

Ilo - Peru



Sohar II - Oman

H1 2013  
RESULTS

August 1<sup>st</sup>, 2013

# H1 2013 RESULTS

GDF SUEZ

BY PEOPLE FOR PEOPLE

- **H1 2013 results reflect the combination of:**
  - good operational performance and favorable weather
  - challenging regulatory and market conditions in Europe
  - benefits to net income from lower cost of debt
- **Confirmation of FY 2013 targets**
- **Progress in fast growing markets towards Group transformation**
  - new wins fuelling future growth
  - continuous expansion of footprint in growth markets
- **Accelerating actions to address further weakening of European energy markets**
  - developing innovative business models in Europe to capitalize on key trends
- ***Perform 2015* action plan on track**
- **Increased financial flexibility through good progress on portfolio optimization and debt management**

# H1 results: good operational performance

## Confirmation of FY 2013 targets

Unaudited figures pro forma equity consolidation of Suez Environnement

### H1 2013 performance

In €bn	H1 2013	Δ 13/12	
NET RECURRING INCOME GROUP SHARE (NRIGs) <sup>(1)</sup>	<b>2.4</b>	<b>-1.7%</b>	
ADJUSTED COI (ACOI) <sup>(2)</sup>	<b>5.1</b>	<b>-2.3%</b> <i>(gross)</i>	<b>+2.4%</b> <i>(organic)</i>
EBITDA	<b>7.6</b>	<b>-6.6%</b> <i>(gross)</i>	<b>-2.6%</b> <i>(organic)</i>
CASH FLOW FROM OPERATIONS (CFFO) <sup>(3)</sup>	<b>5.2</b>	<b>-4.0%</b>	
GROSS CAPEX	<b>3.3</b>		
INTERIM DIVIDEND <sup>(4)</sup>	<b>€0.83/share</b> stable vs H1 2012		
NET DEBT	<b>32.2</b>	<b>-4.4 vs end 2012</b>	
RATING <sup>(5)</sup>	<b>A / A1</b>		

### FY 2013 financial targets<sup>(6)</sup> confirmed

- **Net Recurring Income group share<sup>(1)</sup>: €3.1-3.5bn**  
- Indicative EBITDA of €13-14bn
- **Gross CAPEX: €7-8bn**
- **Net debt/EBITDA ≤2.5x and “A” category rating**

(1) Excluding restructuring costs, MtM, impairment, disposals, other non recurring items and nuclear contribution in Belgium

(2) Current Operating Income + share in net income of associates – non-recurring income included in share of net income of associates

(3) Free Cash Flow before maintenance Capex

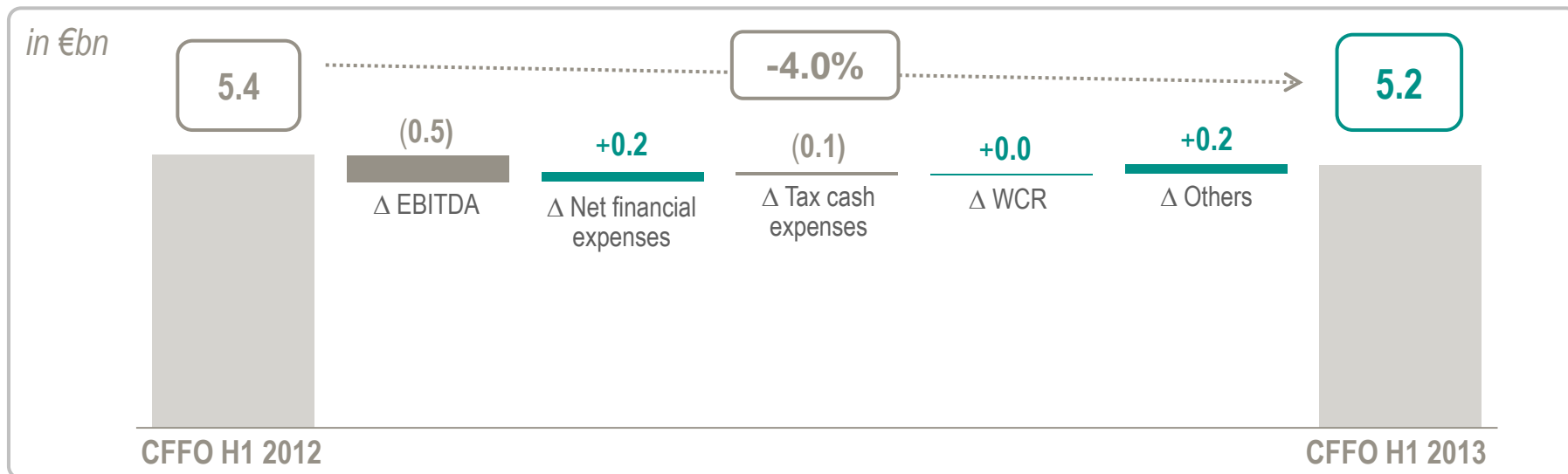
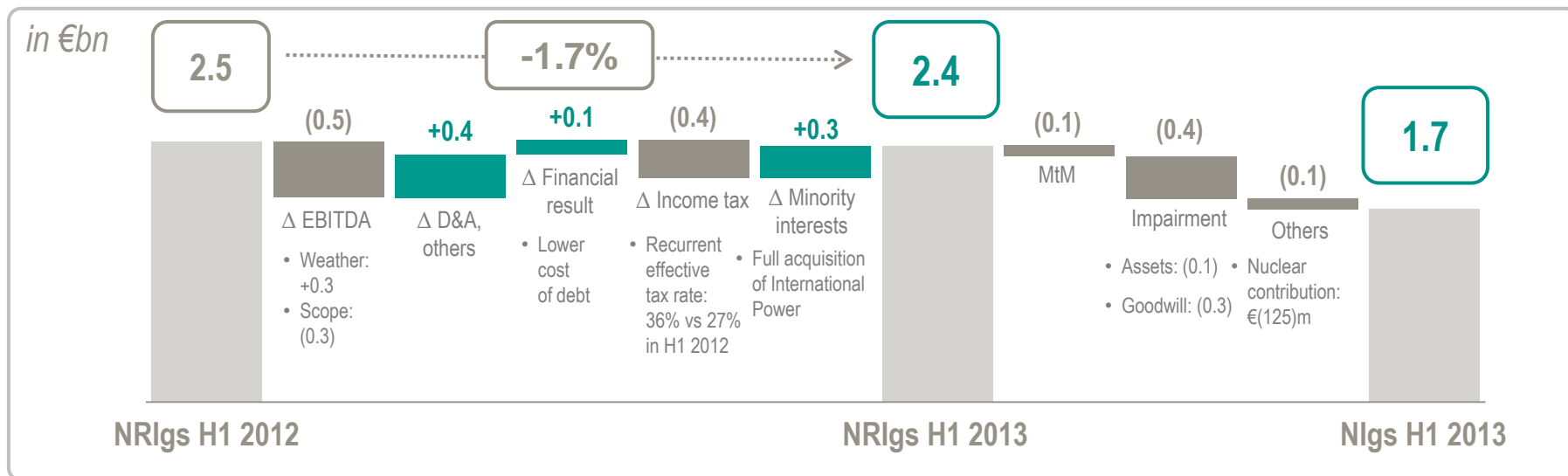
(4) To be paid on November 20, 2013, ex-date November 15, record date November 19

(5) S&P / Moody's LT ratings both with negative outlook

(6) Targets assume average weather conditions, Doel 3 and Tihange 2 restart in Q2 2013, no significant regulatory and macro economic changes, pro forma equity consolidation of Suez Environnement as of 01/01/2013, commodity prices assumptions based on market conditions as of end of January 2013 for the non-hedged part of the production, and average foreign exchange rates as follow for 2013: €/€ 1.27, €/BRL 2.42. Targets include positive impact of January 30, 2013 decision from 'Conseil d'Etat' on gas tariffs

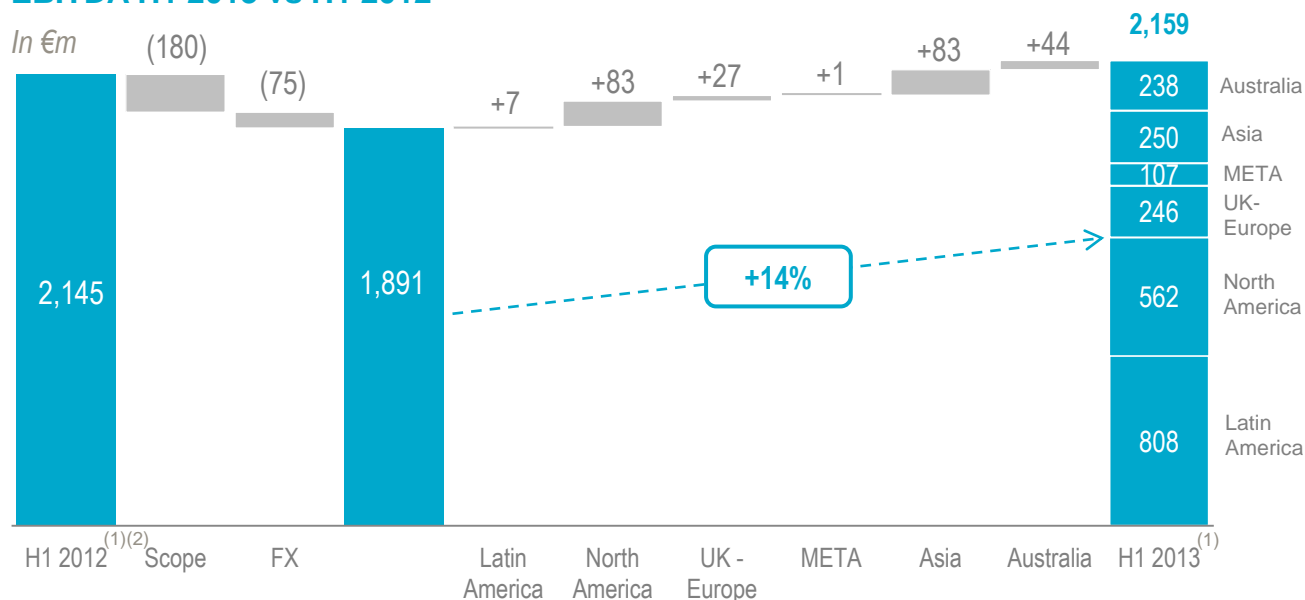
# Net income and cash flow:

Operational performance and weather compensating for weaker market conditions; maintaining strong cash flow generation



## Strong performance in Thailand, Brazil, Peru and US LNG

### EBITDA H1 2013 vs H1 2012



- Strong underlying performance in Asia and Australia
- North America benefited from LNG cargo diversions
- Improved performances in Brazil and Peru, compensating for technical outages and change of LNG business model in Chile
- 5.1 GW of new capacity commissioned since June 2012, mostly in Asia and META contributing to ACOI growth
- *Perform 2015* gross impact: ~€60m

In €m	H1 2012	H1 2013	Δ 13/12	Δ org
Current Operating Income <sup>(2)</sup>	1,429	1,529	+7.0%	+22%
Adjusted COI <sup>(3)</sup>	1,600	1,678	+4.9%	+18%

### EBITDA FY 2013 outlook

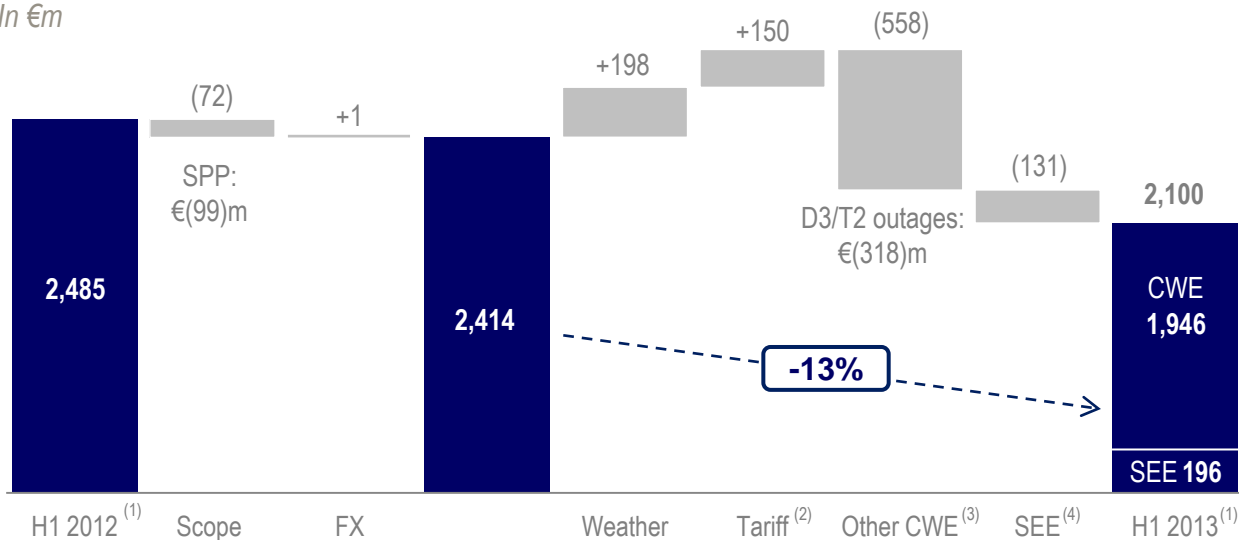
- Full year benefit of capacity commissioned in H1, with a further 0.7 GW to enter service in H2
- Lower contribution from LNG diversions expected in H2
- Asset optimization program
- *Perform 2015*

(1) Total include Other: €(77)m in H1 2012 and €(53)m in H1 2013 (2) H1 2012 was restated for re-allocation of corporate costs previously included in Others business line  
 (3) Adjusted COI = Current Operating Income + share in net income of associates – non-recurring income included in share of net income of associates

Challenging market conditions, Doel 3 / Tihange 2 outages but positive impacts from weather and tariff in France

## EBITDA H1 2013 vs H1 2012

In €m



- Energy margins decrease in Central Western Europe
- Nuclear outages in Belgium, restart in June 2013
- France : return to normal situation for gas tariff
- Benefit from 2012 long term gas contracts renegotiations
- *Perform 2015* gross impact: ~€150m

In €m	H1 2012	H1 2013	Δ 13/12	Δ org
Current Operating Income	1,647	<b>1,360</b>	-17%	-15%
Adjusted COI	1,703	<b>1,406</b>	-18%	-15%

## EBITDA FY 2013 outlook

- Depressed power prices, end of CO<sub>2</sub> allocations, churn
- Restart of Doel 3 / Tihange 2 in June 2013
- Asset optimization program
- *Perform 2015*

(1) Including Other: €(69)m in H1 2012 and €(41)m in H1 2013

(2) Catch-up related to the January 30, 2013 "Conseil d'Etat" decision on natural gas tariffs in France, booked in Q1 2013

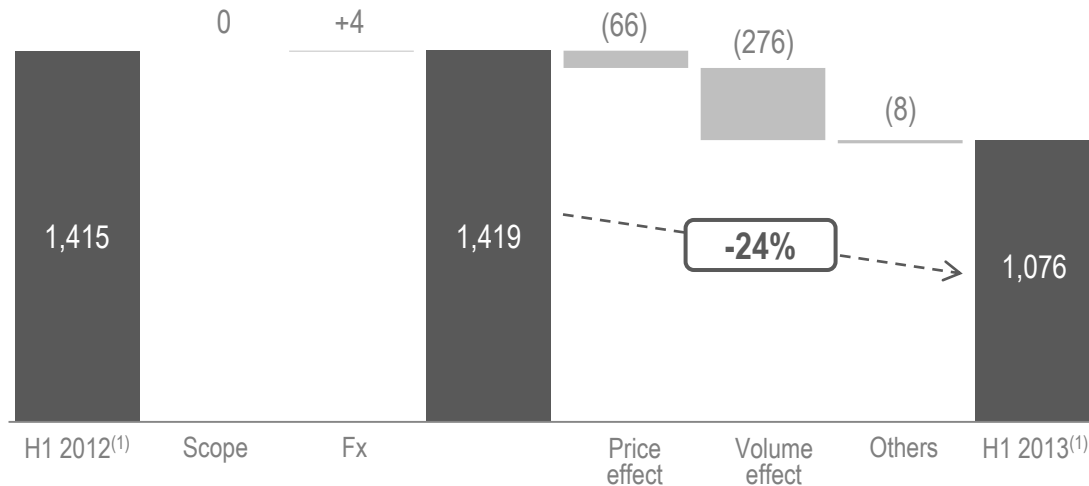
(3) Central Western Europe (4) Southern & Eastern Europe

# Global Gas & LNG

Temporary decrease in E&P volumes partly mitigated by strong LNG sales to Asia

## EBITDA H1 2013 vs H1 2012

In €m



- Negative commodity price impact
- Impact of lower hydrocarbon production due to:
  - Natural planned decline of some existing fields
  - Snøhvit and Njord maintenance and repair
- Increase in LNG sales to third parties with 39 TWh totaling 44 cargoes in H1 2013, (vs 31 TWh in H1 2012), particularly to Asia
- Decrease in supply from Egypt
- *Perform 2015* gross impact: ~€80m

In €m	H1 2012	H1 2013	Δ 13/12	Δ org
Current Operating Income	740	574	-22%	-23%

## EBITDA FY 2013 outlook

- E&P: H2 2013 production expected to be in line with H2 2012
- LNG: Sustained LNG sales to third parties partly offset by unfavorable market conditions in Europe and supply issues in Egypt
- *Perform 2015*: Strong progress in H1 will continue in H2 2013

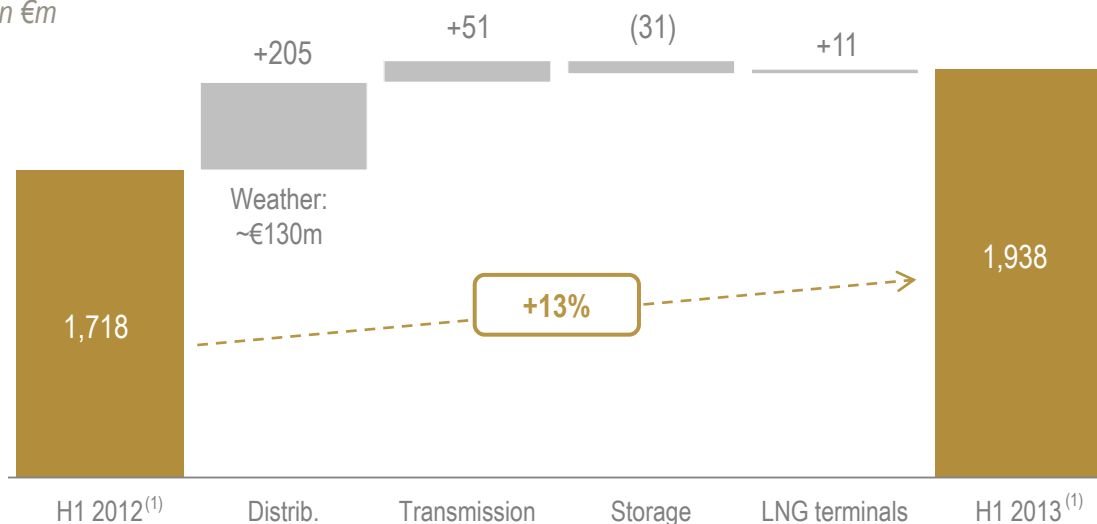
(1) Including Other: €(16)m in H1 2012 and €(9)m in H1 2013

# Infrastructures

Favorable weather impact, good performance but challenging conditions for storage

## EBITDA H1 2013 vs H1 2012

In €m



- Highly favorable weather conditions
- Lower sales of storage capacity in France
- Positive impact of new tariffs for distribution, transmission and LNG terminals
- *Perform 2015* gross impact: ~€45m

In €m	H1 2012	H1 2013	Δ 13/12	Δ org
Current Operating Income	1,087	1,306	+20%	+20%

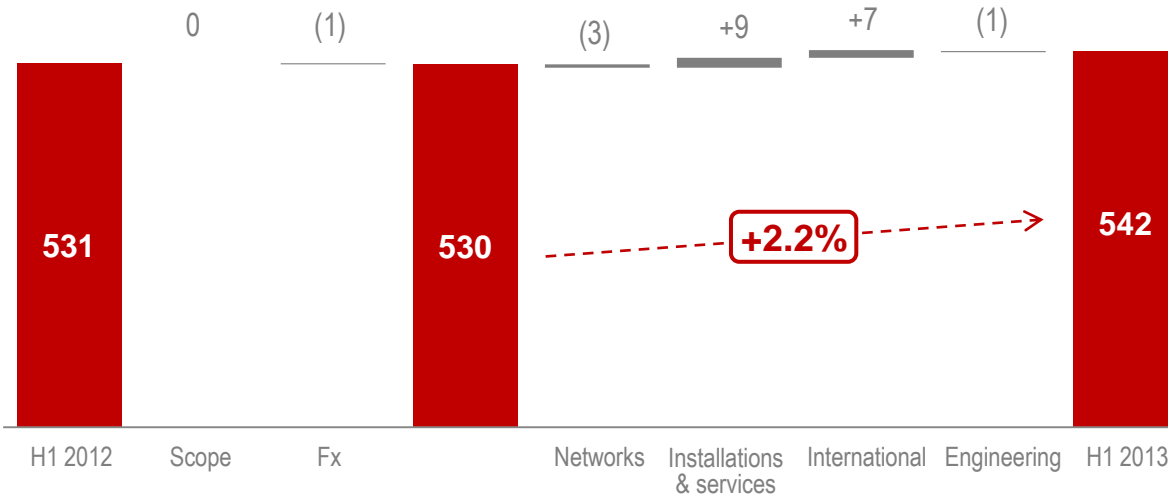
## EBITDA FY 2013 outlook

- Benefit of new tariffs:
  - distribution tariff as from July 1<sup>st</sup>, 2012
  - transmission and LNG terminals as from April 1<sup>st</sup> 2013
- RAB increase
- Further pressure on sales of gas storage capacity
- *Perform 2015*

(1) Including Other: €18m in H1 2012 and €2m in H1 2013

### EBITDA H1 2013 vs H1 2012

In €m



- Continued growth in installations & services
- Sustained growth of international activities
- Pressure on engineering margins
- Impact of expiration of cogeneration feed-in tariffs on Networks and Services activities
- *Perform 2015* gross impact: ~€40m

In €m	H1 2012	H1 2013	Δ 13/12	Δ org
Current Operating Income	358	370	+3.3%	+4.1%

### EBITDA FY 2013 outlook

- EBITDA level above €1bn
- *Perform 2015* reinforced

Accelerate in fast growing markets, optimize in mature markets

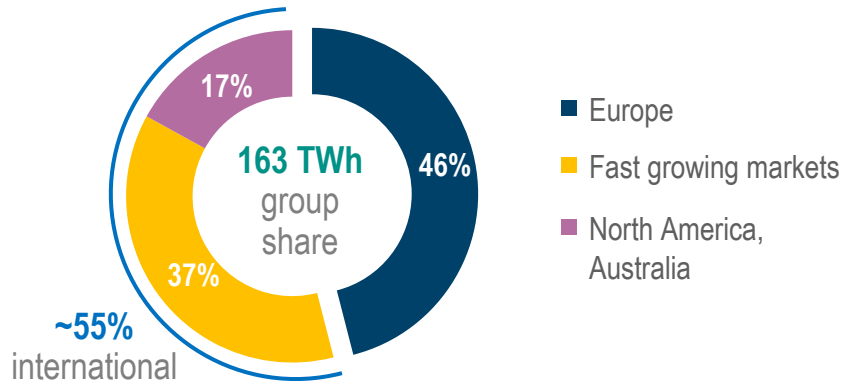
## Accelerate development in fast growing markets

### Wide range of opportunities

- 90% of the additional global demand for energy located outside OECD<sup>(1)</sup>
- Addition of ~380 GW<sup>(2)</sup> capacity by 2020

### ACTIONS

- Progress in H1 2013 with 2.6 GW commissioned, 90% in fast growing markets
- 46% of H1 growth capex allocated to fast growing markets
- 54% of H1 generation output in international markets



## Optimize and integrate in mature markets

### Unprecedented challenges in Europe

- Low demand, declining power prices and continued downward pressure
- Business model transformation
- Growing demand for energy efficiency presents opportunities: €80bn potential additional market by 2020

### ACTIONS

- Disciplined fleet review – “cash test” on low running assets
- Significant progress on *Perform 2015*: €480m gross P&L impact in H1 2013

(1) Source: IEA, scenario new policies, 2010-2035

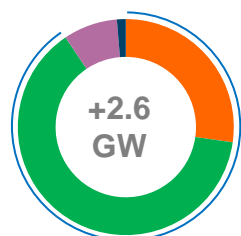
(2) Potential new capacity needed in the markets targeted by GDF SUEZ in emerging regions by 2012-2020

# Group transformation: continuous expansion of footprint in growth markets

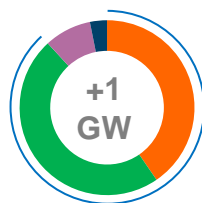
## Sustained capacity additions with ~90% in fast growing markets in H1 2013

At 100%<sup>(1)</sup>

Net ownership<sup>(2)</sup>



■ META  
■ Latin America  
■ North America  
■ Europe

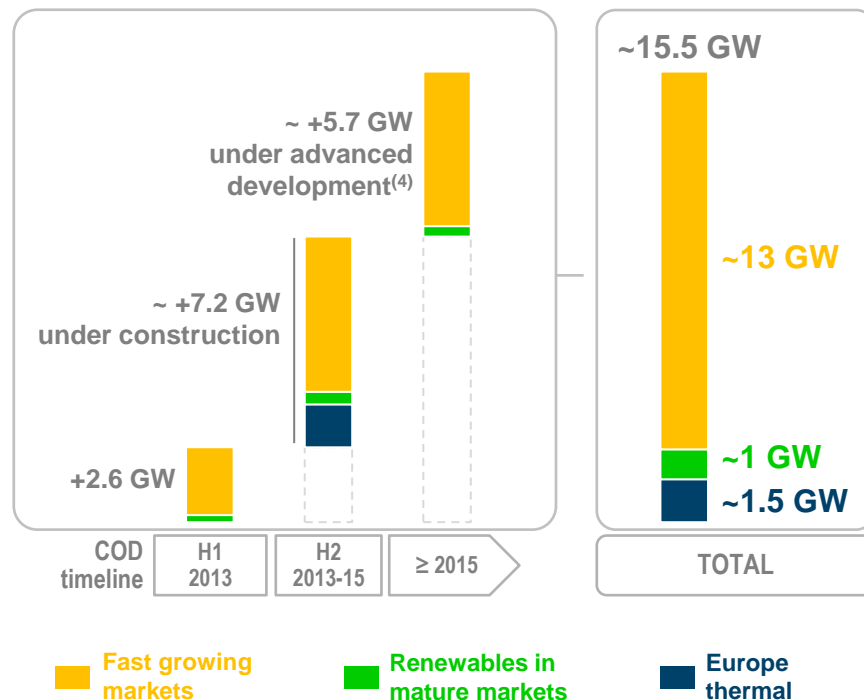


- **Saudi Arabia:** full commissioning of Riyadh PP11 (1,729 MW<sup>(3)</sup>, gas, 20%<sup>(2)</sup>)
- **Oman:** full commissioning of Barka 3 & Sohar 2 (2 x 744 MW<sup>(3)</sup>, gas, 46%<sup>(2)</sup>)
- **Brazil:** full commissioning of Estreito (1,087 MW<sup>(3)</sup>, hydro, 28%<sup>(2)</sup>)
- **Peru:** Ilo 2 (564 MW, thermal, 62%<sup>(2)</sup>)

## Expected growth from new capacity coming on line

Expected commissioning of ~15.5 GW<sup>(1)</sup>

~80% in fast growing markets

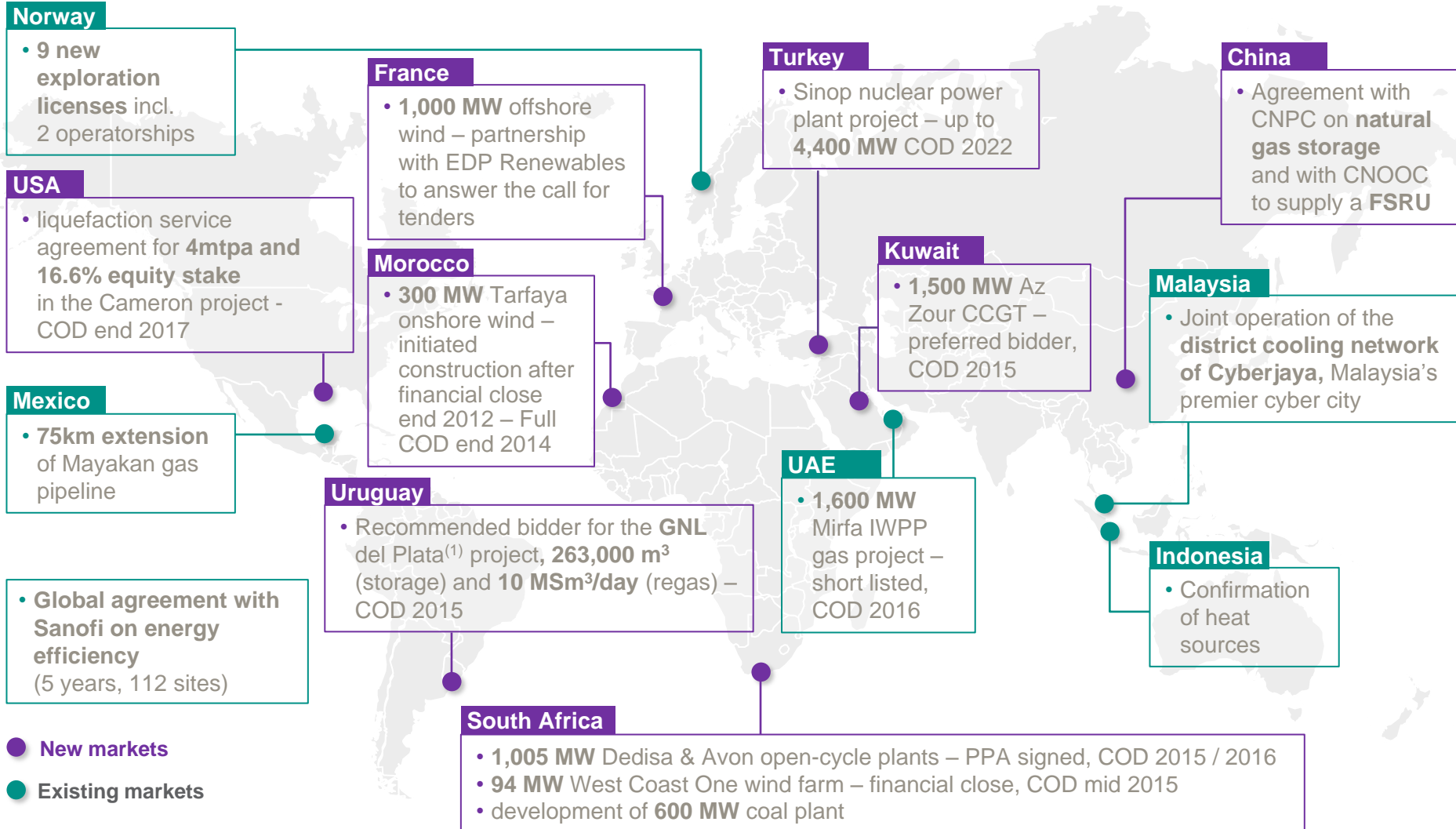


## Growth in selected markets with good visibility of cash generation

(1) As of June 2013; at 100% (2) GDF SUEZ ownership (3) Full plant capacity at 100% including partial commissioning before 2013  
 (4) Exclusive negotiations / preferred bidder or Investment Note approved by the Business Line Commitment Committee

# Group transformation: new wins fueling future growth

## Entering new markets and strengthening positions in existing markets



(1) Floating LNG regasification terminal

## Main events in H1 2013

### Nuclear in Belgium

- Restart of Doel 3 and Tihange 2
- Extension of Tihange 1 under consideration
- Judicial challenge of nuclear contribution

### Active and continuous renegotiation of long term gas contracts

### New gas tariff formula in France applied automatically on a monthly basis

- Market indexation switched to 46%

## Call for a new European energy policy

### Actively promoting an improved market design in Europe

#### → Built on an EU coordinated approach

- Implementation of Capacity Remuneration Mechanisms to ensure security of supply

#### → Delivering a reliable carbon market

- July 2013 vote on backloading: a first positive step but largely insufficient

#### → Promoting a more sustainable approach for renewable energy

## Disciplined fleet review with focus on low running assets

### Challenging conditions for CCGT fleet

- 31% load factor in H1 2013

### A “cash test” review of low running assets

- Decisions already announced: **10.6 GW<sup>(1)</sup>**
  - Close / mothball / convert to peak unit: 8.6 GW
  - Optimize: 2 GW
- New decisions in H1 2013: **mothball 1.4 GW**
- Next step: **additional review of 2 GW**

## Grass-root action plan in Europe with *Perform 2015*

### Strong IT cost reduction plan

- From ~€580m in 2011 to ~€465m in 2015

### Reduction in cost to serve

- €50m reduction of call center contract over 5 years

### Reduction in operating & maintenance cost in generation

- Enhanced pooling of generation resources
- From ~€1,800m in 2011 to ~€1,530m in 2015

(1) Since 2009

## Development in generation focused on renewables

### Selective approach

- Priority on onshore wind and solar: **~200 MW** under construction<sup>(1)</sup>
- Positioning on offshore wind
- Development of partnerships and equity consolidated projects

(1) As of June 2013; at 100%

## Innovate in new business models

### Main market trends

### GDF SUEZ innovative offers

Development of services around the sale of energy



GDF SUEZ strong competitive advantage: development through Energy Services business line and pooling of competencies within the Group

Declining energy demand



Energy performance contracts

Decentralization



Biogas, district networks, renewables, cogeneration, small scale LNG

Digitalization



Smart energy offers (*DolceVita ZenBox*, *Vertuoz Habitat*), smart gas meters *Gazpar*, demand-side management

# Perform 2015 action plan on track to deliver full targets

## Significant examples

### G&A

- Simplify HQ organization, regroup major Parisian sites, continuous efficiency improvement of Shared Services Centers

### Purchasing

- Successful launch of 2 waves of > 20 purchasing categories

### Other Opex

- Optimization of maintenance cycles in generation (Europe & International)

### Revenues

- Improve plant performance: flexibility, efficiency and capacity

### Below EBITDA

- Debt refinancing at historically competitive terms

Cumulative  
gross P&L contribution  
(EBITDA & below EBITDA)

**~€2.8bn in 2015**

*with SEV equity consolidated*

Cumulative Capex and  
working capital optimization

**~€0.9bn in 2015**

2015



H1 2013

**37%**  
achieved

2012

## P&L contribution in H1 2013

*with SEV equity consolidated*

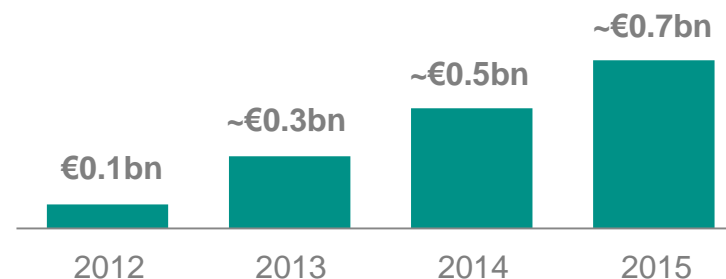
In €m

Gross EBITDA Contribution	<b>380</b>
Below EBITDA	<b>100</b>
Capex and WCR optimization	<b>110</b>

Estimated Net EBITDA Contribution <sup>(1)</sup>	<b>~230</b>
Estimated NRIGs	<b>~200</b>

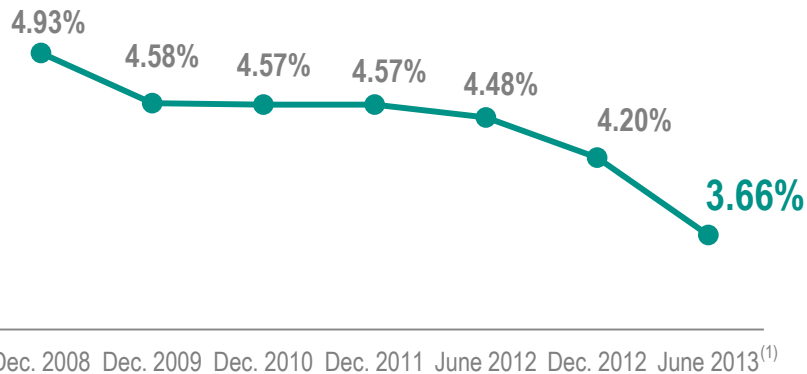
(1) Net from cost inflation

## Cumulative positive net impact on Net recurring income Group share



# Delivering significant progress on portfolio optimization and debt management program

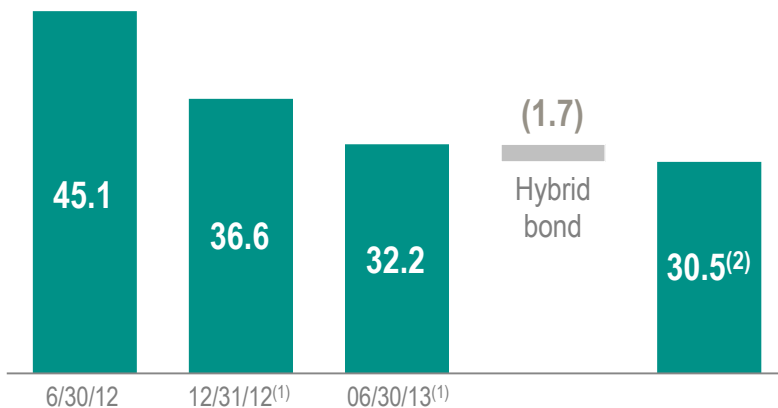
## Sharp decrease in cost of gross debt



- Issuance of bonds with attractive terms
- Refinancing of expensive debt of Energy International
- Active management of interest rate risk with >80% of fixed or capped rates at the end of June

## 2014 €30bn net debt target within reach one year earlier

In €bn



(1) Proforma SEV (2) Adjusted for July 2013 hybrid bond issuance

## Accelerate Group transformation

### Strategic rationale

- Reduce exposure to selected markets or activities
- Build / adjust partnerships to optimize selected investments
- Increase financial flexibility

### Execution: strict criteria

- Limited NRIGs dilution
- Combination of disposals and partnerships

**Target: €11bn net debt impact over 2013-2014**

**Progress: > €3bn net debt impact in H1 2013**

- **Good progress and acceleration of Group transformation strategy**
- ***Perform 2015* action plan and development of new business models to address evolution of European energy markets**
- **Further building on competitive advantage in energy services**
- **Capturing opportunities in growth markets by further directing Capex towards our global leadership positions**
- **Executing portfolio optimization and debt management program to support strategy and increase financial flexibility**
- **Confirmation of FY 2013 targets**

## **Forward-Looking statements**

This communication contains forward-looking information and statements. These statements include financial projections, synergies, cost-savings and estimates, statements regarding plans, objectives, savings, expectations and benefits from the transactions and expectations with respect to future operations, products and services, and statements regarding future performance. Although the management of GDF SUEZ believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of GDF SUEZ securities are cautioned that forward-looking information and statements are not guarantees of future performances and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of GDF SUEZ, that could cause actual results, developments, synergies, savings and benefits to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the public filings made by GDF SUEZ with the Autorité des Marchés Financiers (AMF), including those listed under “Facteurs de Risque” (Risk factors) section in the Document de Référence filed by GDF SUEZ with the AMF on 22 March 2013 (under no: D.13-0206). Investors and holders of GDF SUEZ securities should consider that the occurrence of some or all of these risks may have a material adverse effect on GDF SUEZ.