countries, where cash cannot be pooled and is therefore invested locally.

(3) After taking collateralization agreements into account.

At December 31, 2012, no single counterparty represented more than 20% of cash investments.

16.3 Liquidity risk

In the context of its operating activities, the Group is exposed to a risk of having insufficient liquidity to meet its contractual obligations. As well as the risks inherent in managing working capital, margin calls are required in certain market activities.

The Group has set up a quarterly committee tasked with managing and monitoring liquidity risk throughout the Group, based on maintaining a broad range of investments and sources of financing, preparing forecasts of cash investments and divestments, and performing stress tests on the margin calls put in place when commodity, interest rate and currency derivatives are negociated.

The Group centralizes virtually all financing needs and cash flow surpluses of the companies it controls, as well as most of their medium- and long-term external financing requirements. Centralization is provided by financing vehicles (long-term and short-term) and by dedicated Group cash pooling vehicles based in France, Belgium and Luxembourg.

Surpluses held by these structures are managed in accordance with a uniform policy. Unpooled cash surpluses are invested in instruments selected on a case-by-case basis in light of local financial market imperatives and the financial strength of the counterparties concerned.

The onslaught of successive financial crises since 2008 and the ensuing rise in counterparty risk prompted the Group to tighten its investment policy with the aim of keeping an extremely high level of liquidity and protecting invested capital (95% of cash pooled at December 31, 2012 was invested in overnight bank deposits and standard money market funds with daily liquidity). Performance and counterparty risks are monitored on a daily basis for both investment types, allowing the Group to take immediate action where required in response to market developments.

The Group's financing policy is based on:

- centralizing external financing;
- diversifying sources of financing between credit institutions and capital markets;
- achieving a balanced debt repayment profile.

The Group seeks to diversify its sources of financing by carrying out public or private bond issues within the scope of its Euro Medium Term Notes program. It also issues commercial paper in France and Belgium, as well as in the United States.

At December 31, 2012, bank loans accounted for 31% of gross debt (excluding overdrafts and the impact of derivatives and amortized cost), while the remaining debt was raised on capital markets (including €31,407 million in bonds, or 59% of gross debt).

Outstanding short-term commercial paper issues represented 10% of gross debt, or €5,378 million at December 31, 2012. As commercial paper is relatively inexpensive and highly liquid, it is used by the Group in a cyclical or structural fashion to finance its short-term cash requirements. However, all outstanding commercial paper is backed by confirmed bank lines of credit so that the Group could continue to finance its activities if access to this financing source were to dry up.

Available cash, comprising cash and cash equivalents, financial assets qualifying or designated as at fair value through income, less overdrafts and current accounts carried in liabilities, totaled €10,312 million at December 31, 2012, of which 72% was invested in the Euro zone.

The Group also has access to confirmed credit lines. These facilities are appropriate for the scale of its operations and for the timing of contractual debt repayments. Confirmed credit facilities had been granted for a total of €17,470 million at December 31, 2012, of which €15,568 million was available and undrawn. 78% of total credit lines and 73% of undrawn facilities are centralized. None of these centralized facilities contains a default clause linked to covenants or minimum credit ratings.

16.3.1 Undiscounted contractual payments relating to financial activities

At December 31, 2012, undiscounted contractual payments on net debt (excluding the impact of derivatives and amortized cost) break down as follows by maturity:

AT DECEMBER 31, 2012

In millions of euros	Total	2013	2014	2015	2016	2017	Beyond 5 years
Bond issues	31,407	1,099	2,868	2,128	2,619	3,275	19,419
Commercial paper	5,378	5,378	-	-	-	-	-
Drawdowns on credit facilities	1,902	319	119	130	673	11	650
Liabilities under finance leases	1,360	447	153	130	123	127	380
Other bank borrowings	12,161	1,565	1,718	1,016	958	1,383	5,520
Other borrowings	1,125	143	97	83	49	171	581
Bank overdrafts and current accounts	1,326	1,326	-	-	-	-	-
OUTSTANDING BORROWINGS AND DEBT	54,658	10,277	4,955	3,487	4,422	4,967	26,550
Assets related to financing	(295)	(237)	-	-	-	(1)	(58)
Financial assets qualifying or designated as at fair value through income	(255)	(255)	-	-	-	-	-
Cash and cash equivalents	(11,383)	(11,383)	-	-	-	-	-
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, CASH COLLATERAL AND AMORTIZED COST	**42,725**	**(1,598)**	**4,955**	**3,487**	**4,422**	**4,966**	**26,492**

AT DECEMBER 31, 2011

In millions of euros	Total	2012	2013	2014	2015	2016	Beyond 5 years
OUTSTANDING BORROWINGS AND DEBT	**54,568**	**12,163**	**3,362**	**5,890**	**4,104**	**3,105**	**25,943**
Assets related to financing, financial assets qualifying or designated as at fair value through income, and cash and cash equivalents	(17,578)	(17,267)	(193)	(11)	(32)	(11)	(63)
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, CASH COLLATERAL AND AMORTIZED COST	**36,990**	**(5,104)**	**3,168**	**5,879**	**4,072**	**3,094**	**25,880**

At December 31, 2012, undiscounted contractual interest payments on outstanding borrowings and debt break down as follows by maturity:

AT DECEMBER 31, 2012

In millions of euros	Total	2013	2014	2015	2016	2017	Beyond 5 years
Undiscounted contractual interest flows on outstanding borrowings and debt	19,823	2,012	1,892	1,741	1,590	1,450	11,137

AT DECEMBER 31, 2011

In millions of euros	Total	2012	2013	2014	2015	2016	Beyond 5 years
Undiscounted contractual interest flows on outstanding borrowings and debt	20,882	2,277	1,959	1,827	1,628	1,476	11,716

At December 31, 2012, undiscounted contractual payments on outstanding derivatives (excluding commodity instruments) recognized in assets and liabilities break down as follows by maturity (net amounts):

AT DECEMBER 31, 2012

In millions of euros	Total	2013	2014	2015	2016	2017	Beyond 5 years
Derivatives (excluding commodity instruments)	(1,139)	(229)	(282)	(114)	(58)	2	(458)

AT DECEMBER 31, 2011

In millions of euros	Total	2012	2013	2014	2015	2016	Beyond 5 years
Derivatives (excluding commodity instruments)	(795)	203	254	(801)	47	(58)	(440)

To better reflect the economic substance of these transactions, the cash flows linked to the derivatives recognized in assets and liabilities shown in the table above relate to net positions.

The maturities of the Group's undrawn credit facility programs are analyzed in the table below:

AT DECEMBER 31, 2012

In millions of euros	Total	2013	2014	2015	2016	2017	Beyond 5 years
Confirmed undrawn credit facility programs	15,568	1,949	2,149	5,142	1,106	4,556	666

AT DECEMBER 31, 2011

In millions of euros	Total	2012	2013	2014	2015	2016	Beyond 5 years
Confirmed undrawn credit facility programs	15,149	1,199	1,060	2,452	4,470	5,689	279

Of these undrawn programs, an amount of €5,378 million is allocated to covering issues of commercial paper.

At December 31, 2012, no single counterparty represented more than 7% of the Group's confirmed undrawn credit lines.

16.3.2 Undiscounted contractual payments relating to operating activities

The table below provides an analysis of undiscounted fair values due and receivable in respect of commodity derivatives recorded in assets and liabilities at the statement of financial position date.

LIQUIDITY RISK

In millions of euros	Total	2013	2014	2015	2016	2017	Beyond 5 years
Derivative instruments carried in liabilities							
relating to portfolio management activities	*(2,284)*	*(1,551)*	*(515)*	*(142)*	*(29)*	*(13)*	*(35)*
relating to trading activities	*(2,411)*	*(2,411)*					
Derivative instruments carried in assets							
relating to portfolio management activities	*2,308*	*1,557*	*510*	*171*	*2*	*41*	*27*
relating to trading activities	*2,609*	*2,609*					
TOTAL AT DECEMBER 31, 2012	**222**	**204**	**(5)**	**29**	**(27)**	**28**	**(8)**

LIQUIDITY RISK

In millions of euros	Total	2012	2013	2014	2015	2016	Beyond 5 years
Derivative instruments carried in liabilities							
relating to portfolio management activities	*(3,357)*	*(2,334)*	*(524)*	*(216)*	*(98)*	*(92)*	*(93)*
relating to trading activities	*(2,390)*	*(2,390)*					
Derivative instruments carried in assets							
relating to portfolio management activities	*3,658*	*2,668*	*671*	*189*	*55*	*33*	*43*
relating to trading activities	*2,255*	*2,255*					
TOTAL AT DECEMBER 31, 2011	**166**	**199**	**146**	**(27)**	**(43)**	**(59)**	**(50)**

The Group provides an analysis of residual contractual maturities for commodity derivative instruments included in its portfolio management activities. Derivative instruments relating to trading activities are considered to be liquid in less than one year, and are presented under current items in the statement of financial position.

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

In the ordinary course of their business, some Group operating companies entered 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 Global Gas & LNG, Energy Europe and Energy International business lines (expressed in TWh):

In TWh	Total at Dec. 31, 2012	2013	2014-2017	Beyond 5 years	Total at Dec. 31, 2011
Firm purchases	(8,980)	(906)	(2,964)	(5,110)	(10,005)
Firm sales	1,993	451	640	903	2,099

16.3.4 Equity risk

At December 31, 2012, available-for-sale securities held by the Group amounted to €3,398 million (see Note 15.1.1 "Available-for-sale securities").

A fall of 10% in the market price of listed shares would have a negative impact (before tax) of around €131 million on the Group's comprehensive income.

The Group's main unlisted security corresponds to its interest in Flemish inter-municipal companies, which is measured by reference to the regulated asset base.

The Group's portfolio of listed and unlisted securities is managed within the context of a specific investment procedure and its performance is reported on a regular basis to Executive Management.

NOTE 17 EQUITY

17.1 Share capital

	Number of shares			Value (in millions of euros)		
	Total	Treasury stock	Outstanding	Share capital	Additional paid-in capital	Treasury stock
AT DECEMBER 31, 2010	2,250,295,757	(25,854,164)	2,224,441,593	2,250	29,683	(665)
Share issuance	2,340,451		2,340,451	2	33	
Purchases and disposals of treasury stock		(13,029,330)	(13,029,330)			(264)
AT DECEMBER 31, 2011	2,252,636,208	(38,883,494)	2,213,752,714	2,253	29,716	(930)
Share issuance	4,604,700		4,604,700	5	68	
Share-based dividend payments	155,583,181		155,583,181	156	2,438	
Transfer to the legal reserve					(15)	
Purchases and disposals of treasury stock		(16,650,339)	(16,650,339)			(276)
AT DECEMBER 31, 2012	**2,412,824,089**	**(55,533,833)**	**2,357,290,256**	**2,413**	**32,207**	**(1,206)**

Changes in the number of shares during 2012 result from:

- the exercise of stock subscription options amounting to 4.6 million shares (see Note 24.1 “Stock option plans”);
- net acquisitions of shares amounting to 16.7 million shares, carried out under the Group’s stock repurchase program (see Note 17.3 “Treasury stock”), as part of the implementation of new stock option purchase or bonus share plans;
- the payment in shares of a portion of the 2011 dividend balance. The dividend balance (i.e. €0.67 on the total dividend of €1.50 per share) was paid on May 24, 2012, in a cash amount of €340 million and €1,134 million in shares, which resulted in the issue of 69,002,807 new shares (see Note 17.5 “Dividends”);
- the payment in shares of part of the 2012 interim dividend. The Board of Directors Meeting of September 19, 2012 approved the payment of an interim dividend of €0.83 per share for the 2012 financial year, with the option for shareholders to receive this interim dividend in shares. This interim dividend was paid on October 25, 2012, in an amount of €427 million in cash and €1,460 million in shares, which resulted in the issue of 86,580,374 new shares (see Note 17.5 “Dividends”).

Changes in the number of shares during 2011 resulted from:

- the exercise of stock subscription options (2.3 million shares);
- net acquisitions of shares carried out under the Group’s stock repurchase program, including 6.7 million shares purchased in connection with the liquidity agreement and 6.3 million as part of the implementation of new stock purchase or bonus share plans.

17.2 Potential share capital and instruments providing a right to subscribe for new GDF SUEZ SA shares

Instruments providing a right to subscribe for new GDF SUEZ SA shares consist solely of stock subscription options awarded by the Group to its employees and corporate officers. Stock subscription plans in force at December 31, 2012 are described in Note 24.1.1 “Details of stock option plans in force”. The maximum number of new shares that could be issued if these options were to be exercised amounted to 15.8 million at December 31, 2012.

Shares to be allocated under Bonus Share and Performance Share award plans (described in Note 24.3 “Bonus shares and Performance Shares”) will be covered by existing GDF SUEZ SA shares.

17.3 Treasury stock

The Group has a stock repurchase program as a result of the authorization granted to the Board of Directors by the Ordinary and Extraordinary shareholders’ Meeting of April 23, 2012. This program provides for the repurchase of up to 10% of the shares comprising the share capital of GDF SUEZ SA at the date of said shareholders’ Meeting. The aggregate amount of acquisitions net of expenses under the program may not exceed the sum of €9 billion, and the purchase price must be less than €40 per share, excluding the acquisition costs.

At December 31, 2012, the Group held 55.5 million treasury shares, of which 48.6 million were held to cover the Group’s share commitments to employees and corporate officers, and 6.9 million were held in connection with the liquidity agreement.

The liquidity agreement signed with an investment services provider assigns the role of operating on the market on a daily basis to the latter, in order to buy or sell GDF SUEZ SA shares, with a view to provide liquidity and to ensure an active market for the shares on the Paris and Brussels stock exchanges. The resources allocated to the implementation of this agreement amounted to €150 million. The number of shares that may be purchased in connection with this agreement may not exceed 24.1 million.

17.4 Other disclosures concerning additional paid-in capital and consolidated reserves

Total additional paid-in capital and consolidated reserves (including net income for the financial year), amounted to €58,543 million at December 31, 2012 and include the GDF SUEZ SA legal reserve, which amounted to €241 million. Under French law, 5% of the net income of French companies must be allocated to the legal reserve, until the legal reserve reaches 10% of share capital. This reserve can only be distributed to shareholders in the event of liquidation.

Consolidated reserves also include cumulative actuarial differences, which represents losses of €2,015 million at December 31, 2012 (losses of €1,423 million at December 31, 2011) and deferred taxes on these actuarial differences, amounting to €651 million at December 31, 2012 (€449 million at December 31, 2011).

GDF SUEZ SA's distributable paid-in capital and reserves totaled €43,623 million at December 31, 2012 (compared with €43,602 million at December 31, 2011).

17.5 Dividends

The table below shows the dividends and interim dividends paid by GDF SUEZ SA in 2011 and 2012.

	Amount distributed *(in millions of euros)*	**Net dividend per share** *(in euros)*
In respect of 2011		
Interim dividend (paid November 15, 2011)	1,838	0.83
Remaining dividend for 2011 (paid either in cash or in shares on May 24, 2012)	1,474	0.67
paid in cash	*340*	
paid in shares	*1,134*	
In respect of 2012		
Interim dividend (paid either in cash or in shares on October 25, 2012)	1,887	0.83
paid in cash	*427*	
paid in shares	*1,460*	

Recommended dividend for 2012

Shareholders at the shareholders' Meeting convened to approve the Group's financial statements for the year ended December 31, 2012, will be asked to approve a dividend of €1.50 per share, representing a total payout of €3,466 million based on the number of shares outstanding at December 31, 2012. An interim dividend of €0.83 per share has already been paid on October 25, 2012, representing a total amount of €1,887 million.

Subject to approval by the Annual Shareholders' Meeting, this dividend, net of the interim dividend paid, will be distributed on April 30, 2013 and is not recognized as a liability in the financial statements at December 31, 2012, since the financial statements at the end of 2012 are presented before the appropriation of earnings.

The additional 3% contribution, set up by the *Loi de Finances 2012* and payable in accordance with the recommended 2012 dividend, would amount to €60 million, considering that dividend balance will be settled in cash. As for the dividend submitted to the approval of the Annual Shareholders' Meeting, no liability has been accounted for in respect of this contribution in the statement of financial position at December 31, 2012.

17.6 Total gains and losses recognized in equity (Group share)

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Available-for-sale financial assets	460	185
Net investment hedges	(82)	(27)
Cash flow hedges (excl. commodity instruments)	(690)	(283)
Commodity cash flow hedges	215	677
Deferred taxes on the items above	143	(153)
Share of associates of recyclable items, net of taxes	(288)	(159)
Translation adjustments	235	447
TOTAL RECYCLABLE ITEMS	**(6)**	**687**
Actuarial gains and losses	(1,983)	(1,393)
Deferred taxes on actuarial gains and losses	648	447
Share of associates in non-recyclable items on actuarial gains and losses, net of taxes	(29)	(29)
TOTAL NON-RECYCLABLE ITEMS	**(1,363)**	**(974)**
TOTAL	**(1,370)**	**(287)**

All the items shown in the table above can be classified to income in subsequent periods, except actuarial gains and losses which are shown within consolidated reserves attributable to the Group.

17.7 Non-controlling interests

In 2012, the Group completed the acquisition of 30.26% of non-controlling interest in International Power. The carrying amount of the non-controlling interest acquired as a result of this transaction amounted to €5,841 million. This transaction is described in further detail in Note 2 “Main changes in scope of consolidation”.

Main 2011 transactions that have an impact on the carrying amount of non-controlling interests:

- the Group acquired a 69.78% controlling interest in International Power plc. The “non-controlling interests” acquired as a result of this transaction amounted to €6,303 million at the acquisition date.
- furthermore, China Investment Corporation (“CIC”) acquired a non-controlling 30% interest in the Group’s Exploration-Production business (“GDF SUEZ E&P”). As a result of this transaction, an amount of €1,341 million was recognized in “non controlling interests” at the disposal date.
- lastly, the public consortium consisting of CNP Assurances, CDC Infrastructure and Caisse des Dépôts acquired a 25% non-controlling interest in GRTgaz. The consortium’s non-controlling interest amounted to €923 million at the transaction date.

17.8 Capital management

GDF SUEZ looks to optimize its financial structure at all times by pursuing an optimal balance between its net debt and its EBITDA. The Group’s key objective in managing its financial structure is to maximize value for shareholders, reduce the cost of capital, while at the same time ensuring the Group has the financial flexibility required to continue its expansion. The Group manages its financial structure and makes any necessary adjustments in light of prevailing economic conditions. In this context, it may choose to adjust the amount of dividends paid to shareholders, reimburse a portion of capital, carry out share buybacks (see Note 17.3 “Treasury stock”), issue new shares, launch share-based payment plans, recalibrate its investment budget, or sell assets in order to scale back its net financial debt.

The Group’s policy is to maintain an “A” rating by the rating agencies. To achieve this, it manages its financial structure in line with the indicators usually monitored by these agencies, namely the Group’s operating profile, financial policy and a series of financial ratios. One of the most commonly used ratio is the ratio where the numerator includes operating cash flows less net financial expense and taxes paid, and the denominator includes adjusted net financial debt. Net financial debt is mainly adjusted for nuclear provisions, provisions for unfunded pensions plans and operating lease commitments.

The Group’s objectives, policies and processes for managing capital have remained unchanged over the past few years.

GDF SUEZ SA is not obliged to comply with any minimum capital requirements except those provided for by law.

NOTE 18 PROVISIONS

In millions of euros	Dec. 31, 2011	Additions	Reversals (utilizations)	Reversals (surplus provisions)	Changes in scope of consolidation	Impact of unwinding discount adjustments	Translation adjustments	Other	Dec. 31, 2012
Post-employment and other long-term benefits	5,209	249	(580)	(19)	1	184	(8)	711	5,746
Nuclear fuel reprocessing and storage	4,218	116	(48)	-	-	210	-	-	4,496
Dismantling of plant and equipment [(a)]	2,941	10	(5)	(31)	(9)	146	9	27	3,088
Site rehabilitation	1,536	33	(87)	(4)	6	46	20	180	1,730
Litigations, claims, and tax risks	763	367	(163)	(62)	1	6	(16)	31	927
Other contingencies	1,516	719	(531)	(44)	(12)	17	10	37	1,711
TOTAL PROVISIONS	**16,183**	**1,494**	**(1,414)**	**(160)**	**(13)**	**609**	**14**	**985**	**17,698**

(a) Of which €2,681 million in provisions for dismantling nuclear facilities at December 31, 2012, versus €2,532 million at December 31, 2011.

The impact of unwinding discounting adjustments in respect of post-employment benefit obligations and other long-term benefits relates to the interest cost on the pension obligations, net of the expected return on plan assets.

The "Other" column mainly reflects (i) actuarial gains and losses arising on post-employment benefits in 2012 and recorded in other comprehensive income and (ii) the increase in provisions for site rehabilitation in the Exploration & Production business, for which the matching entry is recorded in property, plant and equipment.

Allocations, reversals and the impact of unwinding discounting adjustments are presented as follows in the consolidated income statement:

In millions of euros	Dec. 31, 2012 Net allocations
Income from operating activities	(221)
Other financial income and expenses	609
Income taxes	141
TOTAL	**529**

The different types of provisions and the calculation principles applied are described below.

18.1 Post-employment benefits and other long-term benefits

See Note 19 "Post-employment benefits and other long-term benefits".

18.2 Nuclear dismantling liabilities

In the context of its nuclear power generation activities, the Group assumes obligations relating to the dismantling of nuclear facilities and the reprocessing of spent nuclear fuel.

18.2.1 Legal framework

The Belgian law of April 11, 2003, amended by the law of April 25, 2007, granted Group subsidiary Synatom responsibility for managing provisions set aside to cover the costs of dismantling nuclear power plants and managing radioactive fissile material from such plants. One of the tasks of the Commission for Nuclear Provisions set up pursuant to the above-mentioned law is to oversee the process of computing and managing these provisions. The Commission also issues opinions on the maximum percentage of funds that Synatom can lend to operators of nuclear plants and on the types of assets in which Synatom may invest its outstanding funds.

To enable the Commission for Nuclear Provisions to carry out its work in accordance with the above-mentioned law, Synatom is required to submit a report every three years describing the core inputs used to measure these provisions.

On September 22, 2010, Synatom submitted its triennial report on nuclear provisions to the Commission for Nuclear Provisions. In comparison with the previous report, core inputs such as estimation methods, financial parameters and management scenarios remained unchanged. The changes taken into account were aimed at incorporating the latest economic data and detailed technical analyses (tariffs, physical and radiological inventories, etc.).

For the purpose of its review of the 2010 report, the Commission for Nuclear Provisions asked for two additional analyses in 2011. These were provided by the Group on November 22, 2011. The Commission for Nuclear Provisions completed its review during 2012 and suggested leaving the provisions unchanged compared with its 2010 opinion. As in 2011, changes in provisions in 2012 primarily relate to recurring items, namely passage of time (unwinding of the discount) and fuel used during the year.

The provisions set aside take into account all existing or planned environmental regulatory requirements on a European, national and regional level. If additional legislation were to be introduced in the future, the cost estimates used as a basis for the calculations could vary. However, the Group is not aware of additional planned legislation on this matter which could materially impact the value of the provisions.

The provisions recognized by the Group at December 31, 2012 were measured taking into account the prevailing contractual and legal framework, which sets the operating life of nuclear reactors at 40 years (as in 2011).

At the end of 2009, an agreement was signed with the Belgian government under which the latter agreed to take the appropriate legal measures to extend the lifespan of three nuclear reactors from 40 to 50 years.

However, the new Belgian government which was formed at the end of 2011, confirmed during its statement of policy and in its general policy note submitted to the Belgian Chamber of Representatives on January 5, 2012, that it did not intend to revise existing legislation so as to allow the lifespan of the Doel 1, Doel 2 and Tihange 1 nuclear power plants to be extended by ten years (from 40 to 50 years).

Following the Government agreement in December 1, 2011, Energy Secretary of State presented on June 27, 2012 his plan to secure electricity supplies. After the meetings on July 4, 2012 and July 20, 2012, Council of Ministers announced its decision to extend by 10 years the lifespan of Tihange 1 and to offer this capacity back to the market. The Council of Ministers also announced its decision to rule by law the definitive phase-out schedule of nuclear power. However, no official measure has been taken by the Government or the Parliament since these announcements.

Any extension to the lifespan for one or more of the three nuclear reactors concerned by the 2009 agreement entered into with the previous government should not have a material impact on dismantling provisions. The postponed dismantling operations lead to a less-than-optimal coordination compared to the dismantling of all facilities as a whole. This effect is however offset by the deferred effect of cash outflows. The changes to these provisions – subject to certain conditions – would accordingly be recognized against to the corresponding assets.

Provisions for nuclear fuel reprocessing and storage should not be significantly affected by the extension in the lifespan for one or more of the three oldest reactors, since the average unit cost of reprocessing all radioactive spent nuclear fuel until the end of the operating period does not change materially.

18.2.2 Provisions for nuclear fuel reprocessing and storage

When spent nuclear fuel is removed from a reactor, it remains radioactive and requires reprocessing. Two different procedures for managing radioactive spent fuel exist, being either reprocessing or conditioning without reprocessing. The Belgian government has not yet decided which scenario will be made compulsory in Belgium.

The Commission for Nuclear Provisions bases its analyses on reprocessing of radioactive spent nuclear fuel. The Group therefore measures these provisions using all the costs linked to this reprocessing scenario, including on-site storage, transportation, reprocessing by an accredited facility, storage and removal of residual spent fuel after reprocessing.

Provisions for nuclear fuel reprocessing and storage are calculated based on the following principles and parameters:

- costs are calculated based on a reprocessing scenario, with operations expected to start in 2016, whereby the spent fuel is reprocessed and ultimately removed and buried in a deep geological depository. Plutonium recovered through the reprocessing will be recycled to produce MOX fuel assemblies for use in the Belgian nuclear power plants until their closure and for the sale to third parties thereafter;
- cash outflows will be spread on a period to 2060. At that date any residual spent fuel and the provision required to cover the cost of removal and deep underground storage will be transferred to ONDRAF, the Belgian agency for radioactive waste and enriched fissile materials. Based on the reprocessing scenario, the last residual spent fuel would be buried in about 2080;
- the long-term obligation is assessed using estimated internal and external costs based on offers received from third parties or fee proposals from independent organizations;
- the 5% discount rate used (actual rate of 3% plus 2% inflation rate) is based on an analysis of average, past and prospective changes in benchmark long-term rates;
- allocation to the provision is computed based on the average unit cost of quantities used up to the end of the operating life of the plant;
- an annual allocation is also recognized with respect to the unwinding effect of the provision.

Due to the nature and term of payment, the costs effectively incurred in the future may differ from the estimates. The provisions may be adjusted in line with future changes in the above-mentioned parameters. These parameters are nevertheless based on information and estimates which the Group deems reasonable to date and which have been approved by the Commission for Nuclear Provisions.

18.2.3 Provisions for dismantling nuclear facilities

Nuclear power stations have to be dismantled at the end of their operating life. Provisions are set aside in the Group's accounts to cover all costs relating to (i) the shutdown phase, which involves removing radioactive fuel from the site and (ii) the dismantling phase, which consists of decommissioning and cleaning up the site.

Provisions for dismantling nuclear facilities are calculated based on the following principles and parameters:

- costs payable over the long term are calculated by reference to the estimated costs for each nuclear facility, based on a study conducted by independent experts under the assumption that the facilities will be dismantled progressively;
- an inflation rate of 2% is applied up to the end of the dismantling period to calculate the future value of the obligation;
- a discount rate of 5% (including 2% inflation) is applied to determine the net present value of the obligation and is the same as the rate used to calculate the provision for nuclear fuel processing and storage;
- dismantling work is expected to begin between 3 and 4 years after the facilities concerned have been shut down, taking into account the currently applicable useful life of 40 years as of the date the facilities are commissioned;
- cash outflows are spread over approximately 9 to 13 years after the date the dismantling work has started;
- the present value of the obligation when the facilities are commissioned represents the initial amount of the provision. The matching entry is an asset recognized for the same amount within the corresponding property, plant and equipment category. This asset is depreciated over a period of 40 years as from the commissioning date;
- the annual allocation to the provision, reflecting the interest cost on the provision carried in the books at the end of the previous year, is calculated at the discount rate used to estimate the present value of future cash flows.

Provisions are also recognized at the Group's share of the expected dismantling costs for the nuclear facilities in which the Group has drawing rights.

18.2.4 Sensitivity

Based on currently applicable parameters in terms of estimated costs and the timing of payments, a change of 50 basis points in the discount rate could lead to an adjustment of around 10% in dismantling and nuclear fuel reprocessing and storage provisions. A fall in discount rates would lead to an increase in outstanding provisions, while a rise in discount rates would reduce the provision amount.

A 5% increase or decrease in nuclear dismantling or nuclear fuel reprocessing and storage costs could increase or decrease the corresponding provisions by roughly the same percentage.

Changes arising as a result of the review of the dismantling provision would not have an immediate impact on the income, since the matching entry under certain conditions would consist of adjusting accordingly the corresponding assets.

Sensitivity to discount rates as presented above in accordance with the applicable standards, is an automatic calculation and should therefore be interpreted with appropriate caution in view of the variety of other inputs – some of which may be interdependent – included in the evaluation. The frequency with which these provisions are reviewed by the Commission for Nuclear Provisions in accordance with applicable regulations ensures that the overall obligation is measured accurately.

18.3 Dismantling obligations arising on other plant and equipment

Certain plant and equipment, including conventional power stations, transmission and distribution pipelines, storage facilities and LNG terminals, have to be dismantled at the end of their operational lives. This obligation is the result of prevailing environmental regulations in the countries concerned, contractual agreements, or an implicit Group commitment.

Based on estimates of proven and probable reserves using current production levels (another 250 years according to the International Energy Agency), dismantling provisions for gas infrastructures in France have a present value near zero.

18.4 Site rehabilitation

18.4.1 Waste activities

The June 1998 European Directive on waste storage facilities introduced a number of obligations regarding the closure and long-term monitoring of these facilities. These obligations lay down the rules and conditions incumbent on the operator (or owner of the site where the operator fails to comply with its obligations) in terms of the design and scale of storage, collection and treatment centers for liquid (leachates) and gas (biogas) effluents. It also requires these facilities to be inspected over 30 years.

These obligations give rise to two types of provisions (rehabilitation and long-term monitoring), calculated on a case-by-case basis depending on the site concerned. In accordance with the accrual basis of accounting, the provisions are set aside over the period the site is in operation, pro rata to the depletion of waste storage volume. Costs to be incurred at the time of a site's closure or during the long-term monitoring period (30 years after a site is shut down within the European Union) are discounted to present value. An asset is recorded counterparty to the provision and depreciated in line with the depletion of the waste storage volume or the need for coverage during the period.

The amount of the provision for site rehabilitation (at the time the facility is shut down) depends on whether a semi-permeable, semi-permeable with a drainable facility, or impermeable capping is used. This has a considerable impact on future levels of leachate effluents and hence on future waste treatment costs. To calculate the provision, the cost to rehabilitate the as-yet untreated surface area needs to be estimated. The provision recorded in the statement of financial position at year-end must cover the costs to rehabilitate the untreated surface area (difference between the fill rate and the percentage of the site's surface that has already been rehabilitated). The amount of the provision is reviewed each year based on work completed or still to be carried out.

The calculation of the provision for long-term monitoring depends on both the costs arising on the production of leachate and biogas effluents, and on the amount of biogas recycled. The recycling of biogas represents a source of revenue and is deducted from the amount of long-term monitoring expenditure. The main expense items arising from long-term monitoring obligations relate to:

- construction of infrastructure (biogas recycling facility, installation of leachate treatment facility) and the demolition of installations used while the site is in operation;
- upkeep and maintenance of the protective shield and infrastructures (surface water collection);
- control and monitoring of surface water, underground water and leachates;
- replacement and repair of observation wells;
- leachate treatment costs;
- biogas collection and processing costs (taking into account any revenues from biogas recycling).

The provision for long-term monitoring obligations to be recognized at year-end depends on the fill rate of the facility at the end of the period, estimated aggregate costs per year and per caption (based on standard or specific costs), the estimated shutdown date and the discount rate applied to each site (based on its residual life).

18.4.2 Exploration-production activities

The Group also sets aside a provision for its obligations in terms of rehabilitating exploration and production facilities.

The provision reflects the present value of the estimated rehabilitation costs until the operating activities are completed. This provision is computed based on the Group's internal assumptions regarding estimated rehabilitation costs and the timing of the rehabilitation work. The timing of the rehabilitation work used as the basis for the provision may vary depending on the time when production is considered no longer economically viable. This consideration is itself closely related to fluctuations in future gas and oil prices.

The provision is recognized with a matching entry to property, plant and equipment.

18.5 Contingencies and tax risks

This caption includes essentially provisions for commercial contingencies, and claims and tax disputes.

NOTE 19 POST-EMPLOYMENT BENEFITS AND OTHER LONG-TERM BENEFITS

19.1 Description of the main pension plans

The Group's main pension plans are described below.

19.1.1 Companies belonging to the Electricity and Gas Industries sector in France

Since January 1, 2005, the CNIEG (*Caisse Nationale des Industries Électriques et Gazières*) has operated the pension, disability, death, occupational accident and occupational illness benefit plans for electricity and gas industry (hereinafter "EGI") companies in France. The CNIEG is a social security legal entity under private law placed under the joint responsibility of the ministries in charge of social security, budget and energy.

Salaried employees and retirees of EGI sector companies have been fully affiliated to the CNIEG since January 1, 2005. The main affiliated Group entities are GDF SUEZ SA, GrDF, GRTgaz, Elengy, Storengy, GDF SUEZ Thermique France, CPCU, TIRU, GEG, CNR and SHEM.

Following the funding reform of the special EGI pension scheme introduced by Act no. 2004-803 of August 9, 2004 and its implementing decrees, specific benefits (pension benefits on top of the standard benefits payable under ordinary law) already vested at December 31, 2004 ("past specific benefits") were allocated between the various EGI entities. Past specific benefits (benefits vested at December 31, 2004) relating to regulated transmission and distribution businesses ("regulated past specific benefits") are funded by the levy on gas and electricity transmission and distribution services (*Contribution Tarifaire d'Acheminement*) and therefore no longer represent an obligation for the GDF SUEZ Group. Unregulated past specific benefits (benefits vested at December 31, 2004) are funded by EGI sector entities to the extent defined by decree no. 2005-322 of April 5, 2005. The specific benefits vested under the scheme since January 1, 2005 are wholly financed by EGI sector companies in proportion to their respective share of the electricity and gas market as measured by total payroll costs.

As this plan represents a defined benefit scheme, the Group has set aside a pension provision in respect of specific benefits payable to employees of unregulated activities and specific benefits vested by employees of regulated activities since January 1, 2005. This provision also covers the Group's early retirement obligations.

Pension benefit obligations and other "mutualized" obligations are assessed by the CNIEG.

At December 31, 2012, the projected benefit obligation in respect of the special pension scheme for EGI sector companies amounted to €2.8 billion (€2.3 billion at December 31, 2011).

19.1.2 Companies belonging to the electricity and gas sector in Belgium

In Belgium, the rights of employees in electricity and gas sector companies, principally Electrabel, Electrabel Customer Solutions (ECS), Laborelec and some GDF SUEZ Belgium employee categories, are governed by collective bargaining agreements.

These agreements, applicable to "wage-rated" employees recruited prior to June 1, 2002 and managerial staff recruited prior to May 1, 1999, specify the benefits entitling employees to a supplementary pension equivalent to 75% of their most recent annual income, for a full career and in addition to the statutory pension. These top-up pension payments provided under defined benefit plans are partly reversionary. In practice, the benefits are paid in the form of a lump sum for the majority of plan participants. Most of the obligations resulting from these pension plans are financed through pension funds set up for the electricity and gas sector and by certain insurance companies. Pre-funded pension plans are financed by employer and employee contributions. Employer contributions are calculated annually based on actuarial assessments.

The projected benefit obligation relating to these plans represented around 12% of total pension obligations and related liabilities at December 31, 2012.

"Wage-rated" employees recruited after June 1, 2002 and managerial staff recruited after May 1, 1999 are covered under defined contribution plans. However, for contributions paid since January 1, 2004, the law specifies a minimum average annual return of 3.25% over the beneficiary's service life. Any deficit has to be borne by the employer. Therefore, for the portion of pension obligations corresponding to contributions paid since January 1, 2004, these plans should be considered as defined benefit plans. However, the plans continue to be recognized by the Group as defined contribution schemes, mainly because no material net liability has been identified. The actual rate of return was compared with the guaranteed minimum rate of return; the unfunded portion was not material at December 31, 2012.

An expense of €18 million was recognized in 2012 in respect of these defined contribution plans (€16 million at December 31, 2011).

19.1.3 Multi-employer plans

Employees of some Group companies are affiliated to multi-employer pension plans. Multi-employer plans are particularly common in the Netherlands, where electricity and gas sector employees are normally required to participate in a compulsory industry-wide scheme.

Under multi-employer plans, risks are pooled to the extent that the plan is funded by a single contribution rate determined for all affiliate companies and applicable to all employees. The GDF SUEZ Group accounts for multi-employer plans as defined contribution plans.

An expense of €87 million was recognized in 2012 in respect of multi-employer pension plans (€78 million at December 31, 2011).

19.1.4 Other pension schemes

Most other Group companies grant their employees retirement benefits. In terms of financing, pension plans within the Group are almost equally split between defined benefit and defined contribution plans.

The Group's main pension plans outside France and Belgium concern:

- United States: the United Water defined benefit plan is available to employees of the regulated sector. All US subsidiaries offer their employees a 401(k) type defined contribution plan;
- United Kingdom: the large majority of defined benefit pension plans are now closed to new entrants and benefits no longer vest under these plans. All entities run a defined contribution scheme. The pension obligations of International Power's subsidiaries in the UK are covered by the special Electricity Supply Pension Scheme (ESPS). The assets of this defined benefit scheme are invested in separate funds. Since June 1, 2008, the scheme has been closed and a defined contribution plan was set up for new entrants;
- Germany: the Group's German subsidiaries have closed their defined benefit plans to new entrants and now offer defined contribution plans;
- Brazil: Tractebel Energia operates its own pension scheme. This scheme has been split into two parts, one for the (closed) defined benefit plan, and the other for the defined contribution plan that has been available to new entrants since the beginning of 2005.

19.2 Description of other post-employment benefit obligations and long-term benefits

19.2.1 Other benefits granted to current and former EGI sector employees

Other benefits granted to EGI sector employees are:

Post-employment benefits:

- reduced energy prices;
- end-of-career indemnities;
- bonus leave;
- immediate bereavement benefits.

Long-term benefits:

- allowances for occupational accidents and illnesses;
- temporary and permanent disability allowances;
- long-service awards.

The Group's main obligations are described below.

19.2.1.1 Reduced energy prices

Under Article 28 of the national statute for electricity and gas industry personnel, all employees (current and former employees, provided they meet certain length-of-service conditions) are entitled to benefits in kind which take the form of reduced energy prices known as "employee rates".

This benefit entitles employees to electricity and gas supplies at a reduced price. For retired employees, this provision represents a post-employment defined benefit. Retired employees are only entitled to the reduced rate if they have completed at least 15 years' service within EGI sector companies.

In accordance with the agreements signed with EDF in 1951, GDF SUEZ provides gas to all current and former employees of GDF SUEZ and EDF, while EDF supplies electricity to these same beneficiaries. GDF SUEZ pays (or benefits from) the balancing contribution payable in respect of its employees as a result of energy exchanges between the two utilities.

The obligation to provide energy at a reduced price to current and former employees is measured as the difference between the energy sale price and the preferential rates granted.

The provision set aside in respect of reduced energy prices amounts to €1.9 billion.

19.2.1.2 End-of-career indemnities

Retiring employees (or their dependents in the event of death during active service) are entitled to end-of-career indemnities which increase in line with the length of service within the utilities.

19.2.1.3 Compensation for occupational accidents and illnesses

EGI sector employees are entitled to compensation for accidents at work and occupational illnesses. These benefits cover all employees or the dependents of employees who die as a result of occupational accidents or illnesses, or injuries suffered on the way to work.

The amount of the obligation corresponds to the likely present value of the benefits to be paid to current beneficiaries, taking into account any reversionary annuities.

19.2.2 Other benefits granted to employees of the gas and electricity sector in Belgium

Electricity and gas sector companies also grant other employee benefits such as the reimbursement of medical expenses, electricity and gas price reductions, as well as length-of-service awards and early retirement schemes. These benefits are not prefunded, with the exception of the special "*allocation transitoire*" termination indemnity (equal to three months' statutory pension), considered as an end-of-career indemnity and managed by an external insurance company.

19.2.3 Other collective agreements

Most other Group companies also grant their staff post-employment benefits (early retirement plans, medical coverage, benefits in kind, etc.) and other long-term benefits such as jubilee and length-of-service awards.

19.3 Defined benefit plans

19.3.1 Amounts presented in the statement of financial position and statement of comprehensive income

In accordance with IAS 19, the information presented in the statement of financial position relating to post-employment benefit obligations and other long-term benefits results from the difference between the gross projected benefit obligation, the fair value of plan assets, and any unrecognized past service cost. A provision is recognized if this difference is positive (net obligation), while a prepaid benefit cost is recorded in the statement of financial position when the difference is negative, provided that the conditions for recognizing the prepaid benefit cost are met.

Changes in provisions for post-employment benefits and other long-term benefits, plan assets and reimbursement rights recognized in the statement of financial position are as follows:

In millions of euros	Provisions	Plan assets	Reimbursement rights
AT DECEMBER 31, 2010	**(4,362)**	**122**	**142**
Exchange rate differences	(7)	-	-
Changes in scope of consolidation and other	(86)	(116)	-
Actuarial gains and losses	(752)	-	(17)
Periodic pension cost	(525)	2	6
Asset ceiling	-	-	-
Contributions/benefits paid	523	6	(4)
AT DECEMBER 31, 2011	**(5,209)**	**13**	**128**
Exchange rate differences	8	-	-
Changes in scope of consolidation and other	(25)	7	-
Actuarial gains and losses	(691)	(2)	15
Periodic pension cost	(528)	1	7
Asset ceiling	1	(4)	-
Contributions/benefits paid	698	4	9
AT DECEMBER 31, 2012	**(5,745)**	**18**	**159**

Plan assets and reimbursement rights are presented in the statement of financial position under “Other non-current assets” or “Other current assets”.

The cost recognized for the period in the income statement amounts to €527 million in 2012 (€523 million in 2011). The components of this defined benefit cost in the period are set out in Note 19.3.4 “Components of the net periodic pension cost”.

Cumulative actuarial losses recognized in equity amounted to €2,318 million at December 31, 2012, compared to €1,615 million at December 31, 2011.

In millions of euros	2012	2011
Opening balance	**1,615**	**892**
Actuarial (gains)/losses generated during the fiscal year	703	723
CLOSING BALANCE	**2,318**	**1,615**

Actuarial gains and losses presented in the above table include translation adjustments and actuarial gains and losses recorded on equity-accounted associates, representing net actuarial losses of €46 million in 2012 and net actuarial losses of €39 million in 2011. Net actuarial differences arising in the period and presented on a separate line in the statement of comprehensive income represented a net actuarial loss totaling €693 million in 2012 and €752 million in 2011.

19.3.2 Change in benefit obligations and plan assets

The table below shows the amount of the Group's projected benefit obligations and plan assets, changes in these items during the periods presented, and their reconciliation with the amounts reported in the statement of financial position:

In millions of euros		Dec. 31, 2012				Dec. 31, 2011			
		Pension benefit obligations (1)	Other post-employment benefit obligations (2)	Long-term benefit obligations (3)	Total	Pension benefit obligations (1)	Other post-employment benefit obligations (2)	Long-term benefit obligations (3)	Total
A - CHANGE IN PROJECTED BENEFIT OBLIGATION									
Projected benefit obligation at January 1		**(6,942)**	**(2,418)**	**(524)**	**(9,884)**	**(6,130)**	**(2,037)**	**(508)**	**(8,675)**
Service cost		(269)	(38)	(42)	(349)	(249)	(59)	(51)	(359)
Interest cost		(307)	(97)	(21)	(425)	(318)	(96)	(23)	(437)
Contributions paid		(15)	-	-	(15)	(16)	-	-	(16)
Amendments		(7)	-	-	(7)	3	(1)	-	2
Acquisitions/disposals of subsidiaries		(9)	(8)	2	(16)	(349)	(43)	(2)	(394)
Curtailments/settlements		4	8	15	26	19	1	1	21
Non-recurring items		(4)	(1)	-	(5)	(3)	(3)	-	(6)
Actuarial gains and losses		(797)	(230)	(5)	(1,033)	(287)	(299)	3	(584)
Benefits paid		392	99	48	539	390	122	56	569
Other (translation adjustments)		68	-	(11)	57	(2)	(4)	1	(5)
Projected benefit obligation at December 31	A	**(7,887)**	**(2,688)**	**(537)**	**(11,112)**	**(6,942)**	**(2,418)**	**(524)**	**(9,884)**
B - CHANGE IN FAIR VALUE OF PLAN ASSETS									
Fair value of plan assets at January 1		**4,648**	**44**	**-**	**4,691**	**4,399**	**47**	**-**	**4,447**
Expected return on plan assets		234	3	-	238	243	3	-	247
Actuarial gains and losses		332	2	-	334	(157)	(9)	-	(166)
Contributions received		531	23	-	554	318	24	-	342
Acquisitions/disposals of subsidiaries		(5)	3	-	(2)	191	-	-	191
Settlements		(4)	1	-	(4)	(2)	-	-	(2)
Benefits paid		(353)	(24)	-	(376)	(343)	(24)	-	(367)
Other (translation adjustments)		(48)	(1)	-	(49)	(3)	1	-	(2)
Fair value of plan assets at December 31	B	**5,335**	**51**	**-**	**5,386**	**4,648**	**44**	**-**	**4,691**
C - FUNDED STATUS	A+B	**(2,552)**	**(2,637)**	**(537)**	**(5,726)**	**(2,295)**	**(2,375)**	**(524)**	**(5,193)**
Unrecognized past service cost		9	(6)	-	3	7	(8)	-	(1)
Asset ceiling		(3)	(1)	-	(4)	-	(1)	-	(1)
NET BENEFIT OBLIGATION		**(2,546)**	**(2,644)**	**(537)**	**(5,727)**	**(2,288)**	**(2,384)**	**(524)**	**(5,195)**
ACCRUED BENEFIT LIABILITY		**(2,564)**	**(2,644)**	**(537)**	**(5,745)**	**(2,301)**	**(2,384)**	**(524)**	**(5,209)**
PREPAID BENEFIT COST		**18**	-	-	**18**	**13**	-	-	**13**

(1) Pensions and retirement bonuses.

(2) Reduced energy prices, healthcare, gratuities and other post-employment benefits.

(3) Length-of-service awards and other long-term benefits.

Changes in the scope of consolidation in 2011 chiefly concerned the acquisition of International Power (€165 million).

19.3.3 Change in reimbursement rights

Changes in the fair value of the reimbursement rights relating to plan assets managed by Contassur were as follows:

in millions of euros	2012	2011
Fair value at January 1	**128**	**142**
Expected return on plan assets	7	6
Actuarial gains and losses	15	(17)
Actual return	22	(11)
Employer contributions	28	14
Employee contributions	2	2
Benefits paid	(21)	(20)
FAIR VALUE AT DECEMBER 31	**159**	**128**

19.3.4 Components of the net periodic pension cost

The net periodic cost recognized in respect of defined benefit obligations for the years ended December 31, 2012 and 2011 breaks down as follows:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Current service cost	349	359
Interest cost	425	437
Expected return on plan assets	(238)	(246)
Actuarial gains and losses *	5	(2)
Past service cost	3	(12)
Gains or losses on pension plan curtailments, terminations and settlements	(23)	(19)
Non-recurring items	5	6
TOTAL	**527**	**523**
o/w recorded in current operating income	340	333
o/w recorded in net financial income/(loss)	187	191

** On long-term benefit obligations*

19.3.5 Funding policy and strategy

When defined benefit plans are funded, the related plan assets are invested in pension funds and/or with insurance companies, depending on the investment practices specific to the country concerned. The investment strategies underlying these defined benefit plans are aimed at striking the right balance between return on investment and acceptable levels of risk.

The objectives of these strategies are twofold: to maintain sufficient liquidity to cover pension and other benefit payments; and as part of risk management, to achieve a long-term rate of return higher than the discount rate or, where appropriate, at least equal to future required returns.

When plan assets are invested in pension funds, investment decisions and the allocation of plan assets are the responsibility of the fund manager concerned. For French companies, where plan assets are invested with an insurance company, the latter manages the investment portfolio for unit-linked policies and guarantees a rate of return on assets in euro-denominated policies. These diversified funds are actively managed by reference to composite indexes and adapted to the long-term profile of the liabilities, taking into account eurozone government bonds and shares in front-ranking companies within and outside the eurozone.

The insurer's sole obligation is to ensure a fixed minimum return on assets in euro-denominated funds.

The funding of these obligations can be analyzed as follows:

In millions of euros	Projected benefit obligation	Fair value of plan assets	Unrecognized past service cost	Asset ceiling	Total net obligation
Underfunded plans	(7,467)	5,157	(3)	-	(2,312)
Overfunded plans	(220)	229	-	(4)	5
Unfunded plans	(3,425)	-	5	-	(3,420)
AT DECEMBER 31, 2012	**(11,112)**	**5,386**	**3**	**(4)**	**(5,727)**
Underfunded plans	(6,373)	4,464	(5)	-	(1,914)
Overfunded plans	(215)	227	-	(1)	10
Unfunded plans	(3,297)	-	5	-	(3,292)
AT DECEMBER 31, 2011	(9,885)	4,691	(1)	(1)	(5,195)

The allocation of plan assets by principal asset category can be analyzed as follows:

	Dec. 31, 2012	Dec. 31, 2011
Equity investments	28%	29%
Bond investments	53%	50%
Real estate	4%	4%
Other (including money market securities)	16%	17%
TOTAL	**100%**	**100%**

19.3.6 Actuarial assumptions

Actuarial assumptions are determined individually by country and company in conjunction with independent actuaries. Weighted discount rates for main actuarial assumptions are presented below:

	Pension benefit obligations		Other post-employment benefit obligations		Long-term benefit obligations		Total benefit obligations	
	2012	2011	2012	2011	2012	2011	2012	2011
Discount rate	3.8%	4.5%	3.3%	4.1%	3.1%	4.0%	3.6%	4.4%
Estimated future increase in salaries	3.0%	3.0%	N/A	N/A	2.7%	2.7%	2.9%	2.8%
Expected return on plan assets	4.6%	5.1%	6.5%	7.2%	N/A	N/A	4.7%	5.2%
Average remaining working years of participating employees	14 years	14 years	15 years	15 years	16 years	15 years	15 years	14 years

19.3.6.1 Discount rate

The discount rate applied is determined based on the yield, at the date of the calculation, on top-rated corporate bonds with maturities mirroring the term of the plan.

At December 31, 2012, the rates were determined for each monetary area (euro, US and UK) based on data for AA corporate bonds yields (Bloomberg and iBoxx), extrapolated on the basis of government bonds yields for long maturities. At December 31, 2011 the rates for the eurozone were determined solely on the basis of Bloomberg indexes.

According to the Group's estimates, a 1% increase or decrease in the discount rate would result in a change of approximately 12% in the projected benefit obligation.

19.3.6.2 Expected return on plan assets

To calculate the expected return on plan assets, the portfolio is divided into sub-groups of homogenous components sorted by major asset class and geographic area, based on the composition of the benchmark indexes and volumes in each fund at December 31 of the previous year.

An expected rate of return is assigned to each sub-group for the period, based on information published by a third party. The fund's overall performance in terms of absolute value is then compiled and compared with the value of the portfolio at the beginning of the period.

The expected return on plan assets is calculated in light of market conditions and based on a risk premium. The risk premium is calculated by reference to the supposedly risk-free rate on government bonds, for each major asset class and geographic area.

The table below shows the weighted average return on plan assets broken down by asset category:

	Dec. 31, 2012	Dec. 31, 2011
Equity investments	6.6%	6.7%
Bond investments	4.3%	5.0%
Real estate	6.4%	5.3%
Other (including money market securities)	2.5%	3.0%
TOTAL	**4.7%**	**5.2%**

The return on plan assets relating to Group companies in Belgium in 2012 was around 5% for assets managed by Group insurance companies and 10% for assets managed by pension funds.

The return on plan assets for companies eligible for the EGI pension scheme amounted to 11% in 2012.

According to the Group's estimates, a 1% increase or decrease in the expected return on plan assets would result in a change of approximately 1% in the value of plan assets.

19.3.6.3 Other assumptions

The rate of increase in medical costs (including inflation) was estimated at 2%.

A one percentage point change in the assumed increase in healthcare costs would have the following impacts:

In millions of euros	One point increase	One point decrease
Impact on expenses	5	(4)
Impact on pension obligations	62	(47)

19.3.7 Experience adjustments

The breakdown of experience adjustments giving rise to actuarial gains and losses is as follows:

	Dec. 31, 2012		Dec. 31, 2011		Dec. 31, 2010		Dec. 31, 2009		Dec. 31, 2008	
In millions of euros	Pension benefit obligations	Other benefit obligations	Pension benefit obligations	Other benefit obligations	Pension benefit obligations	Other benefit obligations	Pension benefit obligations	Other benefit obligations	Pension benefit obligations	Other benefit obligations
Projected benefit obligation at December 31	(7,887)	(3,225)	(6,942)	(2,942)	(6,130)	(2,545)	(5,502)	(2,124)	(5,634)	(2,187)
Fair value of plan assets	5,335	51	4,648	44	4,399	47	3,934	39	3,831	40
Surplus / deficit	(2,552)	(3,174)	(2,295)	(2,899)	(1,730)	(2,498)	(1,568)	(2,085)	(1,803)	(2,147)
Experience adjustments to projected benefit obligation	(309)	(119)	(127)	(167)	236	115	(5)	(15)	(95)	12
as a% of the total	*+4%*	*+4%*	*+2%*	*+6%*	*-4%*	*-5%*	*0%*	*+1%*	*+2%*	*-1%*
Experience adjustments to fair value of plan assets	332	2	(157)	(9)	250	7	176	2	528	12
as a% of the total	*+6%*	*+5%*	*-3%*	*-20%*	*+5%*	*+15%*	*+4%*	*+6%*	*+14%*	*+29%*

19.3.8 Geographical breakdown of net obligations

In 2012, the geographical breakdown of the main obligations and actuarial assumptions (weighted average rates) was as follows:

	Eurozone			United Kingdom			United States			Rest of world		
In millions of euros	Pension benefit obligations	Other post-employment benefit obligations	Long-term benefit obligations	Pension benefit obligations	Other post-employment benefit obligations	Long-term benefit obligations	Pension benefit obligations	Other post-employment benefit obligations	Long-term benefit obligations	Pension benefit obligations	Other post-employment benefit obligations	Other post-employment benefit obligations
Net benefit obligations	(1,994)	(2,471)	(530)	(107)	-	(1)	(127)	(72)	-	(318)	(101)	(6)
Discount rate	3.3%	3.3%	3.1%	4.5%	-	4.7%	4.4%	4.5%	-	5.5%	3.6%	6.8%
Estimated future increase in salaries	2.7%	N/A	2.7%	3.8%	-	5.0%	3.1%	N/A	-	4.0%	N/A	3.2%
Expected return on plan assets	4.1%	2.9%	N/A	5.1%	-	N/A	8.4%	7.8%	-	6.7%	4.8%	N/A
Average remaining working years of partlclpatlng employees (years)	16	16	16	19	-	14	12	13	-	8	11	6

19.3.9 Estimated employer contributions payable in 2013 under defined benefit plans

The Group expects to pay around €288 million in contributions into its defined benefit plans in 2013, including €88 million for EGI sector companies. Annual contributions in respect of EGI sector companies will be made by reference to rights vested in the year, taking into account the funding level for each entity in order to even out contributions over the medium term.

19.4 Defined contribution plans

In 2012, the Group recorded a €153 million expense in respect of amounts paid into Group defined contribution plans (€122 million in 2011). These contributions are recorded under "Personnel costs" in the consolidated income statement.

NOTE 20 EXPLORATION-PRODUCTION ACTIVITIES

20.1 Exploration-Production assets

Exploration-production assets break down into the following three categories: exploration-production licenses, presented under "Intangible assets" in the statement of financial position, fields under development, shown under "Assets in development phase", and fields in production, shown under "Assets in production phase", which are included in "Property, plant and equipment" in the statement of financial position.

In millions of euros	Licenses	Assets in development phase	Assets in production phase	Total
A. GROSS AMOUNT				
At December 31, 2010	**1,101**	**431**	**7,339**	**8,870**
Changes in scope of consolidation	-	(40)	(451)	(491)
Acquisitions	30	377	263	670
Disposals	-	-	-	-
Translation adjustments	22	10	46	79
Other	(3)	(121)	148	24
At December 31, 2011	**1,149**	**658**	**7,345**	**9,151**
Changes in scope of consolidation	-	-	-	-
Acquisitions	3	564	137	705
Disposals	-	-	(62)	(62)
Translation adjustments	(8)	21	185	198
Other	(79)	(117)	239	43
AT DECEMBER 31, 2012	**1,066**	**1,125**	**7,845**	**10,036**
B. ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES				
At December 31, 2010	**(355)**	**-**	**(1,816)**	**(2,170)**
Change in scope of consolidation	-	-	165	165
Disposals	-	-	-	-
Accumulated amortization and impairment losses	(20)	-	(868)	(888)
Translation adjustments	(7)	-	(19)	(26)
Other	-	(3)	16	12
At December 31, 2011	**(382)**	**(3)**	**(2,522)**	**(2,907)**
Change in scope of consolidation	-	-	-	-
Disposals	-	-	58	58
Accumulated amortization and impairment losses	(43)	-	(1,008)	(1,051)
Translation adjustments	2	1	(47)	(44)
Other	44	(37)	(11)	(5)
AT DECEMBER 31, 2012	**(379)**	**(40)**	**(3,530)**	**(3,950)**
C. CARRYING AMOUNT				
At December 31, 2011	**767**	**655**	**4,823**	**6,244**
AT DECEMBER 31, 2012	**686**	**1,085**	**4,315**	**6,086**

Acquisitions in 2012 mainly include developments performed on the Gudrun field (€169 million) in Norway.

Acquisitions in 2011 mainly included an additional interest acquired in the Njord field (€112 million) and developments carried out in the year on the Gudrun field (€145 million) and the Gjøa platform (€96 million) in Norway.

In 2011, the "Changes in scope of consolidation" line corresponded to the sale of EFOG.

20.2 Pre-capitalized exploration costs

The following table provides a breakdown of the net change in pre-capitalized exploration costs:

In millions of euros	2012	2011
At January 1	400	272
Pre-capitalized exploration costs for the year	331	241
Amounts recognized in expenses for the period	(64)	(73)
Other	(58)	(40)
AT DECEMBER 31	**609**	**400**

Pre-capitalized exploration costs are reported in the statement of financial position within "Other assets".

20.3 Investments during the period

Investments for the exploration-production business amounted to €700 million and €636 million, respectively, in 2012 and 2011. Investments are included in "Acquisitions of property, plant and equipment and intangible assets" in the statement of cash flows.

NOTE 21 FINANCE LEASES

21.1 Finance leases for which GDF SUEZ acts as lessee

The carrying amounts of property, plant and equipment held under finance leases are broken down into different categories depending on the type of asset concerned.

The main finance lease agreements entered into by the Group primarily concern Novergie's incineration facilities, certain GDF SUEZ Energy International power plants and Cofely's cogeneration plants.

The present values of future minimum lease payments break down as follows:

	Future minimum lease payments at Dec. 31, 2012		Future minimum lease payments at Dec. 31, 2011	
In millions of euros	Undiscounted value	Present value	Undiscounted value	Present value
Year 1	499	473	206	191
Years 2 to 5 included	620	565	737	631
Beyond year 5	423	322	936	564
TOTAL FUTURE MINIMUM LEASE PAYMENTS	**1,542**	**1,360**	**1,879**	**1,386**

The following table provides a reconciliation of liabilities under finance leases as reported in the statement of financial position (see Note 15.2.1 "Borrowings and debt") with undiscounted future minimum lease payments by maturity:

In millions of euros	Total	Year 1	Years 2 to 5 included	Beyond year 5
Liabilities under finance leases	1,360	447	533	380
Impact of discounting future repayments of principal and interest	182	53	86	43
UNDISCOUNTED FUTURE MINIMUM LEASE PAYMENTS	**1,542**	**499**	**620**	**423**

21.2 Finance leases for which GDF SUEZ acts as lessor

These leases fall mainly within the scope of IFRIC 4 guidance on the interpretation of IAS 17. They concern (i) energy purchase and sale contracts where the contract conveys an exclusive right to use a production asset; and (ii) certain contracts with industrial customers relating to assets held by the Group.

The Group has recognized finance lease receivables for the Solvay (Electrabel – Belgium), Lanxess (Electrabel – Belgium), Bowin (Glow – Thailand) and Saudi Aramco (Tihama – Saudi Arabia) cogeneration facilities and for certain GDF SUEZ Energy International power plants.

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Undiscounted future minimum lease payments	2,399	2,358
Unguaranteed residual value accruing to the lessor	29	54
TOTAL GROSS INVESTMENT IN THE LEASE	2,428	2,412
Unearned financial income	**798**	**816**
NET INVESTMENT IN THE LEASE (STATEMENT OF FINANCIAL POSITION)	**1,630**	**1,596**
o/w present value of future minimum lease payments	*1,608*	*1,561*
o/w present value of unguaranteed residual value	*22*	*35*

Amounts recognized in the statement of financial position in connection with finance leases are detailed in Note 15.1.2, “Loans and receivables at amortized cost”.

Undiscounted future minimum lease payments receivable under finance leases can be analyzed as follows:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Year 1	183	202
Years 2 to 5 included	619	788
Beyond year 5	1,597	1,368
TOTAL	**2,399**	**2,358**

NOTE 22 OPERATING LEASES

22.1 Operating leases for which GDF SUEZ acts as lessee

The Group has entered into operating leases mainly in connection with LNG tankers, and miscellaneous buildings and fittings.

Operating lease income and expense for 2012 and 2011 can be analyzed as follows:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Minimum lease payments	(1,107)	(1,047)
Contingent lease payments	(60)	(165)
Sub-letting income	95	58
Sub-letting expenses	(77)	(93)
Other operating lease expenses	(320)	(179)
TOTAL	**(1,468)**	**(1,425)**

Future minimum lease payments under non-cancelable operating leases can be analyzed as follows:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Year 1	886	812
Years 2 to 5 included	1,923	1,950
Beyond year 5	1,868	1,867
TOTAL	**4,678**	**4,629**

22.2 Operating leases for which GDF SUEZ acts as lessor

These leases fall mainly within the scope of IFRIC 4 guidance on the interpretation of IAS 17. They primarily concern power plants operated by GDF SUEZ Energy International.

Operating lease income for 2012 and 2011 can be analyzed as follows:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Minimum lease payments	842	889
Contingent lease payments	111	18
TOTAL	**953**	**906**

Lease income is recognized in revenue.

Future minimum lease payments receivable under non-cancelable operating leases can be analyzed as follows:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Year 1	895	724
Years 2 to 5 included	3,056	2,475
Beyond year 5	1,647	1,960
TOTAL	**5,598**	**5,159**

NOTE 23 SERVICE CONCESSION ARRANGEMENTS

SIC 29 – Service Concession Arrangements: Disclosures was published in May 2001 and prescribes the information that should be disclosed in the Notes to the financial statements of a concession grantor and concession operator.

IFRIC 12 was published in November 2006 and prescribes the accounting treatment applicable to concession arrangements meeting certain criteria in which the concession grantor is considered to control the related infrastructure (see Note 1.4.7 "Concession arrangements").

As described in SIC 29, a service concession arrangement generally involves the grantor conveying for the period of the concession to the operator:

(a) the right to provide services that give the public access to major economic and social facilities;

(b) and in some cases, the right to use specified tangible assets, intangible assets, and/or financial assets;

in exchange for the operator:

(c) committing to provide the services according to certain terms and conditions during the concession period; and

(d) when applicable, committing to return at the end of the concession period the rights received at the beginning of the concession period and/or acquired during the concession period.

The common characteristic of all service concession arrangements is that the operator both receives a right and incurs an obligation to provide public services.

The Group manages a large number of concessions as defined by SIC 29 covering drinking water distribution, water treatment, waste collection and treatment, and gas and electricity distribution.

These concession arrangements set out rights and obligations relative to the infrastructure and to the public service, in particular the obligation to provide users with access to the public service. In certain concessions, a schedule is defined specifying the period over which users should be provided access to the public service. The terms of the concession arrangements vary between 10 and 65 years, depending mainly on the level of capital expenditure to be made by the concession operator.

In consideration of these obligations, GDF SUEZ is entitled to bill either the local authority granting the concession (mainly incineration and BOT water treatment contracts) or the users (contracts for the distribution of drinking water or gas and electricity) for the services provided. This right to bill gives rise to an intangible asset, a tangible asset, or a financial asset, depending on the applicable accounting model (see Note 1.4.7 “Concession arrangements”).

The tangible asset model is used when the concession grantor does not control the infrastructure. For example, this is the case with water distribution concessions in the United States, which do not provide for the return of the infrastructure to the grantor of the concession at the end of the contract (and the infrastructure therefore remains the property of GDF SUEZ), and also natural gas distribution concessions in France, which fall within the scope of Law No. 46-628 of April 8, 1946.

A general obligation also exists to return the concession infrastructure to good working condition at the end of the concession. Where appropriate (see Note 1.4.7 “Concession arrangements”), this obligation leads to the recognition of a capital renewal and replacement liability.

Services are generally billed at a fixed price which is linked to a particular index over the term of the contract. However, contracts may contain clauses providing for price adjustments (usually at the end of a five-year period) if there is a change in the economic conditions forecast at the inception of the contracts. Exceptionally, contracts exist in certain countries (e.g., the United States and Spain) which set the price on a yearly basis according to the costs incurred under the contract. These costs are therefore recognized in assets (see Note 1.4.7 “Concession arrangements”).

For the distribution of natural gas in France, the Group applies the ATRD rates set by ministerial decree following consultation with the French Energy Regulatory Commission (CRE). The rate is generally determined based on capital charges made up of (i) depreciation expense and (ii) the rate of return on capital employed. These two components are computed by reference to the valuation of assets operated by the Group, known as the Regulated Asset Base (RAB), using the useful lives and rates of return on capital employed set by the CRE. The Regulated Asset Base includes mainly pipelines and connections depreciated over a period of 45 years.

NOTE 24 SHARE-BASED PAYMENTS

Expenses recognized in respect of share-based payments break down as follows:

In millions of euros	Note	Expense for the year Dec. 31, 2012	Expense for the year Dec. 31, 2011
Stock option plans	24.1	25	41
Employee share issues	24.2	-	3
Share Appreciation Rights *	24.2	2	5
Bonus/Performance Share plans	24.3	84	86
Other Group plans	24.3.5	3	12
TOTAL		**114**	**145**

* *Set up within the scope of employee share issues in certain countries.*

24.1 Stock option plans

GDF SUEZ stock option plans

No new GDF SUEZ stock option grants were approved by the Group’s Board of Directors in either 2012 or 2011.

The terms and conditions of plans set up prior to 2011 are described in previous Reference Documents prepared by SUEZ and subsequently GDF SUEZ.

SUEZ Environnement Company stock option plans

In 2012, the Board of Directors of SUEZ Environnement Company decided not to implement any new stock option plans.

The terms and conditions of plans set up in previous years are described in previous Reference Documents prepared by SUEZ Environnement Company.

24.1.1 Details of stock option plans in force

GDF SUEZ PLANS

Plan	Date of authorizing General Shareholders' Meeting	Vesting date	Adjusted exercise price (in euros)	Number of beneficiaries per plan	Number of options granted to members of the Executive Committee	Outstanding options at Dec. 31, 2011	Options exercised [(2)]	Options cancelled or expired	Outstanding opstions at Dec. 31, 2012	Expiration date	Residual life
11/20/2002	05/04/2001	11/20/2006	15.7	2,528	1,327,819	1,617,337	1,303,646	313,691	-	11/19/2012	
11/17/2004	04/27/2004	11/17/2008	16.8	2,229	1,302,000	5,062,400	3,301,054	1,761,346	-	11/16/2012	
12/09/2005 [(1)]	04/27/2004	12/09/2009	22.8	2,251	1,352,000	5,691,132	-	27,098	5,664,034	12/08/2013	0.9
01/17/2007 [(1)]	04/27/2004	01/17/2011	36.6	2,173	1,218,000	5,741,657	-	36,751	5,704,906	01/16/2015	2.0
11/14/2007 [(1)]	05/04/2007	11/14/2011	41.8	2,107	804,000	4,472,214	-	37,954	4,434,260	11/13/2015	2.9
11/12/2008 [(1)]	07/16/2008	11/12/2012	32.7	3,753	2,615,000	6,334,254	-	214,700	6,119,554	11/11/2016	3.9
11/10/2009	05/04/2009	11/10/2013	29.4	4,036	-	5,088,999	-	81,824	5,007,175	11/09/2017	4.9
TOTAL					**8,618,819**	**34,007,993**	**4,604,700**	**2,473,364**	**26,929,929**		
Of which:											
Stock option purchase plans						11,423,253	-	296,524	11,126,729		
Stock subscription plans						22,584,740	4,604,700	2,176,840	15,803,200		

(1) Plans exercisable at December 31, 2012.

(2) In certain specific circumstances such as retirement or death, outstanding options may be exercised in advance of the vesting date.

The average annual price for GDF SUEZ shares in 2012 was €18.3.

SUEZ ENVIRONNEMENT COMPANY PLANS

Plan	Date of authorizing General Shareholders' Meeting	Vesting date	Exercise price (in euros)	Outstanding options at Dec. 31, 2011	Options exercised *	Granted	Options cancelled or expired	Outstanding opstions at Dec. 31, 2012	Expiration date	Residual life
12/17/2009	05/26/2009	12/17/2013	15.5	3,415,890	-	-	42,106	3,373,784	12/16/2017	5.0
12/16/2010	05/26/2009	12/16/2014	14.2	2,920,500	-	-	20,200	2,900,300	12/15/2018	6.0
TOTAL				**6,336,390**	**-**	**-**	**62,306**	**6,274,084**		

* *In certain specific circumstances such as retirement or death, outstanding options may be exercised in advance of the vesting date.*

The average annual price for SUEZ Environnement Company shares in 2012 was €9.4.

24.1.2 Number of GDF SUEZ stock options

	Number of options	Average exercise price *(in euros)*
Balance at December 31, 2011	**34,007,993**	**29.2**
Options exercised	(4,604,700)	16.5
Options cancelled	(2,473,364)	19.2
Balance at December 31, 2012	**26,929,929**	**32.3**

24.1.3 Accounting impact

Based on a staff turnover assumption of 5%, the expense recorded during the period in relation to the Group's stock option plans was as follows:

			Expense for the period *(in millions of euros)*	
Award date	**Issuer**	**Fair value per unit *** *(in euros)*	**Dec. 31, 2012**	**Dec. 31, 2011**
01/17/2007	GDF SUEZ	12.3	-	1
11/14/2007	GDF SUEZ	15.0	-	14
11/12/2008	GDF SUEZ	9.3	13	14
11/10/2009	GDF SUEZ	6.0	8	8
12/17/2009	SUEZ Environnement Company	3.3	3	3
12/16/2010	SUEZ Environnement Company	2.9	2	2
TOTAL			**25**	**41**

* *Weighted average value of plans with or without performance conditions, where applicable.*

24.1.4 Share Appreciation Rights Plans

The award of Share Appreciation Rights (SARs) to US employees in 2008 and 2009 (as replacement for stock options) does not have a material impact on the consolidated financial statements.

24.2 Employee share issues

GDF SUEZ did not issue any new shares to employees in 2012. The only impacts of employee share issues on 2012 income relate to SARs, for which the Group recognized an expense of €2 million in the year (including shares covered by warrants).

24.3 Bonus shares and Performance shares

24.3.1 New awards in 2012

GDF SUEZ bonus share plan of October 30, 2012

On October 30, 2012, the Board of Directors decided to award a new bonus share plan (PAGA) to employees for 2012. This plan provides for the award of around 6 million bonus GDF SUEZ shares to Group employees, subject to the following conditions:

- three-year vesting period (France, Italy and Spain) or four-year vesting period (all other countries);
- continuing employment within the Group (except in the case of retirement, death or disability) at June 30, 2015 (France, Italy and Spain) or at June 30, 2016 (all other countries);
- a mandatory lock-in period of two years after the final vesting date (June 23, 2015) for employees in France, Italy and Spain.

GDF SUEZ Performance Share plan of December 5, 2012

On December 5, 2012, the Board of Directors approved the allocation of 3.6 million Performance Shares to members of the Group's executive and senior management in two tranches:

- Performance Shares vesting on March 14, 2016, subject to a further two-years non-transferability period; and
- Performance Shares vesting on March 14, 2017, without non-transferability period.

Each tranche is made up of various instruments subject to different conditions:

- instruments with a single condition: Performance Shares subject to a market performance condition relating to GDF SUEZ's total share return compared to that of the Eurostoxx Utilities Eurozone index, as assessed between November 2012 and February 2016;
- instruments with two conditions: Performance Shares subject to the market performance condition described above, and an internal performance condition relating to Group net recurring income Group share in 2014 and 2015.

SUEZ Environnement Company bonus share and Performance Share plans

The arrangements for the various plans established in 2012 are described in the Reference Document prepared by SUEZ Environnement Company.

24.3.2 Fair value of bonus share plans with or without performance conditions

The following assumptions were used to calculate the fair value of the new plans awarded in 2012:

Allocation date	Vesting date	End of the lock-up period	Price at the award date	Expected dividend	Financing cost for the employee	Non-transferability cost	Market-related performance condition	Fair value per unit
February 29, 2012	March 14, 2014	March 14, 2016	€19.5	€1.2	8.0%	€1.8	no	€15.5
February 29, 2012	March 14, 2015	March 14, 2017	€19.5	€1.2	8.0%	€1.5	no	€14.8
Weighted fair value of the February 29, 2012 plan								**€15.1**
October 30, 2012	November 1, 2015	November 1, 2017	€17.7	€1.5	8.4%	€1.5	no	€11.7
October 30, 2012	November 1, 2016	November 1, 2016	€17.7	€1.5	8.4%	-	no	€11.8
Weighted fair value of the October 30, 2012 plan								**€11.7**
December 5, 2012	March 14, 2016	March 14, 2018	€17.2	€1.5	8.4%	€1.0	yes	€7.2
December 5, 2012	March 14, 2016	March 14, 2018	€17.2	€1.5	8.4%	€1.3	yes	€9.2
December 5, 2012	March 14, 2017	March 14, 2017	€17.2	€1.5	8.4%	-	yes	€6.7
December 5, 2012	March 14, 2017	March 14, 2017	€17.2	€1.5	8.4%	-	yes	€9.0
Weighted fair value of the December 5, 2012 plan								**€8.1**

24.3.3 Review of internal performance conditions applicable to the plans

In addition to the condition of continuing employment within the Group, eligibility for certain bonus share and Performance Share plans is subject to an internal performance condition. When this condition is not fully met, the number of bonus shares granted to employees is reduced in accordance with the plans' regulations, leading to a decrease in the total expense recognized in relation to the plans in accordance with IFRS 2.

Performance conditions are reviewed at each reporting date. Reductions in volumes of shares awarded in 2012 due to a failure to meet performance criteria were not material.

24.3.4 Free share plans with or without performance conditions in force at December 31, 2012, and impact on income

The expense recorded during the period on plans in effect was as follows:

Award date	Quantity awarded (1)	Fair value per unit (2) *(in euros)*	Expense for the period *(in millions of euros)* Dec. 31, 2012	Dec. 31, 2011
GDF SUEZ share plans				
Bonus share plans				
SUEZ July 2007 plan	2,175,000	37.8	-	5
Spring August 2007 plan	193,686	32.1	1	1
SUEZ June 2008 plan	2,372,941	39.0	3	6
GDF SUEZ July 2009 plan	3,297,014	19.7	5	15
Link August 2010 plan	207,947	19.4	1	1
GDF SUEZ June 2011 plan	4,173,448	20.0	31	16
GDF SUEZ October 2012 plan	6,100,000	11.7	3	-
Performance share plans				
GDF SUEZ November 2008 plan	1,812,548	28.5	1	(1)
GDF SUEZ November 2009 plan	1,693,840	24.8	4	12
January 2010 EXCOM plan	348,660	18.5	1	3
March 2010 Uni-T plan	51,112	21.5	-	-
GDF SUEZ January 2011 plan	3,426,186	18.1	18	17
March 2011 Uni-T plan	57,337	23.3	1	-
GDF SUEZ December 2011 plan	2,996,920	11.3	10	1
GDF SUEZ Trading February 2012 plan	70,778	15.1	-	-
GDF SUEZ December 2012 plan	3,556,095	8.1	1	-
SUEZ Environnement Company share plans				
SUEZ Environnement Company July 2009 plan	2,040,810	9.6	2	5
SUEZ Environnement Company December 2009 plan	173,852	12.3	-	1
SUEZ Environnement Company December 2010 plan	829,080	11.6	3	3
SUEZ Environnement Company March 2012 plan	828,710	8.8	2	-
			84	**86**

(1) Quantity awarded, after potential adjustments relating to the merger with Gaz de France in 2008.
(2) Weighted average value where applicable.

24.3.5 International Power Performance Share plans

International Power modified its Performance Share plans prior to the date of its acquisition by GDF SUEZ. The 2008, 2009 and 2010 plans were cancelled ahead of maturity. As consideration, beneficiaries received a cash payment representing a total of €24 million, settled after the acquisition date. As a liability for €24 million had been recognized in International Power plc's statement of financial position at the acquisition date, no expense was recognized in respect of these Performance Share plans in the Group's 2011 income statement.

The impact of the Performance Shares awarded to International Power plc's executive and senior management since 2011 is not material.

NOTE 25 RELATED PARTY TRANSACTIONS

This Note describes material transactions between the Group and related parties.

Compensation payable to key management personnel is disclosed in Note 26 “Executive compensation”.

The Group’s main subsidiaries (fully-consolidated companies) are listed in Note 29 “List of the main companies consolidated at December 31, 2012”. The main associates and joint ventures are listed in Note 13 “Investments in associates” and Note 14 “Investments in joint ventures” respectively. Only material transactions are described below.

25.1 Relations with the French State and with entities owned or partly owned by the French State

25.1.1 Relations with the French State

Further to the merger between Gaz de France and SUEZ on July 22, 2008, the French State owns 36.7% of GDF SUEZ and appoints four representatives to the Group’s eighteen-member Board of Directors.

The French State holds a golden share aimed at protecting France’s critical interests and ensuring the continuity and safeguarding of supplies in the energy sector. The golden share is granted to the French State indefinitely and entitles it to veto decisions taken by GDF SUEZ if it considers they could harm France’s interests.

Public service engagements in the energy sector are defined by the law of January 3, 2003.

They are implemented by means of a new public service contract dated December 23, 2009, which sets out the Group’s public service obligations and the conditions for rate regulation in France:

- as part of its public service obligations, the Group is reinforcing its commitments in terms of the protection of goods and individuals, solidarity and assistance to low-income customers, sustainable development and research;
- regarding the conditions for rate regulation in France, a decree was published in connection with the contract redefining the overall regulatory framework for setting and changing natural gas rates in France. The mechanism as a whole provides clearer direction on the conditions for changing regulated rates, notably through rate change forecasts based on costs incurred. It also establishes rules and responsibilities for the various players over the period 2010-2013.

Transmission rates on the GRTgaz transportation network and the gas distribution network in France, as well as rates for accessing the French LNG terminals, are all regulated. Rates are set by ministerial decree.

25.1.2 Relations with EDF

Following the creation on July 1, 2004 of the French gas and electricity distribution network operator (EDF Gaz de France Distribution), Gaz de France SA and EDF entered into an agreement on April 18, 2005 setting out their relationship as regards the distribution business. The December 7, 2006 law on the energy sector reorganized the natural gas and electricity distribution networks. ERDF SA, a subsidiary of EDF SA, and GrDF SA, a subsidiary of GDF SUEZ SA, were created on January 1, 2007 and January 1, 2008, respectively, and act in accordance with the agreement previously signed by the two incumbent operators.

25.2 Relations with the CNIEG (Caisse Nationale des Industries Electriques et Gazières)

The Group’s relations with the CNIEG, which manages all old-age, death and disability benefits for active and retired employees of the Group who belong to the special EGI pension plan, employees of EDF and Non-Nationalized Companies (*Entreprises Non Nationalisées* – ENN), are described in Note 19 “Post-employment benefits and other long-term benefits”.

25.3 Transactions with joint ventures and associates

Joint ventures

In millions of euros	Purchases of goods and services	Sales of goods and services	Net financial income (excluding dividends)	Trade and other receivables	Loans and receivables at amortized cost	Trade and other payables	Borrowings and debt	Commitments and guarantees given
Eco Electrica	-	58	-	4	-	-	-	-
Tirreno Power	226	113	-	2	-	26	-	-
WSW Energie und Wasser	4	43	-	11	-	16	-	-
Energia Sustentavel Do Brasil	-	-	-	-	-	-	-	2,027
Thiess Degrémont Joint Venture Design and Build (TD JV DB)	-	-	-	18	186	-	-	-
Inversiones Hornitos SA	-	6	2	8	58	2	-	-
Other	152	66	7	62	28	43	33	148
TOTAL	**382**	**286**	**9**	**105**	**272**	**87**	**33**	**2,175**

Except for the column "Commitments and guarantees given" which are off balance sheet data, the data above show the impact of transactions with joint ventures on our financial statements at December 31, 2012; this means that they correspond to the impact of these transactions after the elimination of internal transactions.

All the data below are also expressed on a contribution basis after the elimination of internal transactions.

Eco Electrica (Puerto Rico)

Natural gas sales to Eco Electrica amounted to €58 million in 2012.

Tirreno Power (Italy)

Electricity purchases and sales between the Group and Tirreno Power amounted to €226 million and €113 million respectively in 2012.

WSW Energie und Wasser (Germany)

Electricity sales and purchases between the Group and WSW Energie und Wasser amounted to €43 million and €4 million respectively in 2012.

Energia Sustentavel Do Brasil (Brazil)

GDF SUEZ holds a 60% interest in Energia Sustentavel Do Brasil. This consortium was set up in 2008 in order to build, own, and operate the 3,750 MW hydroelectric Jirau power plant.

At December 31, 2012, the amount of loans granted by Banco Nacional de Desenvolvimento Econômico e Social, the Brazilian Development Bank, to Energia Sustentavel do Brasil amounted to €3.6 billion. Each partner stands as guarantor for this debt to the extent of its ownership interest in the consortium.

Thiess Degrémont Joint Venture Design and Build (TD JV DB) (Australia)

This joint venture formed between Thiess (65%) and Degrémont (35%) is responsible for designing and building the seawater desalination plant that supplies the Melbourne urban area.

GDF SUEZ has a 12.5% interest in TD JV DB (SUEZ Environnement business line). The Group controls 35% of the company.

The amount of the joint venture's current account totaled €186 million in the statement of financial position at December 31, 2012.

Inversiones Hornitos SA (Chile)

GDF SUEZ has a 31.6% interest in Inversiones Hornitos (GDF SUEZ Energy International business line). The Group controls 60% of the company.

The loans granted to Inversiones Hornitos by the Group amounted to €58 million in the statement of financial position at December 31, 2012.

Associates

In millions of euros	Purchases of goods and services	Sales of goods and services	Net financial income/(loss) (excluding dividends)	Trade and other receivables	Loans and receivables at amortized cost	Trade and other payables	Borrowings and debt	Commitments and guarantees given
Inter-municipal companies	883	88	2	1	-	2	-	363
Contassur	-	-	-	159	-	-	-	-
Energy International Business Line project management entities in the Middle East	-	277	36	-	54	-	4	617
Paiton	-	25	13	-	268	-	-	-
Gaz de Strasbourg	-	130	-	16	-	-	-	-
Canadian renewable energy activities	-	-	-	-	149	-	-	-
Other	33	46	-	3	-	3	1	202
TOTAL	**916**	**566**	**51**	**179**	**471**	**5**	**5**	**1,182**

Inter-municipal companies (Belgium)

The mixed inter-municipal companies in Brussels, Flanders and Walloon manage the electricity and gas distribution network in Belgium.

Following various transactions and events that occurred during the first half of 2011 and at December 31, 2012 (see Note 2 “Main changes in Group structure”), the Group no longer had a significant influence (i) over the Flemish mixed inter-municipal companies since June 30, 2011, and (ii) over the Brussels inter-municipal company since December 31, 2012. The above table lists the transactions with the inter-municipal companies in Walloon and Brussels (up until December 31, 2012 for the Brussels inter-municipal company).

The transportation costs incurred by Electrabel Customer Solutions (ECS) in connection with the inter-municipal companies’ gas and electricity distribution network amounted to €830 million at December 31, 2012 (€1,394 million at December 31, 2011). Trade payables between the Group and the mixed inter-municipal companies are not material at December 31, 2012.

Electrabel stands as guarantor for €363 million of the loans contracted by the Walloon mixed inter-municipal companies in connection with the financing for capital decreases.

Contassur (Belgium)

Contassur is a life insurance company accounted for under the equity method. It is 15%-owned by the Group.

Contassur offers insurance contracts, chiefly with pension funds that cover post-employment benefit obligations for Group employees and also employees of other companies mainly engaged in regulated activities in the electricity and gas sector in Belgium.

Insurance contracts entered into by Contassur represent reimbursement rights recorded within “Other assets” in the statement of financial position. These reimbursement rights totaled €159 million at December 31, 2012 (€128 million at December 31, 2011).

Project management companies set up by the GDF SUEZ Energy International business line in the Middle-East

The project management companies in the Middle East own and operate electricity production plants and seawater desalination facilities.

The Group’s sales to these companies amounted to €277 million at December 31, 2012 (€400 million at December 31, 2011), and involved the sale of electricity and gas, and the provision of services.

The loans granted by the Group to the project management companies in the Middle East amounted to €54 million at December 31, 2012 (€124 million at December 31, 2011).

The guarantees granted by the Group to these entities amounted to €617 million at December 31, 2012 (€657 million at December 31, 2011).

Paiton (Indonesia)

The Group owns a 40.5% interest in Paiton. The loans granted to Paiton by the Group amounted to €268 million at December 31, 2012 (€136 million at December 31, 2011).

Gaz de Strasbourg (France)

The Group owns a 24.9% interest in Gaz de Strasbourg.

Gas sales to Gaz de Strasbourg amounted to €130 million at December 31, 2012.

Canadian renewable energy activities (Canada)

The Group has retained a 40% interest in the Canadian renewable energy activities following the partial disposal performed in December 2012 (see Note 2 “Main changes in Group structure”).

The Group has granted a €149 million loan to the Canadian renewable energy activities.

NOTE 26 EXECUTIVE COMPENSATION

The Group's key executives are the members of the Executive Committee and the Board of Directors.

The Executive Committee had 27 members in 2012.

Their compensation breaks down as follows:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Short-term benefits	37	39
Post-employment benefits	6	6
Share-based payments	10	12
Termination benefits	5	3
TOTAL	**58**	**60**

NOTE 27 LEGAL AND ANTI-TRUST PROCEEDINGS

The Group is party to a number of legal and anti-trust proceedings with third parties or with legal and/or administrative authorities (including tax authorities) in the normal course of its business.

Provisions recorded in respect of these proceedings totaled €927 million at December 31, 2012 (€763 million at December 31, 2011).

The main legal and arbitration proceedings presented hereafter are recognized as liabilities or give rise to contingent assets or liabilities. The accounting treatment for individual legal proceedings is not shown to avoid disclosing any information that might be prejudicial to the Group in the course of their resolution.

27.1 Legal and arbitration proceedings

27.1.1 Electrabel – Hungarian State

Electrabel, GDF SUEZ Group, filed international arbitration proceedings against the Hungarian State before the International Centre for Settlement of Investment Disputes (ICSID), for breach of obligations pursuant to the Energy Charter Treaty. The dispute mainly pertains to (i) the respect of a long-term power purchase agreement (the "Dunamenti PPA") entered into between the power plant operator Dunamenti Erőmű (in which Electrabel owns a 74.82% interest) and MVM (a company controlled by the Hungarian State) on October 10, 1995, and (ii) the cancellation of the agreement, and (iii) the reintroduction of regulated electricity tariffs.

On November 30, 2012, the court of arbitration rejected the Group's claims, except for the claim based on the principle of fair and equitable treatment in relation to the stranded costs arising from the termination of the long-term agreement, which was approved by the European Commission in April 2010. The ruling on this claim has been deferred until 2015, in order to enable the court of arbitration to rule on the basis of a detailed assessment of said costs [(1)].

27.1.2 Slovak Gas Holding

Slovak Gas Holding ("SGH") is held with equal stakes by GDF SUEZ and E.ON Ruhrgas AG and holds a 49% interest in Slovenský Plynárenský Priemysel, a.s. ("SPP"), the remaining 51% in SPP being indirectly held by the Slovak Republic through the National Property Fund.

In November 2008, SGH sent a notice of dispute to the Slovak Republic under the Energy Charter Treaty and the Bilateral Treaty, entered into by the Slovak and Czech Republics on the one hand and the Netherlands on the other hand. This notice of dispute is a precondition to international arbitration proceedings under the above-mentioned treaties. Its purpose is to initiate an informal negotiation period to enable the parties to reach an amicable settlement. In view of the results of the negotiations, the notice of dispute was reviewed on December 28, 2010.

In 2011, the negotiations between SGH and the Slovak State had resulted in the abolishment of the law which limited the possibility to request price increases to cover gas supply costs plus a reasonable profit margin (law referred to as Lex SPP).

SGH, GDF SUEZ, and E.ON have launched an arbitration appeal, which was filed with the ICSID on April 5, 2012, for breach of the Energy Charter by the Republic of Slovakia. On December 14, 2012, the State of Slovakia, SGH, GDF SUEZ and E.ON signed a transactional agreement, which was largely dependent on the effective sale of SGH to Energetický a Průmyslový Holding, which occurred on January 23, 2013 (see Note 2 "Main changes in Group structure"). As a result, SGH, GDF SUEZ and E.ON informed the ICSID that they were withdrawing their request on January 24, 2013.

27.1.3 Squeeze-out bid for Electrabel shares

On July 10, 2007, three shareholders, Deminor and two other funds initiated proceedings before the Brussels Court of Appeal ("CA") against SUEZ and Electrabel under which they sought additional consideration following the squeeze-out bid launched by SUEZ in June 2007 on Electrabel shares that it did not already own. The Appeal Court dismissed the application on December 1, 2008.

(1) See also Note 27.2.4 "Long-term Power Purchase Agreements in Hungary".

Following the appeal lodged by Deminor and its associates on May 22, 2009, the Court of Cassation overturned the ruling on June 27, 2011. In a subpoena dated December 28, 2012, Deminor and its associates launched proceedings against GDF SUEZ in the Brussels Appeal Court on a different basis, in order for the Court to rule on their request for a price increment. The initial hearing is scheduled for February 19, 2013.

A similar demand for a price increment, submitted to the Brussels Appeal Court by Messrs. Geenen and associates, but without naming Electrabel and the FSMA (*Autorité belge des services et marches financiers*, formerly the "*Commission bancaire, financière et des assurances*") as defendants, was dismissed on December 24, 2009 on procedural grounds. Mr Geenen lodged an appeal in cassation against the ruling of December 24, 2009 on June 2, 2010. The Court of Cassation delivered a ruling overturning the ruling of the Brussels Appeal Court on May 3, 2012. It is now up to Mr Geenen to launch proceedings against GDF SUEZ in the Brussels Appeal Court on a different basis.

27.1.4 Total Energie Gas

GDF SUEZ buys natural gas from Total Energie Gaz ("TEGAZ"), a subsidiary of the Total Group, under an Agreement entered into on October 17, 2004, and asked for a review of the contractual price with effect at May 1, 2011. As the negotiations with TEGAZ were not successful GDF SUEZ submitted the dispute involving the review of the contractual price to a panel of experts, in March 2012, in accordance with the Agreement. On June 5, 2012, TEGAZ gave notice of a dispute regarding the interpretation of certain clauses in the aforementioned Agreement, which is currently the subject of arbitration proceedings, in accordance with the regulations of the French Arbitration Association (AFA). TEGAZ has requested an emergency ruling to suspend the appraisal procedures during the arbitration process, the grounds for and necessity of which are opposed by GDF SUEZ. The arbitration procedure was suspended on July 27, 2012. On January 29, 2013, the arbitration Court declares itself competent to decide on all demands made by TEGAZ and it recognizes that 5 out of 8 demands made by TEGAZ are founded.

27.1.5 La Compagnie du Vent

On November 27, 2007, GDF SUEZ acquired a 56.84% stake in La Compagnie du Vent, with the original owner SOPER retaining a 43.16% stake. The founder of the company (and owner of SOPER), Jean-Michel Germa remained Chairman and Chief Executive Officer of La Compagnie du Vent.

GDF SUEZ has been involved in various disputes with Jean-Michel Germa and SOPER, regarding the latter's dismissal as Chief Executive, since 2011. Following the cancellation of La Compagnie du Vent's first General Meeting on May 27, 2011 by the Montpellier Appeal Court *("Cour d'Appel"),* a second General Meeting on November 3, 2011 finally appointed a new managing director, who was put forward by GDF SUEZ.

However, the following proceedings are still pending: (i) the legal proceedings launched against SOPER by La Compagnie du Vent in the Montpellier Commercial Court (*Tribunal de Commerce*) on August 23, 2011, which were aimed at ordering the latter to make good the non-material harm suffered by La Compagnie du Vent as a result of the undue use of minority influence through a payment of €500,000, (ii) the legal proceedings contractual responsibility and negligence proceedings launched against GDF SUEZ by Jean-Michel Germa, at the time when the latter was dismissed as Chairman and Chief Executive of La Compagnie du Vent, in the Paris Commercial Court on February 15, 2012, (iii) the proceedings launched against GDF SUEZ, La Compagnie du Vent and the current Chairman and Chief Executive by SOPER on May 21, 2012, which request a legal review of certain management decisions, in order to obtain compensation, and (iv) the proceedings launched by SOPER in the Paris Commercial Court on January 18, 2013, with a view to ordering GDF SUEZ to pay compensation of around €214 million to SOPER as a result of the alleged breach of the agreement and of the shareholders' agreement signed in 2007. Furthermore, SOPER has also informed GDF SUEZ of its intention to exercise its call option on the 5% interest in La Compagnie du Vent held by SOPER. The price of the shares was set by an expert following the contractually scheduled procedures.

27.1.6 Freeze of regulated natural gas prices in France as of October 1, 2011

Legal proceedings regarding regulated tariffs in the final quarter of 2011

The ministerial decree of September 29, 2011 relating to regulated prices for natural gas provided from GDF SUEZ distribution networks resulted in a freeze of regulated natural gas prices despite the fact that on September 22, 2011, the French Energy Regulatory Commission (CRE) delivered an unfavorable opinion regarding the ministerial decree. GDF SUEZ considers that this decree does not comply with the law according to which regulated prices must cover all costs nor with competitive market rules nor with the public service contract signed between the Group and the French State.

As a result, on October 13, 2011 GDF SUEZ appealed the decree before the *Conseil d'Etat* (France's highest administrative court) on the ground of abuse of authority.

On November 28, 2011, the French national association of energy retail operators (*Association nationale des opérateurs détaillants en énergie* – ANODE) obtained the suspension of the decree of September 29, 2011 from the president of the *Conseil d'Etat*. On July 10, 2012, the *Conseil d'Etat* cancelled the Decree of September 29, 2011 regarding regulated tariffs for the sale of natural gas issued by the Economy and Energy Ministries.

In its ruling, the *Conseil d'Etat* observed that the decree contained a legal flaw, in that it set the tariffs at a level that was lower than the one that would have resulted from the application of the tariff formula as determined by current regulations.

The *Conseil d'Etat* therefore pressed the Economy and Energy ministers concerned to issue a new decree setting a tariff change that is compliant with the regulations for the period between October 1, 2011 and December 31, 2011, which was achieved via the Decree of August 1, 2012. An estimated gain of €210 million has been recognized in the 2012 financial statements in respect of this tariff "catch-up" adjustment.

Legal proceedings regarding regulated tariffs as from July 2012

In addition, the Ministerial Decree of July 18, 2012 set the change in the regulated natural gas tariff in France at 2% as from July 20, 2012. The Group considers that this price change will not enable it to cover all of its natural gas supply costs and other costs.

As a consequence, GDF SUEZ contested the decree before the *Conseil d'Etat* on August 24, 2012, on the grounds of abuse of power. Lastly, the Ministerial Decree of September 26, 2012 set the change in the regulated natural gas tariff in France at 2% for the period from September 29, 2012 to December 31, 2012. The Group considers that this price change will not enable it to cover all of its natural gas supply costs and other costs.

As a consequence, GDF SUEZ contested the decree before the *Conseil d'Etat* on November 15, 2012, on the grounds of abuse of power. The *Conseil d'Etat* suspended the Decree of September 26, 2012 via an order issued on November 29, 2012, and also pressed the Ministers responsible for Energy and Finance to issue a new statement regarding regulated gas tariffs within one month, by applying the current legislation.

The *Conseil d'Etat* basically cancelled the Decrees of June 27, 2011, July 18, 2012 and September 26, 2012 via three decisions on January 30, 2013, on the grounds that they did not set the increase in the regulated natural gas tariff at the level required for GDF SUEZ to cover its costs. The *Conseil d'Etat* urged the Government to issue new decrees to correct this unlawful position within one month. The positive impact of the *Conseil d'Etat*'s decision and of the new tariff decrees will be recognized in the 2013 income statement. The positive impact on 2013 EBITDA represents around €150 million.

27.1.7 Objection to the CREG's approval of Elia's injection tariffs

In December 2011, the Belgian Gas and Electricity Regulation Commission (*Commission de Régulation de l'Electricité et du Gaz* – CREG) approved the tariff proposal submitted by the electricity transmission grid operator, Elia System Operator, for the 2012-2015 period. Electrabel objects to two main aspects of this proposal, (i) namely the application of injection tariffs for use of the grid and (ii) the injection tariffs for ancillary services.

Electrabel launched proceedings before the Brussels Court of Appeal to cancel the CREG's decision. On February 6, 2013, the Brussels Court of Appeal cancelled the CREG's decision of December 22, 2011 in its totality.

27.1.8 NAM (Nederlandse Aardolie Maatschappij)

In June 2011, NAM filed a claim against GDF SUEZ E&P Nederland BV (GDF SUEZ Group) for the payment of a price adjustment, under the sale agreements entered into with GDF SUEZ for the sale of exploration and production assets in the Netherlands and of an interest in Nogat BV, in respect of an income tax expense of €50 million that NAM claimed to have paid on behalf of GDF SUEZ between the effective date and the completion date of the transaction. This claim had been always contested by GDF SUEZ as in breach of the agreements.

In response to this action, GDF SUEZ E&P Nederland BV filed a separate claim for €5.9 million against NAM.

On May 21, 2012, the District Court of The Hague dismissed GDF SUEZ E&P Nederland BV's claim and ordered it to pay the principal amount claimed by NAM, together with interest of 3.8% accrued since January 17, 2011.

As the decision was enforceable, this payment has already been made. However, GDF SUEZ E&P Nederland BV has appealed this decision. The result of this appeal should be known during the 2013-year.

27.1.9 Argentina

In Argentina, the Public Emergency and Exchange Regime Reform Act (Emergency Act), enacted in January 2002, froze concession contract tariffs increases by preventing the application of tariff indexation clauses in the event of a loss in value of the Argentine peso against the US dollar. In 2003, SUEZ (now GDF SUEZ) and its joint shareholders, water distribution concession operators in Buenos Aires and Santa Fe, launched two arbitration proceedings against the Argentinean State in its capacity as concession grantor before the ICSID. The purpose of these proceedings is to enforce concession contract clauses in accordance with the Franco-Argentine Bilateral Investment Protection Treaties.

These ICSID arbitration proceedings aim to obtain compensation for the loss of value of investments made since the start of the concession, as a consequence of measures taken by the Argentinean State following the adoption of the above-mentioned Emergency Act. The hearings for both proceedings took place in 2007. Alongside the ICSID proceedings, the concession operators Aguas Argentinas ("AASA") and Aguas Provinciales de Santa Fe ("APSF") were forced to launch proceedings to terminate their concession contracts before the local administrative courts.

However, due to a decline in the financial position of the concession-holding companies since the Emergency Act, APSF announced at its Shareholders' Meeting of January 13, 2006 that it was filing for bankruptcy.

At the same time, AASA filed for "Concurso Preventivo" (1). As part of this procedure, a settlement proposal involving the novation of AASA's admissible liabilities was approved by creditors and confirmed by the bankruptcy court on April 11, 2008. The settlement of these liabilities is underway. The proposal provides for an initial payment of 20% (2) of these liabilities (upon approval), and a second payment of 20% in the event that compensation is obtained from the Argentinean State. As controlling shareholders, GDF SUEZ and Agbar decided to financially support AASA in making this initial payment and paid sums of USD 6.1 million and USD 3.8 million respectively, at the time of confirmation.

As a reminder, prior to the merger of SUEZ and Gaz de France and the stock market listing of SUEZ Environnement Company, SUEZ and SUEZ Environnement entered into an agreement providing for the economic transfer to SUEZ Environnement of the rights and obligations relating to the ownership interest held by SUEZ in AASA and APSF.

By two decisions dated July 30, 2010, ICSID recognized the liability of the Argentinean State in the termination of water distribution and treatment concession contracts in Buenos Aires and Santa Fe. Following these two decisions, the arbitration tribunal will set the amount of the award to be paid in compensation of the losses sustained in the coming months.

The expert is expected to submit his final conclusions in the first half of 2013.

27.1.10 United Water – Lake DeForest

In March 2008, residents of the Hackensack River area in Rockland County (NY) filed a claim before the Supreme Court of the State of New York for USD 66 million (later increased to USD 130 million) against United Water (a SUEZ Environnement subsidiary, hereinafter "UW")) owing to flooding caused by torrential rain.

Those residents point out that the negligence of UW in the maintenance of the Lake DeForest dam and reservoir adjoining the Lake DeForest reservoir which, following the torrential rain, allegedly ceased to function correctly preventing the draining-off of water into the Hackensack River on which it is built, ultimately resulting in the flooding of the residents' homes. As a result of the rainwater drainage system operated by UW overflowing upstream of the dam, the residents, despite living in a flood-prone area, have filed a compensatory damages claim for USD 65 million and for punitive damages of the same amount against UW for alleged negligence in the maintenance of the dam and reservoir. The second claim was dismissed on May 31, 2011.

UW does not consider itself responsible for the flooding or for the maintenance of the dam and reservoir and believes these allegations should be dismissed. UW filed a motion to dismiss these claims in July 2009 on the ground that it was not obliged to operate the dam as a means of flood prevention. This motion was denied on August 27, 2009, and this rejection was confirmed on June 1, 2010. UW has appealed this decision.

(1) Similar to the French bankruptcy procedure.

(2) Approximately USD 40 million.

In a ruling issued on October 12, 2012, the court dismissed all the residents' claims. The residents have appealed.

27.1.11 Novergie

Novergie Centre-Est (a SUEZ Environnement Group company) used to operate a household waste incineration plant in Gilly-sur-Isère near Albertville (in the Savoie region, France), which was built in 1984 and is owned by the semi-public corporation, SIMIGEDA (an intercommunal semi-public waste management company in the Albertville district). In 2001, high levels of dioxin were detected near the incineration plant and the Prefect of the Savoie region ordered the closure of the plant in October 2001.

Complaints and claims for damages were filed in March 2002 against, among others, the president of SIMIGEDA, the Prefect of the Savoie region and Novergie Centre-Est for poisoning, endangering the lives of others, and non-intentional assault and battery, with respect to dioxin pollution allegedly caused by the incineration plant. In the first half of 2009, the French Court of Cassation upheld the decision of the examining chamber of the Lyon Court of Appeal rejecting the action.

While SIMIGEDA was being investigated, Novergie Centre-Est was indicted on December 22, 2005 on counts of endangering the lives of others and unintentional grievous bodily harm, due to the pollution caused by the incineration plant.

As part of these proceedings, investigations ordered by the court showed that there had been no increase in the number of cases of cancer in neighboring populations.

On October 26, 2007, the judge in charge of investigating the case dismissed the charges against persons indicted for endangering the lives of others. However, the judge ordered that SIMIGEDA and Novergie Centre-Est be sent for trial before the criminal court of Albertville for having operated the incinerator "without prior authorization, due to the expiration of the initial authorization as a result of significant changes in operating conditions". On September 9, 2009, the examining chamber of the Chambéry Court of Appeal upheld the decision to dismiss charges of endangering the lives of others.

Having noticed that those primarily responsible for the offenses in question would not be present at the criminal court hearing on September 28, 2010, Novergie Centre-Est brought an action against unknown persons for contempt of court and fraudulently organizing insolvency.

The hearing before the criminal court was held on November 29, 2010. On May 23, 2011, the criminal court handed down a fine of €250,000 to Novergie Centre-Est.

Novergie Centre-Est has appealed this decision. On February 21, 2012, the Appeal Court dismissed the original ruling, and discharged Novergie Centre-Est.

27.1.12 Société des Eaux du Nord

Negotiations have been initiated in 2008 between Lille Métropole metropolitan district (Lille Métropole Communauté Urbaine - LMCU) and Société des Eaux du Nord (SEN), a subsidiary of Lyonnaise des Eaux France, within the framework of the five-yearly review of the drinking water distribution concession contract (the "Contract"). In particular, these negotiations pertained SEN's renewal obligations to be drawn from the addenda signed in 1996 and 1998. At the end of 2009, an arbitration Commission chaired by Michel Camdessus (set up in accordance with the Contract by SEN and LMCU) made recommendations on the Contract's review.

On June 25, 2010, without following the Commission's recommendations, the LMCU Community Council unilaterally approved the signature of an addendum to the contract which provides for the issuing of a demand for payment of an amount of €115 million to SEN corresponding to the immediate repayment of the unused portion of the outstanding provisions for renewal costs plus interest as estimated by LMCU.

Two appeals seeking annulment of the LMCU Community Council's decision of June 25, 2010, as well as decisions adopted in implementation thereof, were submitted to the Administrative Court of Lille on September 6, 2010 by SEN, as well as by Lyonnaise des Eaux France in its capacity as a shareholder of SEN.

The examination took place on January 29, 2013 and the "rapporteur" gave a notice leaning towards the cancellation of the decision of June 25, 2010. The final judgment is expected to be delivered during the first half-year of 2013.

27.1.13 Melbourne – AquaSure

In 2009, AquaSure (21% owned by SUEZ Environnement) was awarded a contract, following a call for tenders, to finance, design, construct and operate a seawater desalination plant supplying water to the Melbourne region for a 30-year period. AquaSure entrusted the plant's design and construction to a joint venture (the "JV") between Thiess (65%), a subsidiary of the Leighton Group and Degrémont (35%), a subsidiary of SUEZ Environnement. The targeted completion date for the construction of the plant was June 30, 2012. The construction work started in September 2009.

The project was delayed due to unfavorable weather and labor conditions. By the end of December 2011, 88% of the plant was complete, resulting in a delay of several months in delivery and production.

The JV sought a deadline extension and financial compensation as it considered that it was not fully responsible for the delay and its financial consequences. Two claims were filed requesting (i) a deadline extension of 80 days until the end of October 2011 related to the cyclonic weather conditions and compensation for additional costs incurred and (ii) a deadline extension of 194 days related to the labor issues and for which compensation is currently being calculated.

On December 15, 2011, AquaSure and the JV reached a standstill, enabling the parties to enter into contractual negotiations until March 31, 2012.

On April 24, 2012, a new standstill agreement was signed by AquaSure and the JV. The aim of this standstill agreement was on one hand to ensure the financing of AquaSure between July 1, 2012 and the acceptance of the plant, as well as, on the other hand, to enable the company to pursue its claims against the State of Victoria.

Furthermore, SUEZ Environnement and its partner, the Leighton Group, believe that most of the cost overruns are due to factors for which they were not wholly responsible, some of which relate to "force majeure" events. In this respect, claims for an amount of over AUD 1 billion have been submitted by the Joint Venture.

The physical construction of the plant has been completed, and the commissioning phase, which lasts for around six months, is underway. The plant successfully achieved "preliminary commercial acceptance" on September 29, 2012, and the water produced since that date is now being sold to the State of Victoria.

As the following stages, which are known as "commercial acceptance" and "reliability test performance" have been achieved, the final acceptance of the plant occurred on December 17, 2012. The parties have decided to extend until February 28, 2013 the effects of the standstill agreement which was approved by the lendings banks on May 18, 2012.

27.1.14 Fos Cavaou – Operation

By order dated December 15, 2003 in respect of facilities subject to environmental protection ("ICPE") the Prefect of the Bouches-du-Rhône department authorized Gaz de France to operate an LNG terminal in Fos Cavaou. The building permit for the terminal was issued the same day by a second prefectural order. These two orders have been challenged in court.

Two actions for annulment of the building permit were filed with the Administrative Court of Marseille, one by the Fos-sur-Mer authorities and the other by the Syndicat d'agglomération nouvelle (SAN). These actions were not upheld.

The order authorizing the operation of the terminal is subject to two actions for annulment before the Administrative Court of Marseille, one filed by the Association de Défense et de Protection du Littoral du Golfe de Fos-sur-Mer (ADPLGF) and the other by a private individual.

By a judgment of June 29, 2009, the Administrative Court of Marseille canceled the prefectural order authorizing the operation of the Fos Cavaou terminal. Elengy, which represents the rights of GDF SUEZ in these proceedings and the Minister of Ecology, Energy, Sustainable Development and Sea, filed an appeal on July 9, 2009 and on September 28, 2009, respectively. By a judgment of October 8, 2011, the Administrative Court of Marseille confirmed the cancellation of the order authorizing the operation of December 15, 2003.

On October 6, 2009, the Prefect of the Bouches-du-Rhône department issued an order requiring Elengy to apply for an operating permit for the terminal by June 30, 2010 at the latest in order to comply with administrative regulations. The order enables the building work to be continued and the terminal to be partially operated, subject to specific regulations.

On August 25, 2010, the Prefect of the Bouches-du-Rhône department issued a new order modifying the order of October 6, 2009 and allowing for the unrestricted temporary operation of the terminal pending the fulfillment of all administrative formalities.

Elengy applied for an operating permit with the Prefect on June 30, 2010.

The Prefectural Decree authorizing the full operation of the Fos Cavaou terminal was issued on February 14, 2012.

27.1.15 Fos Cavaou - Construction

On January 17, 2012, Fosmax LNG (former Société du Terminal Méthanier de Fos Cavaou), 72.4%-owned by Elengy and 27.6%-owned by Total, submitted a request for arbitration to the ICC International Court ("CCI") of Arbitration against a consortium consisting of Sofregaz, Tecnimont SpA and Saipem SA (STS).

The dispute relates to the construction of the LNG terminal belonging to Fosmax LNG to be used for LNG unloading, storage, regasification and injection in the gas transportation network.

The terminal was constructed by STS under a fixed lump-sum turnkey contract entered into on May 17, 2004, which included construction work and supplies. The deadline for the completion of the work was September 15, 2008, subject to late payment penalties.

The performance of the contract was marked by a series of difficulties. In view of the fact that STS refused to complete part of the works and delivered an incomplete terminal with an 18-month delay, Fosmax LNG contracted other companies to complete the construction of that part of the works in 2010.

Fosmax LNG instituted arbitration proceedings under the aegis of the ICC, seeking compensation for the losses sustained. Fosmax LNG submitted its statement of claim on October 19, 2012.

27.1.16 Objection of Belgian Nuclear contribution

The December 22, 2008 framework act (loi-programme) provisions imposed a €250 million tax on nuclear power generators. Electrabel (GDF SUEZ Group) filed an appeal with the Belgian Constitutional Court, which rejected this claim by a decision dated March 30, 2010. In addition, the tax was renewed for 2009 [(1)], 2010 [(2)] and 2011 [(3)]. Electrabel has therefore paid a total of €859 million in this respect. Pursuant to a Memorandum of Understanding signed on October 22, 2009 between the Belgium State and the Group, this tax should not have been renewed but should have been replaced by a contribution related to the period extension over which certain nuclear power facilities are operated. On September 9, 2011, Electrabel brought an action to recover the amounts paid. The proceedings are ongoing before the Brussels Court of First Instance.

27.1.17 Claims by the Belgian tax authorities and Energy Administration

The Belgian tax authorities' Special Tax Inspectorate is claiming €188 million from SUEZ-Tractebel, a GDF SUEZ company, concerning past investments in Kazakhstan. SUEZ-Tractebel has filed an appeal against this claim. As the Belgian tax authorities decision is still pending after 10 years, an appeal was lodged with the Brussels Court of First Instance in December 2009.

The Belgian tax authorities taxed the financial income generated in Luxembourg by the Luxembourg-based cash management branches of Electrabel and SUEZ-Tractebel. This financial income, which was already taxed in Luxembourg, is exempt of taxes in Belgium in accordance with the Belgium-Luxembourg Convention for the prevention of double taxation. The Special Tax Inspectorate refuses this exemption on the basis of an alleged abuse of rights. The tax assessed in Belgium amounts to €265 million for the period 2003 to 2009. An initial ruling which did not address the substance of the issue, was handed down on May 25, 2011 in favor of Electrabel. In the meantime, this ruling resulted in a reduction in the amount of tax assessed, amounting to €48 million in 2005 to 2007.

(1) Law of December 23, 2009.

(2) Law of December 29, 2010.

(3) Law of January 8, 2012.

The Belgian Energy Authority has claimed a total tax of €356 million on unused facilities from Electrabel for the period between 2006 and 2011. Given the ruling issued by the Brussels Court of First Instance on February 17, 2010 regarding the tax for facilities that were not used between 2006 and 2008, which is very largely favorable, Electrabel has submitted a statement for the only facility that it believes should be subject to this tax for 2009, 2010, and 2011. Meanwhile, the Authority has upheld its previous position and has drawn up taxes for seven facilities (including the facility declared) for each of those years. Electrabel initially opposed these taxes via the administrative channel, and then via submitting an appeal to the Brussels Court of First Instance. Electrabel has not paid the 2009 and 2010 tax, as it considered that they were drawn up late. Conversely, it has paid an amount of €6.25 million in respect of the 2011 tax for the declared facility. Electrabel has not submitted a return for 2012, as the only facility likely to be subject to the tax for unused site no longer has an electricity generation operating license.

27.1.18 Claim by the French tax authorities

In their tax deficiency notice dated December 22, 2008, the French tax authorities questioned the tax treatment of the sale by SUEZ of a tax receivable in 2005 for an amount of €995 million. On July 7, 2009, they informed GDF SUEZ that they maintained their position, which was confirmed on December 7, 2011. GDF SUEZ is waiting for the tax assessment notice. The decision of the Conseil d'Etat, dated December 10, 2012, in the Rhodia and Accor cases, related to the "*précompte*" can potentially harmer our arguments, without modifying our position after taking into account the progress of the on-going procedures relating to us.

27.1.19 Claim by the Brazilian tax authorities

Tractebel Energia, a GDF SUEZ Group company, contested the tax assessment notice of 323 million [(1)] Brazilian real issued by the Brazilian tax authorities on December 30, 2010 in respect of fiscal years 2005 to 2007. Tractebel Energia considered that the tax authorities wrongly refused to grant it deductions in relation to the tax incentive which provides consideration for intangible assets.

In February 2012, a decision was issued in favor of Tractebel Energia and has been submitted to the Administrative Court for confirmation.

27.2 Competition and concentration

27.2.1 "Accès France" proceeding

On May 22, 2008, the European Commission announced its decision to initiate formal proceedings against Gaz de France for a suspected breach of EU rules pertaining to abuse of dominant position and restrictive business practices. The proceedings relate to a combination of long-term transport capacity reservation and a network of import agreements, as well as potential underinvestment in transport and import infrastructure capacity.

On June 22, 2009, the Commission sent GDF SUEZ, GRTgaz and Elengy a preliminary assessment in which it alleged that GDF SUEZ might have abused its dominant position in the gas sector by foreclosing access to gas import capacity in France. On June 24, 2009, GDF SUEZ, GRTgaz and Elengy offered commitments in response to the preliminary assessment, while expressing their disagreement with the conclusions it contained.

These commitments were submitted to a market test on July 9, 2009, following which the Commission informed GDF SUEZ, GRTgaz and Elengy of how third parties had responded. On October 21, 2009, GDF SUEZ, GRTgaz and Elengy filed amended commitments aimed at facilitating access to and competition on the French natural gas market. The Commission adopted on December 3, 2009 a decision that renders these commitments legally binding. This decision by the Commission put an end to the proceedings initiated in May 2008. GDF SUEZ, GRTgaz and Elengy are continuing to fulfill the commitments under the supervision of a trustee (Société Advolis) approved by the European Commission.

27.2.2 MEGAL

In 2008, Gaz de France received a statement of objections from the European Commission in which it voices its suspicions of concerted practice with E.ON resulting in the restriction of competition on their respective markets regarding, in particular, natural gas supplies transported via the MEGAL pipeline. The Commission considered that these restrictive business practices had begun in 1975, when the agreements relating to the MEGAL pipeline were signed and GDF SUEZ and E.ON had agreed not to supply gas transported via the MEGAL pipeline to customers in their respective markets and lasted until 2005. In 2009, the European Commission fined GDF SUEZ and E.ON €553 million each for agreeing not to compete against each other in their respective gas markets. GDF SUEZ has paid the fine. In 2009, GDF SUEZ brought an action for annulment against the Commission's decision before the General Court of the European Union.

On June 29, 2012, the General Court of the European Union set the fine to be paid by GDF SUEZ at €320 million, thus reducing the original fine of €553 million by €233 million that were redeemed to the Group on July 31, 2012. As this decree was not appealed in the European Court of Justice, it has become final.

27.2.3 Compagnie Nationale du Rhône

On June 10, 2009, the European Commission decided to impose a fine of €20 million on Electrabel for (i) having acquired control of Compagnie Nationale du Rhône (CNR) at the end of 2003, without its prior approval (ii) and for having carried out this control acquisition before its authorization by the European Commission. The decision was handed down further to a statement of objections sent by the Commission on December 17, 2008, to which Electrabel responded in its observations in reply filed on February 16, 2009. On August 20, 2009 Electrabel brought an action for annulment of the Commission's decision before the General Court of the European Union. In its ruling of December 12, 2012, the Court rejected the appeal made against the European Commission's decision in its entirety. Electrabel has appealed before the Court of Justice of the European Union against the Court's decision.

27.2.4 Long-term Power Purchase Agreements in Hungary

The European Commission handed down a decision on June 4, 2008, according to which the long-term Power Purchase Agreements entered into between power generators and the Hungarian State, which were in force at the time of Hungary's accession to the European Union, constituted illegal State aid, incompatible with the Treaty on the Functioning of the European Union. It asked the Hungarian State to review these contracts, recover the related State aid from the power generators and, when necessary, to indemnify the parties to the agreements via a compensation mechanism for stranded costs. The Group is directly involved as its subsidiary Dunamenti Erőmű is a party to a long-term Power Purchase Agreement entered into with MVM,

(1) *Approximately €118 million.*

Hungary's state-owned power company, on October 10, 1995. The Hungarian government then passed a law providing for the termination of the Power Purchase Agreements with effect from December 31, 2008 and the recovery of the related State aid. Dunamenti brought an action before the General Court of the European Union on April 28, 2009 for annulment of the Commission's decision. The proceedings are still ongoing.

On April 27, 2010, the European Commission rendered a decision approving the State aid payable by Dunamenti Erőmű and the amount of its stranded costs and allowing Dunamenti Erőmű to offset the State aid deemed illegal and the stranded costs. The compensation mechanism enabled Dunamenti Erőmű to escape from the obligation to pay back the State aid deemed illegal. In 2015, at the initial expiration date of Dunamenti' Erőmű s long-term Power Purchase Agreement, Hungary will recalculate the amount of stranded costs, which could result in Dunamenti having to reimburse aid at that time [1].

27.2.5 Inquiry into the Belgian electricity wholesale market

In September 2009 and June 2010, the Belgian competition authority (*Autorité belge de concurrence*) organized raids on several companies operating in Belgium's electricity wholesale market, including Electrabel, a GDF SUEZ company.

The inquiry, to which Electrabel has provided its support, is now closed.

The case was forwarded to the Competition Authority on February 7, 2013. The College of Competition Prosecutors ("*Auditorat*") of the Competition Authority considered that Electrabel abused its dominant position between 2006 and 2010. Electrabel is formally disputing these allegations and will put forward its arguments as part of adversarial proceedings before the Competition Authority.

27.2.6 Inquiry into the water distribution and treatment sector in France

In April 2010, the European Commission conducted inspections in the offices of different French companies working in the water and water treatment sector with respect to their possible involvement in practices which fail to comply with Articles 101 and 102 of the Treaty on the Functioning of the European Union. Inspections were conducted within SUEZ Environnement Company ("SEC") and Lyonnaise des Eaux France.

A door seal was accidentally dislodged during the inspection in Lyonnaise des Eaux France's offices. On May 21, 2010, in accordance with chapter VI of EU Regulation no. 1/2003, the Commission decided to launch proceedings with regard to this incident. Within the framework of this proceeding, SEC submitted information relating to this incident to the Commission. The European Commission set the fine for the breach of a seal at €8 million and notified SEC Company and Lyonnaise des Eaux France on May 24, 2011, fine which has been paid in 2011.

On January 13, 2012, the European Commission notified SUEZ Environnement Company and Lyonnaise des Eaux of its decision to initiate a formal investigation procedure to determine whether SAUR, SEC, VEOLIA and the French water companies trade association (Féderation professionnelle des entreprises de l'eau) were engaged in anti-trust practices affecting the markets of delegated management services in relation to water and water treatment in France. The European Commission carried out a further inspection at Lyonnaise des Eaux's premises during March 2012.

NOTE 28 SUBSEQUENT EVENTS

28.1 Asset optimization program

The disposals of 24.5% in SPP and 80% in IP Maestrale were finalized on January 23, 2013 and February 13, 2013 respectively (see Note 2.4 "Assets held for sale"). At these dates, the Group received cash payments of respectively €1,127 million (SPP) and €28 million (IP Maestrale).

28.2 Regulated gas tariffs in France

Via three decisions on January 30, 2013, the *Conseil d'Etat* (France's highest administrative court) cancelled the decrees of June 27, 2011, July 18, 2012 and September 26, 2012 on the grounds that they did not set the increase in the regulated price of natural gas at the level required to cover the costs of GDF SUEZ. The *Conseil d'Etat* therefore urged the French State to issue new decrees to correct this unlawful position within one month. The positive impact of the decision of the *Conseil d'Etat* and of the new tariff decrees will be recognized in the 2013 income statement and represents an amount of around €150 million at EBITDA level (see Note 27.1.6 "Freeze of regulated natural gas prices in France from October 1, 2011").

In January 2013, the Group and the French State also signed an amendment to the Public Service Contract of December 23, 2009 (which sets out the Group's public obligations and the conditions for changing regulated gas tariffs). This new tariff framework, which came into force since February 1, 2013, introduces a monthly adjustment mechanism for the gas tariff and provides clear rules to ensure a cost pass through and a margin on the gas sale activities in France.

28.3 Confirmation of the non renewal of the SUEZ Environnement Company Shareholder Agreement

On January 22, 2013, the Group confirmed, in line with the announcement made on December 5, 2012 and given the various notices of termination received from the parties concerned, that the SUEZ Environnement shareholders' agreement will not be renewed and will therefore expire on July 22, 2013 for all the parties involved.

SUEZ Environnement Company will be accounted for under the equity method as from July 2013 in the GDF SUEZ's consolidated financial statements (see Note 2.2 "Announcement of the non renewal of the SUEZ Environnement Company Shareholder Agreement").

GDF SUEZ and SUEZ Environnement Company also signed a framework agreement aiming at continuing the industrial and commercial cooperation between the two groups.

(1) *Refer also to Note 27.1.1 "Electrabel – Hungarian State"*

NOTE 29 LIST OF THE MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2012

The table below is provided for indicative purposes only and only includes the main fully consolidated companies in the GDF SUEZ Group. The aim is to present the list of entities which comprise 80% of the following indicators: revenues, EBITDA and net debt. As a reminder, the main associates (consolidated by equity method), and entities consolidated by the proportional consolidation method are presented in Notes 13 "Investments in associates" and 14 "Investments in joint ventures" respectively.

The FC abbreviation is used to indicate the full consolidation method.

Entities marked with an asterisk (*) form part of the legal entity GDF SUEZ SA.

ENERGY INTERNATIONAL

The Group purchased the non-controlling interest of 30.26% in International Power on June 29, 2012. Following this transaction, the Group's interest in International Power amounted to 100%.

		% interest		% control		Consolidation method	
Company name	**Corporate headquarters**	**Dec. 2012**	**Dec. 2011**	**Dec. 2012**	**Dec. 2011**	**Dec. 2012**	**Dec. 2011**
North America Region							
GDF SUEZ ENERGY GENERATION NORTH AMERICA Group	1990 Post Oak Boulevard - Suite 1900 Houston - TX 77056-4499 - United States	100.0	69.8	100.0	100.0	FC	FC
GDF SUEZ GAS NA LLC Group	1990 Post Oak Boulevard - Suite 1900 Houston - TX 77056-4499 - United States	100.0	69.8	100.0	100.0	FC	FC
GDF SUEZ ENERGY MARKETING NORTH AMERICA Group	1990 Post Oak Boulevard - Suite 1900 Houston - TX 77056-4499 - United States	100.0	69.8	100.0	100.0	FC	FC
GDF SUEZ ENERGY RESOURCES NORTH AMERICA Group	1990 Post Oak Boulevard - Suite 1900 Houston - TX 77056-4499 - United States	100.0	69.8	100.0	100.0	FC	FC

		% interest		% control		Consolidation method	
Company name	**Corporate headquarters**	**Dec. 2012**	**Dec. 2011**	**Dec. 2012**	**Dec. 2011**	**Dec. 2012**	**Dec. 2011**
Latin America Region							
E-CL SA Group	Avda. El Bosque Norte 500 - of. 902 - Santiago - Chile	52.8	36.8	52.8	52.8	FC	FC
TRACTEBEL ENERGIA Group	Rua Paschoal Apóstolo Pítsica, 5064 - Agronômica Florianopolis - Santa Catarina - Brazil	68.7	48.0	68.7	68.7	FC	FC
ENERSUR	Av. República de Panamá 3490 - San Isidro - Lima 27 - Peru	61.8	43.1	61.8	61.7	FC	FC

		% interest		% control		Consolidation method	
Company name	**Corporate headquarters**	**Dec. 2012**	**Dec. 2011**	**Dec. 2012**	**Dec. 2011**	**Dec. 2012**	**Dec. 2011**
Asia Region							
GLOW ENERGY PUBLIC CO. Ltd	195 Empire Tower, 38th Floor - Park Wing - South Sathorn Road - Yannawa - Sathorn - Bangkok 10120 - Thailand	69.1	48.2	69.1	69.1	FC	FC
Gheco-One Company Ltd	11, I-5 Road - Tambon Map Ta Phut - Muang District - Rayong Province 21150 - Thailand	44.9	31.3	65	65	FC	FC

Company name	Corporate headquarters	% interest Dec. 2012	% interest Dec. 2011	% control Dec. 2012	% control Dec. 2011	Consolidation method Dec. 2012	Consolidation method Dec. 2011
United Kingdom & Other Europe Region							
GDF SUEZ ENERGY UK RETAIL	1, City Walk - LS11 9DX - Leeds - United Kingdom	100.0	69.8	100.0	100.0	FC	FC
FHH (Guernsey) Ltd	Glategney Court - Po Box 140 - Glategney Esplanade - GY1 3HQ – St. Peter Port - Guernsey	75.0	52.3	100.0	100.0	FC	FC
SALTEND	Senator House - 85 Queen Victoria Street - London - United Kingdom	75.0	52.3	100.0	100.0	FC	FC

Company name	Corporate headquarters	% interest Dec. 2012	% interest Dec. 2011	% control Dec. 2012	% control Dec. 2011	Consolidation method Dec. 2012	Consolidation method Dec. 2011
Middle East, Turkey and Africa Region							
BAYMINA ENERJI A.S.	Ankara Dogal Gaz Santrali - Ankara Eskisehir Yolu 40.Km - Maliköy Mevkii - 06900 Polatli / Ankara - Turkey	95.0	66.3	95.0	95.0	FC	FC

Company name	Corporate headquarters	% interest Dec. 2012	% interest Dec. 2011	% control Dec. 2012	% control Dec. 2011	Consolidation method Dec. 2012	Consolidation method Dec. 2011
Australia Region							
HAZELWOOD POWER PARTNERSHIP	PO Box 195, Brodribb Road - Morwell Victoria 3840 - Australia	91.8	64.1	91.8	91.8	FC	FC
Loy Yang B Consolidated	Level 33, Rialto South Tower - 525 Collins Street - Melbourne Vic 3000 - Australia	70.0	48.9	100.0	100.0	FC	FC

Company name	Corporate headquarters	% interest Dec. 2012	% interest Dec. 2011	% control Dec. 2012	% control Dec. 2011	Consolidation method Dec. 2012	Consolidation method Dec. 2011
Corporate Region							
INTERNATIONAL POWER PLC (IPR)	Senator House - 85 Queen Victoria Street - London – EC4V 4DP - United Kingdom	100.0	69.8	100.0	69.8	FC	FC
INTERNATIONAL POWER CONSOLIDATED HOLDINGS LIMITED	Senator House - 85 Queen Victoria Street - London – EC4V 4DP - United Kingdom	100.0	69.8	100.0	100.0	FC	FC
International Power Brussels	Boulevard Simon Bolivar, 34 - 1000 Brussels - Belgium	100.0	69.8	100.0	100.0	FC	FC
International Power Australia Finance	Senator House - 85 Queen Victoria Street - London - EC4V 4DP - United Kingdom	100.0	69.8	100.0	100.0	FC	FC

ENERGY EUROPE

Company name	Corporate headquarters	% interest Dec. 2012	% interest Dec. 2011	% control Dec. 2012	% control Dec. 2011	Consolidation method Dec. 2012	Consolidation method Dec. 2011
Central Western Europe							
COMPAGNIE NATIONALE DU RHÔNE (CNR)	2, rue André Bonin - 69004 Lyon - France	49.9	49.9	49.9	49.9	FC	FC
GDF SUEZ SA - Energie Europe *	1, place Samuel de Champlain - 92930 Paris La Défense - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ Thermique France	2, place Samuel de Champlain - 92930 Paris La Défense - France	100.0	100.0	100.0	100.0	FC	FC
CHP (BtoC) *	1, place Samuel de Champlain - 92930 Paris La Défense - France	100.0	100.0	100.0	100.0	FC	FC
PPE (BtoB) *	1, place Samuel de Champlain - 92930 Paris La Défense - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ SA - Appro Statut *	1, place Samuel de Champlain - 92930 Paris La Défense - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ Kraftwerk Wilhemshaven	Friedrichstrasse 200 - 10117 Berlin - Germany	57.0	57.0	52.0	52.0	FC	FC
SAVELYS Group	23, rue Philibert Delorme - 75017 Paris - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ Energie Nederland NV	Grote Voort 291 - 8041 BL Zwolle Netherlands	100.0	100.0	100.0	100.0	FC	FC
ELECTRABEL	Boulevard Simon Bolivar, 34 - 1000 Brussels – Belgium	100.0	100.0	100.0	100.0	FC	FC
ELECTRABEL CUSTOMER SOLUTIONS	Boulevard Simon Bolivar, 34 - 1000 Brussels – Belgium	95.8	95.8	95.8	95.8	FC	FC
SYNATOM	Avenue Ariane, 7 - 1200 Brussels - Belgium	100.0	100.0	100.0	100.0	FC	FC

Information regarding Luxembourg and Dutch companies exempted from the requirement to publish annual financial statements

Some companies in the Energy Europe business line do not publish annual financial statements pursuant to the 7th European Directive and to domestic provisions in Luxembourg and Dutch law relating to the exemption from the requirement to publish audited annual financial.

The companies exempted are:

- GDF SUEZ Energie Nederland NV,
- GDF SUEZ Energie Nederland Holding BV,
- Electrabel Nederland Retail BV,
- Electrabel United Consumers Energie BV,
- Epon Eemscentrale III BV,
- Epon Eemscentrale IV BV,
- Epon Eemscentrale V BV,
- Epon Eemscentrale VI BV,
- Epon Eemscentrale VII BV,
- Epon Eemscentrale VIII BV,
- Epon International BV,
- Epon Power Engineering BV,
- GDF SUEZ Portfolio Management BV,
- and Electrabel Invest Luxembourg.

Company name	Corporate headquarters	% interest		% control		Consolidation method	
		Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011
Other Europe							
DUNAMENTI Erőmű	Erőmű ut 2, 2440 Szazhalombatta - Hungary	74.8	74.8	74.8	74.8	FC	FC
GDF SUEZ ENERGIA POLSKA SA	Zawada 26 - 28-230 Polaniec - Poland	100.0	100.0	100.0	100.0	FC	FC
ROSIGNANO ENERGIA SPA	Via Piave N° 6 - Rosignano Marittimo - Italy	99.5	99.5	99.5	99.5	FC	FC
GDF SUEZ PRODUZIONE	Lungotevere Arnaldo da Brescia,12 - 00196 Rome - Italy	100.0	100.0	100.0	100.0	FC	FC
SC GDF SUEZ Energy România SA	Bld Marasesti, 4-6, sector 4 - Bucharest - Romania	51.0	51.0	51.0	51.0	FC	FC
GSEM	Pulcz u. 44 - H 6724 - Szeged - Hungary	99.9	99.9	99.9	99.9	FC	FC
GDF SUEZ ENERGIA ITALIA SPA	Lungotevere Arnaldo da Brescia,12 - 00196 Rome - Italy	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ Energie	Via Spadolini, 7 - 20141 Milan - Italy	100.0	100.0	100.0	100.0	FC	FC

Global Gas & LNG

Company name	Corporate headquarters	% interest		% control		Consolidation method	
		Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011
GDF SUEZ E&P International	1, Place Samuel de Champlain - 92400 Courbevoie - France	70.0	70.0	70.0	70.0	FC	FC
GDF SUEZ E&P UK Ltd	40, Holborn Viaduct - London EC1N 2PB - United Kingdom	70.0	70.0	100.0	100.0	FC	FC
GDF SUEZ E&P NORGE AS	Vestre Svanholmen 6 - 4313 Sandnes - Norway	70.0	70.0	100.0	100.0	FC	FC
GDF PRODUCTION NEDERLAND BV	Einsteinlaan 10 - 2719 EP Zoetermeer - Netherlands	70.0	70.0	100.0	100.0	FC	FC
GDF SUEZ E&P DEUTSCHLAND GmbH	Waldstrasse 39 - 49808 Linden - Germany	70.0	70.0	100.0	100.0	FC	FC
GDF SUEZ SA - B3G *	1, place Samuel de Champlain - 92930 Paris La Défense - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ GLOBAL LNG SUPPLY SA	65, avenue de la Gare - 1611 Luxembourg - Grand Duchy of Luxembourg	100.0	100.0	100.0	100.0	FC	FC

INFRASTRUCTURES

		% interest		% control		Consolidation method	
Company name	Corporate headquarters	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011
STORENGY	Immeuble Djinn - 12, rue Raoul Nordling - 92270 Bois-Colombes - France	100.0	100.0	100.0	100.0	FC	FC
ELENGY	Immeuble Eole - 11, avenue Michel Ricard - 92270 Bois-Colombes - France	100.0	100.0	100.0	100.0	FC	FC
GrDF	6, rue Condorcet - 75009 Paris - France	100.0	100.0	100.0	100.0	FC	FC
GRTgaz	Immeuble Bora - 6, rue Raoul Nordling - 92270 Bois-Colombes - France	75.0	75.0	75.0	75.0	FC	FC

ENERGY SERVICES

		% interest		% control		Consolidation method	
Company name	Corporate headquarters	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011
COFELY ITALIA Spa	Via Ostiense, 333 - 00146 Rome - Italy	100.0	100.0	100.0	100.0	FC	FC
AXIMA Seitha	46, boulevard de la Prairie du Duc - 44000 Nantes - France	100.0	100.0	100.0	100.0	FC	FC
COFELY AG	Thurgauerstrasse 56 - Postfach - 8050 Zurich - Switzerland	100.0	100.0	100.0	100.0	FC	FC
CPCU	185, rue de Bercy - 75012 Paris - France	64.4	64.4	64.4	64.4	FC	FC
FABRICOM SA	254, rue de Gatti de Gamond - 1180 Brussels - Belgium	100.0	100.0	100.0	100.0	FC	FC
ENDEL Group	1, place des Degrés - 92059 Paris La Défense - France	100.0	100.0	100.0	100.0	FC	FC
COFELY NEDERLAND NV Group	Kosterijland 20 - 3981 AJ Bunnik - Netherlands	100.0	100.0	100.0	100.0	FC	FC
INEO Group	1, place des Degrés - 92059 Paris La Défense - France	100.0	100.0	100.0	100.0	FC	FC

SUEZ ENVIRONNEMENT

GDF SUEZ holds 35.76% of SUEZ Environnement Company and exercises exclusive control through a shareholders' agreement. Accordingly, SUEZ Environnement Company is fully consolidated.

The GDF SUEZ Group has decided not to renew the shareholders' agreement when it expires in July 2013 (see Note 2 "Main changes in scope of consolidation").

		% interest		% control		Consolidation method	
Company name	Corporate headquarters	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011
SUEZ Environnement Company	Tour CB21 - 16, place de l'Iris - 92040 Paris La Défense - France	35.8	35.9	35.8	35.7	FC	FC
Lyonnaise des Eaux Group France	Tour CB21 - 16, place de l'Iris - 92040 Paris La Défense - France	35.8	35.9	100.0	100.0	FC	FC
BSE Group	Tour CB21 - 16, place de l'Iris - 92040 Paris La Défense - France	35.8	35.9	100.0	100.0	FC	FC
AGBAR Group	Torre Agbar - Avenida Diagonal 211 - 08018 Barcelona - Spain	26.8	27.0	99.5	99.5	FC	FC
SITA HOLDINGS UK LTD Group	Grenfell road - Maidenhead - Berkshire SL6 1ES - United Kingdom	35.8	35.9	100.0	100.0	FC	FC
SITA DEUTSCHLAND GMBH Group	Industriestrasse 161 - 50999, Cologne - Germany	35.8	35.9	100.0	100.0	FC	FC
SITA NEDERLAND BV Group	Mr E.N. van Kleffensstraat 6 - Postbus 7009 - 6801 HA Arnhem - Netherlands	35.8	35.9	100.0	100.0	FC	FC
SITA France Group	Tour CB21 - 16, place de l'Iris - 92040 Paris La Défense - France	35.7	35.9	99.9	99.9	FC	FC
LYDEC	48, boulevard Mohamed Diouri - Casablanca – Morocco	18.2	18.3	51.0	51.0	FC	FC
UNITED WATER Group	200 Old Hook Road - Harrington Park - New Jersey - United States	35.8	35.9	100.0	100.0	FC	FC

Other

		% interest		% control		Consolidation method	
Company name	Corporate headquarters	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011
GDF SUEZ SA *	1, place Samuel de Champlain - 92930 Paris La Défense - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ BELGIUM	Place du Trône, 1 - 1000 - Brussels - Belgium	100.0	100.0	100.0	100.0	FC	FC
GIE - GDF SUEZ ALLIANCE	1, place Samuel de Champlain - 92930 Paris La Défense - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ FINANCE SA	1, place Samuel de Champlain - 92930 Paris La Défense - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ CC	Place du Trône, 1 - 1000 - Brussels - Belgium	100.0	100.0	100.0	100.0	FC	FC
GENFINA	Place du Trône, 1 - 1000 - Brussels - Belgium	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ Energie Deutschland	Friedrichstrasse 200 - 10117 Berlin - Germany	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ Invest International SA	65, avenue de la Gare - 1611 Luxembourg - Grand Duchy of Luxembourg	100.0	100.0	100.0	100.0	FC	FC

Information regarding Luxembourg and Dutch companies exempted from the requirement to publish annual financial statements

Some companies in the Other business line do not publish annual financial statements pursuant to the 7th European Directive and to domestic provisions in Luxembourg and Dutch law relating to the exemption from the requirement to publish audited annual financial.

The companies exempted are:

- GDF SUEZ Corp Luxembourg SARL;
- GDF SUEZ Treasury Management SARL;
- and GDF SUEZ Invest International SA.

NOTE 30 FEES PAID TO THE STATUTORY AUDITORS AND TO MEMBERS OF THEIR NETWORKS

The GDF SUEZ Group's Statutory Auditors were Deloitte, Ernst & Young, and Mazars. In accordance with French decree No. 2008-1487, fees paid to the Statutory Auditors and the members of their networks by the Group are disclosed in the table below.

	Ernst & Young				Deloitte				Mazars			
	Amount		%		Amount		%		Amount		%	
In millions of euros	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Audit												
Statutory audit, attest engagements and review of consolidated and parent company financial statements (1)												
• GDF SUEZ SA	2.3	2.4	11.7%	12.1%	1.4	1.6	7.2%	8.4%	1.3	1.4	15.3%	18.4%
• Fully and proportionately consolidated subsidiaries	13.7	13.5	71.0%	69.0%	14.9	14.5	77.3%	74.4%	5.9	5.5	71.5%	73.1%
Other audit-related procedures and services												
• GDF SUEZ SA	0.5	0.7	2.5%	3.5%	0.6	0.3	3.3%	1.7%	0.3	0.3	3.6%	4.0%
• Fully and proportionately consolidated subsidiaries	1.6	2.0	8.4%	10.3%	1.3	0.7	6.5%	3.4%	0.6	0.1	7.4%	1.5%
SUB-TOTAL	**18.1**	**18.6**	**93.7%**	**94.9%**	**18.2**	**17.2**	**94.3%**	**87.9%**	**8.0**	**7.3**	**97.8%**	**97.0%**
Other services												
• Tax	1.1	0.9	5.5%	4.5%	1.1	1.4	5.6%	7.2%	0.0	0.0	0.4%	0.5%
• Other	0.2	0.1	0.9%	0.6%	0.0	1.0	0.1%	4.9%	0.1	0.2	1.8%	2.6%
SUB-TOTAL	**1.2**	**1.0**	**6.3%**	**5.1%**	**1.1**	**2.4**	**5.7%**	**12.1%**	**0.2**	**0.2**	**2.2%**	**3.0%**
TOTAL (2)	**19.3**	**19.6**	**100%**	**100%**	**19.3**	**19.5**	**100%**	**100%**	**8.2**	**7.5**	**100%**	**100%**

(1) Fees incurred in 2012 in respect of proportionately consolidated entities, essentially as a result of statutory audit engagements, amounted to €0.2 million for Deloitte (€0.2 million in 2011), €0.5 million for Ernst & Young (€0.3 million in 2011) and €0.1 million for Mazars (€0.1 million in 2011).

(2) Fees paid to audit firms other than the Group's Statutory Auditors amounted to €3.5 million in 2012 (€4.5 million in 2011).

6.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the GDF SUEZ management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders

In compliance with the assignment entrusted to us by your shareholder's general meetings, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the accompanying consolidated financial statements of GDF SUEZ;
- the justification of our assessments;
- the specific verification required by French law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes performing procedures, using sample testing techniques or other selection methods, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2012 and of the results of its operations for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

As disclosed in Note 1.3 *"Use of estimates and judgment"* to the consolidated financial statements, the GDF SUEZ Group is required to make estimates and assumptions in order to prepare its consolidated financial statements; the future results of the related transactions may differ from these estimates. These estimates have been prepared in a context of economic and financial crisis and of high volatility of the markets whose consequences make it difficult to forecast economic mid-term perspectives. It is in this context, that we have made our own assessments, notably on the following significant accounting assumptions:

Measurement of the fair value of goodwills, and of tangible and intangible assets

We have examined the methods used to perform impairment tests and assessed the data and assumptions used for the determination of recoverable amounts as well as the procedure for approving these estimates by management. We have reviewed the calculations made by the Group and verified that notes 1.3.1.2,.5.2 and 10 to the consolidated financial statements provide appropriate disclosure.

Regarding significant *goodwill* CGUs "Energy-Central Western Europe CGU", "Distribution CGU", "Global Gas & LNG CGU" and "Storage CGU", we have examined the key assumptions as disclosed in note 1.3.1.2 to the consolidated financial statements, assessed the sensitivity of the measurements to these assumptions and verified that Note 10.3.1. to the consolidated financial statements provide appropriate disclosure on the recoverable amounts used.

Evaluation of the provisions for back-end nuclear cycle and provisions for dismantling of nuclear facilities

We have reviewed the bases on which these provisions have been recorded and verified that notes 1.3.1.3 and 18 to the consolidated financial statements provide appropriate disclosures, notably the main assumptions, such as the scenario retained for managing radioactive fuel, costs assumptions, the timetable of operations and the discount rate.

Evaluation of the provisions for litigation

We have assessed the bases on which these provisions have been recorded and verified that notes 18 and 27 to the consolidated financial statements provide appropriate disclosure.

Measurement of revenues not yet metered (so called "un-metered revenues")

The Group estimates revenue related to electricity and gas sales to customers segments whose energy consumption is metered during the accounting period on the bases of estimations of consumption in line with the volume of energy allocated by the grid managers on the same period and estimations of average selling prices. Our work consisted in assessing the methods and assumptions used to calculate these estimates and verifying that Note 1.3.1.6 to the consolidated financial statements provides appropriate disclosure.

Accounting policies and methods

We have examined the appropriateness of the accounting treatments adopted by the GDF SUEZ Group, in particular, in respect of:

- the practical applications of the provisions of IAS 39 relating to the type of contracts considered to be part of "normal activity", areas that are not the subject of specific provisions under IFRS, as adopted in the European Union;
- the accounting treatment applied to concession contracts,

We verified that Note 1 to the consolidated financial statements provides appropriate disclosure in this respect.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information relating to the Group presented in the management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, March 6, 2013

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres	MAZARS
Véronique Laurent	Pascal Macioce	Isabelle Sapet
Pascal Pincemin	Charles-Emmanuel Chosson	Thierry Blanchetier

6.4 PARENT COMPANY FINANCIAL STATEMENTS

NB: Amounts in tables are generally expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals and changes.

6.4.1 FINANCIAL STATEMENTS

Balance sheet – assets

In millions of euros	Note	Dec. 31, 2012 Gross	Dec. 31, 2012 Depreciation, amortization and impairment	Dec. 31, 2012 Net	Dec. 31, 2011 Net
NON-CURRENT ASSETS					
Intangible assets	C 1-2-8	1,416	684	732	773
Property, plant and equipment	C 1-2-8	1,016	554	462	473
Financial fixed assets	C 4				
Equity investments		67,699	3,039	64,660	61,548
Other financial fixed assets		1,680	394	1,286	1,601
	I	**71,811**	**4,671**	**67,140**	**64,395**
CURRENT ASSETS					
Inventories	C 5-8				
Gas reserves		2,010		2,010	1,965
Other		1		1	1
Advances and downpayments received on orders		**1**		**1**	**8**
Operating receivables	C 6-8				
Trade and other receivables		5,333	220	5,113	4,221
Other operating receivables		695		695	801
Miscellaneous receivables					
Current accounts with subsidiaries		7,343		7,343	7,233
Other miscellaneous receivables		826	21	805	1,131
Marketable securities	C 9	**1,695**	**47**	**1,648**	**1,699**
Cash and cash equivalents		**127**		**127**	**245**
	II	**18,031**	**288**	**17,743**	**17,304**
ACCRUALS	III C 7	**520**		**520**	**726**
UNREALIZED FOREIGN EXCHANGE LOSSES	IV	**318**		**318**	**602**
TOTAL ASSETS	**(I TO IV)**	**90,680**	**4,959**	**85,721**	**83,027**

Balance sheet – equity and liabilities

In millions of euros		Note	Dec. 31, 2012	Dec. 31, 2011
EQUITY				
SHAREHOLDERS' EQUITY		C 10		
Share capital			2,413	2,253
Additional paid-in capital			32,207	29,715
Revaluation adjustments			42	42
Legal reserve			241	226
Other reserves			183	147
Retained earnings			12,230	13,189
Net income			890	2,389
Interim dividend			(1,887)	(1,838)
Tax-driven provisions and investment subsidies		C 12	657	715
	I		**46,976**	**46,838**
OTHER EQUITY	II	C 11	454	454
	I + II		**47,430**	**47,292**
PROVISIONS FOR CONTINGENCIES AND LOSSES	III	C 12	3,021	3,416
LIABILITIES				
Borrowings and debt		C 13-14-15		
Borrowings			26,537	20,698
Current accounts with subsidiaries			117	2,625
Other borrowings and debt			936	1,162
			27,590	**24,485**
Advances and downpayments received on orders			2	1
Trade and other payables			4,855	4,900
Tax and employee-related liabilities			1,113	988
Other liabilities			1,243	1,209
	IV		**34,803**	**31,583**
ACCRUALS	V	C 7	138	197
UNREALIZED FOREIGN EXCHANGE GAINS	VI		329	539
TOTAL EQUITY AND LIABILITIES	**(I TO VI)**		**85,721**	**83,027**

Income statement

In millions of euros	Note	Dec. 31, 2012	Dec. 31, 2011
Energy sales		25,878	22,143
Other production sold		2,037	1,983
REVENUES	**C 16**	**27,915**	**24,126**
Production taken to inventory		0	0
Production for own use		74	74
TOTAL PRODUCTION		**27,989**	**24,200**
Energy purchases and change in gas reserves		(20,324)	(16,994)
Other purchases		(81)	(29)
Other external charges		(6,895)	(6,924)
VALUE ADDED		**689**	**253**
Taxes and duties net of subsidies received		(68)	(83)
Personnel costs		(737)	(769)
GROSS OPERATING INCOME/(LOSS)		**(116)**	**(599)**
Net additions to depreciation, amortization and impairment	C 17	(202)	(74)
Net additions to provisions	C 17	165	(117)
Other operating income and expenses		(114)	(285)
NET OPERATING LOSS		**(267)**	**(1,075)**
NET FINANCIAL INCOME	**C 18**	**749**	**3,161**
NET RECURRING INCOME		**482**	**2,086**
NON-RECURRING ITEMS[1]	**C 19**	**(134)**	**486**
ADJUSTMENT TO “GAS IN THE METER” NET OF TAX	**B**	**0**	**(478)**
INCOME TAX[1]	**C 20**	**542**	**295**
NET INCOME		**890**	**2,389**

(1) Excluding the impact of adjustments to “gas in the meter” in 2011.

Cash flow statement

In millions of euros		Dec. 31, 2012	Dec. 31, 2011
1. Cash flows from operations[1]	**1**	**1,041**	**1,898**
Change in inventories	2a	46	779
Change in trade receivables (net of trade receivables with a credit balance)[1]	2b	849	(1,575)
Change in trade payables	2c	45	328
Change in other items[1]	2d	(660)	437
2. Change in working capital requirements (2a+2b+2c+2d)[1]	**2**	**(280)**	**(31)**
CASH FLOW FROM OPERATING ACTIVITIES	**(1 – 2) I**	**761**	**1,929**
II - Investing activities			
1. Cash flow used in investing activities			
Property, plant and equipment and intangible assets		150	164
Financial fixed assets		3,621	6,454
Change in amounts payable on investments			1,100
	1	**3,771**	**7,718**
2. Cash flow from investing activities			
Net proceeds from asset disposals		184	1,538
Decrease in financial fixed assets		303	8,427
	2	**487**	**9,965**
CASH FLOW FROM INVESTING ACTIVITIES	**(1- 2) II**	**3,284**	**(2,247)**
III - CASH FLOW AFTER OPERATING AND INVESTING ACTIVITIES	**(I – II) III**	**(2,523)**	**4,176**
IV - Financing activities			
1. Capital increases[2]	**1**	**2,669**	**35**
2. Dividends and interim dividends paid to shareholders[3]	**2**	**(3,360)**	**(3,328)**
3. Financing raised on capital markets			
Bond issues		6,487	2,261
Short- and medium-term credit facilities[4]		1,378	3,383
	3	**7,865**	**5,644**
4. Repayments			
Bond issues and short- and medium-term credit facilities[4]		1,788	3,254
	4	**1,788**	**3,254**
CASH FLOW USED IN FINANCING ACTIVITIES	**(1 + 2 + 3 – 4) IV**	**5,386**	**(903)**
V - CHANGE IN CASH AND CASH EQUIVALENTS[4]	**(III + IV) V**	**2,863**	**3,273**

(1) Amounts in 2011 have been restated to reflect the adjustment to delivered unbilled natural gas ("gas in the meter").

(2) The capital increase in 2012 corresponds to the payment of the €1,134 million balance of the 2011 dividend in shares and to the €1,460 million payment for the 2012 interim dividend, together with the exercise of share options by employees in an amount of €76 million (compared with €35 million in 2011).

(3) The €3,360 million corresponds to the 2011 dividend, net of the interim dividend paid in 2011, i.e. €1,474 million (including €1,134 million in shares, €335 million paid in cash, and a €5 million cash payment on the option portion of the securities), and to the 2012 interim dividend, i.e. €1,887 million (including €1,460 million in shares, €418 million in cash, and a €9 million cash payment on the option portion of the securities).

(4) Since 2011, the issuance and redemption of euro and US commercial paper has been shown on a net basis. In 2012, the redemption of borrowings and debt corresponded to the repayment of bond issues.

6.4.2 Notes to the parent Company financial statements

A. Summary of significant accounting policies

The 2012 financial statements have been drawn up in euros in compliance with the general principles prescribed in the French chart of accounts, as set out in Regulation No. 99.03 issued by the French Accounting Standards Committee (*Comité de la Réglementation Comptable* – CRC), and with the valuation methods described below.

Financial transactions involving equity investments, securities and the related receivables, especially impairment charges or reversals, are included in non-recurring items rather than financial items. In accordance with Article 120-2 of the French chart of accounts, GDF SUEZ SA considers that although this classification diverges from French accounting standards, it gives a more faithful view of the income statement because all items of income and expenses relating to equity investments can be shown together with capital gains or losses on disposals under non-recurring items.

Use of estimates and judgment

The preparation of financial statements requires GDF SUEZ SA to use estimates and assumptions that affect the amounts reported in the financial statements or in the notes thereto. This mainly concerns provisions for site rehabilitation costs, the measurement of derivative financial instruments not quoted on an active market, provisions for contingencies, the measurement of equity investments, delivered unbilled natural gas ("gas in the meter"), and provisions and off-balance sheet commitments relating to employee benefits.

The financial crisis has led the Group to reinforce its risk monitoring procedures and to factor in a risk assessment process – particularly of counterparty risk – when pricing its financial instruments. The Company has taken the crisis and the ensuing severe market volatility into account in its business plans and in the various discount rates used to perform impairment tests and calculate provisions.

The financial statements reflect management's best estimates of these amounts, based on information available at the end of the reporting period.

Shareholders' equity

Additional paid-in capital

External costs directly attributable to capital increases are deducted from additional paid-in capital. Other costs are expensed as incurred.

Merger premium

External expenses directly attributable to the merger between Gaz de France SA and SUEZ SA in 2008 are deducted from the merger premium.

Revaluation adjustments

This caption results from the legal revaluations of non-amortizable assets not operated under concessions carried out in 1959 and 1976.

Other equity irredeemable and non-voting securities (titres participatifs)

GDF SUEZ SA issued irredeemable and non-voting securities in 1985 and 1986 pursuant to Law No. 83.1 of January 10, 1983 and Law No. 85.695 of July 11, 1985. These securities are shown in liabilities for their nominal amount and are redeemable only at the initiative of GDF SUEZ SA. Interest paid on irredeemable and non-voting securities is included in financial expenses (see Note 11).

Irredeemable and non-voting securities that have been redeemed are classified in "Marketable securities".

Gains or losses arising on the cancelation of irredeemable and non-voting securities bought back by the Company are shown in financial items.

Intangible assets

This caption mainly comprises:

- the purchase cost or production cost of software, amortized over its estimated useful life;
- the technical loss resulting from the merger.

Technical losses are allocated off-the-books to the various assets contributed within the scope of the merger. In the event of a disposal, the portion of the loss relating to the assets sold is reversed through income.

Research costs are expensed in the year in which they are incurred.

In accordance with the option permitted by CRC Regulation No. 2004-06, other development costs are capitalized provided they meet specific criteria, particularly as regards the pattern in which the intangible asset is expected to generate future economic benefits.

A useful life of between five and seven years is generally used to calculate software amortization.

Accelerated depreciation, classified in the balance sheet under tax-driven provisions, is recognized whenever the useful lives for tax purposes are shorter than those used for accounting purposes, or whenever the depreciation method for accounting and tax purposes differs.

Property, plant and equipment

All items of property, plant and equipment are carried at purchase cost or production cost, including ancillary expenses, with the exception of assets acquired prior to December 31, 1976, which are shown at their revalued amount at that date.

Almost all items of property, plant and equipment are depreciated on a straight-line basis.

Assets are depreciated over their useful lives, based on the period over which they are expected to be used. The useful lives for the main asset classes are as follows:

- buildings: 20 to 60 years;
- other: 3 to 15 years.

Accelerated depreciation, classified in the balance sheet under tax-driven provisions, is recognized whenever the useful lives for tax purposes are shorter than those used for accounting purposes, or whenever the depreciation method for accounting and tax purposes differs.

Components

When the components of a given asset cannot be used separately, the overall asset is recognized. If one or more components have different useful lives at the outset, each component is recognized and depreciated separately.

Financial fixed assets

Equity investments

Equity investments represent long-term investments providing GDF SUEZ SA with control or significant influence over the issuer, or helping it to establish business relations with the issuer.

Newly-acquired equity investments are recognized at purchase price plus directly attributable transaction fees.

Investments which GDF SUEZ SA intends to hold on a long-term basis are written down if their value in use has fallen below their book value. Value in use is assessed by reference to the intrinsic value, yield value, expected cash flows and stock market prices for the assets, taking into account any currency hedges where appropriate.

Investments which GDF SUEZ SA has decided to sell are written down if their book value is lower than their estimated sale price. If sale negotiations are ongoing at the end of the reporting period, the best estimate is used to determine the sale price.

Amounts receivable from equity investments

This caption consists of loans granted by GDF SUEZ SA to equity investments.

They are recognized at face value. In line with the treatment adopted for equity investments, these amounts are written down if their value in use falls below their face amount.

Provisions for contingencies may be booked if the Company considers that the cost of its commitment exceeds the value of the assets held.

Other financial fixed assets

This caption includes mainly investments other than equity investments that GDF SUEZ SA intends to hold on a long-term basis but which do not meet the definition of equity investments.

A writedown may be taken against other financial fixed assets in accordance with the criteria described above for equity investments.

Liquidity agreement and treasury stock

The Company has entered into a liquidity agreement with an investment services provider. Under this agreement, the investment services provider agrees to buy and sell GDF SUEZ SA shares to organize the market for and ensure the liquidity of the share on the Paris and Brussels stock markets.

The amounts paid to the investment services provider are included in “Other long-term investments”. An impairment loss is recognized against the shares when their average price for the month in which the accounts are closed is lower than their book value.

Marketable securities

Marketable securities are shown on the balance sheet at cost.

When the market value of securities at December 31 is lower than their acquisition cost, a writedown is recognized for the difference.

For listed securities, market value is determined based on the market price at the end of the reporting period.

Gas inventories

Gas injected into underground reservoirs is included in inventories. It is measured at average purchase cost including domestic and international freight costs upon entering the transportation network regardless of its source, and including any regasification costs. Outflows are measured on a monthly basis using the weighted average unit cost method.

An impairment loss is recognized when the net realizable value of inventories, representing the selling price less costs directly and indirectly attributable to distribution, is lower than weighted average cost.

Operating receivables

This caption includes all receivables arising on the sale of goods, and other receivables arising in the ordinary course of operations.

Gas delivered but not billed

Receivables also include unbilled revenues for gas delivered, regardless of whether or not the meters have been read.

This caption concerns customers not billed monthly (mainly residential customers) and customers whose billing period is not aligned with the consumption period of a given month.

The amount receivable in respect of delivered unbilled natural gas (“gas in the meter”) is calculated using a direct method taking into account estimated customer consumption based on the most recent customer bill or unbilled gas reading, in line with the allocation of the distribution grid manager over the same period. The gas is valued at the average energy price. The average price used takes account of the category of customer and the age of the delivered unbilled “gas in the meter”. These estimates are sensitive to the assumptions used to determine the portion of unbilled revenues at the reporting date.

Customers (mainly retail customers) can opt to pay on a monthly basis. In this case, the Company recognizes a monthly advance and a bill is issued at the anniversary date of the contract giving rise to the payment (or refund) of any difference between the amount billed and the advance payments already received.

Unbilled revenues in respect of delivered unbilled natural gas are netted against the advances already collected by the Company from customers billed monthly.

Impairment of trade receivables

Bad debt risk is analyzed on a case-by-case basis for the Company’s largest customers.

Receivables from other customers are written down using rates which increase in line with the age of the related receivables.

The potential bad debt risk arising on amounts receivable in respect of delivered unbilled natural gas is also taken into account.

Other operating receivables

Other operating receivables include current accounts with other Group companies. Items for which there is a risk of non-collection are written down by means of an impairment provision.

Foreign currency transactions

Income and expenses denominated in foreign currencies are recorded at their equivalent value in euros at the transaction date.

Foreign currency receivables, payables and cash and cash equivalents are converted at the exchange rate prevailing at year-end.

Translation differences are taken to income when they arise on cash and cash equivalents, or to the balance sheet under “unrealized foreign exchange gains or losses” when they arise on receivables and payables. A provision is set aside for unrealized losses after taking account of any associated hedging instruments.

Provisions for contingencies and losses

In accordance with CRC Regulation No. 2000-06 on liabilities, a provision is recognized if the Company has a legal or constructive obligation resulting from a past event which is expected to result in an outflow of resources embodying economic benefits that can be measured reliably.

The provision represents the best estimate of the amount required to settle the present obligation at the end of the reporting period.

Provisions for rehabilitating land on which former gas production plants were located

These provisions are set aside to cover the estimated costs of rehabilitating land on which former gas production plants were located, in light of general environmental protection standards and laws and regulations specific to certain equipment.

These provisions reflect the best estimate of the costs that this will involve, based on (i) current cost information, technical knowledge and experience acquired, and (ii) regulatory requirements in force or in the process of being adopted.

The provision is set aside for the full amount of any such costs, since the Company may be asked to rehabilitate the site at any time. The provision recognized has not been discounted.

Any revisions subsequently made to estimates (timing of rehabilitation obligations, estimated costs involved, etc.) are taken into account on a prospective basis. Movements in these provisions are shown under operating items.

Provision for employee bonus share awards and stock option plans

In accordance with CRC Regulation No. 2008-15 of December 4, 2008, the provision for employee bonus share awards is recognized on a straight-line basis over the vesting period. The provision ultimately covers the disposal loss equal to the book value of treasury stock granted free of consideration to employees. Movements in this provision and any related costs are shown in personnel expenses.

For stock options, a provision is set aside whenever the share price at the end of the reporting period is higher than the exercise price of the options granted. The provision is set aside on a straight-line basis over the vesting period, and ultimately covers the disposal loss equal to the purchase cost of the shares, less the exercise price paid by employees.

Bond redemption premiums and issue costs

In accordance with the benchmark treatment prescribed by the French National Accounting Board (*Conseil National de la Comptabilité* – CNC), bond issue costs are recognized on a straight-line basis over the life of the instruments. These issue costs mainly consist of advertising expenses (for public issues) and fees due to financial intermediaries.

Bonds carrying a redemption premium are recognized in liabilities for their total amount including redemption premiums. The matching entry for these premiums is recorded in assets under accruals, and amortized over the life of the bonds pro rata to interest.

Pensions and other employee benefit obligations

Companies belonging to the electricity and gas industries sector

GDF SUEZ SA employees qualify for the disability, pension and death benefits available under the special regime for Electricity and Gas Utilities (see Note 22).

Accounting treatment

In accordance with the option permitted by the CNC’s Emerging Issues Taskforce in Opinion 2000-A dated July 6, 2000, GDF SUEZ SA recognizes provisions under liabilities solely for benefits granted to employees whose rights have already begun to vest (annuities for occupational accidents and illnesses, temporary incapacity or disability benefits), or benefits due during the employee’s working life (long-service awards and bonus leave).

As part of the 2008 merger between SUEZ and Gaz de France with retroactive effect from January 1, 2008, provisions for pensions and other employee benefits (pensions, retirement indemnities and healthcare) carried by SUEZ SA at December 31, 2007 were transferred to GDF SUEZ SA.

In accordance with Opinion 2005-C of the CNC’s Emerging Issues Taskforce and with the method applied by GDF SUEZ SA and described above, no further amounts will be set aside to these provisions in respect of rights newly vested by employees or the unwinding of discounting adjustments on the provisions transferred within the scope of the merger. These provisions are written back in line with the settlement of the corresponding obligations.

No provisions are set aside in liabilities for other commitments. These are disclosed in Note 22 on off-balance sheet commitments.

Basis of measurement and actuarial assumptions

Benefit obligations are measured using the projected unit credit method. The present value of the obligations of GDF SUEZ SA is calculated by allocating vested benefits to periods of service under the plan’s benefit formula. When an employee’s service in later years leads to a materially higher level of benefits than in earlier years, the Group allocates the benefits on a straight-line basis.

Future payments in respect of these benefits are calculated based on assumptions as to salary increases, retirement age, mortality and employee turnover.

The rate used to discount future benefit payments is determined by reference to the yield on investment grade corporate bonds based on maturities consistent with the benefit obligation.

Financial instruments and commodity derivatives

To hedge and manage its currency, interest rate and commodity risk, GDF SUEZ SA uses financial and operating instruments disclosed in off-balance sheet commitments.

The recognition of gains or losses on these transactions depends on whether they are carried out on an organized market, in which case the gain or loss on the contract, representing the change in its market value, is recognized before the contract is unwound, or whether they are traded over-the-counter, in which case the change in market value is not recognized.

In the case of contracts traded over the counter that qualify as hedging instruments, gains or losses are taken to income symmetrically with the gain or loss on the hedged items. A provision is booked for unrealized losses that do not qualify for hedge accounting treatment.

If the hedged item ceases to exist, the contract is unwound and any gains or losses taken to income.

GDF SUEZ SA uses internal models representative of market practices to value financial derivative instruments that are not listed on financial markets.

Income tax

Since January 1, 1988, GDF SUEZ SA has been subject to the tax consolidation regime introduced by Article 68 of Law No. 87-1060 of December 30, 1987. GDF SUEZ SA is head of a tax consolidation group within the meaning of Articles 223 A *et seq.* of the French Tax Code (*Code général des impôts*).

The contribution of subsidiaries in the tax consolidation group to the Group's income tax expense equals the amount of tax for which they would have been liable if they had not been members of the tax consolidation group.

The impacts of tax consolidation are recorded under the income tax expense of GDF SUEZ SA, as parent company.

GDF SUEZ SA also records a provision for any tax savings generated by subsidiaries' tax losses. These savings initially benefit GDF SUEZ SA as parent company, and are recovered by the subsidiaries once they return to profit (hence the provision booked).

Statutory training entitlement

Rights vested under the statutory training entitlement at December 31, 2012 are disclosed in Note 24.

In accordance with Opinion 2004 F of the CNC's Emerging Issues Taskforce on the recognition of statutory training entitlements, no provision has been recorded by GDF SUEZ SA in its 2012 financial statements, as employee rights are included in the Company training plan.

B. Comparability of periods presented

The financial statements for the year ended December 31, 2012 are comparable with the financial statements for the year ended December 31, 2011 except as regards an adjustment made to correct an estimation of the amount receivable in respect of delivered unbilled natural gas ("gas in the meter"). In accordance with CNC Opinion No. 97-06, the net-of-tax adjustment concerning the financial statements prior to 2011 is recorded in income for 2011. Consequently, the one-off charge corresponding to the difference between revenue recalculated retrospectively in accordance with the adjusted model is shown after tax on the "Adjustment to gas in the meter, net of tax" line in the income statement. To reflect the revised calculation, €833 million was debited from trade receivables, €218 million credited to other operating receivables (income tax receivables) and €137 million debited from other liabilities in 2011.

C. Additional information regarding the balance sheet and income statement

NOTE 1 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Changes in the gross value of these assets can be analyzed as follows:

In millions of euros	Dec. 31, 2011	Increases	Decreases	Reclassifications	Dec. 31, 2012
INTANGIBLE ASSETS	1,400	119	(95)	(8)	1,416
Software	558	-	(32)	104	630
Technical losses	285	-	-	-	285
Other	427	3	(63)	10	377
Intangible assets in progress	130	116	-	(122)	124
PROPERTY, PLANT AND EQUIPMENT	1,026	34	(52)	8	1,016
Land	39	-	-	-	39
Buildings	516	-	(20)	11	507
Technical facilities	154	1	(1)	11	165
Other	267	-	(31)	23	259
Property, plant and equipment in progress	50	33	-	(37)	46
ADVANCES AND DOWNPAYMENTS	-	-	-	-	-
	2,426	**153**	**(147)**	**-**	**2,432**

Research and development costs recognized in expenses in 2012 amount to €53 million (€98 million in 2011).

NOTE 2 DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Changes in this caption were as follows:

In millions of euros	Dec. 31, 2011	Additions taken through the income statement	Reversals taken through the income statement	Changes taken through the balance sheet	Dec. 31, 2012
INTANGIBLE ASSETS	627	129	(72)	-	684
Software	309	101	(18)	-	392
Technical losses	-	-	-	-	-
Other intangible assets	318	28	(54)	-	292
PROPERTY, PLANT AND EQUIPMENT	553	47	(46)	-	554
Land	-	-	-	-	-
Buildings	348	16	(15)	-	349
Technical facilities	77	7	(1)	-	83
Other	128	23	(30)	-	121
Property, plant and equipment in progress	-	1	-	-	1
	1,180	**176**	**(118)**	**-**	**1,238**

Movements in depreciation, amortization and impairment can be broken down as follows:

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Depreciation, amortization and impairment	**168**	**149**
Straight-line method	165	147
Declining-balance method	2	1
Impairment	1	1
Exceptional depreciation and amortization	**10**	**7**
Reversals	**-**	**(1)**

Other movements in impairment during the period are detailed in Note 8.

NOTE 3 FINANCE LEASES

If GDF SUEZ SA were the outright owner of property and plant and equipment currently held under finance leases, these assets would be reported as follows:

In millions of euros	Gross value	Additions for the period	Net value	Depreciation
Property	92	(6)	69	(23)
Other property, plant and equipment	-	-	-	-

Contractual commitments are as follows:

In millions of euros	Lease payments					Purchase option price
	Paid in 2012	Outstanding	Due in 1 year or less	Due in 1 to 5 years	Due in more than 5 years	
Property	7	18	6	11	1	-
Other property, plant and equipment	-	-	-	-	-	-

Virtually all property lease agreements provide for a purchase option exercisable at a symbolic price of one euro.

NOTE 4 FINANCIAL FIXED ASSETS

Note 4 A Gross values

Changes in the gross value of these assets can be analyzed as follows:

In millions of euros	Dec. 31, 2011	Increases	Decreases	Other	Dec. 31, 2012
Equity investments	**64,263**	**3,510**	**(74)**		**67,700**
Consolidated equity investments	63,869	3,499	(29)	(31)	67,308
Non-consolidated equity investments	394	12	(45)	31	392
Other investments	-				-
Other financial fixed assets	**1,953**	**37**	**(310)**		**1,680**
Other long-term investments	166		(12)		154
Amounts receivable from equity investments	1,583	30	(163)		1,450
Loans	25	3	(6)		22
Other financial fixed assets	179	4	(129)		54
	66,216	**3,547**	**(384)**	**-**	**69,379**

The year-on-year change in equity investments at December 31, 2012 is essentially attributable to Electrabel's €3,470 million capital increase.

Furthermore, at December 31, 2012, GDF SUEZ SA held 6,875,000 treasury shares under the liquidity agreement. These shares had an acquisition cost of €148 million (see other long-term investments line). An impairment provision of €41 million was recognized against these shares at December 31, 2012 (see Note 4B – "Other"), which corresponds to the difference between the acquisition cost and the market value of these treasury shares, as valued on the basis of their average stock market price in the closing month (€107 million).

Movements in treasury stock are detailed in Note 10A.

Equity investments and amounts due from these investments are detailed in Note 27.

Note 4 B Impairment

In millions of euros	Dec. 31, 2011	Additions	Reversals	Other	Dec. 31, 2012
Consolidated equity investments	2,469	305		(30)	2,744
Non-consolidated equity investments	246	20	(1)	30	295
Amounts receivable from equity investments	333	20			353
Other	19	31	(9)		41
	3,067	**376**	**(10)**	**-**	**3,433**

The impairment charges mainly involved La Compagnie du Vent securities, for an amount of €231 million following the fair value assessment of the investment in La Compagnie du Vent based on the valuation used when the minority shareholder exercised a put option (see Note 21.A.7), as well as GENFINA securities for an amount of €72 million.

NOTE 5 INVENTORIES

In millions of euros	Gross value at Dec. 31, 2011	Increases	Decreases	Gross value at Dec. 31, 2012
Gas reserves	1,965	2,322	(2,277)	2,010
Other	1	-	-	1
	1,966	**2,322**	**(2,277)**	**2,011**

NOTE 6 MATURITY OF RECEIVABLES

In millions of euros	Gross amount at Dec. 31, 2012	Due		
		End-2013	2014-2017	2018 and beyond
Non-current assets				
Amounts receivable from equity investments	1,450	9	614	827
Loans	22	3	6	13
Other	54	11	4	39
Current assets				
Trade and other receivables	5,333	5,285	48	
Current accounts with subsidiaries	7,343	7,343		
Other operating receivables	695	695		
Other receivables	826	808	7	11
Advances and downpayments made on orders	1	1		
	15,724	**14,155**	**679**	**890**

NOTE 7 ACCRUALS

Assets

In millions of euros	Dec. 31, 2011	Increases	Decreases	Dec. 31, 2012
Loan redemption premiums	81	46	(9)	118
Deferred loan issuance costs	78	21	(13)	86
Financial instruments	567	263	(514)	316
	726	**330**	**(536)**	**520**

Liabilities

In millions of euros	Dec. 31, 2011	Increases	Decreases	Dec. 31, 2012
Options contracts	81	190	(212)	59
Financial instruments	116	79	(116)	79
	197	**269**	**(328)**	**138**

NOTE 8 IMPAIRMENT OF ASSETS (EXCLUDING FINANCIAL FIXED ASSETS)

In millions of euros	Dec. 31, 2011	Additions	Reversals	Dec. 31, 2012
Intangible assets	214	9	(10)	213
Property, plant and equipment	-	1	-	1
Inventories	-	-	-	-
Receivables	205	112	(76)	241
Marketable securities	-	47		47
	419	**169**	**(86)**	**502**

NOTE 9 MARKETABLE SECURITIES

Marketable securities shown on the balance sheet for a net amount of €1,648 million had a market value of €1,396 million at December 31, 2012.

The unrealized capital loss concerns the GDF SUEZ shares purchased in connection with employee share grants. The treasury shares that were not allocated to existing employee bonus share plans at December 31, 2012 have been impaired on the basis of the value of these shares, as valued on the basis of the average stock market price for the closing month, i.e. €47 million at December 31, 2012. The treasury shares allocated to existing plans were the subject to provisions recorded under liabilities (see Note 12 B2).

NOTE 10 SHAREHOLDERS' EQUITY

Note 10 A Share capital - shares issued and outstanding

Share capital is fully paid up. Each €1-share carries a single voting right.

Share capital

Shares comprising the share capital at January 1, 2012	2,252,636,208
Shares issued during the period following employee share subscriptions	4,604,700
Shares issued as a result of the payment of dividends	155,583,181
Total number of shares comprising the share capital	**2,412,824,089**

In 2012, a total of 2,640,600 shares were purchased and 2,465,600 shares were sold under the liquidity agreements, generating a net capital loss of €13 million. At December 31, 2012, GDF SUEZ SA held 6,875,000 treasury shares under the liquidity agreement, compared with 6,700,000 at December 31, 2011.

GDF SUEZ SA held 48,658,833 shares in connection with bonus share awards at December 31, 2012 (see Note 10 C).

Note 10 B Change in shareholders' equity

In millions of euros

Shareholders' equity at December 31, 2011	**46,838**
Employee share subscriptions (capital plus additional paid-in capital)	77
Capital increase relating to share-based dividend payments	2,590
Dividends and interim dividends paid	(3,361)
Tax-driven provisions	(58)
Income	890
Shareholders' equity at December 31, 2012	**46,976**

In 2012, GDF SUEZ SA paid:

- a recurring dividend net of the interim dividend paid in 2011 for €0.67 per share, representing a total amount of €1,474 million. The total 2011 dividend was €1.50 per share, representing a total payout of €3,347 million.
- an interim 2012 dividend of €0.83 per share, i.e. €1,887 million, payable in shares or in cash depending on the shareholder's choice. The amounts paid in cash in this regard were €418 million.

No shares were issued to Group employees in 2012.

Note 10 C Employee bonus share awards and stock option plans

Bonus share policy and stock option policy

Bonus share awards are intended to involve all employees more closely in the Group's growth and performance. They are awarded to employees upon a decision of the Board of Directors, in accordance with decisions taken by the Shareholders' Meeting, subject to a minimum seniority of two years and a number of performance conditions.

Stock option policy – or employee share issues prior to the merger between Gaz de France and SUEZ – aims to closely involve executive and senior management, as well as high-potential managers, in the future development of the Company and in creating shareholder value. Conditions for the award of options and the list of beneficiaries are approved by the Board of Directors in accordance with authorizations granted at Shareholders' Meetings. Certain stock option awards have been replaced by bonus share awards, made available to more employees than were previously eligible for stock options.

In 2012, GDF SUEZ SA granted 3,333,083 bonus shares to GDF SUEZ Group employees. No stock options were granted during the year. On October 30, 2012, the Board of Directors resolved to grant 35 bonus shares to all Group employees provided they had been with the Group for at least two years. The bonus share award represented a total of 6,100,000 shares.

In 2012, GDF SUEZ SA awarded 2,493,821 shares to Group employees.

Based on all existing share plans, the number of beneficiaries and staff turnover assumptions, at December 31, 2012 GDF SUEZ SA considered that it had an obligation to deliver 32,395,609 shares, including 11,126,729 shares on the exercise of stock options.

In 2012, GDF SUEZ SA purchased 18,969,160 shares for a total of €357 million. In view of the shares delivered in 2012, the Company holds 48,658,833 shares to cover its bonus share obligations at December 31, 2012, representing a total amount of €1,011 million. The market value of these shares at the end of 2012 was €758 million.

DETAILS OF BONUS SHARE AND STOCK OPTION PLANS IN FORCE

Bonus shares awarded	Number of shares awarded	Number of shares delivered	Per share value	Expense in 2012	Expense in 2011
SUEZ plan of July 16, 2007 (1)	964,500		27.75	-	3.3
Spring 2007 plan of May 4, 2007 (1)		191,954	27.75	3.2	-
SUEZ plan of November 14, 2007 (1)	180,976	174,868	27.75	0.2	1.1
SUEZ plan of June 1, 2008 (1)	714,925	651,896	27.75	2.0	4.9
GDF SUEZ plan of November 12, 2008	118,981		25.34	0.5	3.4
GDF SUEZ plan of July 08, 2009	1,085,166		25.34	6.9	20.2
GDF plan of November 10, 2009 (1)	1,435,207	1,128,997	27.75	4.5	13.1
GDF plan of January 20, 2010 (1)	331,576	330,180	27.75	0.9	4.1
GDF plan of March 3, 2010 (1)	47,747	15,926	26.16	0.3	0.5
GDF SUEZ of August 24, 2010	182,980		19.93	0.7	0.7
GDF SUEZ plan of January 13, 2011	3,169,318		24.53	22.8	23.4
GDF SUEZ of March 2, 2011 plan	53,790		24.94	0.5	0.5
GDF SUEZ plan of June 22, 2011	4,176,758		22.90	37.3	21.3
GDF SUEZ plan of December 6, 2011	2,707,617		22.85	18.5	1.2
GDF SUEZ plan of February 29, 2012	66,399		22.26	0.5	-
GDF SUEZ plan of October 30, 2012	6,100,000		19.93	6.1	-
GDF SUEZ plan of December 06, 2012	3,266,684		19.93	1.3	-
TOTAL	**24,602,624**	**2,493,821**		**106.3**	**97.7**

(1) Plans for which shares have been partially or totally delivered.

Stock options granted	Number of stock options granted	Exercise value	Expense in 2012	Expense in 2011
GDF SUEZ plan of November 12, 2008	6,119,554	32.74	-	-
GDF SUEZ plan of November 10, 2009	5,007,175	29.44	-	-

GDF SUEZ SA took over the stock subscription options granted by SUEZ SA prior to the merger. In view of the options exercised and in the absence of any further stock subscription options granted since the merger, GDF SUEZ SA could be required to issue a maximum 15,803,200 shares at December 31, 2012.

NOTE 11 OTHER EQUITY

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Irredeemable and non-voting securities	429	429
Value of concession assets – Concession grantors' rights	25	25
	454	**454**

GDF SUEZ SA issued irredeemable and non-voting securities in 1985 and 1986 pursuant to Law No. 83.1 of January 1, 1983 and Law No. 85.695 of July 11, 1985. Since August 1992, GDF SUEZ SA may choose to redeem these irredeemable and non-voting securities at any time, at a price equal to 130% of their nominal amount.

The irredeemable and non-voting securities accrue interest within an average bond yield range of between 85% and 130%. They include a fixed component equal to 63% of the average bond yield (TMO) and a variable component based on the year-on-year increase in value added reported by GDF SUEZ SA or the Group (Group share), whichever is higher.

A contract hedging the interest payable on these irredeemable and non-voting securities was set up in 2006 (see Note 21 A).

At end of 2012, the corresponding financial expense amounted to €16 million.

NOTE 12 PROVISIONS

Note 12 A Tax-driven provisions and investment subsidies

In millions of euros	Dec. 31, 2011	Additions taken through the income statement	Reversals taken through the income statement	Dec. 31, 2012
Tax-driven provisions	715	176	(234)	657
Accelerated depreciation and amortization	462	126	(142)	446
Provision for price increases	251	50	(91)	210
Provision for investments	2	-	(1)	1
Investment subsidies	-			
TOTAL	**715**	**176**	**(234)**	**657**

Note 12 B Provisions for contingencies and losses

In millions of euros	Dec. 31, 2011	Additions	Reversals (used provisions)	Reversals (surplus provisions)	Other	Dec. 31, 2012
Provisions for site rehabilitation (Note 12 B1)	32	2	(4)	-	-	30
Provisions relating to employees (Note 12 B2)	264	106	(75)	-	-	295
Provisions for taxes (Note 12 B3)	418	8	(87)	-	-	339
Provisions for tax consolidation (Note 12 B4)	1,977	123	(208)	-	-	1,892
Vendor warranties (Note 12 B5)	49	25	(4)	-	-	70
Risks arising on subsidiaries (Note 12 B6)	27		(2)	-	-	25
Other provisions for contingencies and losses (Note 12 B7)	649	247	(513)	(13)	-	370
	3,416	**511**	**(893)**	**(13)**	**-**	**3,021**

Note 12 B1 Provisions for site rehabilitation

Provisions for site rehabilitation totaled €30 million at December 31, 2012 versus €32 million at end-2011, and chiefly relate to the rehabilitation of land on which gas production plants were located. In 2012, €4 million of the provision was utilized, reflecting rehabilitation work completed. An additional charge of €2 million was also recognized to reflect revised estimates.

NOTE 12 B2 Provisions relating to employees

Provisions for employee benefits

Pension obligations are covered by insurance funds and a provision of €9 million.

Provisions have been set aside for the full amount of disability benefits and allowances for occupational accidents and illnesses of active employees at year-end (€80 million), end-of-career vacation (€16 million) and long-service awards (€7 million).

The provisions for pensions and other employee benefit obligations carried by SUEZ SA at the time of the 2008 merger are written back as and when the corresponding liabilities for which they were set aside at end-2007 are extinguished. No further amounts are set aside to these provisions in respect of rights newly vested or the unwinding of discounting adjustments At December 31, 2012, the corresponding provisions amounted to €9 million for pensions and €14 million for other post-employment benefits.

The full amount of end-of-career indemnities is partially covered by insurance funds; the shortfall amounted to €29 million at December 31, 2012.

Details of changes in these provisions are provided in Note 22 D.

Provisions for employee bonus share awards and stock option plans (see Note 10 C)

At December 31, 2012, the provision for employee bonus share awards and stock option plans amounted to €168 million (end-2011: €131 million).

In 2012, GDF SUEZ SA set aside a further €103 million to this provision to cover rights vested by employees. It also wrote back €66 million of the provision following the expiration of certain bonus share plans.

In addition to presence in the Group at the vesting date, eligibility for certain bonus share and performance share plans is subject to an internal performance condition. When this condition is not fully met, the number of bonus shares granted to employees is reduced in accordance with the plan's regulations.

Note 12 B3 Provisions for taxes

Provisions for taxes totaled €339 million at December 31, 2012 and €418 million at December 31, 2011, and chiefly relate to the acquisition of the transmission network in 2002. The provisions will be written back over a period of 14 years. The amount written back in 2012 was €87 million.

Note 12 B4 Provisions for tax consolidation

GDF SUEZ SA has chosen to file consolidated tax returns. As a result, it sets aside a provision reflecting its obligation to transfer back to subsidiaries any tax losses utilized.

At December 31, 2007, the capital gain on the disposal of the gas distribution activity had no impact on tax, since GrDF was part of the tax consolidation group. Since 2008, the subsidiary's statutory financial statements show tax savings relating to the amortizable component of the capital gain arising on the disposal of the gas distribution business. This excess amortization is canceled out at the level of the tax consolidation group. In accordance with the tax consolidation agreements signed with its subsidiaries, GDF SUEZ SA recognized a provision for tax consolidation with respect to GrDF for a definitive amount of €1,938 million, based on the amortizable component. At December 31, 2012, the Company wrote back an amount of €112 million (€108 million at end-2011), corresponding to the neutralization of the excess amortization on the amortizable component arising in the year.

Provisions for tax consolidation amounted to €1,892 million at end-2012, including €1,420 million relating to the amortizable component of GrDF's intangible assets.

NOTE 12 B5 Provisions for vendor warranties

At December 31, 2012, provisions for vendor warranties totaled €69.3 million compared to €49 million at December 31, 2011.

This change is primarily explained by a €20.6 million addition relating to the potential triggering of the guarantee that CIC, the Company's partner (a minority shareholder in EPI, a Group subsidiary), is entitled to request following notice of a tax assessment at EPI.

NOTE 12 B6 Provisions for risks arising on subsidiaries

Risks arising on subsidiaries totaled €25 million at December 31, 2012 versus €27 million at end-2011.

NOTE 12 B7 Other provisions for contingencies and losses

This item mainly includes provisions for contingencies arising on other third parties, provisions for disputes, and provisions for currency and interest rate risk. Movements in these provisions chiefly impact non-recurring and financial items.

The main net changes primarily involved (€138) million in respect of financial instruments, (€79) million in respect of tax proceedings, (€75) million in respect of currency risk, and €36 million in respect of interest-rate risk.

NOTE 13 BORROWINGS AND DEBT

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Borrowings	**26,654**	**23,323**
Bonds	21,002	16,499
Other loans	5,535	4,199
Current accounts and loans with subsidiaries	117	2,625
Other borrowings and debt	**936**	**1,162**
Deposits received from customers	39	39
Current portion of interest due	580	535
Bank overdrafts	85	242
Miscellaneous	237	346
	27,590	**24,485**

The increase in borrowings in 2012 reflects:

- issues of euro bonds for €4,900 million, bonds issued for JPY 10,000 million, bonds issued in CHF 450 million and bonds issued for USD 1,500 million, i.e. a total of €6,498 million (see details in Note 14 A), offset by the redemption of bonds amounting to €1,140 million and CHF €975 million, i.e. a total of €1,947 million;
- a rise in issues of commercial paper, which totaled €1,007 million;
- a €620 million drawdown on a credit line;
- €209 million in US Commercial Paper;

offset by:

- a €2,500 million reduction in short-term loans with subsidiaries.

NOTE 14 MATURITIES OF BORROWINGS, DEBT AND PAYABLES

		Due		
In millions of euros	Dec. 31, 2012	End-2013	Between 2014 and 2017	2018 and beyond
Borrowings and debt	**27,590**	**6,910**	**7,438**	**13,242**
Bonds	21,002	968	7,412	12,622
Other loans	5,535	4,915		620
Current accounts and loans with subsidiaries	117	117		
Other borrowings and debt	936	910	26	
Trade and other payables	**4,855**	**4,855**		
Tax and employee-related liabilities	**1,113**	**1,113**		
Other liabilities	**1,243**	**1,243**		
Advances from customers	168	168		
Other	1,075	1,075		
Advances and downpayments received on orders	**2**	**2**		
	35,803	**14,123**	**7,438**	**13,242**

Note 14 A Breakdown of bond debt

	Dec. 31, 2012	Issue date	Expiration date	Interest	Listing
Public issues					
• in millions of euros	968	02/2003	02/2013	4.750%	Paris/Luxembourg
• in millions of euros	750	02/2003	02/2018	5.125%	Paris/Luxembourg
• in millions of euros	800	10/2008	01/2014	6.250%	Luxembourg
• in millions of euros	900	10/2008	01/2019	6.875%	Luxembourg
• in millions of euros	45	12/2008	01/2014	6.250%	Luxembourg
• in millions of euros	300	12/2008	01/2019	6.875%	Luxembourg
• in millions of euros	1,500	01/2009	01/2016	5.625%	Luxembourg
• in millions of euros	1,000	01/2009	01/2021	6.375%	Luxembourg
• in millions of euros	750	02/2009	02/2015	5.000%	Luxembourg
• in millions of euros	1,000	10/2010	10/2022	3.500%	Paris
• in millions of euros	1,000	10/2010	10/2017	2.750%	Paris
• in millions of euros	300	03/2011	03/2111	5.950%	Paris
• in millions of euros	1,000	11/2011	01/2020	3.125%	Paris
• in millions of euros	1,000	06/2012	02/2016	1.500%	Paris
• in millions of euros	1,000	06/2012	02/2023	3.000%	Paris
• in millions of euros	1,000	06/2012	06/2018	2.250%	Paris
• in millions of euros	750	07/2012	07/2017	1.500%	Paris
• in millions of euros	750	07/2012	07/2022	2.625%	Paris
• in millions of pounds sterling	500	10/2008	10/2028	7.000%	Luxembourg
• in millions of pounds sterling	700	02/2009	02/2021	6.125%	Luxembourg
• in millions of pounds sterling	700	10/2010	10/2060	5.000%	Paris
• in millions of pounds sterling	400	11/2011	10/2060	5.000%	Paris
• in millions of Swiss francs	300	10/2011	10/2017	1.500%	Zurich
• in millions of Swiss francs	275	10/2012	10/2020	1.125%	Zurich
• in millions of Swiss francs	175	10/2012	10/2024	1.625%	Zurich
• in millions of yen	65,000	12/2009	12/2014	1.170%	Tokyo
• in millions of US dollars	750	10/2012	10/2017	1.625%	None
• in millions of US dollars	750	10/2012	10/2022	2.875%	None
Private placements					
• in millions of yen	15,000	12/2008	12/2023	3.180%	None
• in millions of yen	18,000	02/2009	02/2014	LibJPY3+1.2%	None
• in millions of euros	150	10/2011	10/2018	3.046%	Paris
• in millions of euros	100	10/2011	10/2023	CMS10yr+0.505%	Paris
• in millions of euros	400	07/2012	01/2020	2.500%	None
• in millions of yen	10,000	07/2012	07/2022	1.260%	Paris

Note 14 B Other loans

At December 31, 2012, other loans comprised mainly commercial paper in euros (€3,974 million, including €2,443 million at variable rates and €1,531 million at fixed rates) and US Commercial Paper in US dollars (equivalent value of €941 million at fixed rates). These loans fall due in less than one year. In 2012, GDF SUEZ SA also drew €620 million on its credit facility.

Note 14 C Other borrowings and debt

Other borrowings and debt (deposits received from customers, bank overdrafts, bank facilities, etc.) are chiefly denominated in euros.

NOTE 15 ANALYSIS OF BORROWINGS AND DEBT BY CURRENCY AND INTEREST RATE

Note 15 A Analysis by interest rate

	After hedging		Before hedging	
In millions of euros	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Floating rate				
Bonds	4,442	5,388	259	280
Other loans	5,414	4,141	2,943	2,548
Current accounts with subsidiaries	117	2,625	117	2,625
Other borrowings and debt	936	1,162	936	1,162
Fixed rate				
Bonds	16,560	11,111	20,743	16,219
Other loans	121	58	2,592	1,651
Current accounts with subsidiaries	-	-	-	-
	27,590	**24,485**	**27,590**	**24,485**

Note 15 B Analysis by currency

	After hedging		Before hedging	
In millions of euros	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
In euros				
Bonds	21,002	16,499	15,475	11,717
Other loans	5,535	4,143	4,594	3,467
Current accounts with subsidiaries	117	2,617	117	2,617
Other borrowings and debt	848	896	848	896
In foreign currency				
Bonds	-	-	5,527	4,782
Other loans	-	56	941	732
Current accounts with subsidiaries	-	8	-	8
Other borrowings and debt	88	266	88	266
	27,590	**24,485**	**27,590**	**24,485**

NOTE 16 BREAKDOWN OF REVENUES

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Energy sales		
• France	16,372	14,210
• International	9,506	7,933
Works, research and services provided	1,205	1,219
Revenues from non-core activities and other	832	764
	27,915	**24,126**

NOTE 17 ADDITIONS TO DEPRECIATION, AMORTIZATION, IMPAIRMENT AND PROVISIONS (NET OF REVERSALS), AND OPERATING EXPENSE TRANSFERS

Note 17 A Net additions to depreciation and amortization

Movements in depreciation and amortization for non-current assets are detailed in Note 2.

Note 17 B Net additions to impairment

Net additions to impairment are detailed in Note 8.

Note 17 C Net changes in provisions

In millions of euros	Dec. 31, 2012	Dec. 31, 2011
Provision for capital renewal and replacement liabilities regarding concessions	1	2
Provision for site rehabilitation	(2)	4
Provisions relating to employees	(8)	14
Other contingency and loss provisions for operating items	(156)	97
	(165)	**117**

Note 17 D Operating expense transfers

Expense transfers are included in other operating income, and amounted to €2 million in 2012 and €3 million in 2011.

NOTE 18 FINANCIAL INCOME AND EXPENSE

In millions of euros	Dec. 31, 2012 Expenses	31 déc. 2012 Income	31 déc. 2012 Net	31 déc. 2011 Net
Other interest income and expenses	(1,687)	638	(1,049)	(523)
Interest on current accounts and amounts receivable from equity investments	(27)	74	47	+73
Foreign exchange gains/(losses)	(927)	970	43	(356)
Dividends received		1,734	1,734	+4,087
Movements in provisions for financial items	(263)	237	(26)	(120)
	(2,904)	**3,653**	**749**	**+3,161**

The sharp decrease in net financial income was mainly due to the payment of €1,988 million in exceptional dividends by GTRgaz and GrDF in 2011.

NOTE 19 NON-RECURRING ITEMS

In millions of euros	Dec. 31, 2012 Expenses	31 déc. 2012 Income	31 déc. 2012 Net	31 déc. 2011 Net
Disposals of property, plant and equipment and intangible assets	(28)	36	8	19
Disposals of financial fixed assets	(155)	149	(6)	415
Provision for price increases	(50)	91	41	(6)
Accelerated depreciation and amortization	(126)	141	15	(37)
Movements in provisions relating to equity investments	(346)	2	(344)	983
Technical loss				(851)
Other	(108)	260	152	(37)
	(813)	**679**	**(134)**	**486**

Net non-recurring income at December 31, 2012 primarily included the impairment of the investment in La Compagnie du Vent and Genfina (see Note 4 B).

The “Other” line included the €233 million reversal in respect of the reduction of the MEGAL fine, which occurred during the year.

NOTE 20 TAX POSITION

Note 20 A Consolidated tax returns

The current option to file consolidated tax returns initially elected by Gaz de France SA (now GDF SUEZ SA) was automatically renewed on January 1, 2008 for a period of five years.

Note 20 B Income tax

The income tax rate in 2012 was 36.10%. This rate includes the 3.3% contribution as well as the exceptional 5% contribution introduced in 2011 and extended until 2015 by the 2013 Budget Act to the extent that these contributions are applicable on an individual or group tax basis.

In millions of euros	2012	2011
Income tax due by GDF SUEZ SA for the period (excluding tax consolidation group)(1)	0	0
Income tax relating to subsidiaries within the tax consolidation group(2)	(381)	(353)
Net change in provisions for income tax(3)	(248)	23
Other	87	35
CORPORATE INCOME TAX		
Income tax expense		
Income tax benefit	**(542)**	**(295)**

(1) In 2012 and 2011, GDF SUEZ SA generated a tax loss.

(2) The savings resulting from tax consolidation amounted to €381 million at December 31, 2012 and €353 million at December 31, 2011, and are attributable to the difference between:
- *the tax credits due from the French Treasury at the consolidated tax group level amounted to €1 million at December 31, 2012 compared with €2 million at December 31, 2011;*
- *the €380 million contribution to Group tax due to GDF SUEZ SA by subsidiaries reporting a profit (€351 million at December 31, 2011).*

(3) Net reversals from provisions for taxes in 2012 reflect mainly:
- *€17 million in net additions in connection with the tax losses of consolidated subsidiaries integrated to GDF SUEZ SA, compared with €125 million in net additions to provisions at December 31, 2011;*
- *€102 million in net reversals relating to the excess amortization over the period of the amortizable portion of the capital gain generated on the disposal of the gas distribution activity in 2007. This amount includes the adjustment to the provision arising on the exceptional 5% contribution, which has been extended to 2013 and 2014;*
- *€79 million in net reversals from provisions set aside to cover the tax impact of recognizing the capital gain on the purchase of the transmission network in 2002 over a period of 14 years. This amount takes into account the adjustment to the 2013 provision resulting from the exceptional 5% contribution extended to 2013 and 2014;*
- *€84 million in net reversals to provisions in connection with current tax audits.*

Note 20 C Deferred tax

Future tax liabilities as shown in the table below result from temporary differences between the treatment of income and expenses for tax and accounting purposes.

The future tax rate applied takes into account the special 3.3% tax surcharge provided for by Article 235 *ter* ZC of the French Tax Code, less a deduction of €763,000.

In millions of euros	2012	2011
Deferred tax liabilities		
• Unrecognized deductible expenses	319	602
• Untaxed income recognized	423	480
Deferred tax assets		
• Temporary non-deductible expenses recognized	735	884
• Unrecognized taxable income	430	566
Net deferred tax (asset in 2012)		
• Tax base	423	368
• Amount	146	127

Note 20 D Tax audit

In their tax deficiency notice dated December 22, 2008, the French tax authorities questioned the tax treatment of the sale by SUEZ of a tax receivable in 2005 for an amount of €995 million. On July 7, 2009, they informed GDF SUEZ that they maintained their position, which was confirmed on December 7, 2011. GDF SUEZ is waiting for the tax assessment notice. The decision of the Conseil d'Etat, dated December 10, 2012, in the Rhodia and Accor cases, related to the "*précompte*" can potentially harmer our arguments, without modifying our position after taking into account the progress of the on-going procedures relating to us.

NOTE 21 OFF-BALANCE SHEET COMMITMENTS (EXCLUDING EMPLOYEE BENEFIT OBLIGATIONS)

Note 21 A Financial commitments

The GDF SUEZ Group's Finance Division is responsible for managing all financial risks (interest rate, currency, liquidity and credit risks).

1 Liquidity risk

The Group's financing policy is based on:

- centralizing external financing;
- diversifying sources of financing between credit institutions and capital markets;
- achieving a balanced debt repayment profile.

The centralization of financing needs and cash flow surpluses for the Group is provided by its financing vehicles (long-term and short-term) and its cash pooling vehicles.

Since 2008, GDF SUEZ SA is no longer responsible for the Group's cash pooling arrangements. Short-term cash requirements and cash surpluses for Europe are managed by dedicated financial vehicles in France, Belgium and Luxembourg. These vehicles centralize virtually all of the cash requirements and surpluses of companies controlled by the Group, ensuring that counterparty risk and investment strategies are managed consistently.

The Group seeks to diversify its long-term sources of financing by carrying out public or private bond issues within the scope of its Euro Medium Term notes program. It also issues commercial paper in France and Belgium, as well as in the United States.

Since the merger, long-term capital markets have been accessed chiefly by GDF SUEZ SA in connection with the Group's new bond issues, and by GDF SUEZ SA and Electrabel SA in connection with commercial paper.

As commercial paper is relatively inexpensive and highly liquid, it is used by the Group in a cyclical or structural fashion to finance its short-term cash requirements. However, outstanding commercial paper is backed by confirmed bank lines of credit so that the Group could continue to finance its activities if access to this financing source were to dry up.

The Group's liquidity is based on maintaining cash and cash equivalents and access to confirmed credit facilities. GDF SUEZ SA can therefore access facilities readily convertible into cash, enabling it to meet its cash requirements in the ordinary course of business or to serve as a bridge to finance external growth operations:

- GDF SUEZ SA has credit facilities with various banks under which €11,670 million remains undrawn. These facilities include two syndicated credit lines, respectively for €4,000 million and €4,500 million, maturing in June 2015 and March 2017. At December 31, 2012, GDF SUEZ had drawn €620 million on these facilities.

  These facilities are not subject to any covenants or credit rating requirements;
- GDF SUEZ SA also has access to short-term debt markets through short-term debt issues: US commercial paper for USD 4,500 million (of which USD 1,241 million had been drawn at end-2012), and euro commercial paper (*billets de trésorerie*) for €5,000 million (€3,974 million drawn at end-2012);
- To optimize liquidity management at the level of the Group, the Finance Division of GDF SUEZ has set up a cash pooling mechanism with the Group's main subsidiaries, based around special purpose financing vehicles.

2 Counterparty risk

GDF SUEZ SA is exposed to counterparty risk arising on its operating and financing activities.

To manage counterparty risk arising on operating activities, the Group has put in place monitoring procedures adapted to the characteristics of the counterparties concerned (private corporations, individuals, public authorities). Customers, representing a major counterparty for the Company are covered by procedures applicable to the financial activities described below, thereby providing broad-ranging oversight of the corresponding counterparty risk.

For its financing activities, GDF SUEZ SA has put in place procedures for managing and monitoring risk based on (i) the accreditation of counterparties according to external credit ratings, objective market data (credit default swaps, market capitalization) and financial structure, and (ii) risk exposure limits. GDF SUEZ SA also draws on a structured legal framework based on master agreements (including netting clauses) and collateralization contracts (margin calls) to reduce its exposure to counterparty risk. The counterparty risk relating to these activities is managed by a Middle Office that is independent from the Group Treasurer within the Finance Department.

3 Interest rate risk

Based on its net debt position, GDF SUEZ SA has adopted a policy for optimizing borrowing costs using a combination of financial instruments (interest swaps and options) according to market conditions.

GDF SUEZ SA takes care to ensure that the difference between its floating-rate debt and its cash surpluses invested at a floating rate has a low degree of exposure to adverse changes in short-term interest rates.

Positions are managed centrally and are reviewed each quarter or whenever any new financing is raised. Management must approve in advance any transaction that causes the interest rate mix to change significantly.

	Notional amount at Dec. 31, 2012						
In millions of euros	Due in 1 year or less	Due in 1 to 5 years	Due in 6 to 10 years	Due after 10 years	Total	Fair value	Notional amount at Dec. 31, 2011
INTEREST RATE SWAP							
fixed-rate borrower/floating-rate lender		2,909	5,374	1,295	9,578	(869)	4,704
floating-rate borrower/fixed-rate lender	1,530	3,484	5,938	2,001	12,953	1,366	10,004
SALE OF SWAPTION							
fixed-rate borrower/floating-rate lender		579	338		917	(102)	917
CAP PURCHASE			1,350		1,350	16	1,350
TOTAL EUR	1,530	6,972	13,000	3,296	24,798	411	16,975
INTEREST RATE SWAP							
fixed-rate borrower/floating-rate lender		834			834	(32)	1,031
TOTAL NOK		834			834	(32)	
INTEREST RATE SWAP							
fixed-rate borrower/floating-rate lender			690	295	985	(59)	386
SALE OF SWAPTION							
fixed-rate borrower/floating-rate lender							1,005
TOTAL USD			690	295	985	(59)	1,391
INTEREST RATE SWAP							
fixed-rate borrower/floating-rate lender				166	166	(1)	
floating-rate borrower/fixed-rate lender				166	166	1	
TOTAL CAD				332	332	0	
	1,530	7,806	13,690	3,923	26,949	320	19,397

In millions of euros	Notional amount at Dec. 31, 2012 – Due in 1 year or less	Due in 1 to 5 years	Due in 6 to 10 years	Due after 10 years	Total	Fair value	Notional amount at Dec. 31, 2011
CURRENCY SWAP							
fixed-rate borrower/fixed-rate lender			858	1,960	2,818	(64)	2,754
TOTAL GBP			858	1,960	2,818	(64)	2,754
CURRENCY SWAP							
floating-rate borrower/fixed-rate lender		572	88	132	792	90	798
floating-rate borrower/floating-rate lender		158			158	1	180
TOTAL JPY		730	88	132	950	91	978
CURRENCY SWAP							
fixed-rate borrower/fixed-rate lender		248			248	(11)	247
floating-rate borrower/fixed-rate lender			228	145	373	(5)	802
TOTAL CHF		248	228	145	621	(16)	1,049
CURRENCY SWAP							
fixed-rate borrower/fixed-rate lender		568			568	(23)	773
floating-rate borrower/fixed-rate lender			568		568	(23)	
TOTAL USD		568	568		1,136	(46)	773
		1,546	1,742	2,237	5,525	(35)	5,554

Interest rate hedges in force at December 31, 2012 are as follows:

- on January 23, 2006, GDF SUEZ SA entered into an interest rate swap with a financial institution hedging the interest rate on its class A irredeemable and non-voting securities (*titres participatifs*). The swap is for a notional amount of €429 million (including €240 million unwound early in 2012 in exchange for a cash payment of €79 million), and matures on October 15, 2035. This swap includes two successive periods:
  - up to October 15, 2015, a rate of 130% is applied to the notional amount indicated above,
  - thereafter, a rate of 100% is applied through to maturity.

GDF SUEZ SA receives floating-rate interest equal to the average 10-year yield on a constant maturity swap (CMS) in euros, and pays an all-in fixed rate of 4.3285%.

The 10-year yield on the constant maturity swap is strongly correlated with the benchmark average bond yield used to calculate the interest payable on the irredeemable and non-voting securities, while offering better liquidity and stability over the term of the hedge;

- GDF SUEZ SA entered into short-term swaps (maturing in less than six months) to hedge the interest rate risk on its short-term cash management transactions (essentially commercial paper issues in EUR and USD). It means floating-rate borrower (Eonia)/fixed-rate lender swaps for a notional amount of €1,530 million at year-end (commercial paper);
- GDF SUEZ SA uses floating-rate borrower swaps when it is issuing bonds unless Management decides otherwise. Interest rate risk is subsequently managed centrally through the use of interest rate swaps and options with due reference to market conditions;
- as part of the Group's interest rate risk management policy, in 2009 GDF SUEZ SA set up macro-hedges fixing the interest rate on the Group's USD and NOK debt, for €985 million and €834 million, respectively.

4 Currency risk

GDF SUEZ SA is exposed to currency risk chiefly on commercial transactions involving the purchase and sale of gas, since several gas purchase and sale contracts are indexed to the price of oil derivatives, mostly listed in US dollars.

The exposure to currency risk on these transactions is managed and monitored as follows:

- pass-through mechanisms are applied in determining sale prices for eligible customers, and regulated rates;
- the margin on fixed-price sale contracts or contracts indexed by financial swaps is hedged.

There is a time lag between the impact of fluctuations in the US dollar on procurement costs and their repercussion onto sales prices, reflecting mainly the effect of rolling averages and the inventory stocking/run-down cycle.

To manage its exposure to fluctuations in exchange rates, GDF SUEZ SA uses forward currency purchase or sale contracts to hedge its gas purchases and its financing activities.

To limit the impact of translation risk on certain amounts receivable from equity investments and on future foreign currency purchases, and to hedge the net asset risk arising on consolidation, GDF SUEZ SA has taken new positions or reinforced existing positions in forward currency transactions that allow it to cancel out or minimize translation adjustments on deposits and loans or other future operations.

At December 31, 2012, commitments under these contracts were as follows:

Forward contracts *In millions of euros*	Fixed portion of commitments at Dec. 31, 2012 – Maturity 2013	2014	2015 and beyond	Euro equivalent at Dec. 31, 2012	Exchange rate fluctuations at Dec. 31, 2012	Fixed portion of commitments at Dec. 31, 2011
LONG POSITIONS						
AUD	3	-	-	2	1	-
CHF	-	-	-	-	-	3
EUR	2	-	-	1	1	13
GBP	19	7	-	25	1	270
NOK	23	-	-	23	-	-
USD	2,160	388	-	2,507	41	3,032
SHORT POSITIONS						
AUD	3	-	-	2	1	-
CHF	61	-	-	60	1	59
EUR	2	-	-	1	1	-
GBP	185	-	-	183	2	281
HUF	185	-	-	181	4	39
MXN	148	-	-	145	3	24
NOK	340	-	-	343	(3)	991
RON	19	-	-	19	-	59
USD	722	6	-	730	18	1,237

5 Other financial commitments given

In millions of euros	Total at Dec. 31, 2012	Maturity End-2013	Between 2014 and 2017	2018 and beyond
MARKET-RELATED COMMITMENTS				
Performance and other guarantees	2,479	1,640	466	373
Performance and other guarantees given on behalf of subsidiaries	4,714	459	1,259	2,996
FINANCING COMMITMENTS				
Personal sureties given	3,104	829	1,624	651
Guarantees and endorsements given to subsidiaries	2,824	1,024	817	983
Collateral given	-	-	-	-
Credit lines	198	-	138	60
OTHER COMMITMENTS GIVEN				
Contractual guarantees for sales of businesses	5,455	1,820	140	3,495
Operating lease commitments	601	80	303	218
Finance lease commitments	18	6	11	1
Commitments relating to LNG tankers	495	68	205	222
	19,888	**5,926**	**4,963**	**8,999**

Personal sureties totaling €3,104 million relate mainly to:

- debt issued and commitments given by GIE GDF SUEZ Alliance to members of the economic interest group (*groupement d'intérêt économique* – GIE), excluding GDF SUEZ SA. GDF SUEZ SA has stood surety for each member in the event they receive a call for funds above and beyond their share in the GIE. Each member's responsibility for the payment of its share is recorded in commitments received;
- payment guarantees granted to counterparties of GDF SUEZ SA.

Guarantees and endorsements to subsidiaries totaling €2,824 million correspond to payment guarantees granted by GDF SUEZ SA to third parties on behalf of its subsidiaries.

Commitments given with regard to credit lines relate mainly to credit lines granted to GDF SUEZ SA subsidiaries. Drawdowns on these credit lines amounted to €130 million at December 31, 2012 compared with an initial amount of €328 million, which means that €198 million is still to be drawn down.

Contractual guarantees for sales of businesses totaling €5,455 million relate mainly to commitments given on the disposals of Nalco, SUEZ-Tractebel and CIC:

- for Nalco, GDF SUEZ SA is the counter-guarantor in the event that the vendors, Léo Holding and Nalco International SAS, default, and also benefits from a guarantee from Ecolab Inc., Nalco's new parent company;
- for SUEZ-Tractebel, the sale is accompanied by a vendor's warranty for a maximum amount of €1,500 million, expiring in March 2013 at the latest.
- in the case of CIC, a minority 30% interest in the GDF SUEZ Exploration & Production International SA subsidiary, and a 10% interest in the first component at the Atlantic LNG liquefaction plant in Trinity & Tobago in a maximum amount of €2,387 million.

Operating lease commitments totaling €601 million relate to the present value of rent payments outstanding through to maturity of the property leases within the scope of GDF SUEZ SA's operations. As certain property rental expenses are rebilled to Group subsidiaries, the corresponding commitments are shown in commitments received.

Finance lease commitments are detailed in Note 3.

Commitments relating to LNG tankers for €495 million concern freight contracts.

Other commitments have been given in respect of **performance and completion guarantees:**

- to Naperville Property Trust (acting on behalf of NCC Solar Company), banks and investors. These guarantees cover all payment obligations, notably for outstanding rent (€104 million) under the lease agreement for the premises occupied by Nalco, an entity based in Naperville which was sold in 2003 and whose head office is still in Naperville. The lease was taken over by Léo Holding following the sale of Nalco. GDF SUEZ SA received an equivalent counter-guarantee from Ondeo Nalco, which remains liable to the Group and to the lessor for all obligations under the lease and also benefits from a guarantee from Ecolab Inc., Nalco's new parent company;
- to the Hong Kong authorities, in respect of contracts awarded to Sita (now SUEZ Environnement), which counter-guaranteed GDF SUEZ SA for the same amounts. These contracts relate to:
  - the operation of the Nent landfill in partnership with the Newworld and Guandong groups,
  - the operation of various landfill sites, including Went, NWNT and Pillar Point, initially in partnership with Swire Pacific Ltd. Since Swire Pacific sold its interest in its joint subsidiary in December 2009 to SUEZ Environnement – which now owns the entire share capital of the venture – these guarantees were reissued by GDF SUEZ SA. However, if a guarantee is called in respect of the period during which the subsidiary was under joint control, Swire has pledged an indemnity ensuring that ultimate responsibility is split 50-50 between the two groups;
- to Surrey County Council for a BOT contract awarded to SUEZ Environnement, which stood as guarantor for GDF SUEZ SA under the contract;
- to two Scottish companies, Ayr Environmental Services and Caledonian Environmental Services, for contracts for the construction of wastewater purification and sludge treatment plants awarded to the Degrémont SA/AMEC Capital Projects Ltd. group of construction companies;
- to the Lord Mayor, Aldermen and Burgesses of Cork, in respect of a contract for the construction and operation of the Cork City wastewater purification plant awarded to a consortium comprising two of the Group's subsidiaries, Vinci subsidiary Dumez GTM, PJ Hegarty & Sons and Electrical & Pump Services. Each consortium member and Vinci agreed to counter-guarantee GDF SUEZ SA;
- to the Halifax Regional Municipality in respect of a contract for the construction of Halifax, Dartmouth and Herring Cove water treatment plants awarded to D&D Water Solutions Inc, a 50-50 joint venture owned by Degrémont Limited (a subsidiary of Degrémont) and Dexter (a subsidiary of Municipal Enterprises Limited). GDF SUEZ SA is acting as second-ranking guarantor and Degrémont as first-ranking guarantor for its share of the contract;
- in 2008, SUEZ Environnement undertook to counter-guarantee all of the guarantees given by GDF SUEZ SA (formerly SUEZ SA) for the Environment business that it had not yet counter-guaranteed;
- in Exploration-Production activities, it is customary for the parent company to provide local authorities with unlimited guarantees covering the obligations and environmental risks of subsidiaries and GDF SUEZ SA has provided numerous such guarantees;
- as part of the spin-off of water and wastewater activities in 2000, a performance guarantee was granted by GDF SUEZ SA in the context of its transfer of local public service franchise contracts to Lyonnaise des Eaux.There are some 322 such contracts;

- GDF SUEZ SA has also undertaken to:
  - following Société d'Infrastructures Gazières ("SIG") July 2011 acquisition of a 25% stake in GRTgaz, stand as guarantor for a period of 20 years and in proportion to its shareholding, against all losses incurred due to inaccurate representations regarding the non-pollution of the land owned or exploited by GRTgaz and the cost of the resulting clean-up work payable by GRTgaz not covered by the rates. GDF SUEZ SA has also granted an 18-month guarantee that it has full ownership of the shares transferred to SIG and that GRTgaz has full ownership of, or valid rights of use to, the assets needed to carry on its activities in France.
  - guarantee Elf Exploration UK Limited against tax proceedings for a period of seven years and against any other proceedings for a period of two years, up to a maximum cap of €590 million, following the sale of its 22.5% interest in the EFOG joint venture in December 2011.

6 Other financial commitments received

		Maturity		
In millions of euros	Total at Dec. 31, 2012	End-2013	Between 2014 and 2017	2018 and beyond
MARKET-RELATED COMMITMENTS				
Guarantees received	445	445	-	-
FINANCING COMMITMENTS				
Undrawn credit facilities	11,050	1,000	10,050	-
Other financing commitments received	-	-	-	-
Other financing commitments received in relation to subsidiaries	-	-	-	-
OTHER COMMITMENTS RECEIVED				
Counter-guarantees for personal sureties	2,580	478	1,550	552
Counter-guarantees for trading commitments	-	-	-	-
Operating lease commitments	266	54	177	35
Finance lease commitments	18	6	11	1
Commitments relating to LNG tankers	495	68	205	222
	14,854	**2,051**	**11,993**	**810**

GDF SUEZ SA has negotiated two revolving lines of credit: (i) a €4.5 billion line secured in May 2005 whose maturity was extended from 2012 to March 2017 in 2012, and (ii) a €4 billion line secured in June 2010 and maturing in 2015. The lending banks are able to opt out of the syndicate on an individual basis in the event of a change in the Company's controlling shareholder.

Counter-guarantees given on personal sureties concern guarantees received from members of GIE GDF SUEZ Alliance.

7 Securities commitments

In December 2012, SOPER partially exercised its put option, in an amount equivalent to 5% of its interest (i.e. 2.158% of the share capital), i.e. 3,992 shares at an exercise price of €1,162 per share, or €4.6 million.

Note 21 B Commodity-related commitments

1 Natural gas and electricity commitments

Gas supplies in Europe are based primarily on long-term "take-or-pay" contracts. These long-term commitments make it possible to finance costly production and transmission infrastructures. Under these contracts, the seller makes a long-term commitment to serve the buyer, subject to a commitment by the latter to buy minimum quantities regardless of whether or not it takes delivery of them. These commitments are combined with backup measures (force majeure) and flexible volume arrangements, making it possible to manage any uncertainties (primarily weather conditions) affecting demand as well as any technical contingencies that may arise.

These types of contracts can run up to 25 years and are used by GDF SUEZ SA to meet the demands of its customers for natural gas in the medium and long term.

The contracts provide for reciprocal commitments regarding specified quantities of gas:

- a commitment by GDF SUEZ SA to purchase quantities of gas above a minimum threshold;
- a commitment by suppliers to provide these quantities at competitive prices.

The appeal of these contracts is provided by indexed price formulas and price adjustment mechanisms. GDF SUEZ SA makes the bulk of its purchases under such contracts.

At December 31, 2012, GDF SUEZ SA had commitments to purchase a minimum of 514 TWh the first year, 2,159 TWh between two and five years, and 4,053 TWh after five years.

GDF SUEZ SA also entered into forward purchases and sales of natural gas, primarily at maturities of less than one year, as part of its trading activities. These consist of purchases and sales on short-term markets and offers featuring engineered prices for other operators.

At December 31, 2012, commitments given by GDF SUEZ SA totaled 27 TWh under forward purchase contracts and 86 TWh under forward sale contracts.

To meet its commitments to take delivery of specified volumes, GDF SUEZ SA has entered into long-term contracts to reserve land and sea transmission capacities.

At December 31, 2012, commitments given by GDF SUEZ SA totaled 24 TWh under forward electricity purchase contracts and 2 TWh under forward electricity sale contracts. Furthermore, GDF SUEZ SA has not entered into forward purchases and sales of CO_2 emission allowances as part of its CO_2 brokerage activities.

2 Commodity derivatives

Commodity derivatives (natural gas, oil and electricity) consist mainly of swaps, futures and options set up to manage price risk within the scope of the trading activities of GDF SUEZ SA. These instruments are traded with third parties by the Company's specialized subsidiary, GDF SUEZ Trading.

These derivatives are contracted to manage risks arising on:

- price engineering transactions designed to meet the growing demand among customers for tight controls on gas and electricity price risk. These products are primarily intended to guarantee a commercial margin regardless of trends in the commodity indexes included in the prices offered to customers, even when they differ from the commodity indexes to which GDF SUEZ SA purchases are pegged. Options (calls and puts) are set up to guarantee maximum and minimum prices;
- measures taken to optimize procurement costs. Energy procurement costs, assets used in electricity production and reservations of available transmission and storage capacity not required to supply customers are systematically valued on the market.

The exposure to commodity price risk on these commercial transactions is managed and monitored as follows:

- pass-through mechanisms are applied in determining (i) sale prices for eligible customers, and (ii) regulated rates;
- the margin on fixed-price sale contracts or contracts indexed by financial swaps is hedged.

There is a time lag between the impact of changes in commodity prices on procurement costs and their repercussion onto sales prices, reflecting mainly the effect of rolling averages and the inventory stocking/run-down cycle.

	Notional amount at Dec. 31, 2012					
	In GWh by maturity			In millions of euros		
	x < 1 year	1 year < x < 2 years	x > 2 years		Fair value at Dec. 31, 2012 in millions of euros	Notional amount at Dec. 31, 2011 In GWh
SWAPS (LONG POSITIONS)						
Natural gas	44,859	9,217	608	1,359	(36)	33,742
Oil-based products	104,227	24,099	439	5,993	236	189,154
CER EUA– CO_2	-	-	-	-	-	250
SWAPS (SHORT POSITIONS)						
Natural gas	(57,820)	(27,800)	(3,999)	(2,369)	15	58,840
Oil-based products	(63,449)	(17,389)	(693)	(2,968)	(200)	118,285
CER EUA– CO_2	-	-	-	-	-	250
OPTIONS (LONG POSITIONS)						
Natural gas						-
Oil-based products	-	-	-	-	-	10,449
OPTIONS (SHORT POSITIONS)						
Oil-based products	-	-	-	-	-	-
Electricity	-	-	-	-	-	6,695
FORWARDS (LONG POSITIONS)						
Oil-based products						43
Electricity	22,869	1,228	12,680	22	25	2,525
CO_2	9	8	21	2	2	273
FORWARDS (SHORT POSITIONS)						
Electricity	(13,511)	(6,255)	(5,159)	(367)	(364)	12,294
CO_2	-	-	-	-	-	29

Note 21 C Energy savings certificates

Planning Law No. 2005-781 of July 13, 2005 laying down the key areas of French energy policy introduced energy savings certificates as from July 1, 2006. This system requires suppliers of energy to meet certain energy savings targets imposed by public authorities over a given period. Energy suppliers are free to decide the way in which they discharge these obligations.

GDF SUEZ SA successfully discharged its energy savings obligations for the first three-year period from July 1, 2006 to June 30, 2009.

National energy savings targets for the second three-year period from January 1, 2011 to December 31, 2013 have been fixed at 345 TWh for the three years. Decree No. 2010-1663 of December 29, 2010 sets out the new bases for calculating and allocating national energy savings targets between different enterprises.

Each energy supplier's annual target is determined based on its sales and an energy proportionality coefficient:

Energy	Target-based coefficient
Electricity	0.168 kWh cumac*/kWh sold
Natural gas	0.095 kWh cumac*/kWh sold

* *Cumac: updated cumulative kilowatt-hours (kWh).*

Because of the manner in which they are determined, final targets for individual energy suppliers for the 2011-2013 period will be published in a government decree by March 31, 2014 at the latest.

Note 21 D Insurance of eligible risks

GDF SUEZ SA systematically transfers all material risks based on an identification of risks eligible for insurance – particularly relating to Company assets and damages caused to third parties, including environmental risks. Insurance policies offer extensive coverage in order to limit the financial impact of any claims on the Group's accounts.

To ensure a consistent approach, insurance policies are managed at Group level. As a result, new projects developed by subsidiaries can be incorporated within existing policies to enable the parent company to fully assume its role for its majority-owned subsidiaries.

Note 21 E Legal and arbitration proceedings

1 Competition and industry concentration

In 2008, Gaz de France received a statement of objections from the European Commission in which it voices its suspicions of concerted practice with E.ON resulting in the restriction of competition on their respective markets regarding, in particular, natural gas supplies transported via the MEGAL pipeline. The Commission considered that these restrictive business practices had begun in 1975, when the agreements relating to the MEGAL pipeline were signed and GDF SUEZ and E.ON had agreed not to supply gas transported via the MEGAL pipeline to customers in their respective markets and lasted until 2005. In 2009, the European Commission fined GDF SUEZ and E.ON €553 million each for agreeing not to compete against each other in their respective gas markets. GDF SUEZ has paid the fine. In 2009, GDF SUEZ brought an action for annulment against the Commission's decision before the General Court of the European Union.

On June 29, 2012, the General Court of the European Union set the fine to be paid by GDF SUEZ at €320 million, thus reducing the original fine of €553 million by €233 million that were redeemed to the Group on July 31, 2012. As this decree was not appealed in the European Court of Justice, it has become final.

2 Argentina

In Argentina, the Public Emergency and Exchange Regime Reform Act (Emergency Act), enacted in January 2002, froze concession contract tariffs increases by preventing the application of tariff indexation clauses in the event of a loss in value of the Argentine peso against the US dollar.

In 2003, SUEZ (now GDF SUEZ) and its joint shareholders, water distribution concession operators in Buenos Aires and Santa Fe, launched two arbitration proceedings against the Argentinean State in its capacity as concession grantor before the ICSID. The purpose of these proceedings is to enforce concession contract clauses in accordance with the Franco-Argentine Bilateral Investment Protection Treaties.

These ICSID arbitration proceedings aim to obtain compensation for the loss of value of investments made since the start of the concession, as a consequence of measures taken by the Argentinean State following the adoption of the above-mentioned Emergency Act. The hearings for both proceedings took place in 2007. Alongside the ICSID proceedings, the concession operators Aguas Argentinas ("AASA") and Aguas Provinciales de Santa Fe ("APSF") were forced to launch proceedings to terminate their concession contracts before the local administrative courts.

However, due to a decline in the financial position of the concession-holding companies since the Emergency Act, APSF announced at its Shareholders' Meeting of January 13, 2006 that it was filing for bankruptcy.

At the same time, AASA filed for “Concurso Preventivo”[1]. As part of this procedure, a settlement proposal involving the novation of AASA’s admissible liabilities was approved by creditors and confirmed by the bankruptcy court on April 11, 2008. The settlement of these liabilities is underway. The proposal provides for an initial payment of 20%[2] of these liabilities (upon approval), and a second payment of 20% in the event that compensation is obtained from the Argentinean State. As controlling shareholders, GDF SUEZ and Agbar decided to financially support AASA in making this initial payment and paid sums of USD 6.1 million and USD 3.8 million respectively, at the time of confirmation.

As a reminder, prior to the merger of SUEZ and Gaz de France and the stock market listing of SUEZ Environnement Company, SUEZ and SUEZ Environnement entered into an agreement providing for the economic transfer to SUEZ Environnement of the rights and obligations relating to the ownership interest held by SUEZ in AASA and APSF.

By two decisions dated July 30, 2010, ICSID recognized the liability of the Argentinean State in the termination of water distribution and treatment concession contracts in Buenos Aires and Santa Fe. Following these two decisions, the arbitration tribunal will set the amount of the award to be paid in compensation of the losses sustained in the coming months.

The expert is expected to submit his final conclusions in the first half of 2013.

3 Squeeze-out bid for Electrabel shares

On July 10, 2007, three shareholders, Deminor and two other funds initiated proceedings before the Brussels Court of Appeal (“CA”) against SUEZ and Electrabel under which they sought additional consideration following the squeeze-out bid launched by SUEZ in June 2007 on Electrabel shares that it did not already own. The Appeal Court dismissed the application on December 1, 2008.

Following the appeal lodged by Deminor and its associates on May 22, 2009, the Court of Cassation overturned the ruling on June 27, 2011. In a subpoena dated December 28, 2012, Deminor and its associates launched proceedings against GDF SUEZ in the Brussels Appeal Court on a different basis, in order for the Court to rule on their request for a price increment. The initial hearing is scheduled for February 19, 2013.

A similar demand for a price increment, submitted to the Brussels Appeal Court by Messrs. Geenen and associates, but without naming Electrabel and the FSMA (*Autorité belge des services et marches financiers*, formerly the “*Commission bancaire, financière et des assurances*”) as defendants, was dismissed on December 24, 2009 on procedural grounds. Mr Geenen lodged an appeal in cassation against the ruling of December 24, 2009 on June 2, 2010. The Court of Cassation delivered a ruling overturning the ruling of the Brussels Appeal Court on May 3, 2012. It is now up to Mr Geenen to launch proceedings against GDF SUEZ in the Brussels Appeal Court on a different basis.

(1) *Similar to the French bankruptcy procedure.*

(2) *Approximately USD 40 million.*

4 Freeze of regulated natural gas prices in France as of October 1, 2011

Legal proceedings regarding regulated tariffs in the final quarter of 2011

The ministerial decree of September 29, 2011 relating to regulated prices for natural gas provided from GDF SUEZ distribution networks resulted in a freeze of regulated natural gas prices despite the fact that on September 22, 2011, the French Energy Regulatory Commission (CRE) delivered an unfavorable opinion regarding the ministerial decree. GDF SUEZ considers that this decree does not comply with the law according to which regulated prices must cover all costs nor with competitive market rules nor with the public service contract signed between the Group and the French State.

As a result, on October 13, 2011 GDF SUEZ appealed the decree before the *Conseil d’Etat* (France’s highest administrative court) on the ground of abuse of authority.

On November 28, 2011, the French national association of energy retail operators (*Association nationale des opérateurs détaillants en énergie* – ANODE) obtained the suspension of the decree of September 29, 2011 from the president of the *Conseil d’Etat*. On July 10, 2012, the *Conseil d’Etat* cancelled the Decree of September 29, 2011 regarding regulated tariffs for the sale of natural gas issued by the Economy and Energy Ministries.

In its ruling, the *Conseil d’Etat* observed that the decree contained a legal flaw, in that it set the tariffs at a level that was lower than the one that would have resulted from the application of the tariff formula as determined by current regulations.

The *Conseil d’Etat* therefore pressed the Economy and Energy ministers concerned to issue a new decree setting a tariff change that is compliant with the regulations for the period between October 1, 2011 and December 31, 2011, which was achieved via the Decree of August 1, 2012. An estimated gain of €210 million has been recognized in the 2012 financial statements in respect of this tariff “catch-up” adjustment.

Legal proceedings regarding regulated tariffs as from July 2012

In addition, the Ministerial Decree of July 18, 2012 set the change in the regulated natural gas tariff in France at 2% as from July 20, 2012. The Group considers that this price change will not enable it to cover all of its natural gas supply costs and other costs.

As a consequence, GDF SUEZ contested the decree before the *Conseil d’Etat* on August 24, 2012, on the grounds of abuse of power. Lastly, the Ministerial Decree of September 26, 2012 set the change in the regulated natural gas tariff in France at 2% for the period from September 29, 2012 to December 31, 2012. The Group considers that this price change will not enable it to cover all of its natural gas supply costs and other costs.

As a consequence, GDF SUEZ contested the decree before the *Conseil d’Etat* on November 15, 2012, on the grounds of abuse of power. The *Conseil d’Etat* suspended the Decree of September 26, 2012 via an order issued on November 29, 2012, and also pressed the Ministers responsible for Energy and Finance to issue a new statement regarding regulated gas tariffs within one month, by applying the current legislation.

The *Conseil d'Etat* basically cancelled the Decrees of June 27, 2011, July 18, 2012 and September 26, 2012 via three decisions on January 30, 2013, on the grounds that they did not set the increase in the regulated natural gas tariff at the level required for GDF SUEZ to cover its costs. The Conseil d'Etat urged the Government to issue new decrees to correct this unlawful position within one month. The positive impact of the Conseil d'Etat's decision and of the new tariff decrees will be recognized in the 2013 income statement. The positive impact on 2013 EBITDA represents around €150 million.

5 La Compagnie du Vent

On November 27, 2007, GDF SUEZ acquired a 56.84% stake in La Compagnie du Vent, with the original owner SOPER retaining a 43.16% stake. The founder of the company (and owner of SOPER), Jean-Michel Germa remained Chairman and Chief Executive Officer of La Compagnie du Vent.

GDF SUEZ has been involved in various disputes with Jean-Michel Germa and SOPER, regarding the latter's dismissal as Chief Executive, since 2011. Following the cancellation of La Compagnie du Vent's first General Meeting on May 27, 2011 by the Montpellier Appeal Court ("*Court d'Appel*"), a second General Meeting on November 3, 2011 finally appointed a new managing director, who was put forward by GDF SUEZ.

However, the following proceedings are still pending: (i) the legal proceedings launched against SOPER by La Compagnie du Vent in the Montpellier Commercial Court (*Tribunal de Commerce*) on August 23, 2011, which were aimed at ordering the latter to make good the non-material harm suffered by La Compagnie du Vent as a result of the undue use of minority influence through a payment of €500,000, (ii) the legal proceedings contractual responsibility and negligence proceedings launched against GDF SUEZ by Jean-Michel Germa, at the time when the latter was dismissed as Chairman and Chief Executive of La Compagnie du Vent, in the Paris Commercial Court on February 15, 2012, (iii) the proceedings launched against GDF SUEZ, La Compagnie du Vent and the current Chairman and Chief Executive by SOPER on May 21, 2012, which request a legal review of certain management decisions, in order to obtain compensation, and (iv) the proceedings launched by SOPER in the Paris Commercial Court on January 18, 2013, with a view to ordering GDF SUEZ to pay compensation of around €214 million to SOPER as a result of the alleged breach of the agreement and of the shareholders' agreement signed in 2007. Furthermore, SOPER has also informed GDF SUEZ of its intention to exercise its call option on the 5% interest in La Compagnie du Vent held by SOPER. The price of the shares was set by an expert following the contractually scheduled procedures.

6 Total Energie Gaz

GDF SUEZ buys natural gas from Total Energie Gaz ("TEGAZ"), a subsidiary of the Total Group, under an Agreement entered into on October 17, 2004, and asked for a review of the contractual price with effect at May 1, 2011. As the negotiations with TEGAZ were not successful GDF SUEZ submitted the dispute involving the review of the contractual price to a panel of experts, in March 2012, in accordance with the Agreement. On June 5, 2012, TEGAZ gave notice of a dispute regarding the interpretation of certain clauses in the aforementioned Agreement, which is currently the subject of arbitration proceedings, in accordance with the regulations of the French Arbitration Association (AFA). TEGAZ has requested an emergency ruling to suspend the appraisal procedures during the arbitration process, the grounds for and necessity of which are opposed by GDF SUEZ. The arbitration procedure was suspended on July 27, 2012. On January 29, 2013, the arbitration Court declares itself competent to decide on all demands made by TEGAZ and it recognizes that 5 out of 8 demands made by TEGAZ are founded.

NOTE 22 PENSIONS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

OVERVIEW OF OBLIGATIONS

In millions of euros	Dec. 31. 2012 (1)	Dec. 31, 2011
PENSIONS	**2,202**	**1,928**
• EGI sector plan	1,928	1,658
• Other plans	274	270
OTHER RETIREMENT AND POST-EMPLOYMENT BENEFITS	**426**	**373**
• Reduced energy and water prices	281	256
• End-of-career allowances	61	54
• Immediate bereavement benefits	47	28
• Other*	37	35
OTHER EMPLOYEE BENEFIT OBLIGATIONS	**95**	**99**
• Disability benefits and other	88	92
• Long-service awards	7	7
	2,723	**2,400**

* *Indemnities for partial reimbursement of educational expenses, exceptional end-of-career vacation and the former SUEZ supplementary healthcare plan.*

(1) Including €126 million for which a provision has been recorded in the parent company financial statements (see Note 22 D).

Note 22 A Pensions

The main defined-benefit plans operated by GDF SUEZ SA comprise:

- pensions falling within the scope of the special plan for companies belonging to the Electricity and Gas Industries sector (“EGI”);
- pension plans taken over following the merger of SUEZ SA into GDF SUEZ SA:
  - the 1953 supplementary pension plan, closed since December 31, 1988,
  - plans operated by the former Compagnie de SUEZ (annuity plans based on end-of-career salaries),
  - supplementary pension plans for senior managers operated by all water companies (annuity plans based on end-of-career salaries).

Pension plan for electricity and gas utilities

Since January 1, 2005, the Caisse Nationale des Industries Electriques et Gazières (CNIEG) has operated the pension, disability, life, occupational accident and occupational illness benefit plans for EGI sector companies. The CNIEG is a private welfare body placed under the joint responsibility of the ministries in charge of social security, budget and energy. Salaried employees and retirees of EGI sector companies have been fully affiliated to the CNIEG since January 1, 2005. The conditions for calculating benefit entitlement under the EGI plan are set out in the national statute for EGI sector employees (decree of June 22, 1946) and determined by the government. By law, companies cannot amend any of these conditions.

Law No. 2004-803 of August 9, 2004 (concerning electricity and gas public services and electricity and gas utilities) and its implementing decrees allocated specific benefits already vested at December 31, 2004 (“past specific benefits”) between the various EGI entities. For each entity, the law also distinguished between (i) benefits related to gas and electricity transmission and distribution businesses (“regulated past specific benefits”), and (ii) benefits related to other activities (“unregulated past specific benefits”). Specific rights under the special pension plan applicable to EGI companies are on top of the standard benefits payable under ordinary law.

Regulated past specific benefits are funded by the levy on gas transmission and distribution services (*Contribution Tarifaire d’Acheminement*), and therefore no longer represent an obligation for the GDF SUEZ Group.

Unregulated past specific benefits are funded by EGI sector entities to the extent defined by Decree No. 2005-322 of April 5, 2005. For GDF SUEZ SA, this funding obligation represents 3.25% of the past specific benefit obligations of all EGI sector companies.

The specific benefits vested under the plan since January 1, 2005 will be wholly financed by EGI sector companies in proportion to their respective share of the electricity and gas market as measured by total payroll costs.

1. Financial obligations of GDF SUEZ SA

Pursuant to the Law of August 9, 2004 on electricity and gas public services and electricity and gas utilities, as from January 1, 2005 GDF SUEZ SA has the following financial obligations:

- to pay the CNIEG its share of the contributions due under statutory pension plans. These contributions are then paid over by the CNIEG to the CNAV and to the mandatory supplementary pension plans AGIRC and ARRCO;
- to pay the CNIEG its contribution to financing the benefits paid in excess of rights under statutory pension plans not funded by the CTA levy;
- to pay the CNIEG its share in exceptional flat-rate contributions in full and final discharge of its liabilities due to the CNAV, AGIRC and ARRCO and not financed by the CTA levy;
- to pay the CNIEG its share of the administrative expenses incurred by the CNIEG as well as compensation with respect to other statutory pension plans and benefits relating to disability, death, work accidents and occupational illnesses;
- as a gas and electricity supplier (and carrier, where applicable), to collect and pay over to the CNIEG the CTA levies.

2. Reform of public sector pensions

2008 reforms

The special pension plan for companies belonging to the electricity and gas industries sector was amended by Decree No. 2008-69 of January 22, 2008. The related modifications were effective from July 1, 2008 and mainly concerned:

- an extension of the period during which employees pay in contributions;
- introduction of a discount/premium mechanism;
- the methodology for recalculating pensions.

During the transitional phase, the period over which employees have to pay in contributions before they can retire on a full pension previously set at 150 quarters will rise gradually up to 160 quarters on December 1, 2012.

Discounts will be gradually introduced for employees who have not completed the required pay-in period. The discount consists of applying a financial penalty to employees who have not paid in contributions over a sufficient period to qualify for a full pension. Conversely, a premium will be applied to employees who, under certain conditions, continue to work beyond 60 and have paid in contributions over more than 160 quarters.

Pensions and disability annuities are recalculated as of January 1, 2009 on the basis of the retail price index (excluding tobacco).

The Law of August 9, 2004 introduced a surcharge on natural gas transmission and distribution services (the CTA levy) designed to fund the specific pension benefits accruing to current employees in the EGI sector (“regulated past specific benefits”) and vested at December 31, 2004. The funding of these benefits is no longer incumbent on the GDF SUEZ Group, except for modifications caused by changes in the system after December 31, 2004 that increase the level of such benefits and result from changes in the classification of employees or in the regulations governing post-employment entitlements under EGI plans.

2010 reforms

Law No. 2010-1330 of November 9, 2010 amended statutory and public sector pension plans by raising the legal retirement from 60 to 62 years of age.

At December 31,2010 pending the implementing decree for the special EGI pension plans, and given the principle of linking this plan to public sector pension plans stipulated in the Law of January 22, 2008, all of the impacts of the 2010 pension reforms have been taken into account by GDF SUEZ SA in measuring its employee benefit obligations, i.e.:

- because they are linked, the special EGI pension plan will fund the impact of the reform to the statutory pension plan as from 2011. This primarily concerns the extension of the legal retirement age. This phase will not affect employees in the EGI sector;
- as from 2017, the legal retirement age and the age at which the discount on pension benefits is canceled will gradually be raised to reach 62 and 67, respectively, in 2024.

Implementing Decree No. 2011-290 regarding the 2010 pension reform was enacted on March 18, 2011. The timetable for the extended 41.5-year pay-in period determining eligibility for a full pension was prescribed by Decree No. 2011-916 of August 1, 2011. The 2011 financial statements take into account the impact of these two new pieces of pension legislation compared to initial forecasts at end-2010, resulting in a €11 million reduction in the obligation.

Highlights of the 2012 changes to the obligations

Decree No 2012-847 of July 2, 2012 aims to provide the right to early retirement at the age of 60 to scheme members who have contributed over the pay-in period required for their generation and who began working before the age of 20. As the estimated impact of this decree on the EGI portion as from 2017 was not material in view of the pension plan obligations, it did not result in taking the early departures relating to this decree into account. Conversely, the €3 million obligation to finance pre-retirement contributions at December 31, 2012 includes the increase in the CNAV pension contributions over the next five years, within the limit of the annual social security cap.

GDF SUEZ has included the following factors in the assessment of these employee obligations at December 31, 2012:

- the draft decree providing for monthly instead of quarterly payment of EGI pensions as from January 1, 2013;
- increasing the Immediate Bereavement Benefit by one month when a retired or disabled statutory member dies.

The impact of this legislation is a €1 million increase in the obligation.

3. Calculation of pension obligations

In accordance with CNC Recommendation No. 2003-R.01 of April 1, 2003, GDF SUEZ SA calculates its pension obligations using a yield-to-maturity method. The method used is known as the projected unit credit method and is based on assumptions regarding:

- end-of-career salaries (based on seniority, salaries and career promotions);
- retirement age, based on specific criteria applicable to EGI sector employees (active service, number of children for female employees);
- changes in the population of retired employees, based on mortality tables drawn up by INSEE and an employee turnover rate based on behavioral statistics for EGI sector employees;
- payments of benefits to surviving spouses, based on the life expectancy of employees and their spouses, and the percentage of married employees among EGI sector personnel.

The obligations are calculated as follows:

- based on the rights vested at the measurement date, under both the EGI plan and statutory pension plans;
- for all active and retired employees in the EGI sector, and all employees and eligible beneficiaries for former SUEZ plans;
- includes contributions to CNIEG administrative expenses;
- actuarial gains and losses are recognized immediately.

The discount rate used at December 31, 2012 was 3.3% (4.1% at December 31, 2011).

Note 22 B Other employee benefit obligations

Benefits payable to active and retired employees of EGI sector companies (excluding pensions) are described below:

- long-term benefits:
  - allowances for occupational accidents and illnesses,
  - temporary and permanent disability allowances,
  - long-service awards;
- post-employment benefits:
  - reduced energy prices,
  - end-of-career indemnities,
  - exceptional end-of-career vacation,
  - immediate bereavement benefits,
  - partial reimbursement of educational expenses.

In addition former SUEZ SA retirees are eligible for the following post-employment benefits: a water bonus and complementary healthcare insurance.

The discount rate used to calculate these obligations varies according to when they fall due. The discount rate used to calculate post-employment benefit obligations was 3.3% at December 31, 2012 and 4.1% at December 31, 2011. The discount rate used to calculate other commitments was 3% at end-2012 and 3.9% at end-2011.

1. Allowances for occupational accidents and illnesses

Like other employees under the standard pension plan, EGI sector employees are entitled to compensation for accidents at work and other occupational illnesses. These benefits cover all employees or the dependents of employees who die as a result of occupational accidents or illnesses, or injuries suffered on the way to work.

The amount of the commitment corresponds to the likely present value of the benefits to be paid to current beneficiaries, taking potential survivors' benefits into account.

2. Reduced energy prices

Under Article 28 of the national statute for Electricity and Gas Industry personnel, all current and former employees are entitled to benefits in kind which take the form of energy granted at "employee rates". This benefit entitles employees to electricity and gas supplies at a reduced price. For the retirement phase, this represents a post-employment defined benefit which is recognized over the period during which the employee services are rendered.

The amount of the GDF SUEZ SA obligation regarding gas supplied to GDF SUEZ SA employees within the EGI sector and to EDF employees corresponds to the likely present value of the power (kWh) supplied to the employees during the retirement phase, assessed based on the unit cost of the energy.

The amount of the obligation also takes account of the price of the energy exchange agreement with EDF. In accordance with the financial agreements signed with EDF in 1951, in return for EDF supplying the Group's EGI sector employees with electricity at preferential rates, GDF SUEZ SA supplies gas to EDF's employees at preferential rates by means of a balancing contribution. The obligation resulting from this energy exchange agreement represents the likely present value of the components of the balancing contribution allocated to GDF SUEZ SA employees during the retirement phase.

Retirees must have accumulated at least 15 years' service in EGI sector companies to be eligible for the reduced energy price plan.

3. End-of-career indemnities

Further to the reform of EGI pensions as of July 1, 2008, retiring employees (or their dependents in the event of death during active service) are entitled to end-of-career indemnities which increase in line with the length-of-service within the utilities.

The obligation resulting from end-of-career indemnities is calculated using the projected unit credit method.

Note 22 C Change in the present value of benefit obligations

	EGI sector plan		Other plans		Other post-employment benefits		Long-term benefits		Total	
In millions of euros	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Present value of benefit obligation at January 1	**1,658**	**1,477**	**270**	**281**	**373**	**311**	**99**	**93**	**2,400**	**2,162**
Service cost	43	40	3	2	7	6	9	9	62	57
Interest cost	68	71	10	11	13	14	4	4	95	100
Actuarial gains and losses on the obligation	227	134	8	(11)	49	68	(8)	2	276	193
Benefits paid under all plans (funded and unfunded)(1)	(68)	(64)	(17)	(13)	(16)	(26)	(9)	(9)	(110)	(112)
Other	-	-	-	-	-	-		-	-	-
Present value of benefit obligation at December 31	**1,928**	**1,658**	**274**	**270**	**426**	**373**	**95**	**99**	**2,723**	**2,400**

(1) Benefits paid under all pension plans are recognized in the income statement, with the exception of employee benefit obligations in respect of which a provision has been set aside, where the year-on-year change is taken to income in full (see Note 22 D). The aggregate impact on income of benefits paid and changes in the benefit obligation totaled €113 million in 2012 versus €112 million in 2011.

Note 22 D Provisions

GDF SUEZ SA sets aside provisions in respect of allowances for occupational accidents and illnesses, and temporary and permanent disability benefits for active employees at year-end, as well as for benefits due during employees' active working lives (long-service awards and exceptional end of career vacation). Provisions for pensions and other employee benefit obligations transferred by SUEZ SA at the time of the 2008 merger are also recognized by GDF SUEZ SA in liabilities. These provisions are written back as and when the corresponding liabilities for which they were set aside at end-2007 are extinguished. No further amounts are set aside to these provisions in respect of rights newly vested or the unwinding of discounting adjustments.

At December 31, 2012, GDF SUEZ SA had recorded a provision of €126 million, compared with €133 million at December 31, 2011.

Changes in provisions for employee benefit obligations

	Pensions (1)		Other post-employment benefit obligations (2)		Long-term benefits (3)		Total	
In millions of euros	2012	2011	2012	2011	2012	2011	2012	2011
Provision at January 1	13	16	31	32	89	85	133	133
Pension cost (benefit) for the period	-	-	2	3	7	13	9	16
o/w Service cost	-	-	*1*	*1*	*9*	*9*	*10*	*11*
o/w Interest cost	-	-	-	*1*	*3*	*4*	*3*	*5*
o/w Actuarial gains and losses on the obligation	-	-	*1*	*1*	*(5)*	-	*(4)*	-
o/w Other	-	-	-	-	-	-	-	-
Benefits paid under all plans (funded and unfunded)	(4)	(3)	(3)	(4)	(9)	(9)	(16)	(16)
Provision at December 31	9	13	30	31	87	89	126	133

(1) In 2012, as in 2011, these involved only non-EGI pension obligations.
(2) Exceptional end-of-career leave (€16 million), complementary healthcare insurance to retirees of the former SUEZ Group (€10 million) and water bonus (€4 million).
(3) Allowances for occupational accidents and illness, (€63 million), temporary and permanent disability allowances (€17 million) and long-service awards (€7 million).

Note 22 E Insurance contracts

GDF SUEZ SA has taken out insurance contracts with several insurance firms to cover its obligations in respect of pensions and end-of-career indemnities. An amount of €35 million was paid to these insurance firms in 2012.

The value of these contracts stood at €1,822 million at December 31, 2012 (€1,693 million at December 31, 2011).

Note 22 F Change in the fair value of plan assets

	Pensions		Other post-employment benefits	
In millions of euros	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Fair value of plan assets at January 1	1,663	1,735	30	34
Expected return on plan assets	58	68	1	1
Premiums net of handling fees(1)	35	4	2	
Actuarial gains and losses on plan assets	109	(75)	(2)	(3)
Benefits paid out of plan assets(1)	(75)	(69)	(1)	(2)
Fair value of plan assets at December 31	1,790	1,663	32	30

(1) Only insurance premiums and benefits reimbursed out of plan assets were recognized in income. The net balance reflects net income of €41 million in 2012 and €67 million in 2011.

Return on plan assets

	Pensions				Other post-employment benefits	
	2012		2011		2012	2011
	EGI sector plan	Other plans	EGI sector plan	Other plans		
Actual return on plan assets	10.6%	3.4%	(0.7%)	3.58%	12.9%	(1.5%)

The expected return on plan assets for 2012 is 3.46% in respect of pensions and 4.21% in respect of other obligations.

The allocation of plan assets by principal asset category can be analyzed as follows:

	Dec. 31, 2012		Dec. 31, 2011	
	EGI sector plan	Other plans	EGI sector plan	Other plans
Equities	31%	11%	30%	11%
Bonds	50%	81%	47%	80%
Other (including money-market securities)	19%	8%	23%	9%
TOTAL	**100%**	**100%**	**100%**	**100%**

Collective life insurance policies contracted with insurers to cover employee-related liabilities under the EGI sector plan are unit-linked. These contracts are available to GDF SUEZ SA and to Group subsidiaries belonging to the "Group employee benefits management agreement". A small portion of these contracts may be invested in financial instruments issued by GDF SUEZ SA, mainly equities.

Based on unit-linked contracts attributable to GDF SUEZ SA, the portion of plan assets invested in financial instruments issued by GDF SUEZ SA amounted to €14 million at December 31, 2012, representing less than 1% of the total value of the fund at that date.

Plan assets are not invested in properties occupied by GDF SUEZ SA or in other assets used by GDF SUEZ SA.

Note 22 G Supplementary defined-contribution plan

Employees eligible for the EGI plan also benefit from an additional defined-contribution plan set up in 2009. Employer contributions paid in respect of this plan totaled €7 million in 2012 and 2011.

NOTE 23 HEADCOUNT

At December 31, 2012, the breakdown for each category of employees was as follows:

	Dec. 31, 2011	Change	Dec. 31, 2012
Operating staff	512		512
Senior technicians and supervisory staff	2,651	(130)	2,521
Managerial staff	3,738	(164)	3,574
	6,901	**(294)**	**6,607**

The average number of employees was 6,641 in 2012 and 6,952 in 2011.

NOTE 24 STATUTORY TRAINING ENTITLEMENT

Under Law No. 2004-391 of May 4, 2004 on vocational training, employees working under an indefinite-term employment contract governed by private law accrue a minimum of 20 hours' statutory training entitlement per year, cumulative over a period of six years. If at the end of the six-year period employees have not used all or part of their training entitlement, the entitlement is capped at 120 hours.

Pursuant to Opinion 2004-F of the CNC's Emerging Issues Taskforce on accounting for the statutory training entitlement, no provisions were set aside at December 31, 2012 in respect of this obligation. At that date, GDF SUEZ SA employees had accrued a total of 638,847 unused training hours.

NOTE 25 EMPLOYEE PROFIT-SHARING

An employee profit-sharing agreement based on performance criteria has been set up in compliance with the legal conditions prescribed by Order 86-1134 of October 21, 1986.

Beneficiaries of the agreement may pay all or part of the amounts received under the profit-sharing plan into savings plans operated by GDF SUEZ SA, rather than accessing the amounts immediately.

In this case, amounts received are invested in:

- the Group savings plan (*Plan d'Epargne Groupe* – PEG) or the Company savings plan (*Plan d'Epargne Entreprise* – PEE). The employer matches 100% of the amount that the employee has paid in up to a maximum annual net amount of €700;
- or in the collective retirement savings plan (*Plan d'Epargne Retraite Collectif* – PERCO). The employer matches 150% of the amount that the employee has paid in up to a maximum annual net amount of €700.

Employees may combine both of these possibilities.

These profit-mechanisms are treated as personnel expenses.

NOTE 26 INFORMATION CONCERNING RELATED AND ASSOCIATED COMPANIES

In millions of euros	Related companies	Associated companies
Equity investments	64,631	30
Amounts receivable from equity investments	1,098	
Deposits and guarantees	29	
Trade and other receivables	1,872	
Current accounts with subsidiaries showing a credit balance	148	
Other receivables	161	
Current accounts with subsidiaries showing a debit balance	7,332	3
Trade and other payables	1,313	2
Liabilities relating to fixed assets	1,150	
Other liabilities	81	
Revenues	10,002	4
Energy purchases and change in gas reserves	5,225	29
Other external charges	4,398	6
Other operating expenses	167	
Other operating income	592	
Other financial expense	39	
Other financial income	1,781	6

All material transactions between GDF SUEZ SA and related parties were carried out on an arm's length basis. Accordingly, no disclosures are required pursuant to the Amending Decree of Article R.123-198-11 of March 9, 2009.

Relations with the French State

Further to the merger between Gaz de France and SUEZ on July 22, 2008, the French State owns 36.7% of GDF SUEZ and appoints six representatives to the Group's 22-member Board of Directors.

The French State holds a golden share aimed at protecting France's critical interests and ensuring the continuity and safeguarding of supplies in the energy sector. This golden share is granted to the French State indefinitely and entitles it to veto decisions taken by GDF SUEZ if it considers they could harm France's interests.

Public service engagements in the energy sector are defined by the Law of January 3, 2003.

They are implemented by means of a new public service contract dated December 23, 2009, which sets out the Group's public service obligations and the conditions for price regulation in France:

- as part of its public service obligations, the Group is reinforcing its commitments in terms of the protection of goods and individuals, solidarity and assistance to low-income customers, sustainable development and research;
- regarding the conditions for price regulation in France, a decree was published in connection with the contract redefining the overall regulatory framework for setting and changing natural gas prices in France. The mechanism as a whole provides clearer direction on the conditions for changing regulated prices, notably through price change forecasts based on costs incurred. It also establishes rules and responsibilities for the various players over the period 2010-2013.

Relations with the CNIEG *(Caisse Nationale des Industries Electriques et Gazières)*

The Group's relations with the CNIEG, which manages all old-age, death and disability benefits for active and retired employees of the Group who belong to the special EGI pension plan, employees of EDF and Non-Nationalized Companies (*Entreprises Non Nationalisées* – ENN), are described in Note 22, "Post-employment benefits and other long-term benefits".

NOTE 27 SUBSIDIARIES AND INVESTMENTS

In millions of euros Name	Share capital as per latest available balance sheet	Other equity as per latest available balance sheet	% capital held at Dec. 31, 2012
A – Detailed information concerning subsidiaries and investments whose gross value exceeds 1% of GDF SUEZ SA capital (i.e., €24,128,241)			
1. SUBSIDIARIES (MORE THAN 50%-OWNED BY GDF SUEZ SA)			
Aguas Provinciales de Santa Fe (1)	9	(102)	64.19
Celizan	-	-	100
Cogac	1,433	(358)	100
Electrabel	2,373	10,155	99.13
Elengy	109	494	100
GDF International	3,972	659	100
GDF SUEZ Communication	8	4	100
Genfina	1,750	(507)	100
GDF SUEZ Finance	5,460	470	100
GIE GDF SUEZ Alliance	100	(49)	64
GrDF	1,800	4,810	100
GRTgaz	537	2,809	75
La Compagnie du Vent	14	85	59
SI Finance	27	7	100
GDF SUEZ Energy Services	699	1,087	100
Société Foncière et Immobilière du Gaz (SFIG)	55	33	97
Sopranor	-	5	100
STORENGY	1,044	1,255	100
2. EQUITY INVESTMENTS (BETWEEN 10%- AND 50%-OWNED BY GDF SUEZ SA)			
Aguas Argentinas	25	(354)	48.20
SUEZ Environnement Company	2,041	4,674	37.18
3. OTHER LONG-TERM INVESTMENTS (LESS THAN 10%-OWNED BY GDF SUEZ SA)			
B - Information concerning other subsidiaries and investments			
1. SUBSIDIARIES NOT INCLUDED IN SECTION A			
French companies			
Other (1)			
2. EQUITY INVESTMENTS NOT INCLUDED IN SECTION A			
French companies			
Other (1)			

(1) Amounts in local currency (millions of units).
(2) Provisional, unaudited amounts.
Transactions with related companies mainly involve loans, advances and changes in current accounts with subsidiaries.
Nota: Certain sensitive data are not provided in the table of subsidiaries and investments.

Book value of shares held at Dec. 31, 2012		Loans and advances granted by GDF SUEZ SA	Sureties and endorsements given by GDF SUEZ SA	Revenues for the latest available period	Net income (+) or loss (-) for the latest available period	Dividends received by GDF SUEZ SA during the period	Closing Year-end of last available period (2)
Gross	Provision						
39	(39)	-	-	-	-	-	12/2012
31	(30)	-	-	-	1	-	12/2012
1,434	-	-	-	-	(144)	-	12/2012
34,100	-	-	-	14,662	838	-	12/2011
515	-	130	-	220	92	95	12/2012
3,972	-	337	-	-	400	564	12/2012
877	(865)	-	-	-	-	-	12/2012
2,627	(1,336)	-	-	-	8	-	06/2012
5,567	-	7,836	-	835	244	-	12/2012
62	-	-	-	-	(49)	-	12/2012
8,400	-	-	1	3,096	131	304	12/2012
1,850	-	-	7	1,652	123	189	12/2012
428	(301)	-	-	41	(2)	-	12/2012
83	(49)	-	-	-	4	-	12/2012
2,931	-	-	-	2,135	107	182	12/2012
57	-	-	-	61	1	4	12/2012
245	(239)	-	-	-	-	-	12/2012
1,904	-	-	-	1,012	190	240	12/2012
145	(145)	-	-	-	(89)	-	12/2012
2,293	-	-	-	5	165	118	12/2012
75	(22)	33				19	
30	(3)					8	
33	(9)	10				7	
-	-					-	

NOTE 28 COMPENSATION DUE TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

Total compensation (gross salary, bonuses, profit-sharing incentives and benefits in kind, including related employer contributions) paid to the Chairman and Chief Executive Officer, the Vice-Chairman and President, and members of the Executive Committee came to €25.4 million for 2012.

Members of the Board of Directors elected by the Shareholders' Meeting received €1.1 million in attendance fees for 2012.

NOTE 29 SUBSEQUENT EVENTS

No significant events occurred between December 31, 2012 and the date the financial statements were authorized for issue.

6.4.3 TOTAL AND PARTIAL TRANSFERS OF ASSETS, SUBSIDIARIES, AND EQUITY INVESTMENTS REQUIRING STATUTORY DISCLOSURE

Total and partial transfers of assets

In euros	% at Dec. 31, 2011	% at Dec. 31, 2012	Reclassification within the Group	Sale outside the Group	Net book value of shares held	Business sector
Subsidiaries (1)						
GDF SUEZ GAS SUPPLY & SALES	50.00	0.00	X		0.00	Energy
Equity investments (2)						

(1) More than 50%-owned by GDF SUEZ SA.
(2) Between 10%- and 50%-owned by GDF SUEZ SA.

Total and partial purchases of assets

In euros	% at Dec. 31, 2011	% at Dec. 31, 2012	Reclassification within the Group	Sale outside the Group	Net book value of shares held	Business sector
Subsidiaries (1)						
Equity investments (2)						
SOLFEA	0.00	11.69	X		8,250,000	Banking

(1) More than 50%-owned by GDF SUEZ SA.
(2) Between 10%- and 50%-owned by GDF SUEZ SA.

6.4.4 FIVE-YEAR FINANCIAL SUMMARY

	2012	2011	2010	2009	2008
CAPITAL AT YEAR-END					
Share capital (in euros)	2,412,824,089	2,252,636,208	2,250,295,757	2,260,976,267	2,193,643,820
Number of ordinary shares issued and outstanding	2,412,824,089	2,252,636,208	2,250,295,757	2,260,976,267	2,193,643,820
Maximum number of shares to be issued:					
• by converting bonds	-	-	-	-	-
• by exercising stock options	15,803,200	22,584,740	30,841,031	36,619,478	39,167,750
Results of operations for the year (in millions of euros)					
Revenues, excluding VAT	27,915	24,126	25,373	24,894	25,209
Income before tax, employee profit-sharing, depreciation, amortization, provisions and transfer of concession termination amortization	749	1,460	1,592	1,184	3,254
Income tax (benefit)	(542)	(295)	(356)	(200)	(617)
Employee profit-sharing and incentive payments for the year	0	0	0	0	0
Income after tax, employee profit-sharing, depreciation, amortization, provisions and transfer of concession termination amortization	890	2,389	857	2,261	2,767
Total dividends paid (including on treasury shares in 2012)	3,503	3,347	3,336	3,257	4,729
EARNINGS PER SHARE (IN EUROS)					
Income after tax and employee profit-sharing but before depreciation, amortization, provisions and transfer of concession termination amortization	0.54	0.78	0.87	0.61	1.76
Income after tax, employee profit-sharing, depreciation, amortization, provisions and transfer of concession termination amortization	0.37	1.06	0.38	1.00	1.26
Dividend per share	1.50	1.50	1.50	1.47	2.20
HEADCOUNT					
Average number of employees during the year	6,641	6,952	7,511	7,456	7,622
Total payroll	374	445	471	498	485
Total employee benefit obligations paid (social security taxes and contributions to pension plans, welfare plans, etc.)	363	324	234	309	335

6.5 STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the GDF SUEZ management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholder's general meetings, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the accompanying financial statements of GDF SUEZ;
- the justification of our assessments;
- the specific verification and information required by French law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes performing procedures, using sampling techniques or other method of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

The accounting estimates have been prepared in a context of economic and financial crisis and of high volatility of the markets whose consequences make it difficult to forecast economic midterm perspectives. It is in this context, described in note A to the financial statements, and in accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, that we bring to your attention the following matters:

- as stated in note A to the financial statements, the book value of equity investments which your Company intends to hold on a long-term basis is written down to its value in use if the latter is lower. As part as our assessment of significant estimates used to prepare the financial statements, we assessed the data and the assumptions used to determine the value in use and verified that note A to the financial statements provides appropriate disclosure;
- regarding gas sales to customers segments whose energy consumption is metered during the accounting period, the Company estimates revenue on the bases of estimations of consumption in line with the volume of energy allocated by the grid managers on the same period and estimations of average selling prices. Our work consisted in assessing the methods and assumptions used to calculate these estimates and verifying that note A to the financial statements provides appropriate disclosure.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French commercial code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 6, 2013

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres	MAZARS
Véronique Laurent	Pascal Macioce	Isabelle Sapet
Pascal Pincemin	Charles-Emmanuel Chosson	Thierry Blanchetier

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Additional information

7.1 SPECIFIC STATUTORY PROVISIONS AND BYLAWS

The main provisions of the Company's bylaws and Internal Regulations are set out below. These documents are available at the Company's head office and on its website: www.gdfsuez.com.

7.1.1 ISSUER'S CORPORATE PURPOSE

The Company's purpose is the management and development of its current and future assets, in all countries, by all means and especially to:

- prospect, produce, process, import, export, buy, transmit, store, distribute, supply and market combustible gas, electricity and all other energy;
- trade in gas, electricity and all other energy;
- supply services related to the aforementioned activities;
- carry out the public service assignments assigned to it under current law and regulations, in particular the Electricity and Gas Nationalization Act No. 46-628 of April 8, 1946, the Gas and Electricity Markets and the Public Service of Energy Act No. 2003-8 of January 3, 2003, the Public Service of Electricity, Gas and Electrical and Gas Companies No. 2004-803 of August 9, 2004 as well as the Energy Sector Act No. 2006-1537 of December 7, 2006;
- study, design and implement all projects and all public or private works on behalf of all local authorities and individuals; prepare and enter into all agreements, contracts and transactions related to the implementation of the said projects and works;
- participate directly or indirectly in all operations or activities of any kind that may be connected to one of the aforementioned objects or that are likely to further the development of the company's assets, including research and engineering activities, by setting up new companies or undertakings, by contribution, subscription or purchase of securities or rights with respect to entities, by acquiring interests or holdings, in any form whatsoever, in all existing or future undertakings or companies, via mergers, partnerships or any other form;
- create, acquire, rent, take in lease management all property, real estate and businesses, rent, install and operate all establishments, businesses, plants or workshops connected with one of the aforementioned objects;
- register, acquire, operate, grant or sell all processes, patents and patent licenses relating to the activities connected with one of the aforementioned objects;
- obtain, acquire, rent and operate, mainly via subsidiaries and holdings, all concessions and undertakings relating to the supply of drinking water to towns or water to industry, to the evacuation and purification of waste water, to drainage and wastewater treatment operations, to irrigation and transport, to protection and pondage structures as well as all to sales and service activities to public authorities and individuals in the development of towns and the management of the environment;
- and in general to carry out all industrial, commercial, financial, personal property or real estate operations and activities of any kind, including services, in particular insurance intermediation, acting as an agent or delegated agent in a complementary, independent or research position; these operations and activities being directly or indirectly related, in whole or in part, to any one of the aforementioned objects, to any similar, complementary or related objects and to those that may further the development of the Company's business.

7.1.2 CORPORATE GOVERNANCE BODIES

Regarding the composition and operations of corporate governance bodies, see Section 4 - "Corporate governance".

Board of Directors

GDF SUEZ is managed by a Board of Directors.

The Board has an Internal Regulations document that specifies the operating procedures of the Board of Directors.

Appointment of Directors

The Company is managed by a Board of Directors comprising no more than twenty-two members, in accordance with Articles L. 225-17, L. 225-23 and L. 225-27 of the French Commercial Code.

Directors are appointed by the General Shareholders' Meeting, subject to special rules applicable to Directors representing the French State, the three Directors representing employees and the Director representing employee shareholders.

Directors representing the French State are appointed in accordance with Article 2 of the Decree-Act of October 30, 1935 as amended. Directors representing employees and the Director representing employee shareholders are appointed in accordance with Articles L. 225-28 and L. 225-23 of the French Commercial Code and the bylaws.

Rights and responsibilities of the Directors

The Board represents all shareholders, regardless of its composition and the origin of its members.

Directors must act at all times in the Company's corporate interest. They must carry out their duties independently, fairly and professionally. They must seek, in all circumstances, to maintain their independence of analysis, judgment, decision and action. They must refrain from being influenced by any information that is not related to the Company's interest, and must warn the Board of any information of which they become aware that seems to them likely to affect the Company's interests.

It is their duty to express their questions and opinions clearly and to seek to convince the Board of the relevance of their positions. In the event of disagreement, they must ensure that these are explicitly recorded in the minutes of the Board's meetings.

Directors undertake to devote the necessary time and attention to their duties. They must stay informed of the activities and the specifics of the Company, its issues and values, including by talking with principal officers. They must assiduously and diligently attend Board meetings. They must attend General Shareholders' Meetings.

They must seek to obtain the information they consider essential in order to deliberate on the Board with full knowledge of the facts within suitable time limits and must seek to update the knowledge that they deem to be useful and may request that the Company provide them with the training they need to perform their duties properly.

Measures are taken to ensure the independence of employee Directors, including with respect to their professional development.

Directors contribute to the collegial administration and efficacy of the proceedings of the Board and of any specialized committees set up within the Board. They make recommendations that they feel may improve the operating procedures of the Board, particularly during the Board's periodic evaluation (not exceeding two years) by an independent director. They must agree to have their own actions on the Board evaluated as well.

They agree, along with the other members of the Board of Directors, to ensure that their supervisory duties are accomplished with efficiency and without any obstacles. In particular, they shall ensure that procedures are put in place in the Company to verify compliance with laws and regulations, both in letter and in spirit.

They ensure that the positions adopted by the Board, in particular relating to the approval of the financial statements, the budget, resolutions to be put to the Annual Shareholders' Meeting as well as to important matters relating to the companies' operations, are the subject of formal decisions that are properly substantiated and recorded in the minutes of the Board's meetings.

Term of office of Directors

The duration of the terms of office of Directors is described in Section 4.1.1.1 – "Composition of the Board of Directors".

The replacement of Directors appointed by the General Shareholders' Meeting whose positions have become vacant during the term of office, due to death or the resignation of one or more Director seats, is subject to the laws and regulations in force. Note that these measures may not be applied in the event of the vacancy, for any reason, of the seat of a Director elected by the employees or of the seat of the Director representing the employee shareholders.

Directors representing employees and employee shareholders

The Directors representing the employees and employee shareholders have the same status, powers and responsibilities as the other Directors.

The term of office of Directors appointed by employees expires either upon the announcement of the results of an election organized by the Company in accordance with the bylaws, or in the event of the termination of their employment contract or in the event of removal from office under the terms provided for in the applicable law or regulations or for other reasons provided for by law for Directors appointed by the General Shareholders' Meeting.

In the event of a vacancy of a seat of a Director appointed by the employees, the vacant seat is filled pursuant to the terms and conditions provided for in Article L. 225-34 of the French Commercial Code.

Subject to the rules relating to co-option not being applicable thereto, the termination of office of a Director representing employee shareholders shall be subject to the same rules as those applicable to other Directors. Moreover, his/her term of office shall end automatically in the event of loss of (i) his/her capacity as employee of the company or companies or consortia affiliated to it within the meaning of Article L. 225-180 of the French Commercial Code or (ii) his/her capacity as shareholder of the Company, individually or via a company mutual fund, unless, in the latter case, he/she brings his/her situation into compliance within a three-month period.

In the event of the vacancy of the seat of a Director representing employee shareholders for any reason, the candidates to replace such a Director shall be appointed in accordance with Article 13.3 of the bylaws at the latest prior to the meeting of the very next General Shareholders' Meeting or, if it is held less than four months after the position has become vacant, prior to the next General Shareholders' Meeting. The Board of Directors may validly meet and deliberate up to the date of such an appointment.

Non-voting members of the Board

The Ordinary Shareholders' Meeting may appoint one or more non-voting members (*censeurs*) to the Company, up to a maximum of four, who may be natural persons or legal entities, chosen from among or outside the shareholders, for a term of office of four years expiring at the close of the Ordinary Shareholders' Meeting called to approve the financial statements of the previous year and held in the year during which the term of office expires.

The non-voting members may be re-elected indefinitely; their appointment may be revoked at any time by the General Shareholders' Meeting. The Board of Directors may appoint non-voting Directors provisionally, subject to ratification by the next General Shareholders' Meeting.

The Appointments and Compensation Committee reviews, and formulates an opinion or recommendation on, any candidacy for appointment as a non-voting member.

Non-voting members participate in meetings of the Board of Directors in an advisory capacity. Non-voting members' fees are deducted from the annual budget for directors' attendance fees.

Government Commissioner

Pursuant to Article 24.2 of Act No. 2004-803 of August 9, 2004, the Minister of Energy appoints a Government Commissioner to the Company who attends meetings of the Board of Directors and its committees in an advisory capacity and may present his/her observations to any General Shareholders' Meeting.

The Board's Internal Regulations and the Directors' Charter are intended for every Director, every permanent representative of a member of the Board that is a legal entity, every non-voting Director, the representative of the Central Works Council or the body acting in lieu, the Government Commissioner, and, more generally, any person taking part in or attending Board meetings, either on a one-off basis or on every occasion.

General Management

Chairman and Chief Executive Officer

Subject to the powers expressly granted by law to General Shareholders' Meetings, powers that it grants specifically to the Board of Directors and within the scope of the Company's corporate purpose, as well as those mentioned in Article 13 to 15 of Act No. 2004-803 of August 9, 2004, either the Chairman of the Board of Directors or another natural person appointed by the Board of Directors and holding the title of Chief Executive Officer shall be responsible for the general management of the Company under the responsibility of the Board of Directors.

The Board of Directors, at its meeting of April 23, 2012, decided not to separate the duties of Chairman and Chief Executive Officer. The Chairman of the Board of Directors is responsible for the general management of the Company.

Information on the duties of General Management is provided in Section 4.3 – "General Management" and the Chairman's report in Section 4.1.

The Chairman of the Board of Directors organizes and directs the work of the Board, and reports on this to the General Shareholders' Meeting. He/she ensures the smooth running of the Company's corporate bodies and in particular sees that the Directors are able to perform their duties.

The Chief Executive Officer is vested with the broadest powers to act in the Company's name in all circumstances. The Chairman exercises his/her powers within the scope of the Company's corporate purpose and subject to the powers expressly granted by law to General Shareholders' Meetings and to the Board of Directors. The Board of Directors determines, in accordance with the conditions provided for by law, the scope and term of powers granted to the Chief Executive Officer.

President

The Board of Directors may appoint, as provided by law, only one person responsible for assisting the Chief Executive Officer, with the title of President. This President is to be chosen from among the Directors. The President is also appointed Vice-Chairman of the Board of Directors, pursuant to Article 17.2 of the bylaws.

With respect to third parties, the President has the same powers, exercised within the same limitations, as the Chief Executive Officer.

Internally to the Company, the extent and duration of the powers conferred on the Vice-Chairman and President are determined by the Board, as provided by law.

Vice-Chairman of the Board of Directors

The Board of Directors may elect from among its members one or more Vice-Chairmen. Article 17.2 of the bylaws provides that the President is also appointed Vice-Chairman of the Board of Directors.

Decisions of the Board of Directors

Directors are called to meetings of the Board of Directors by the Chairman. The notice convening the meeting states the meeting's venue and contains the agenda.

When the Board of Directors has not met for over two months, at least one-third of the Directors may request that the Chairman call a meeting on a specific agenda.

The Chairman may take the initiative of organizing meetings of the Board of Directors by videoconference, by web conference, or by any other means of telecommunication, within the limits and subject to the conditions set under the current law and regulations and, where applicable, the Rules of Procedure.

The Chairman sets the agenda for meetings. Any Director who wishes to discuss any matter with the Board which is not on the agenda must notify the Chairman prior to the meeting. The Chairman will in turn notify the Board.

Resolutions of the Board of Directors are adopted under the conditions of quorum and majority provided by law. In the event of a tie, the Chairman shall have a casting vote.

Regulated agreements

Any agreement made directly or through an intermediary between GDF SUEZ and a member of the Board of Directors, its Chief Executive Officer, its Vice-Chairman and President, or a shareholder holding more than 10% of the voting rights, or if the shareholder is a company, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code, must be submitted to the Board of Directors for prior approval. This authorization is also required for agreements involving GDF SUEZ in which one of the persons mentioned in the preceding paragraph is indirectly involved, and to agreements between GDF SUEZ and another company, if one of the Directors, the Chief Executive Officer or one of the Deputy General Managers of the company is an owner, partner with unlimited liability, legal manager, Director, member of the Supervisory Board or, in general, a manager of the company concerned.

Independent Directors of the Company may put forward recommendations on such agreements to the Board of Directors in the interests of the company.

Without prejudice to the formalities of prior authorization and control laid down by law and the bylaws, the Company's Directors must promptly disclose to the Chairman any agreement entered into by the Company and in which they are directly or indirectly involved.

The foregoing terms are not applicable to agreements relating to day-to-day transactions and entered into under normal conditions, which are subject to the formalities provided for in Article L. 225-39 of the French Commercial Code.

Compensation of Directors and non-voting Board members

The General Shareholders' Meeting determines the annual general amount of directors' attendance fees allocated to the Board of Directors which, on recommendation of the Compensation Committee, allocates the said compensation between its members and the non-voting members by deduction from the annual budget for directors' attendance fees.

The Company reimburses Directors for expenses incurred in the performance of their duties upon presentation of substantiating documents.

Directors representing employees are given a time credit equal to one-half of the statutory work time.

7.1.3 RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO SHARES

Voting rights (Articles 10, 11, 12 and 20 of the bylaws)

Each share entitles the holder to vote and be represented at General Shareholders' Meetings, in accordance with current law and the bylaws. Ownership of one share entails automatic acceptance of these bylaws and of all decisions of the General Shareholders' Meetings of the Company.

Unless otherwise provided for by law, each shareholder has as many voting rights and may cast as many votes at meetings as he or she holds shares, which are fully paid up.

The shares are indivisible with regard to the Company. Where the shares are subject to a right of usufruct, voting rights attached to shares belong to the beneficial owner of the shares, in the case of Ordinary Shareholder's Meetings and to the bare owner, in the case of Extraordinary Shareholders' Meetings.

Any time it is necessary to own several shares in order to exercise any right whatsoever, the owners of isolated shares or an insufficient number of shares may exercise such a right provided that they combine or, as the case may be, buy or sell the necessary shares or rights.

Any shareholder may cast a vote by proxy in accordance with the terms and conditions provided for by law and regulations in all Meetings. The owners of securities mentioned in the seventh paragraph of Article 228-1 of the French Commercial Code may be represented in accordance with the conditions provided for by law, by a registered intermediary. Any shareholder may cast a vote by proxy in accordance with the terms and conditions provided for by law and regulations. The shareholders may, in accordance with the terms and conditions provided for by law and regulations, send their postal proxy form either as a printed form or, further to a decision of the Board of Directors published in the notice of meeting and the notice to attend the meeting, by electronic transmission.

Golden share (Article 6 of the bylaws)

Under Article 24.1 of Act No. 2004-803 of August 9, 2004 and Decree No. 2007-1790 of December 20, 2007, the share capital includes a golden share resulting from the transformation of one ordinary share, which is held by the French State and is aimed at protecting France's critical interests in the energy sector and ensuring the continuity and safeguarding of supplies (see Section 5.2.4 "Golden Share").

Under the terms of Act No. 2006-1537 of December 7, 2006, the French State must at all times hold more than one-third of the Company's share capital.

7.1.4 CHANGE IN RIGHTS ATTACHED TO SHARES

The rights attached to the Company's shares may be modified only by the Extraordinary Shareholders' Meeting, subject to the special terms relating to the French State's golden share under Article 6 of the bylaws (see also Section 5.2.4 "Golden share").

In accordance with the applicable law and regulations, any amendment of the bylaws that defines the rights attached to GDF SUEZ shares must be approved by a two-thirds majority at the Extraordinary Shareholders' Meeting. All increases in the commitments of the shareholders must be unanimously approved by all shareholders.

7.1.5 SHAREHOLDERS' MEETINGS

Notice to attend Meetings (Articles 20, 21 and 22 of the bylaws)

Ordinary and Extraordinary Shareholders' Meetings and, where applicable, Special Shareholders' Meetings must be called, meet and deliberate in accordance with the conditions provided for by law. The party issuing the notice convening the meeting also draws up the meeting agenda. However, one or more shareholders may, in accordance with the conditions provided for by law, request that draft resolutions be entered on the agenda.

The meeting may take place at the Company's head office or at any other location stated in the notice.

General Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, one of the Vice-Chairmen of the Board of Directors or, in the latter's absence, a Director delegated for this purpose by the Board. Otherwise, the Meeting appoints its own Chairman.

The two members of the General Shareholders' Meeting present who accept the duties thereof and who hold the greatest number of votes act as vote tellers. The officers of the meeting appoint the Secretary, who may be chosen from outside the shareholders.

An attendance sheet is kept in accordance with the conditions provided for by law. Minutes of meetings are drawn up and copies thereof are issued and certified in accordance with the conditions provided for by law.

Attendance at Meetings (Article 20 of the bylaws)

All shareholders have the right to attend the meetings provided their shares are paid in full.

The right to attend meetings or to be represented therein is subject to the registration of the securities in the shareholder's name by midnight (CET) of the third business day prior to the meeting, either in the registered securities' accounts held by the Company or in bearer securities' accounts held by the authorized intermediary.

The Board of Directors may, if it deems necessary, send to the shareholders individualized admission cards in each shareholder's name and require them to be presented in order to gain access to the General Shareholders' Meeting.

If the Board of Directors so decides at the time of calling the meeting, the shareholders may participate in the meeting by videoconference or by any telecommunication or remote transmission means, including via the Internet, that permits their identification in accordance with the terms and conditions set under current regulations. Where applicable, this decision shall be announced in the notice convening the meeting published in the *Bulletin des Annonces Legales Obligatoires* (Bulletin of Mandatory Legal Announcements or BALO).

7.1.6 PROVISIONS RELATING TO THE DISCLOSURE OF INTERESTS

Duty of disclosure upon crossing thresholds (Article 9 of the bylaws)

In addition to the thresholds provided for under Article L. 233-7 of the French Commercial Code, any natural person or legal entity acting alone or in concert, who happens to hold a share of the capital or voting rights or securities, directly or indirectly, that may be converted in the future to capital of the Company - equal or in excess of 0.5% - must inform the Company thereof by recorded delivery letter with acknowledgement of receipt, within five (5) trading days of crossing the said 0.5% threshold, by specifying his/her/its identity, as well as that of the natural persons or legal entities acting in concert therewith, and by specifying the total number of shares, voting rights or share equivalents providing future access to capital that he/she/it owns directly or indirectly or else in concert. This duty of disclosure relates also to the possession of each additional share of 0.5% of the capital or voting rights or share equivalents providing access in time to the capital of the Company. It is noted that thresholds to be declared under this paragraph shall be determined pursuant to the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code and current regulations. This same duty of disclosure applies in accordance with the same time limits, in the event of crossing under the 0.5% threshold or a multiple thereof.

The intermediary registered as a holder of shares pursuant to the seventh paragraph of Article L. 228-1 of the French Commercial Code is bound, without prejudice to the obligations of shareholders, to make the declarations provided for in this Article, for all shares for which he/she/it is registered in account.

Pursuant to the provisions of Article L. 233-7 of the French Commercial Code, in the event of any breach of the foregoing provisions, one or more shareholders holding more than 0.5% of the capital or voting rights may request that the penalties provided for in the first two paragraphs of Article L. 233-14 of the French Commercial Code be applied.

Identification of bearer securities (Article 9 of the bylaws)

In order to identify bearer securities, the Company may, in accordance with the law and regulations and subject to the penalties provided for under the French Commercial Code, ask the central depository that manages the issue account of its securities for information that allows identification of holders of Company securities that grant, immediately or in the future, the right to vote at its General Shareholders' Meeting and, in particular, the quantity of securities held by each of them.

If they are registered securities that may be converted immediately or in the future to capital, the intermediary registered in accordance with the conditions provided for under the French Commercial Code must reveal the identity of owners of the said securities on simple request from the Company or its agent, which may be presented at any time.

The breach by holders of securities or intermediaries of their duty to disclose the information provided for above may, in accordance with the conditions provided for by law, entail the suspension or loss of voting rights and the right to the payment of dividends attached to the shares.

7.1.7 CHANGES IN SHARE CAPITAL

The share capital may be increased, reduced or amortized in accordance with the conditions provided for by law, subject to the special provisions relating to the French State's stake and its golden share pursuant to Article 6 of the bylaws (see also Section 7.1.3 "Rights, privileges and restrictions attached to shares").

7.2 LEGAL AND ARBITRATION PROCEEDINGS - COMPETITION AND INDUSTRY CONCENTRATION

In the course of its operations, the Group is engaged in a certain number of legal disputes and arbitration procedures, and is also subject to investigations and procedures under competition law. The principal investigations and procedures are described in Note 26 in Chapter 6.2 - "Consolidated financial statements".

7.3 DOCUMENTS ACCESSIBLE TO THE PUBLIC

The documents relating to GDF SUEZ that must be made available to the public (bylaws, reports, historical financial information on Gaz de France, SUEZ and GDF SUEZ, as well as on the GDF SUEZ Group subsidiaries included or mentioned in this Registration Document and those relating to each of the two years prior to the filing of this Registration Document) may be consulted during the entire validity period at the registered office of GDF SUEZ (1 place Samuel de Champlain, Faubourg de l'Arche, 92400 Courbevoie, France). These documents may also be obtained in electronic format from the GDF SUEZ website (www.gdfsuez.com) and some of them may be obtained from the website of the *Autorité des Marchés Financiers* (AMF – French Financial Markets Authority) (www.amf-france.org).

7.3.1 CORPORATE INFORMATION POLICY

Valérie Bernis

Executive Vice-President, Communications and Marketing

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Website: gdfsuez.com

The GDF SUEZ Registration Document is translated into English.

In addition to this Registration Document filed with the AMF, the Group publishes annually a management report.

7.3.2 FINANCIAL REPORTING SCHEDULE

Publication of annual earnings 2012	February 28, 2013
Annual Shareholders' Meeting	April 23, 2013
Publication of Q1 results 2013	April 23, 2013
Publication of the 2013 half-year results	August 1, 2013

7.4 PARTIES RESPONSIBLE FOR THE REGISTRATION DOCUMENT

7.4.1 PARTIES RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Gérard Mestrallet, Chairman and Chief Executive Officer

Jean-François Cirelli, Vice-Chairman and President

7.4.2 DECLARATION BY THE PARTIES RESPONSIBLE FOR THE REGISTRATION DOCUMENT CONTAINING THE ANNUAL FINANCIAL REPORT

"We hereby certify, after having taken all reasonable measures to this effect, that the information contained in this Registration Document is, to our knowledge, in accordance with the facts and makes no omission likely to affect its import.

We hereby certify that, to the best of our knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the management report, whose items are mentioned in Appendix B of this Registration Document, presents a fair review of the development and performance of the business and financial position of the Company and all the undertakings included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

We have received a completion letter from the Statutory Auditors stating that they have audited the information contained in this Registration Document relating to the financial position and financial statements contained in this Registration Document, which they have read in its entirety. This letter contains no comments.

The consolidated financial statements for the year ended December 31, 2012, presented in Section 6.2 of this Registration Document, were the subject of a report by the Statutory Auditors, presented in Section 6.3, which contains no comments.

The Statutory Auditors' Report on the parent company financial statements for the year ended December 31, 2012, presented in Section 6.4 of this Registration Document, is set out in Section 6.5 and contains no comments.

The Statutory Auditors' report on the IFRS consolidated financial statements for the year ended December 31, 2011, which contains no comments, is presented in Section 6.3 of the 2011 GDF SUEZ Registration Document, which was filed with the AMF on March 23, 2012 under number D. 12-0197.

The Statutory Auditors' report on the IFRS consolidated financial statements for the year ended December 31, 2010, which contains a comment relating to changes in accounting methods, is presented in Section 11.3 of the 2010 GDF SUEZ Registration Document, which was filed with the AMF on March 28, 2011 under number D. 11-0186.

The pro forma financial information related to the year ended December 31, 2012, presented in Section 6.1.1.6 of this Registration Document, were the subject of a report by the Statutory Auditors, presented in Section 6.1.2, which contains no comments."

Courbevoie, March 22, 2013

Vice-Chairman and President	Chairman and Chief Executive Officer
Jean-François Cirelli	**Gérard Mestrallet**

7.5 STATUTORY AUDITORS

7.5.1 STATUTORY AUDITORS

Mazars

Represented by Thierry Blanchetier and Isabelle Sapet

Tour Exaltis, 61, Rue Henri Regnault, 92075 Paris la Défense Cedex, France

Mazars has been a Statutory Auditor for the Company since January 1, 2002. Its term of office was renewed at the Combined Shareholders' Meeting of May 19, 2008 for a period of six years and will expire at the close of the 2014 Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2013.

Ernst & Young et Autres

Represented by Charles-Emmanuel Chosson and Pascal Macioce

1/2, place des Saisons, 92400 Courbevoie – Paris La Défense 1, France

Ernst & Young et Autres has been a Statutory Auditor for the Company since January 1, 2002. Its term of office was renewed at the Combined Shareholders' Meeting of May 19, 2008 for a period of six years and will expire at the close of the 2014 Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2013.

Deloitte & Associés

Represented by Véronique Laurent and Pascal Pincemin

185 Avenue Charles-de-Gaulle, 92524 Neuilly-sur-Seine, France

Deloitte & Associés was appointed Statutory Auditor for the Company for the first time at the Combined Shareholders' Meeting of July 16, 2008 for a six-year term that will expire at the close of the 2014 Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2013.

7.5.2 ALTERNATE STATUTORY AUDITORS

CBA

Tour Exaltis, 61, Rue Henri Regnault, 92400 Paris la Defense Cedex, France

CBA was appointed Statutory Auditor for the Company for the first time at the Combined Shareholders' Meeting of May 19, 2008 for a six-year term that will expire at the close of the 2014 Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2013.

AUDITEX

1/2, place des Saisons, 92400 Courbevoie – Paris La Défense 1, France

Auditex has been a Statutory Auditor for the Company since January 1, 2002. Its term of office was renewed at the Combined Shareholders' Meeting of May 19, 2008 for a period of six years and will expire at the close of the 2014 Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2013.

BEAS

195, avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France

BEAS was appointed Statutory Auditor for the Company for the first time at the Combined Shareholders' Meeting of July 16, 2008 for a six-year term that will expire at the close of the 2014 Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2013.

A

Appendix A - Lexicon

UNITS OF ENERGY MEASUREMENT

CONVERSION TABLE

1 kWh	0.09 m^3 of natural gas (i.e. 1 m^3 of gas = 10.8 kWh)
1 GWh	91,000 m^3 of natural gas
1 TWh or 1 billion kWh	91 million m^3
1 billion m^3 of gas	6.2 million barrels of oil equivalent (Mboe)

The units of conversion mentioned above are those routinely used by professionals in the energy sector. In this document they are provided solely for information purposes.

UNITS OF MEASUREMENT

A	Ampere
Bar	Unit of measurement of fluid pressure, particularly for natural gas (1 bar = 105 Pascal)
BOE	Barrel of oil equivalent (1 barrel = 159 liters)
G	Giga (one billion)
GJ	Gigajoule (1 billion joules)
Gm^3	Giga m^3 (1 billion cubic meters)
GW	Gigawatt (1 billion watts)
GWh	Gigawatt-hour (1 million kilowatt-hours)
J	Joule
k	Kilo (one thousand)
kV	Kilovolt (one thousand volts)
kVA	Kilovolt-ampere (one thousand volt-amperes)
kW	Kilowatt (one thousand watts)
kWh	Kilowatt-hour (one thousand watt-hours)
m	Meter
m^2	Square meter
m^3	Cubic meter
M	Mega (one million)
Mboe	Million barrels of oil equivalent
Mtpa	Million metric tons per annum
MVA	Megavolt-ampere (one million volt-amperes)
MW	Megawatt (one million watts)
MWp	Megawatt-peak (unit of measurement for the power of solar photovoltaic installations)
MWe	Megawatt electric
MWh	Megawatt-hour (one thousand kilowatt-hours)
MWth	Megawatt thermal
t/h	Metric tons per hour
T	Tera (one thousand billion)
TWh	Terawatt-hour (1 billion kilowatt-hours)
V	Volt
W	Watt
Wh	Watt-hour

SHORT FORMS AND ACRONYMS

ACP	Autorité de Contrôle Prudentiel des établissements bancaires (French Prudential Control Authority for banking institutions)
AMF	Autorité des marchés financiers (French Financial Markets Authority)
B to B	Business to Business
BU	Business Unit
Capex	Capital expenditure
CER	Certified Emission Reduction
CNIL	*Commission Nationale de l'Informatique et des Libertés (French National Data Protection and Privacy Commission)*
CO_2	Carbon dioxide
CRE	*Commission de Régulation de l'Énergie (French energy regulator) – see Glossary*
CSR	Corporate Social Responsibility
E&P	Exploration-Production of hydrocarbons
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EGI	Electric and Gas Industries – see Glossary
EMAS	Eco Management and Audit Scheme – see Glossary
EMTN	Euro Medium Term Notes
ERM	Enterprise Risk Management
EU	European Union
EUA	European Union Allowance
EWC	European Works Council
FC	Full Consolidation
GHG	Greenhouse Gas – see Glossary
GIE	GIE - *Groupement d'intérêt économique* - Economic Interest Group (EIG)
HR	Human Resources
IAS	International Accounting Standards, drawn up internationally by the IASB until 2002
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards, drawn up internationally by the IASB since 2002

INCOME	Internal Control Management Efficiency (GDF SUEZ program)
IPP	Independent Power Producer – see Glossary
ISO	International Organization for Standardization – see Glossary
LNG	Liquefied Natural Gas – see Glossary
LPG	Liquefied Petroleum Gas – see Glossary
NBP	National Balancing Point – see Glossary
NGO	Non-Governmental Organization
NGV	Natural Gas Vehicle – see Glossary
NOx	Nitrogen oxide
NRE	New and Renewable Energy sources: including wind, solar and hydraulic
OECD	Organization for Economic Cooperation and Development
Opex	Operating expenses
PC	Proportional Consolidation
PEG	Plan d'Epargne Groupe, Group Employee Savings Plan
PPA	Power Purchase Agreement (often long-term)
PSI	Prestataire de Services d'Investissement (Investment Services Provider) – see Glossary
R&D	Research and Development
RAB	Regulated Asset Base – see Glossary
ROCE	Return On Capital Employed
ROE	Return on Equity
SME	Small and Medium-size Enterprises
SO_2	Sulfur dioxide
SRV	Shuttle Regasification Vessel (LNG carrier fitted with onboard regasifiers that can connect to an underwater buoy. This allows the regasified LNG to be delivered directly into a transmission and storage network).
TMO	Taux mensuel obligataire - a monthly bond yield measured on the basis of the gross yield-to-maturity on fixed-rate bonds with at least seven years to maturity issued on the French market in a given month.
TPA-d	Third Party Access to the distribution network – see Glossary
TSR	Total Shareholder Return – see Glossary
UCITS	Undertakings for Collective Investment in Transferable Securities (mutual funds)
VaR	Value at Risk – see Glossary
VPP	Virtual Power Plant

GLOSSARY

2P reserves	Proven and probable reserves: estimates of the hydrocarbon quantities (crude oil, natural gas and natural gas liquids) that can be extracted in the future, based on existing deposits and with a probability of at least 50% according to geological and technical data. Extraction must meet economic criteria that take into account future price changes, the appreciation of hydrocarbons and exchange rates.
Balancing area	The set of entry points, delivery points and a trading point of gas within which the consignor must achieve a balance.
Biogas	All gases, such as methane and carbon dioxide, resulting from the fermentation of organic waste in a depleted air environment such as landfills and wastewater treatment plants. Such fermentation is the result of a natural or controlled bacterial activity. As such, biogas is classified as a renewable energy source.
Biomass	Mass of non-fossil organic matter of biological origin. Part of these stocks may be used as an energy source.
Certified Emission Reduction (CER)	Certificate issued to industries that have invested in developing countries to reduce greenhouse gas emissions there. CERs cannot be directly traded, but may be used in place of CO_2 quotas, with one CER equal to one quota.
Chartering	A contract whereby a ship owner (the owner) commits to make a vessel available to a third-party (the charterer) in exchange for the payment of a sum (the freight charge). Several kinds of charters exist: Demise charter: the vessel is delivered without any crew, fuel, or provisions; Voyage charter: the owner commits to transfer a cargo from one port to another at an agreed price; Time charter: the owner provides the charterer with the vessel for a specific time period (up to 20 years) together with crew, in return for a monthly fee based on tonnage.
Cogeneration	A technique that uses a single fuel, which may be natural gas, to simultaneously produce thermal energy (steam or overheated water or a mixture of air and combustion products) and electricity.
Combined cycle plant	A power plant comprising a gas turbine generator whose exhaust gases power a steam boiler. The steam produced in the boiler drives a turbo-generator.
Commission de Régulation de l'Énergie – CRE (French)	The French Energy Regulation Commission is an independent administrative authority. It was created by the Act of February 10, 2000 to regulate electricity and its scope was extended to include the gas sector with the Act of January 3, 2003. Its main mission is to ensure the effective, transparent and non-discriminatory implementation of access to electricity and gas infrastructures. More generally, its role is to ensure that the gas and electricity markets operate properly.
Commission de Régulation de l'Electricité et du Gaz – CREG (Belgium)	The Belgian Gas and Electricity Regulation Commission is an independent body that advises public authorities on the organization and operation of the deregulated electricity and gas markets. It also monitors and supervises the enforcement of related laws and regulations. A General Council, composed of federal and regional government representatives, representatives of labor organizations, employers and the middle classes, environmental associations and producers, distributors and consumers, supervises this body's operations. The Commission assumes the duties of the Electricity and Gas Supervision Committee (Comité de Contrôle de l'Électricité et du Gaz) with respect to the regulated part of the market.
Compression station	Industrial facility that compresses natural gas to optimize the flow of fluids in the pipes.
Connection	Transmission installation ensuring delivery between the transmission grid and one or more delivery points, and aimed exclusively or primarily at supplying a customer or a distribution network. Connections are components of the network.
Connection structures	All the structures that connect a consumption site or distribution network to the transmission grid. Connection structures are made up of one or more distribution lines and one or more substations.
Cushion gas	Quantity of gas stored underground that cannot be fully retrieved after it has been injected.
Dark spread	Gross margin of a coal plant, equal to the difference between the sale price of electricity and the purchase price of the fuel needed to produce it. The "dark spread" must cover the aggregate of other costs (including operation, maintenance, cost of capital and financial charges).
Desalination	A process used to reduce the salt concentration of sea water in order to make it fit for human or animal consumption as well as for other uses, especially industrial uses.
Developed proven reserves	Proven reserves that can be produced from existing facilities.
Distribution	Distribution networks are groups of physical structures consisting mainly of medium or low-pressure pipes. They route natural gas to consumers who are not directly connected to the main network or to a regional transmission network.

EBITDA at Risk	EBITDA at Risk measures the potential loss of EBITDA, at a given probability, under the impact of various prices and volatilities over a given time horizon. This indicator is especially well-suited for measuring market risks for portfolio management activities. If the time horizon provided is one calendar year, and the confidence interval is 95%, an EBITDA at Risk of €100 million indicates that there is a 5% probability of losing more than €100 million in EBITDA between January 1 and December 31 due to fluctuations in commodities prices.
Electric and Gas Industries (EGI)	All the companies that produce, transmit or distribute electricity or gas in France and which meet the requirements of the Nationalization Act of April 8, 1946. The EGI sector includes all companies with employees that fall under the status of EGI employees.
Energy trading	Trading of physical or financial contracts on the short-term energy markets (over-the-counter markets and stock exchanges).
Environmental, Management and Audit System (EMAS)	A certificate based on ISO 14001 certification and an environmental statement certified by European auditors accredited and published by the European Commission.
Exploration	All methods put to use to discover new hydrocarbon deposits.
Facilities Management	All the outsourced service and utility management services that accompany the supply of energy to an industrial client. These services concern the management of the client's environment. They include guard services, waste and hygiene, operation and maintenance of technical equipment, project management for construction work, management of safety equipment and telephone and reception services.
Gas Exchange Point	Virtual hub attached to a balancing area where a consignor can sell gas to another consignor.
Gas hub	Point of entry (connection point of a gas transmission network supplied from several sources. It enables operators to exchange gas physically between these sources and end users).
Gas pipeline	A pipeline that conveys fuel gas.
Green electricity	Certified electricity produced from renewable energy sources.
Greenhouse Gases (GHG)	Atmospheric gas that contributes to the retention of solar heat. Industries, automobiles, heating systems, animal breeding and other activities produce gases, some of which heighten the greenhouse effect. The greenhouse gas build-up produced by human activity is one of the causes of global warming and its impacts on the ecosystem.
Independent Power Producer (IPP)	An electricity production company independent of public sector control. IPPs are classified exclusively on the basis of the projects developed outside the country of origin.
Investment Services Provider	Prestataire de services d'investissement (PSI) – Investment services provider approved by the Committee of European Bank Supervisors to transmit and process market orders (modern equivalent of stockbrokers).
ISO (International Standards Organization)	Organization that defines reference systems (industrial standards used as benchmarks).
ISO 14001	An international standard that verifies a company's organizational procedures and methods, as well as the effective implementation of environmental policy and objectives.
ISO 9001	An international standard establishing quality criteria for work procedures. It applies to product design, control of the production and the manufacturing process and the quality control of the end product.
Leachates	Water containing organic or mineral pollutants that has been in contact with landfill waste.
Liquefied Natural Gas (LNG)	Natural gas put into the liquid phase by lowering its temperature to -162 degrees Celsius, which makes it possible to reduce its volume by a factor of 600.
Liquefied Petroleum Gas (LPG)	Light hydrocarbons that are gaseous under normal temperature and pressure conditions and maintained in a liquid state by raising the pressure or lowering the temperature.
LNG carrier	A ship that transports liquefied natural gas (LNG) cooled to minus 163 degrees Celsius in its holds.
LNG terminal	Industrial facility that receives, unloads, stores, regasifies LNG and sends natural gas in the gaseous state to the transmission grid. Harbor facility with additional facilities, intended to receive ships that transport liquefied natural gas (LNG).
Load-matching	Term referring to the discrepancy between the actual conditions of a customer's gas consumption and those corresponding to standard purchases over the year of their average daily consumption. Variations (daily, weekly or seasonal) in consumption are generally covered by underground storage, to which customers and their suppliers may have access, either directly (in countries where third-party access to the facilities – regulated or negotiated – is provided) or via a load-matching service (as in the US).
Main network	All the high-pressure and large-diameter structures for transmitting natural gas that link the interconnection points with neighboring transmission grids, storage facilities and LNG terminals. These structures are connected to regional networks as well as certain industrial consumers and distribution networks.
Marketer	Seller of energy to third parties (end customer, distributor, etc.).
National Balancing Point (NBP)	Virtual exchange for the purchase and sale of natural gas in the United Kingdom. It is the price and delivery point for the International Petroleum Exchange spot market for natural gas.

Natural Gas for Vehicles (NGV)	Entirely composed of natural gas, NGV is primarily used in urban transportation and waste treatment vehicles.
Natural gas liquefaction	Transformation of natural gas from gaseous form to liquid form to be transported by ship and/or stored.
Proven reserves	Estimates of the hydrocarbon quantities (crude oil, natural gas and natural gas liquids) based on geological and technical data with the reasonable assurance that these quantities will be extracted in coming years from existing deposits. Extraction must meet economic criteria that take into account future price changes, the appreciation of hydrocarbons and exchange rates.
Public-Private Partnership (PPP)	The PPP is a contractual arrangement whereby the public sector authority assigns certain tasks to a private operator and specifies objectives. The public sector partner defines the service objectives for the private operator, while retaining ownership of the infrastructure and regulatory control. Local authorities are increasingly resorting to PPP agreements in managing their water services.
Pumped storage	A method of energy generation that involves moving water between reservoirs at different elevations. When electricity prices are low, typically overnight, electricity from the grid system is used to pump water into a raised reservoir and then at times of peak demand, when electricity prices are higher, the water is released back into the lower reservoir through a turbine.
Regional network	All the high-pressure and large-diameter structures that link the interconnection points with neighboring transmission grids, storage facilities and LNG terminals. Regional networks, distribution networks and certain industrial consumers are connected to them.
Regulated Asset Base (RAB)	The regulated asset base is the economic value, recognized by the regulator, of assets utilized by an operator of regulated infrastructures.
Rights in kind of licensors	The "Rights in kind of licensor" line item is an item specifically pertaining to companies that are utility operators. It offsets "fixed assets held under concession" on the balance sheet. Its valuation expresses the operator's obligation at the end of the contract to assign to the licensor, at no cost, the fixed assets assigned to the licensed utilities, such that at the end of a given contract, the value of the "Rights in kind of licensor" is equal to the carrying amount of fixed assets that are to be returned to the licensor.
Spark spread	Gross margin of a natural gas plant, equal to the difference between the sale price of electricity and the purchase price of the fuel needed to produce it. The "spark spread" must cover all other costs (including operation, maintenance, cost of capital and financial costs).
Spot market	A market for the short-term purchase and sale of energy (for the day or up to three years).
Storage	Facility that allows natural gas to be stored in the summer when consumption is at its lowest and to take natural gas out of storage in winter when consumption is higher. Gas storage is an industrial facility, mainly underground, that enables natural gas suppliers to have a natural gas reserve.
Storage center	A waste storage center, subject to authorization. The technical facilities depend on the type of waste handled (household waste, ordinary industrial waste, special industrial waste or inert waste). There are many regulatory operating constraints aimed at controlling the impacts of this treatment process on human beings and the environment.
Stress test	Test performed in order to assess resistance to a disaster scenario.
Take-or-Pay	Long-term contract where the producer guarantees the supply of gas to an operator and the operator guarantees payment, regardless of whether or not the operator takes delivery.
Thermal power plant	Facility in which the chemical energy contained in solid, liquid, or gaseous fossil fuel is transformed exclusively into electricity using boilers and steam turbines.
Third-party network access	The recognized right of each user (eligible customer, distributor and producer) to access transmission or distribution systems in exchange for payment of access rights.
Tolling	Contract for the transformation of a fuel (e.g., natural gas) into electricity on behalf of a third party.
Total Shareholder Return (TSR)	Return of a share over a given period that includes dividends paid and capital gains realized.
Transmission	Transmission networks are groups of structures consisting of high-pressure pipes. They convey natural gas to industrial consumers who are directly connected and to distribution networks.
Transmission capacity	The highest permissible continuous load of the transmission equipment with respect to the stability of its operating parameters and voltage drop.
Treasury stock	Own shares of a company, which it acquires for internal purposes, such as to support stock options plans.
Treasury stock (in subsidiaries)	Shares of a company owned by subsidiaries controlled by the Company. They do not carry voting rights.
Underground storage	Use of porous geological formations, natural or artificial cavities (saline or aquifer) to store liquid or gaseous hydrocarbons.
Undeveloped proven reserves	Proven reserves that require new wells to be drilled on virgin territory, or significant extra investment in existing facilities, such as a compression unit.

Value-at-Risk (VaR)	Value-at-Risk is a global indicator that measures the portfolio's exposure to risks of price fluctuations and market volatility. It indicates maximum potential loss that should only be exceeded with a given probability over a given time horizon. This indicator is especially well-suited for measuring market risks for trading activities. For example, for a one-day time horizon and 99% confidence interval, a VaR of €5 million indicates that there is a 1% probability of losing more than €5 million a day, i.e., two to three times a year.
Well head	All the connections, valves, pipes, manometers, thermometers, etc. installed at the production well top.
Working volume	Gas available in underground storage and capable of being tapped.

B

Appendix B – Comparison tables

COMPARISON TABLE BETWEEN REGULATION (EC) 809/2004 AND THE REGISTRATION DOCUMENT

This Registration Document includes all the items required by Appendix 1 of Regulation (EC) 809/2004, as presented in the table below:

Information required under Appendix 1 of regulation (EC) 809/2004	Corresponding sections of the Registration Document
1. Parties responsible	7.4. Parties responsible for the Registration Document
1.1. Parties responsible	7.4.1. Parties responsible for the Registration Document
1.2. Declaration by the persons responsible	7.4.2. Declaration by the parties responsible for the Registration Document containing the Annual Financial Report
2. Statutory Auditors 2.1. Statutory Auditors 2.2. Resignation or departure of Statutory Auditors	7.5. Statutory Auditors
3. Selected financial information	1.2.1. Financial indicators
4. Risk factors	2. Risk factors
5. Information about the issuer	
5.1. History and development of the Company	1.1.2. History and evolution of the Company
5.2. Investments	
5.2.1. Principal investments	6.1.1.4.3. Net investments
5.2.2. Major investments in progress	1.1.4. Strategic priorities 1.3 Description of business lines
5.2.3. Major investments planned by the issuer	1.1.4. Strategic priorities
6. Business overview	
6.1. Principal activities	1.1.1. General presentation 1.1.3. Organization 1.2. Key figures 1.1.4. Strategic priorities 1.3. Description of business lines
6.2. Main markets	1.1.6. Competitive positions 1.1.4. Strategic priorities 1.3. Description of business lines
6.3. Exceptional events	N/A
6.4. Degree of dependence on patents, licenses or contracts	1.5. Innovation, research and development policy 2.3. Operating risks
6.5. Competitive position	1.1.6. Competitive positions
7. Organizational structure	
7.1. Brief description of the Group	1.1.3. Organization
7.2. List of significant subsidiaries	6.2. Consolidated Financial Statements – Note 29 (List of the main consolidated companies at December 31, 2012)
8. Real estate, plant and equipment	
8.1. Material tangible fixed assets	1.4. Real estate, plant and equipment
8.2. Environmental issues potentially affecting the use of the tangible fixed assets	3.3. Environmental information
9. Operating and financial review	6.1.1. Management report
10. Capital resources	6.1.3. Cash and shareholders' equity
10.1. Shareholders' equity	6.1.3.1. The issuer's equity
10.2. Cash flows	6.1.1.4. Changes in net debt

Information required under Appendix 1 of regulation (EC) 809/2004	Corresponding sections of the Registration Document
10.3. Borrowing requirements and funding structure	6.1.3.2. Borrowing conditions and financial structure applicable to the Issuer 5.1.6. Non-equity 6.2. Consolidated Financial Statements – Note 15 (Financial instruments)
10.4. Restrictions regarding the use of capital	6.1.3.3. Restrictions on the use of capital
10.5. Expected sources on financing to honor commitments relative to investment decisions	6.1.3.4. Expected sources on financing to honor commitments relative to investment decisions
11. Research and development, patents and licenses	1.5. Innovation, research and development policy
12. Information about trends	
12.1. Significant recent trends in production, sales and inventory, and costs and selling prices	1.1.4. Strategic priorities 6.1.1.1. Revenue and earnings trends
12.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects	6.1.1.8. Outlook
13. Earnings forecasts or estimates	N/A
14. Administrative, management, and supervisory bodies and general management	
14.1. Information concerning the members of corporate governance bodies and general management	4.1.1. Board of Directors: Composition – Terms of office – Information – Independence 4.3.1. General Management Committee 4.3.2. Executive Committee
14.2. Conflicts of interest in administrative, management, and supervisory bodies and general management	4.1.1.5. Independence of Directors in office – Conflicts of interest
15. Compensation and benefits	
15.1. Amount of compensation paid and benefits in kind	4.5. Compensation and benefits paid to members of corporate governance and management bodies
15.2. Total amounts set aside or accrued to provide pension, retirement or similar benefits	4.5.3. Retirement provision
16. Board practices	
16.1. Term of office of Directors	4.1.1.2. Directors
16.2. Service contracts with the Directors providing for benefits upon their termination	4.4.3. Service contracts binding members of corporate governance bodies
16.3. Audit Committee and Compensation Committee	4.1.5. Standing committees of the Board of Directors
16.4. Compliance with applicable corporate governance regime(s)	4.1.4.2. Organization and operating procedures of the Board of Directors – Code of governance
17. Employees	
17.1. Number of employees and breakdown by category	3.2.8. Social data
17.2. Shareholding and stock options	4.1.1.4. Number of GDF SUEZ shares and stock options held by Directors in office at December 31, 2012 4.5. Compensation and benefits paid to members of corporate governance and management bodies
17.3. Arrangements for involving employees in the capital of the issuer	3.2.5. Employee profit sharing – Employee Shareholding
18. Major shareholders	
18.1. Statutory disclosure thresholds	5.2.3. Statutory disclosure thresholds
18.2. Voting rights	5.1.1. Share capital and voting rights
18.3. Control	5.2.2. Breakdown of Share Capital – Changes in Shareholding 5.2.4. Golden share
18.4. Agreements relating to change of control	5.2.4. Golden share

Information required under Appendix 1 of regulation (EC) 809/2004	Corresponding sections of the Registration Document
19. Related party transactions	4.4. Statutory Auditors' report, prepared in accordance with article L. 225-335 of the French Commercial code (Code de commerce), on the report prepared by the chairman of the Board of Directors of GDF SUEZ
20. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	
20.1. Historical financial information	6.2. Consolidated Financial Statements 6.3. Statutory Auditors' report on the Consolidated Financial Statements 6.4. Parent Company Financial Statements 6.5. Statutory Auditors' report on the Parent Company Financial Statements
20.2. Pro forma financial information	6.1.1.6. Pro forma Financial statements including the SUEZ Environnement Company Group as an associate 6.1.2. Statutory Auditor's report on the pro forma financial information related to the year ended December 31, 2012
20.3. Consolidated financial statements	6.2. Consolidated Financial Statements 6.3. Statutory Auditors' report on the Consolidated Financial Statements
20.4. Auditing of historical annual financial information	
20.4.1. Statement of audit of historical financial information	6.3. Statutory Auditors' report on the Consolidated Financial Statements 6.5. Statutory Auditors' report on the Parent Company Financial Statements
20.4.2. Other information in the Registration Document, which has been audited by the Statutory Auditors	N/A
20.4.3. Source of financial information appearing in the Registration Document, which is not extracted from the issuer's audited financial statements	N/A
20.5. Age of latest financial information	6.2. Consolidated Financial Statements 6.4. Parent Company Financial Statements
20.6. Interim and other financial information	N/A
20.7. Dividend distribution policy	5.2.5. Dividend distribution policy
20.8. Legal and arbitration proceedings	6.2. Consolidated financial statements - Note 27 (Legal and anti-trust proceedings) 2.3.4. Legal risks 7.2. Legal and arbitration proceedings - Competition and industry concentration (update)
20.9. Significant change in the issuer's financial or trading position	6.2. Consolidated Financial Statements – Note 28 (Subsequent Events)

Information required under Appendix 1 of regulation (EC) 809/2004	Corresponding sections of the Registration Document
21. Additional information	
21.1. Share capital	
21.1.1. Authorized capital and shares not issued	5.1.1. Share capital and voting rights 5.1.2. Potential capital and share equivalents 5.1.3. Authorizations relating to share capital and share equivalents and their utilization
21.1.2. Shares not representing capital	5.1.6. Non-equity
21.1.3. Shares held by the issuer or its subsidiaries	5.1.5. Stock Repurchase
21.1.4. Convertible securities, exchangeable securities or securities with warrants	N/A
21.1.5. Vesting rights and/or obligations attached to authorized but unissued capital or an undertaking to increase the capital	N/A
21.1.6. Options on the capital of members of the Group	5.2.4. Golden share
21.1.7. History of share capital	5.1.4. Five-year summary of changes in the GDF SUEZ share capital
21.2. Act incorporating documents and bylaws	7.1. Incorporating documents and bylaws
21.2.1. Issuer's objects and purposes	7.1.1. Issuer's corporate purpose
21.2.2. Corporate governance bodies	7.1.2. Corporate governance bodies
21.2.3. Rights, privileges and restrictions attached to shares	7.1.3. Rights, privileges and restrictions attached to shares
21.2.4. Amending the rights of shareholders	7.1.4. Change in rights attached to shares
21.2.5. Shareholders' Meetings	7.1.5. Shareholders' Meetings
21.2.6. Provisions having an effect of delaying, deferring or preventing a change in control of the issuer	5.2.4. Golden share 7.1.3. Rights, privileges and restrictions attached to shares
21.2.7. Disclosure of crossing statutory thresholds	7.1.6. Provisions relating to the disclosure of interests
21.2.8. Changes in share capital	7.1.7. Changes in share capital
22. Material contracts	6.1.3. Cash and shareholders' equity 6.2. Consolidated Financial Statements – Note 2 (Main changes in Group structure) 6.2. Consolidated Financial Statements – Note 28 (Subsequent Events)
23. Third party information, statement by experts and declarations of interest	N/A
24. Documents accessible to the public	7.3. Documents accessible to the public
25. Information on holdings	6.2. Consolidated Financial Statements – Note 29 (List of the main consolidated companies at December 31, 2012)

INFORMATION RELATING TO THE COMPANY'S MANAGEMENT REPORT

This Registration Document includes all items of the management report that are required under current laws and regulations.

The following table presents items from the GDF SUEZ Management Report as at December 31, 2012:

Legislative or regulatory reference	Items required	Section of the Registration Document
I – Activity		
L. 232-1-II of the French Commercial Code	Company's situation over the past fiscal year	Section 6.1.1 Management report Section 6.2. Consolidated Financial Statements
	Foreseeable developments and future outlook	Section 6.1.1.8. Outlook
	Significant events, which have occurred between the date the fiscal year ended and the date on which the Management Report was drawn up	Section 6.2. Consolidated Financial Statements – Note 28 (Subsequent Events)
	Research and development activities	Section 1.5. Innovation, research and development policy Section 6.2. Consolidated Financial Statements – Note 11.2 (Research and development costs)
R. 225-102 para. 1 of the French Commercial Code	Activities of the Company and its subsidiaries over the past fiscal year	Section 1.1.1. General Presentation Section 1.1.3. Organization Section 1.2. Key figures Section 1.1.4. Strategic Priorities Section 1.3. Description of business lines
L. 233-6 para. 2 of the French Commercial Code	Activities and revenues of the Company and its subsidiaries by business line	Section 6.1.1.1. Revenue and earnings trends Section 6.1.1.2. Business trends
L. 225-100 para. 3 (1st sentence) and para. 5 of the French Commercial Code L. 225-100-2 para. 1 of the French Commercial Code	Information relating to business trends, results and financial situation of the Company and the Group (particularly debt situation)	Section 6.1.1 Management report Section 6.1.3.2. Borrowing conditions and financial structure applicable to the Issuer
L. 225-100 paras. 4 and 6 of the French Commercial Code L. 225-100-2 paras. 2 and 4 of the French Commercial Code	Description of the main risks and uncertainties and indications as to the use of financial instruments, for the Company and the Group	Section 2 Risk factors Section 6.2. Consolidated Financial Statements – Note 16 (Risks arising from financial instruments)
L. 441-6-1 of the French Commercial Code D. 441-4 of the French Commercial Code	Information on terms of payment with suppliers	Section 6.1.1.7. Parent Company Financial Statements
II – Financial information		
L. 233-13 of the French Commercial Code	Breakdown and changes in shareholding structure	Section 5.2.2. Breakdown of share capital – Changes in shareholding Section 5.2.4. Golden share Section 5.2.3. Disclosure thresholds
	Names of controlled companies with a stake in the Company's treasury stock and proportion of capital thereby held	N/A
L. 232-6 of the French Commercial Code [n/a] [repealed by the Law of May 17, 2011]		
L. 233-6 para. 1 of the French Commercial Code	Significant equity stakes over the fiscal year in companies with their head office in France	Section 6.2. Consolidated Financial Statements – Note 2 (Main changes in Group structure)
R. 225-102 para. 2 of the French Commercial Code	Table showing the Company's results for each of the last five fiscal years	Section 6.4.4. Five- year financial summary of the Company
L. 225-211 of the French Commercial Code	Purchase and sale by the Company of its own shares	Section 5.1.5. Stock repurchase Section 6.2. Consolidated financial statements - Note 17 (Equity)

Legislative or regulatory reference	Items required	Section of the Registration Document
L. 225-102 para. 1 L. 225-180 of the French Commercial Code	Employee's stake in share capital	Section 5.2.2. Breakdown of share capital – Changes in shareholding Section 3.2.5. Employee profit sharing – Employee shareholding
L. 225-102 para. 2 of the French Commercial Code	Equity acquired by employees in an employee buyout	N/A
L. 225-100 para. 7 of the French Commercial Code	Table summarizing current authorizations granted by the Shareholders' Meeting for capital increases	Section 5.1.3 Authorizations relating to share capital and share equivalents and their utilization
R. 228-90 and R.228-91 of the French Commercial Code	Any adjustments for share equivalents in the event of share buybacks or financial transactions	N/A
III – Legal and tax information		
Article 243 (a) of the French Tax Code	Amount of dividends distributed for the previous three fiscal years	Section 5.2.5. Dividend distribution policy
L. 464-2 I para. 5 of the French Commercial Code	Injunctions or financial sanctions for anti-trust practices	Section 6.2. Consolidated financial statements - Note 27.2 (Competition and concentration) Section 2.3.3. Legal risks Section 7.2. Legal and arbitration proceedings - Competition and industry concentration (update)
L. 225-100-3 of the French Commercial Code	Information potentially impacting a tender offer	Section 4.1.1. Board of Directors: Composition – Terms of office – Information – Independence Section 4.5. Compensation and benefits paid to members of corporate governance and management bodies Section 5.1.3 Authorizations relating to share capital and share equivalents and their utilization Section 5.2.2. Breakdown of share capital – Changes in shareholding Section 5.2.4. Golden Share Section 5.2.3. Disclosure thresholds Section 7.1. Incorporating documents and bylaws Section 3.2.5. Employee profit sharing – Employee shareholding
R. 225-104 of the French Commercial Code	Social information	Section 3.2. Social information
IV – Information relating to corporate officers		
L. 225-102-1 paras. 1 to 3 of the French Commercial Code	List of all terms of office and functions carried out in any company by each corporate officer over the fiscal year	Section 4.1.1.3. Information about Directors in office at December 31, 2012
L. 225-102-1, para. 4 of the French Commercial Code	Compensation and benefits of any kind paid to each corporate officer by the Company, the companies that it controls and its holding company over the fiscal year	Section 4.5. Compensation and benefits paid to members of corporate governance and management bodies Section 4.5.1. Compensation of executive management and corporate officers
L. 225-185 para. 4 of the French Commercial Code	In the event stock options are awarded, details of information upon which the Board of Directors based their decision: • either to prohibit directors from exercising their options before leaving office; or • to oblige them to hold all or part of the shares resulting from options already exercised until they leave office	Section 4.5.5.1 Availability of shares resulting from the exercise of stock options and of performance shares

Legislative or regulatory reference	Items required	Section of the Registration Document
L. 621-18-2 of the French Monetary and Financial Code Article 223-26 of the AMF General Regulations	Information on transactions by directors and related parties involving the Company's shares	Section 4.5.10. Summary of transactions disclosed by executive management and corporate officers in the fiscal year 2012
L. 225-197-1 II para. 4 of the French Commercial Code	In the event bonus shares are awarded, details of information upon which the Board of Directors based their decision: • either to prohibit directors from selling shares awarded to them free of charge before leaving office; or • to establish the quantity of such shares that they are obliged to hold until they leave office	Section 4.5.5.1. Availability of shares resulting from the exercise of stock options and of performance shares
V - Environmental and HR information		
L. 225-102-1 para. 5 and R. 225-105 of the French Commercial Code	Environmental information	Section 2.4. Industrial risks Section 2.2.4 Impact of Climate Section 3.3. Environmental information
L. 225-102-2 of the French Commercial Code	Specific information for companies operating at least one site classified as Seveso "high threshold"	Section 2.4.3. Seveso and equivalent sites Section 3.3. Environmental information
L. 225-102-1 para. 4 and R. 225-104 of the French Commercial Code	Social information	Section 3.2. Social Information

INFORMATION RELATING TO THE COMPANY'S ANNUAL FINANCIAL REPORT

This Registration Document includes all items of the Annual Financial Report, as mentioned in Articles L. 451-1-2 of the French Monetary and Financial Code and as required by Article 222–3 of the AMF's general regulations.

The following table summarizes items in the Annual Financial Report:

Items required	Section of the Registration Document
Parent Company Financial Statements	Section 6.4. Parent Company Financial Statements
Group Consolidated Financial Statements	Section 6.2. Consolidated Financial Statements
Management report	See specific comparison table above
Declaration by the Party Responsible for the Annual Financial Report	Section 7.4.2 Declaration by the parties responsible for the Registration Document containing the Annual Financial Report
Statutory Auditor's Report on the Parent Company Financial Statements	Section 6.5. Statutory Auditors' Report on the parent company financial statements
Statutory Auditor's Report on the Consolidated Financial Statements	Section 6.3. Statutory Auditors' Report on the consolidated financial statements
Statutory Auditors' Fees	Section 6.2. Consolidated financial statements – Note 30 (Fees paid to Statutory Auditors and members of their networks)
Report of the Chairman of the Board on the terms and conditions governing the preparation and organization of the work of the Board of Directors and the internal control procedures implemented by the Company	Section 4.1. Report by the Chairman of the Board of Directors on corporate governance and internal control and risk management procedures
Statutory Auditors' report, prepared in compliance with Article L. 225-235 of the French Commercial Code, on the report prepared by the Chairman of the Board of Directors of GDF SUEZ	Section 4.2. Statutory Auditors' report, prepared in compliance with Article L. 225-235 of the French Commercial Code, on the report prepared by the Chairman of the Board of Directors of GDF SUEZ

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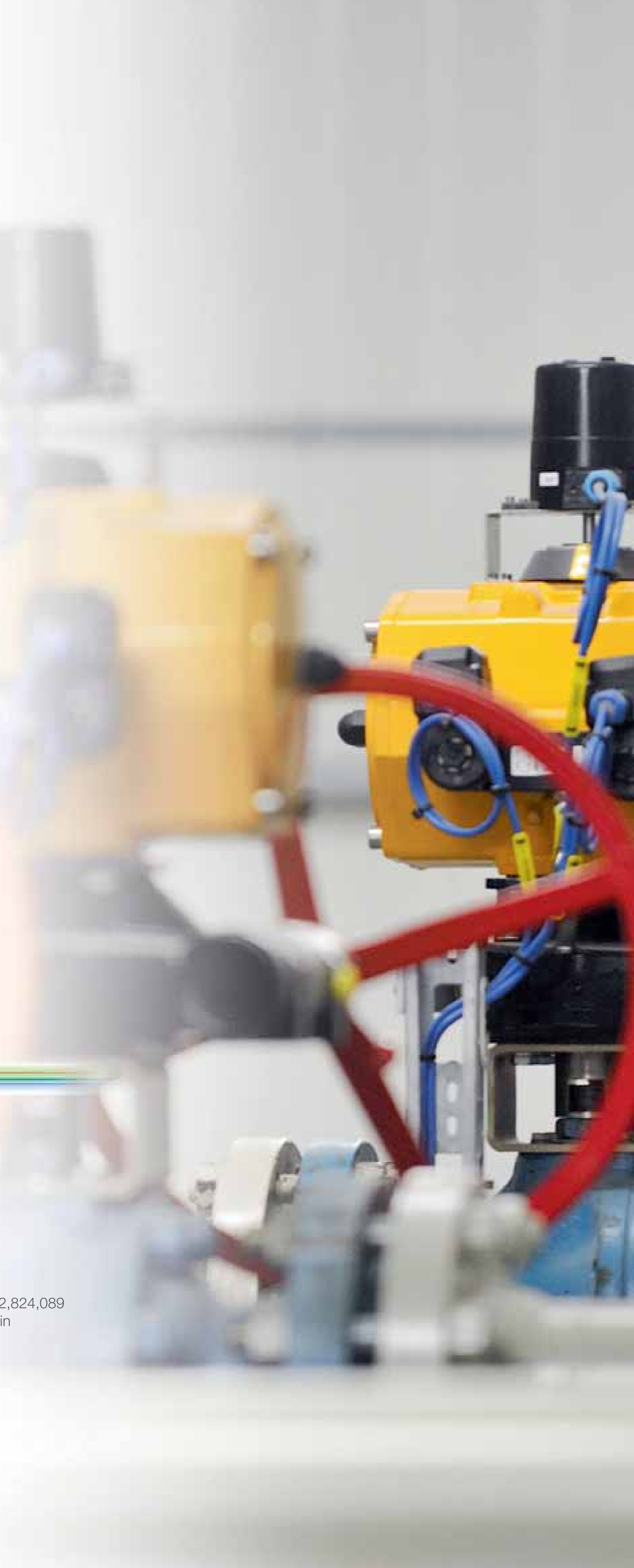
Our values

drive
commitment
daring
cohesion



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