GDF SUEZ

Registration Document

2013

including annual financial report

BY PEOPLE FOR PEOPLE

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Registration Document **2013**

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 28, 2014 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 December 31, 2012: the management report, consolidated financial statements prepared according to IFRS and the related Auditors' reports appearing on pages 186 to 330 of the Registration Document filed with the AMF on March 22, 2013 under number D.13-0206;
- in relation to the GDF SUEZ fiscal year ended on December 31, 2011: the management report, consolidated financial statements prepared according to IFRS and the related Auditors' reports appearing on pages 242 to 394 of the Registration Document filed with the AMF on March 23, 2012 under number D.12-0197.

This information should be read in conjunction with the comparative information as of December 31, 2013.

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 1.1.6 "Competitive positioning", Section 1.1.5 "Improving performance", Section 1.3 "Description of business lines" and Section 6.1.1.9 "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 unpredictable events and 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* on March 20, 2014, 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 Reference 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

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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 and energy services.

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 services.

GDF SUEZ operates a well-balanced business model:

- through its presence in complementary business activities across the value chain;
- 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 and a leader of the energy transition, 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.

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

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 French 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.

The shareholders' agreement for SUEZ Environnement Company expired on July 22, 2013 and was not renewed; the Group is therefore refocusing on its energy activities. The cooperation and shared functions agreement and the financing agreement between GDF SUEZ and SUEZ Environnement Company have also come to an end. GDF SUEZ now uses the equity method to consolidate SUEZ Environnement Company's activities in its financial statements, rather than full consolidation.

GDF SUEZ intends to maintain its role as a long-term strategic partner of SUEZ Environnement Company and as its majority shareholder. The guiding principles of the industrial and commercial agreements between GDF SUEZ and SUEZ Environnement Company were confirmed in January 2013, and form the basis of a framework agreement between the two companies, similar to what might have been concluded with third parties outside the Group. They relate to reciprocal preference, under market conditions, in purchasing/sales, continuing cooperation in certain industrial activities, development of potential joint commercial offerings and cooperation in sustainable development, innovation and research and development.

As well as this framework agreement, SUEZ Environnement Company and GDF SUEZ signed temporary agreements in external purchasing and information technology. In purchasing, SUEZ Environnement Company aims to continue to benefit from GDF SUEZ's purchasing conditions until July 2015, i.e. for a period of two years. A transition agreement has been put in place for information technology that allows SUEZ Environnement Company to continue to benefit, at its sole request, from certain IT applications shared with the Group until 2014.

Lastly, the two companies have signed an additional clause on the "SUEZ" brand license, which stipulates, *inter alia*, that "the two parties shall undertake not to implement any measure, action or provision likely to affect the Brand's validity, reputation or recognition, and to comply with, and ensure compliance with, the Ethics Charters that they have adopted, the regulations governing their application and the national and international benchmark legislation to which these charters refer".

GDF SUEZ 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.

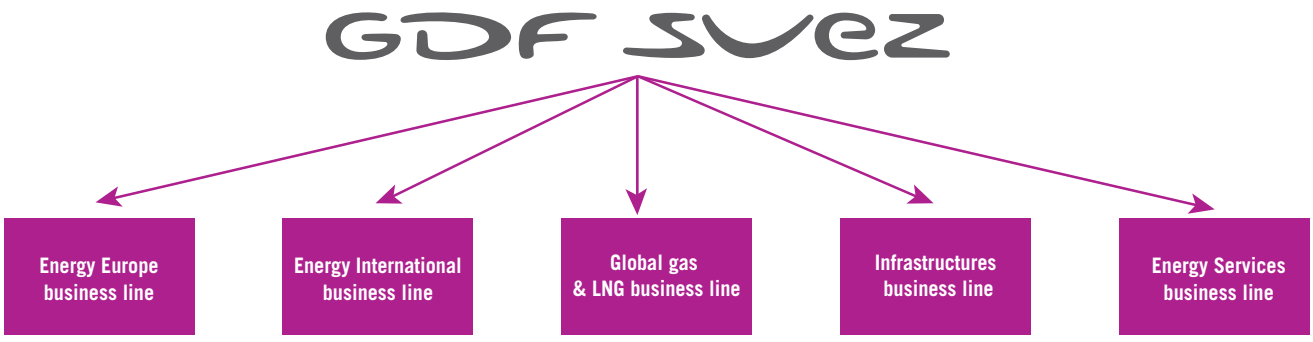
The Company's fiscal year is 12 months and runs from January 1 to December 31 of each year.

1.1.3 Organization

As at December 31, 2013, GDF SUEZ is organized at operational level into five business lines:

- **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);
- **the Energy International business line** is organized into five geographical regions (Latin America; North America; the United Kingdom and Europe; South Asia, the Middle East and Africa; and Asia-Pacific). 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 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.



(1) Mainly in Hungary and Romania.

(2) As well as activities associated with International Power's assets in continental Europe.

The Company operates its own business; it has the organization of an integrated industrial group. At the end of 2013, the number of the Company's direct or indirect subsidiaries (controlling interest) was approximately 1,600. The Group's main consolidated companies are listed in Section 6.2 "Consolidated financial statements – Note 30 (List of main consolidated companies at December 31, 2013)". 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 investments)".

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 "Description of business lines".

1.1.4 Strategic priorities

The markets in which the Group is expanding are currently undergoing profound change:

- increase in energy demand is concentrated in the fast growing economies: 93% of the increase in primary energy consumption between 2011 and 2030 will take place outside the OECD countries, according to the International Energy Agency (IEA, World Energy Outlook 2013, New Policies scenario);
- in Europe, the energy transition has begun in many countries: the contribution of renewable sources of energy (excluding hydropower) to the energy mix will increase from 18% to 36% by 2025, according to Capgemini (European Energy Markets Observatory) and energy efficiency issues are developing;
- energy will be increasingly managed at local level, and even individually (consumer-player);
- natural gas is playing a more central role at global level due to abundant resources as shale gas production develops (239 years of reserves, according to the IEA), and to strong growth in demand (+1,7% annually between 2011 and 2030, according to the IEA).

The economic slowdown in Europe and energy efficiency policies have led to a fall in consumption which, in combination with continuing development of renewable energy and plentiful cheap coal, has generated surplus capacity and low electricity prices in the long term. This situation, combined with high, stable gas prices, has caused a significant crisis in thermal power generation: 130 GW do not cover their fixed costs in a total European generation fleet of 970 GW, according to Capgemini. Besides, natural gas storage activities also face adverse masket context, with an important decrease in reservation capacity.

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

1. to be the benchmark energy player in the fast growing markets:

- by leveraging on strong positions in the independent power generation, and in LNG, and by strengthening these positions;
- by building integrated positions all along the gas value chain, including infrastructures;
- by developing energy services activities internationally;

2. to be the leader in the energy transition in Europe:

- in renewable energies, centralized and distributed;
- by offering energy efficiency services to its clients;
- by developping new businesses (biogas, smart energy and digitalisation...).

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

In Europe, the Group has to adapt to the profound changes taking place in the energy sector and increase the priority it gives to its customer approach.

The Group's gas supply portfolio is undergoing an in-depth restructuring process, including through the renegotiation of long-term contracts with its suppliers.

In power generation, the Group continues to optimize its fleet of thermal power plants in response to the crisis in thermal generation, and is campaigning for improvements in European regulations.

In renewable energy, the Group aims to pursue its development in certain countries, with priority given to the more mature technologies: hydropower, onshore wind power and biomass for electricity and heat. Partnerships are being sought for these projects.

In infrastructures activities, the aim is to adapt to the energy transition context:

- by adapting this infrastructure to changes in demand;
- by preparing infrastructure and commercial offerings for gas being a vector for renewable energy (biomethane, power to gas, etc.)

GDF SUEZ aims to strengthen its leadership in energy efficiency, as the benchmark energy partner of its customers, businesses, local authorities and individuals, emphasizing on the technological content of its activities and customer-oriented organization.

Internationally, GDF SUEZ aims to step up its development by positioning itself right across the value chain and expanding the range of businesses and regions.

GDF SUEZ aims to consolidate its current strong position in independent power generation. Its strategic priorities in this area are:

- strengthening its positions in countries where the Group is present;
- investing in new, attractive markets;
- developing opportunities in renewable energy;
- exploring and extending its activities throughout the electricity and gas value chain, including in decentralized generation and infrastructure.

In the gas chain, the Group aims to rely on its expertise to roll out its activities internationally, in an integrated way and with a focus on countries with rapidly growing gas markets:

- developing upstream gas activities to secure access to the resource for the Group's downstream markets, including power generation;
- capturing development opportunities in infrastructure;
- using its know-how in downstream activities to respond to urbanization development in some countries.

In energy services, the Group aims to increase its international presence and double its revenues outside Europe by 2019.

To implement this strategy, GDF SUEZ plans to adapt its organization in 2014, by:

- creating a dedicated entity, Thermal Power Europe (gas, biomass, coal), within the Energy Europe business line;
- creating a dedicated entity, Renewable Energy Europe (mainly wind and solar power) within the Energy Europe business line;
- uniting Cofely Services (Energy Services business line) and BtoB activities of Energy France (Energy Europe business line) in France, to build an integrated B2B energy offering;
- creating a dedicated entity for innovation and new business at Group level.

On the financial front, the Group prioritizes maintaining a sound financial structure in the long term (aiming to retain an "A" credit rating), which will mainly be 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. GDF SUEZ focuses on growth to reinforce value creation, notably through a new dividend policy and a boost development Capex program (see section 6.1.1.9 "Outlook").

Within GDF SUEZ, environmental and societal responsibility plays an integral part in developing the business strategy. To contribute fully to Group value creation, they are addressed as a combination of:

- sustainable business, which involves identifying environmental and societal 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 and governance.

Environmental and societal responsibility 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 environmental and societal responsibility policy has three key areas:

- contributing to/ensuring the development of energy solutions enabling the customers to reach their own sustainability objectives;
- contributing to/ensuring the responsible business conduct;
- contributing to/ensuring the development of responsible relationships with stakeholders in order to create shared value.

1.1.5 Improving performance

In 2013, the Group accelerated its approach toward continuous improvement of performance. The *Perform* 2015 program had a gross positive impact of €1.0 billion on income related to reductions in operating costs and the generation of additional margin. The impact on recurring net income, Group share stood at €400 million. In addition, the *Perform* 2015 plan generated €1.0 billion of additional cash by optimizing CAPEX and working capital requirements.

Perform 2015 was launched over the 2012-2015 period to support the deployment of the Group's strategy and to improve its performance in a sustainable manner. It aims to meet the challenges the Group faces in the short term, particularly in European countries, as well as transforming the Group in the medium to long term.

The first pillar aims at improving operational efficiency, it includes actions to reduce costs, increase income and/or gross margin and generate additional cash. In the light of results, above 2013 targets, and of the still difficult economic environment in Europe, the Group has decided to increase the expected cumulated gross contribution of €800 million by the end of 2015. Thus the targeted contribution to income is raised to €3.3 billion[1] and the targeted additional cash to €1.2 billion, by optimizing CAPEX and working capital. The Purchasing initiative contributes the most significantly to savings with gain of some €1.7 billion[1] targeted in 2015 mainly through pooling and rationalization of demand. Efforts to reduce overheads intensified in 2013, particularly with the reorganization of the Head Office and the combining of Parisian offices at La Défense. The optimization of working methods and organizational streamlining, particularly with the initiation of a dedicated project in view of establishing a Shared Services Division for support functions, is set to continue.

The second pillar of the program focuses on strengthening financial flexibility. In 2013, the Group has brought its debt below the level of €30 billion, one year ahead of schedule.

All transactions announced in 2013 as part of the asset rationalization program represent a reduction in net debt of around €5 billion.

(1) Excludes SUEZ Environment.

1.1.6 Competitive positioning

Electricity generation and marketing, as well as 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, private players often operate under long-term contracts issued on a tender basis.

GDF SUEZ is a European and world leader in electricity and natural gas.

In 2013, GDF SUEZ was ranked second among listed utilities worldwide by Forbes magazine in its annual ranking of the 2,000 largest listed global companies (95th in the general category, 6th among French companies).

- 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 the No. 1 importer in Europe and the United States and No. 3(1) worldwide. It is also a major player in exploration-production (No. 3 European energy company);
- the Group is the leading gas infrastructure operator in Europe. It has the No. 2 transmission network, and is No. 1 in distribution and storage capacity (in terms of useful storage) and the No. 2 operator/owner of LNG terminals. It also owns Turkey's No. 3 gas distributor;
- 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, Thailand and Panama, No. 2 in Peru and No. 3 in Chile. In electricity, the Group is the No. 5 producer(1) and 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(2) 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 producer and the main supplier of electricity(4).

The Group is also the European leader in B2B energy services: the Energy Services business line is ranked No. 1 in France, Belgium, the Netherlands and Italy. GDF SUEZ also has strong positions in Germany, Switzerland, Austria, Spain and the UK in heating networks (where it is No. 1), as well as facility management since the acquisition of Balfour Beatty WorkPlace. Lastly, it has set up the initial bases for development in more distant countries, such as in Central Europe, Asia, Latin America and Canada.

(1) Source: GDF SUEZ internal analyses of 2012 data.

(2) Source: RTE, 2013.

(3) Source: IHS EER study of June 2013 (2012 data).

(4) Source: CREG, 2012 data.

1.2 KEY FIGURES

1.2.1 Group financial data

In millions of euros	GDF SUEZ 2009	GDF SUEZ 2010	GDF SUEZ 2011	GDF SUEZ reported 2012	GDF SUEZ pro forma 2012[a]	GDF SUEZ pro forma 2013[a]	GDF SUEZ 2013
1. Revenues	**79,908**	**84,478**	**90,673**	**97,038**	**81,960**	**81,278**	**89,300**
of which generated outside France	49,184	52,976	59,517	61,124	51,473	49,225	54,331
2. Income							
• EBITDA	14,012	15,086	16,525	17,026	14,600	13,419	14,775
• Current operating income	8,347	8,795	8,978	9,520	8,399	7,241	7,828
• Net income, Group share[b]	4,477	4,616	4,003	1,544	1,544	(9,737)	(9,289)
• Net recurring income, Group share[b][c]	N/A	N/A	3,455	3,825	3,825	3,440	3,440
3. Cash flows							
Cash flow from operating activities	13,628	12,332	13,838	13,607	11,368	11,357	12,024
of which cash generated from operations before financial income and income tax	13,016	14,736	16,117	16,612	14,591	13,307	14,313
Cash flow from investment	(8,178)	(7,783)	(7,905)	(8,451)	(7,142)	(4,865)	(5,611)
Cash flow from (used in) activities financing	(4,282)	(3,683)	(2,496)	(8,322)	(7,085)	(6,986)	(6,982)
4. Balance sheet							
Shareholders' equity[b][d]	**60,194**	**62,114**	**62,930**	**59,834**	**60,303**	**47,955**	**47,955**
Total equity[b][d]	65,436	70,627	80,270	71,303	66,372	53,490	53,490
Total assets[b][d]	171,198	184,430	213,410	205,448	181,006	159,611	159,611
5. Per-share data (in euros)							
• Average outstanding shares[e]	2,188,876,878	2,187,521,489	2,221,040,910	2,271,233,422	2,271,233,422	2,359,111,490	2,359,111,490
• Number of shares period-end	2,260,976,267	2,250,295,757	2,252,636,208	2,412,824,089	2,412,824,089	2,412,824,089	2,412,824,089
• Earnings per share[b][e]	2.05	2.11	1.80	0.68	0.68	(4.13)	(3.94)
• Dividend paid[f]	1.47	1.50	1.50	1.50	1.50	1.50	1.50
6. Total average workforce	**242,714**	**236,116**	**240,303**	**236,156**	**236,156**	**223,012**	**223,012**
• Fully consolidated entities	201,971	213,987	218,905	219,253	139,434	138,841	178,577
• Proportionately consolidated entities	35,294	16,943	17,610	12,477	12,477	3,431	3,431
• Entities consolidated by the equity method	5,449	5,186	3,788	4,426	84,245	80,740	41,004

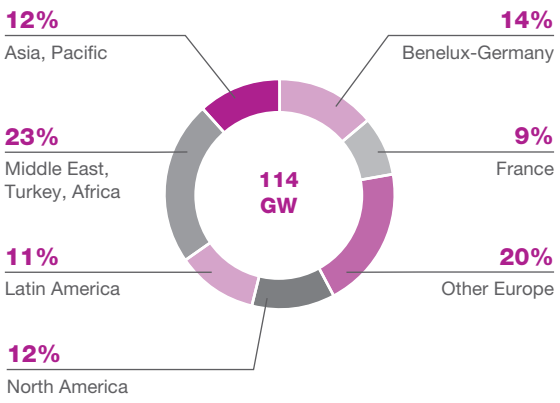
(a) Restated to present SUEZ Environnement as if it were consolidated by the equity method as of January 1, 2012.
(b) December 31, 2012 data restated to reflect the retrospective application of IAS 19R (see Note 1.1 of Section 6.2 "Consolidated financial statements").
(c) Financial indicator used by the Group in its consolidated financial statements since December 31, 2012 (see Note 8 of Section 6.2 "Consolidated financial statements"). 2011 data were calculated for comparison.
(d) December 31, 2010 and December 31, 2009 data restated; see Note 1.2 in Section 6.2 "Consolidated financial statements" of the 2011 Registration Document.
(e) Earnings per share are 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.
(f) 2013 Dividend: proposed dividend, including an interim dividend of €0.83 paid in November 2013.

1.2.2 Operational Indicators

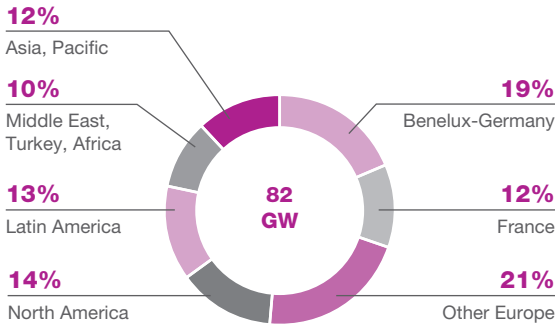
1.2.2.1 Electricity production

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, 2013 on a 100% basis was 114 GW(1) or 82 GW on a Group share basis(2).

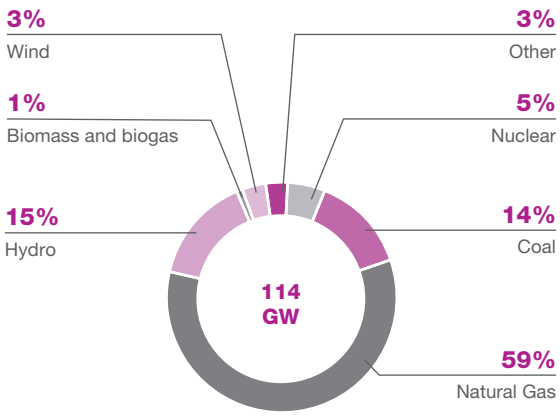
BREAKDOWN OF GENERATION CAPACITY BY REGION (AT 100%)



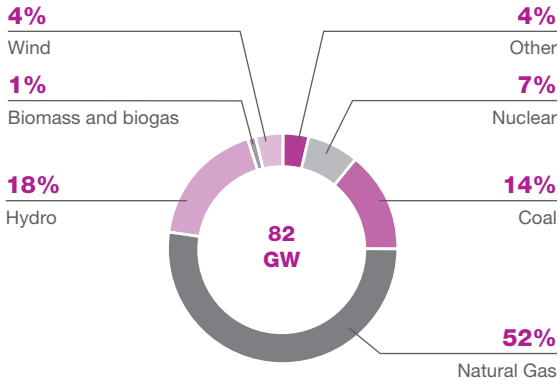
BREAKDOWN OF GENERATION CAPACITY BY REGION (GROUP SHARE)



BREAKDOWN OF GENERATION CAPACITY BY FUEL (AT 100%)



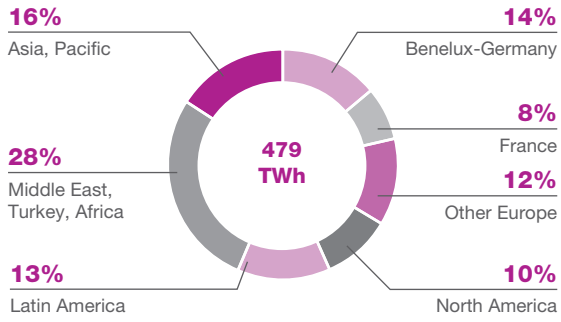
BREAKDOWN OF GENERATION CAPACITY BY FUEL (GROUP SHARE)



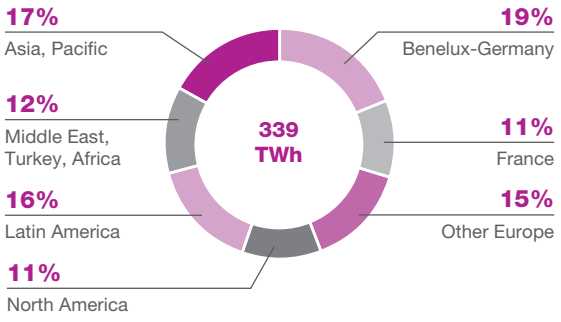
(1) *The 100% calculation includes the total capacity of all facilities of GDF SUEZ irrespective of the actual percentage stake of the holding and the method of consolidation, except for drawing rights which are included in the total if the Group owns them and deducted if they are granted to third parties.*

(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 companies consolidated using the equity method.*

POWER GENERATION BY REGION (AT 100%)

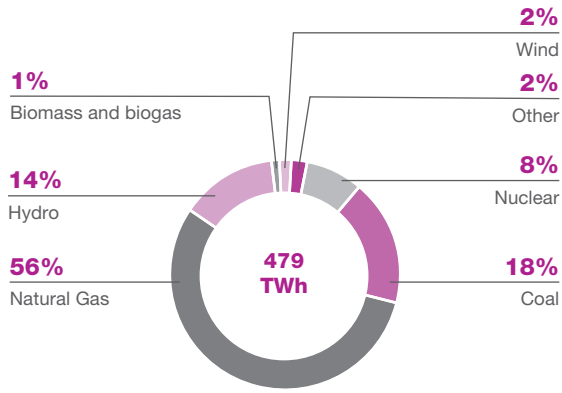


POWER GENERATION BY REGION (GROUP SHARE)

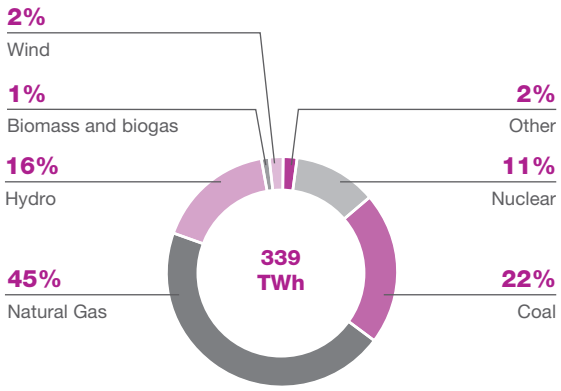


In 2013, the Group produced 479 TWh on a 100% basis, 339 TWh per the proportional calculation.

POWER GENERATION BY FUEL (AT 100%)



POWER GENERATION BY FUEL (GROUP SHARE)



The combined power of Group projects under construction at December 31, 2013 was 10 GW on a 100% basis, with 24% of this from natural gas.

In an adverse market environment in Europe, the Group continues to rationalize its asset portfolio. With a significant share of electricity capacity from renewable sources, the Group's power generation fleet has a low carbon footprint, with an average 341 kg of CO_2-eq./MWh recorded for Europe in 2012, just below the 350 kg of CO_2-eq/MWh European average estimated by PricewaterhouseCoopers (PwC).

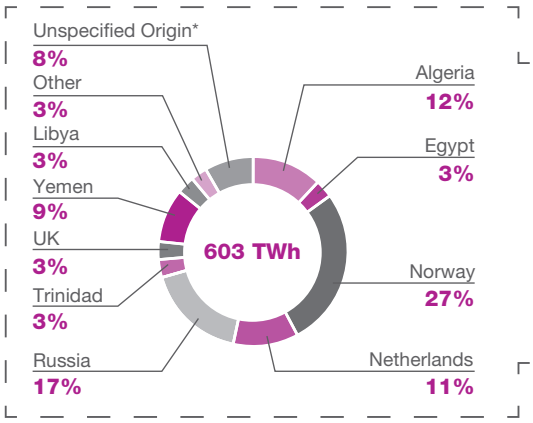
GDF SUEZ's emissions were nevertheless slightly higher than in 2011 (337 kg of CO_2-eq/MWh), which reflects the 2012 full-year integration of the assets of International Power, whose European fleet on average emitted more CO_2 than that of GDF SUEZ. Worldwide, emissions from the Group's generation fleet evaluated in 2012 were 443 kg of CO_2-eq/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. GDF 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.

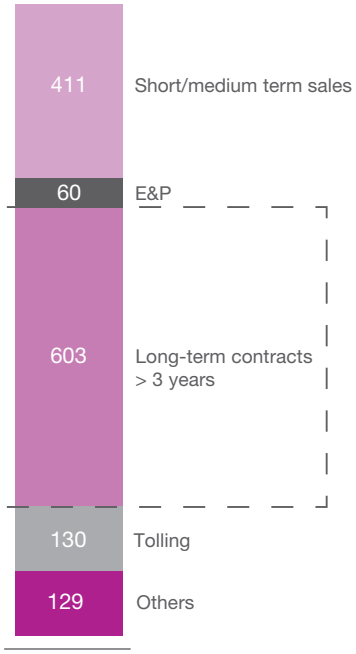
GDF SUEZ portfolio, which represents approximately 1,334 TWh (calculated at share), or about 120 billion m^3, is among the most diversified in Europe. LNG represents about 14% of the portfolio, increased to a 29% share on the long-term contracts portfolio.

BREAKDOWN OF PORTFOLIO (GROUP SHARE)

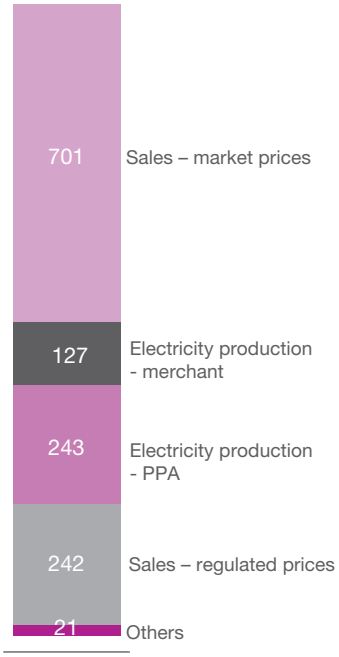


* *Long-term purchases from operators that have a diversified portfolio.*

Geographical breakdown of long-term contracts

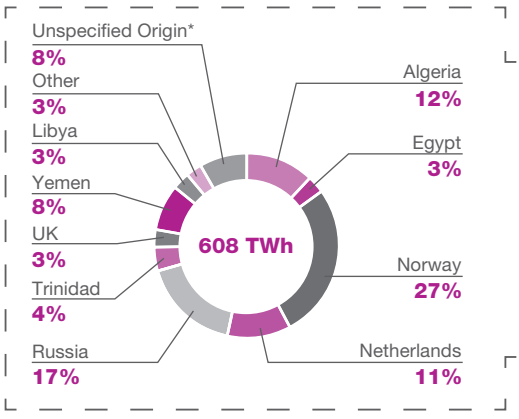


Portfolio breakdown by type of contract



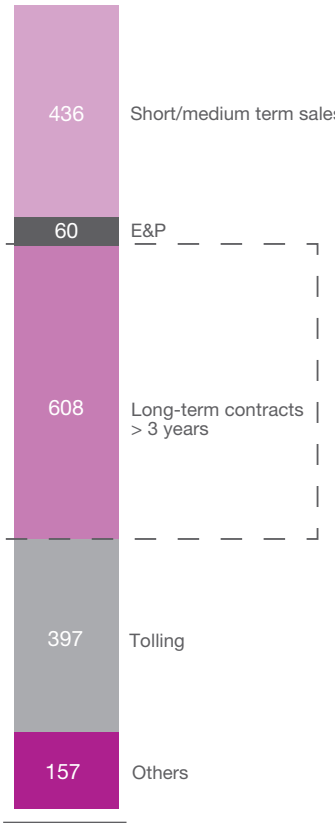
Portfolio breakdown by type of use

BREAKDOWN OF PORTFOLIO (AT 100%)

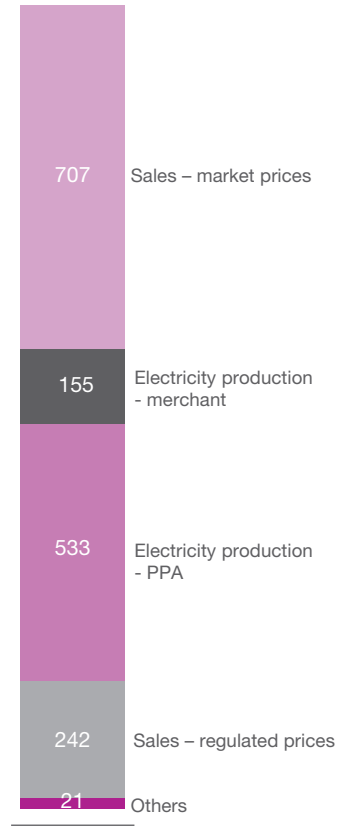


* *Long-term purchases from operators that have a diversified portfolio.*

Geographical breakdown of long-term contracts



Portfolio breakdown by type of contract



Portfolio breakdown by type of use

1.2.3 Non-financial indicators

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).

That monitoring is done at several levels of the Group. The Board of Directors' Ethics, Environment and Sustainable Development Committee (see Section 4 "Corporate governance") has established an ambitious scope for sustainable development, covering the policies implemented, the outlook and the action plans. The Group's Management Committee and Executive Committee (see Section 4 "Corporate governance") determine the direction of the sustainable development policy. The role of the Group's Environmental and Societal Responsibility 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). The Group incorporates sustainable development analyses in its investment projects, using 10 criteria relating to ethics, CO_2 emissions, social impact, human resources, environmental management of ecosystems, cooperation with stakeholders, local purchasing, and health and safety.

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 this policy (see Section 1.1.4 "Strategic priorities"). Each year, the scorecard is presented to the Ethics, Environment and Sustainable Development Committee and to the Executive Committee 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 "Social information"), environmental reporting (see Section 3.3 "Environmental information") and societal reporting (see Section 3.4 "Corporate societal commitments"), form the basis of a published group of indicators that are verified by an independent third party.

GDF SUEZ has formalized its sustainable development commitments, mainly through the publication of dated and quantified objectives in 2011:

- renewable energy: increasing installed capacity in renewables by 50% between 2009 and 2015;
- biodiversity: implementing a biodiversity action plan at 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.

GDF SUEZ has set itself a specific CO_2(3) emissions reduction target of 10% for its entire global power and related heat generation fleet between 2012 and 2020.

In 2013, the NYSE Euronext stock market and non-financial rating agency Vigeo created six stock market indices (World 120, Eurozone 120, Europe 120, France 20, UK 20 and USA 20), grouping together the large-capitalization companies with the highest ratings for non-financial performance. Since their creation, GDF SUEZ has been included on the four indices that concern it: Euronext Vigeo World 120, Euronext Vigeo Eurozone 120, Euronext Vigeo Europe 120 and Euronext Vigeo France 20.

GDF SUEZ was also given a C+ rating by Oekom in 2011.

GDF SUEZ completes a Carbon Disclosure Project (CDP) questionnaire every year. In 2013, GDF SUEZ achieved a score of 95 out of 100 for the quality and transparency component of its reporting and a "B" score for the performance component (on a scale from A to E, "A" being the highest score). The score obtained enabled the Group to join the CDP France Climate Disclosure Leadership Index.

(1) Made up of the business lines' Environmental and Societal Responsibility managers, representatives of the Environmental and Societal Responsibility Division 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) Made up of representatives of the Environmental and Societal Responsibility Division, the business lines', BU's and subsidiaries' Environmental and Societal Responsibility managers and teams, as well as functional Departments and lines (purchasing, human resources, health-safety, communication, international relations, research & development, regional delegation in France, etc.).

(3) Ratio of emissions to power and related energy generation.

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's generation portfolio is made up of 39 GW of power capacity in operation with a further 1.6 GW under construction. With an industrial presence in 12 countries and a commercial presence in 14 countries(2) (3), 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

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 structural market evolution and deteriorated economic and regulatory situation in most countries.. The main strategic priorities of Energy Europe can be summarized as follows:

- Keep a diversified energy mix;
- Focus on operational excellence and cost reduction throughout the organization. In particular, this means accelerated restructuring of the thermal fleet, maximizing value creation through Energy Management Trading activities, including dynamic renegotiation of gas supply contracts and reshaping offers to customer expectations;
- Pursue development in renewable energy, services related to the energy transition and new activities by increasing innovation.

(1) Excluding the assets of the Energy International Business Line in continental Europe and excluding infrastructure assets of the Infrastructure Business Line.

(2) At year end 2013, GDF SUEZ was previously present in Slovakia through SPP (disposal finalized on January, 23, 2013). The Group still owns a minority stake in Pozagas.

(3) Commercial offices without industrial presence in Austria and Czech Republic.

1.3.1.3 Organization

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.

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 defines strategic guidelines for increasing transverse synergies and to facilitate the pooling 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 comprises some infrastructure activities, such as gas distribution, gas transmission or gas storage, mainly in Hungary and Romania. The aim of the transversal function is to support commercial development within the energy transition in Europe, to increase resource sharing and synergies between countries in order to meet customer requirements more effectively. 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, and to help them improve their financial performance. GDF SUEZ Global Energy provides complex multi-energy, multi-site tailor-made solutions including innovative offers, prices, risk management and energy optimization solutions.

To speed up the Group's transformation, several projects were launched on January 1, 2014 (see Section 1.1 Profile, organization and strategy of the Group), some of which requiring organizational changes.

1.3.1.4 Key figures

In millions of euros	2013	2012	Total change (in%)
Revenues	43,479	44,418	- 2.1%
EBITDA	3,415	4,180	-18.3%

Electricity capacities by fuel *(in MW)* **– data at 100%**	CWE[1]	Other Europe
Coal	1,322	2,494
Natural gas	8,891	10,646
Hydroelectric power plants	5,285	106
Wind	1,653	980
Other renewable energy sources	540	360
Other non-renewable energy sources	757	0
Nuclear (including drawing rights)	5,946	0
TOTAL	**24,393**	**14,587**

Electricity capacities by country *(in MW)* **– data at 100%**	Installed capacity	Capacities under construction
Central Western Europe[1]	24,393	1,562
Rest of Europe	14,587	70
TOTAL	**38,980**	**1,632**

Electricity generation *(in TWh)* **– data at 100%**	CWE[1]	Other Europe
Coal	8.2	11.9
Natural gas	24.8	17.6
Hydroelectric power plants	21.0	0.3
Wind	3.0	2.2
Other renewable energy sources	1.9	1.6
Other non-renewable energy sources	2.5	0
Nuclear (including drawing rights)	38.8	0
TOTAL	**100.1**	**33.6**

Sales to end customers *(in TWh)* **– accounting consolidation method**	Electricity	Gas
France	23.5	275.0
Belgium	42.8	56.8
Rest of Europe	29.7	129.2
TOTAL *including Global Energy: power 31.7 TWh & gas 125.8 TWh*	**96.0**	**460.9**

Number of contracts *(in thousands)* – data at 100%	Electricity	Gas	Services
France	1,938	9,369	1,458
Belgium	2,568	1,338	61
Rest of Europe	928	3,570	640
TOTAL	**5,433**	**14,277**	**2,159**

Breakdown of gas supply portfolio for the Business Line[2] *(in TWh)*	
Long-term contracts with third parties	416
Purchases from the LNG BU	62
Purchases from the Exploration-Production BU	7
Short term purchases	262
TOTAL	**747**

All information as of December 31, 2013.
(1) Central Western Europe (CWE): Germany, Belgium, France, Luxembourg, Netherlands.
(2) Excluding GDF SUEZ Trading.

At December 31, 2013, the Energy Europe business line employed 26,015 people.

1.3.1.5 2013 Highlights

- *In Energy Management Trading*:
  - January: New organization of EMT *Métier*.
  - September: Signing, together with the Shah Deniz consortium, of a long-term supply contract for natural gas from Azerbaijan for volumes of 2.6 Bcm/year beginning in 2019.
- *In Generation:*
  - January – France: Grouping together of the wholly owned renewable energy subsidiaries of GDF SUEZ (Erelia, Eole Génération and GDF SUEZ ENR Opérations) within a new dedicated structure, Futures Energies SARL, which is responsible for wind farm development, construction, operation and maintenance.
  - June – Belgium: Restart of Doel 3 and Tihange 2, following authorization by the Federal Agency for Nuclear Control.
  - August – Portugal: Signing of a strategic partnership with Japanese Marubeni Corporation, via the sale of a 50% equity interest in the thermal and renewable assets portfolio (3,108 MW).
  - December – France: Signing of a strategic partnership in onshore wind power with Crédit Agricole Assurances through its subsidiary, Predica, which has acquired a 50% stake in the capital of Futures Energies Investissement Holding (FEIH)[1].
  - In 2013, GDF SUEZ closed or mothballed the following units: Awirs 5 (294 MW, Belgium), Ruien 5-6-7 (627 MW, Belgium), Flevo (119 MW, Netherlands), Cycofos PL1 & PL2 (490 MW, France), Montoir (435 MW, France), Combigolfe (435 MW, France), Barmen (82 MW, Germany).
  - In 2013, GDF SUEZ commissioned 159 MW of generation capacity from renewable energy.
- *Marketing & Sales*:
  - January – Belgium: Decrease of all gas and electricity prices for all Electrabel's customers in Belgium.
  - January – France: Grouping together of Ecometering and Smart Energy Services activities in France under the "Ecometering Smart Solutions" banner, offering solutions to help customers manage and optimize their energy spending.
  - Launch of "Dolcenergies" offerings, including the "e-Dolce" 100% online offering, and a communication campaign conveying the quality and competitiveness of natural gas and electricity offerings in France.
- *Change in scope:*
  - January – Slovakia: sale of the 24.5% equity interest held by GDF SUEZ in Slovakian gas company SPP.

(1) Holding company for shares of Future Energies SARL. The transaction is subject to the usual conditions for this type of transaction, and is scheduled to be carried out in the second quarter of 2014.

1.3.1.6 Description of activities

1.3.1.6.1 Central Western Europe

Central Energy Management Trading (Central EMT)

Energy Management Trading (EMT) is designed to structure the portfolio of assets (physical and contractual), negotiate the corresponding contracts, optimize the management of assets (physical and contractual) and provide support to the Group's commercial operations in Europe.

A new structure was set up on January 1, 2013, based on four entities: Portfolio & Risk Management (PRM), Optimization & Prompt (O&P), Origination & Sales Support (OSS), and Trading. Some of these activities are carried out by a dedicated subsidiary, GDF SUEZ Trading (GST).

EMT mainly operates for the Energy Europe business line and also acts for other Group business lines, chiefly in exploration and production, LNG and coal supply.

Portfolio and Risk Management (PRM)

The business line manages several assets throughout Europe: power plants, gas and electricity sourcing or supply contracts, transmission capacity, storage rights, etc.

PRM develops an integrated, multi-year policy for these assets, and defines strategies to reduce the risks associated with them. This policy is then implemented by the Optimization and Prompt teams. PRM helps to optimize the portfolio's risk/return profile and to ensure the profitability of the assets.

Optimization and Prompt (O&P)

Within the scope of the Business Line's risk policy, O&P optimizes the gas and electricity portfolios over different time horizons, using a wide variety of models. Exposure to price and volume risks is gradually reduced until physical delivery, ensuring sufficient capacity to handle fluctuations in production, supply and consumption.

In particular, GDF SUEZ has the legal obligation, like all natural gas suppliers, to supply all its French customers without a contingency clause, to deal with severe weather conditions that statistically occur no more than twice a century - a condition known as the "2%" risk.

O&P also manages all logistics (transmission and storage capacity, etc.) until physical delivery of energy to the various operators.

Origination and Sales Support (OSS)

OSS is responsible for the energy supply to the commercial entities of *Marketing and Sales*, as well as for commercial relations with counterparties (excluding market counterparties), mainly gas suppliers.

Long-term gas contracts

OSS purchases natural gas under long-term contracts from the main suppliers in Europe (Statoil, Gazprom, Sonatrach, Gas Terra, etc.). The aim of the supply strategy is to ensure the competitiveness of the portfolio and security of supply to Group customers, mainly through geographical diversification of resources and constant adaptation of the portfolio to the market situation.

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 contain flexibility clauses, which 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 contracts contain clauses that enable periodical revision of their price according to changes in the market, or on a regular basis, or by way of exception. The parties are then required to negotiate in good faith and may, in the event of disagreement, revert to arbitration.

In 2013, EMT continued to renegotiate contracts with its main suppliers to adapt these contracts to new market conditions. On December 31, 2013, almost 50% of the long-term contract portfolio volumes in Europe were indexed based on references to the price of gas sold on marketplaces. Only a minority share of the volumes covered by contract remain subject to price formulas that are indexed based on oil or oil products alone.

Lastly, in 2013, a new contract was signed with the Shah Deniz consortium, entailing delivery to Italy of gas from Azerbaijan for 25 years beginning in 2019.

Supporting Marketing & Sales

OSS develops price engineering (risk management) solutions with Marketing & Sales that are incorporated into energy supply contracts for Group customers.

Own commercial activity with market counterparties

OSS is also developing its own commercial activity for customers active on the wholesale market (e.g. other energy groups, major consumers directly active in the markets, banks, etc.).

Trading

Trading ensures Group access to all organized energy markets: electricity and gas, oil and oil products, foreign exchange, CO_2, coal, etc.

Trading helps to optimize assets by managing positions from O&P in the markets, and supports the commercial operations of OSS. Trading also develops proprietary trading operations within lower risk limits.

Lastly, for coal and biomass, Trading is in charge of the physical procurement of coal and biomass for the power plants of GDF SUEZ Energy Europe and for a part of the International business line, as well as international trading activities.

GDF SUEZ Trading (GST)

The market activities of O&P, OSS and Trading are carried out by GDF SUEZ Trading, a subsidiary with "investment services provider" status that is wholly owned by the Group, and is overseen by banking and financial authorities.

A dedicated and specialized risk control system

EMT's activities benefit from a dedicated and specialized risk control system, with teams responsible, among other things, for defining risk assessment procedures related to GST's activities, proposing credit and market limits, monitoring risk assessment tools and monitoring market risks on a daily basis.

The system is incorporated in GDF SUEZ's governance through a Trading Risk Committee comprising senior managers of GDF SUEZ Trading and representatives of the Group and the business line. The Trading Risk Committee monitors all risks to which EMT is exposed.

Market risks (commodity prices, FOREX rates and interest rate risks) and physical risks (asset failure risks) are monitored based on VaR (value at risk) and stress test models.

Regarding credit risks, lines of credit are allocated counterparty by counterparty. 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 managed by a specialized team that ensures systematic improvement in internal procedures.

Liquidity risk is assessed by stress tests.

General Management and the Trading Risk Committee are automatically notified if a limit is overrun.

The efficiency of the risk control framework is regularly tested in audits.

The risk control framework for the market activities carried out by GDF SUEZ Trading is part of this system and also meets all requirements relating to the regulated status of GDF SUEZ Trading. By way of example and in accordance with the Basel II regulations, GDF SUEZ Trading monitors capital requirements on a daily basis and reports them to the ACP.

France

GDF SUEZ Energy France is a major player in the French energy sector. It carries out a range of activities from power generation to marketing natural gas and electricity, and household energy services.

GDF SUEZ's installed capacity in France amounts to 8,555 MW (including nuclear drawing rights), with 33,468 GWh of power generated in 2013. With a significant proportion of power generation from renewable sources, the generation fleet of GDF SUEZ Energy France is carbon-light (70%[1] of capacity having no emissions). In an unfavorable market context and as part of the continuous optimization of its asset portfolio, the Group announced in April 2013 the summertime or annual mothballing of three combined-cycle gas plants in France (Montoir de Bretagne, Combigolfe and Cycofos).

The Group continues to grow in renewable energy. In 2013, GDF SUEZ Energy France increased its capacity by 85 MW, mainly due to the connection of wind farms (51 MW) and photovoltaic solar power plants (34 MWc). In December 2013, GDF SUEZ signed a strategic partnership agreement with Crédit Agricole Assurances, which is acquiring a 50% stake in Futures Energies Investissement Holding (FEIH) through its subsidiary, Predica. The transaction will enable to manage FEIH's wind development goals and the optimization of its financial structure. After its success in the solar power public tenders in 2012 (winning 10 projects, or 84.3 MWc), GDF SUEZ Energy France, together with its subsidiaries, applied for the 2013 photovoltaic solar power tender. In marine renewable energy, the Group filed plans for the two zones included in the second off-shore wind power tender (500 MW each), with EDPR, Neoen Marine and AREVA as turbine provider. GDF SUEZ is also positioned in tidal energy generation, and entered into partnerships with Voith and Alstom in this area in 2013.

In commercial activities, GDF SUEZ remains the leading seller of natural gas in France (275.0 TWh sold in 2013), despite intense competition, particularly in the B2B segment. On the French electricity market, the Group maintained its advantage over other alternative suppliers (23.5 TWh sold in 2013) and expanded even more rapidly in 2013, particularly with regards to residential customers (1.7 million customers at the end of 2013). GDF SUEZ Energy France also holds strong positions all across the household energy performance value chain, including energy diagnostics, advice, financing of works, design, installation and maintenance of equipment (leader in maintenance, with 1.5 million contracts).

To meet the needs of residential customers more effectively and to consolidate its leading position in energy efficiency, the Group launched a new GDF SUEZ Dolce Vita range of offers, in the spring of 2013, which is competitive, simple and suitable for the diverse range of consumer expectations. GDF SUEZ has also strengthened its position in household energy performance solutions by developing its new Home Performance franchise network. Lastly, GDF SUEZ is meeting the emerging requirements of its B2B customers with new offers (biomethane and LNG delivered by tank truck).

Regulatory framework

Regulation of administrative tariffs

Sixty-four percent 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.

Sale price of natural gas

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

Administrative tariffs

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 (8.5 million customers[2]; 173.8 TWh sold in 2013);
- 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 (476 customers[2]; 4.8 TWh sold in 2013).

Elimination of administrative tariffs for business customers

Article 11a of the Consumer Rights bill provides for the gradual extinction of administrative tariffs for natural gas sales to non-residential customers, according to a staggered schedule running from December 31, 2013 to December 31, 2015. By this deadline, apart from individuals, only small co-owned properties (using less than 150 MWh per year) and small businesses (using less than 30 MWh per year) can continue to benefit from administrative tariffs. This extinction measure involves approximately 171,000 customers (58 TWh).

Rate-setting procedure

Rates are set in France under the Energy Act and the decree of December 18, 2009, as amended on May 16, 2013, related to administrative tariffs for natural gas sales. These provisions state that prices must cover corresponding costs. The Decree of May 16, 2013 provides greater visibility on rate changes, strengthens the

(1) Excluding nuclear drawing rights.

(2) Average on a yearly basis.

legal security of changes and clarifies the respective roles of the government, the French Energy Regulatory Commission (CRE) and GDF SUEZ. The CRE audits supply and non-supply costs for GDF SUEZ every year, and makes recommendations for rate changes accordingly. On July 1 each year, the government publishes an order setting out the formula representing the changes in supply costs and the rate levels.

In the interval between any two governmental orders, GDF SUEZ, after advice from the CRE, can pass on changes in supply costs resulting from the application of the pricing formula. If there is an exceptional rise in oil or natural gas products, the government may issue an order, after advice from the CRE, temporarily setting rates that are lower than the costs of GDF SUEZ for a period of no more than one year.

Changes in rates reflect agreements entered into, or in the process of being entered into, with suppliers on long-term contracts supplying the French market. Since July 1, 2013, the pricing formula includes a market indexation of 46%, the remainder being pegged to oil product indices and to the euro-dollar exchange rate.

Prior to amendment of the pricing regime (see above), the Council of State rulings of July 10, 2012 and January 30, 2013 abolished the rate freezes (or insufficient rate increases) that the government had resolved to implement in the second half of 2011 and the second half of 2012. These rulings caused the government to issue orders to rectify the cancelled tariffs, based on which GDF SUEZ is currently issuing retroactive invoices. These have been staggered to limit their impact on customers.

Following several judiciary actions by the National Association of Retail Energy Operators (ANODE), on October 2, 2013 and December 30, 2013, the Council of State annulled the orders of December 22, 2011, December 21, 2012 and the two orders of April 15, 2013, on the grounds that these orders, relating to the full year 2012 and the first half of 2013, allowed for price differences between consumers, i.e., between the rates applicable to premises used for residential purposes and premises not used for residential purposes. This gap resulted in the partial freeze in the administrative tariffs applied by the previous government in July 2011. The government is preparing implementation procedures for the Council of State ruling, which will have a limited effect on GDF SUEZ, as the repayments of overcharged amounts will be balanced out by GDF SUEZ's invoicing of undercharged amounts.

Since the start of 2013 (12 monthly changes), public distribution rates have increased by 0.2%. Subscription rates (four quarterly changes) increased by 6.2%.

Belgium-Luxembourg

In Belgium, GDF SUEZ's wholly owned subsidiary Electrabel is the leading player in the power sector.

At December 31, 2013, installed generation capacity exceeded 9,000 MW, including 44% in nuclear power units (including drawing rights), more than 30% in natural gas-fired thermal power plants and nearly 14% in pumped storage facilities.

As part of its adaptation of the generation fleet to market conditions, Electrabel shut down several thermal power units in 2013: Ruien 5, 6 and 7 and Awirs unit 5, for more than 900 MW installed capacity.

During 2013, Electrabel commissioned 24.6 MW of additional wind power. In March 2013, Electrabel CoGreen was created as a cooperative company that allows local residents near Electrabel's new wind farms to invest in those in their immediate environment, thereby helping to consolidate the Group's local presence.

In addition, the Mermaid consortium, in which Electrabel has a 35% stake, will transfer to Northwester 2 just under half the concession granted to build an offshore farm of 450-490 MW off the Belgian coast. The transaction reduces both the operational and financial risks associated with this large-scale project. It is scheduled to be carried out in 2014.

As part of the controls that nuclear power plant operators are required to carry out, during its 10-year overhauls in 2012, Electrabel subjected its vessels to specific inspections, in addition to its regular controls. Tests performed on the Tihange 2 and Doel 3 units during the summer of 2012 revealed flaw indications, due to hydrogen in the reactor vessels.

With the help of a multi-disciplinary team of national and international experts, Electrabel carried out an in-depth program of examinations and analyses. All the results of these tests, in addition to those already carried out by Electrabel in December 2012, were sent to the Federal Agency for Nuclear Control (FANC) in April 2013. The FANC confirmed, as Electrabel had already concluded, that the structural integrity of the vessels and their strength had not been affected, and that they met all safety criteria. On May 17, 2013, the FANC announced its decision to authorize the restart of the Tihange 2 and Doel 3 reactors. The units were restarted in June.

In July 2012, the Secretary of State for Energy published the long-term energy plan for Belgium. The plan aims to ensure security of supply and set up a stable legal framework to support investments in power generation. In this context, the Chamber of Representatives voted on November 28, 2013 to adopt a bill to amend the 2003 law on the nuclear phase-out, and the amendment governing procedures to extend the life cycle of Tihange 1. The revised law confirms the closure of Doel 1 and 2 in 2015, as well as the extension of Tihange 1 until the end of September 2025. The extension procedures are subject to an agreement between the Belgian government and the owners of the power plant. The law provides for a profit-sharing mechanism, which will work as follows: in exchange for the extension in the operation period to September 30, 2025, as well as for the current nuclear contribution, each of the owners of Tihange 1 will pay the government, prorated to their respective undivided shares, an annual fee amounting to 70% of the positive difference between the revenues from the sale of electricity from Tihange 1 and the sum of the following items: real operating costs, including depreciation and amortization of required investments in upgrades, and a total net return of 9.3% on these investments. If the difference is negative, it will be deducted from the proceeds of the sale in the following periods. The agreement was signed by the Belgian government, Electrabel SA, GDF SUEZ SA, Électricité de France SA and EDF Belgium SA.

Electrabel has a large portfolio of business customers (industrial and tertiary sectors), mainly for the supply of electricity and natural gas, with volumes sold in 2013 of 29.5 TWh and 29.5 TWh respectively, but also for energy services. In this business market, the market share stabilized in 2013 (since Q2 2013) thanks to price repositioning and a

new sales and marketing approach, although competition remained very aggressive.

Electrabel is also active in the retail market, with approximately 2.6 million electricity contracts and 1.3 million natural gas contracts. Customers loss decreased substantially in this market from February 2013 onwards, due to a range of practical initiatives, such as price repositioning for all customers, media campaigns and targeted marketing actions. At the same time, Electrabel improved its services by carrying out a major upgrade of its customer IT system in May 2013, making it easier to perform more than 80 transactions entirely online, including domestic relocation, viewing of invoices and payments and contractual changes. These new functions were designed with the cooperation of customers. Lastly, Electrabel is developing an innovative range of products and services aimed at all customer segments.

After lowering prices for all its retail customers (gas and electricity) in January 2013, on October 1, Electrabel opted for early application of the royal order governing natural gas price indexation and changed its indexing parameters for variable-price natural gas supply contracts, basing them exclusively on conditions in the 100% European TTF gas market. Indexing has now been decoupled from oil products.

Electrabel is pursuing its commitment to sustainable development, for example, by partnering in a green mobility pilot project launched by public broadcaster RTBF (*Radio Télévision Belge Francophone*) in September 2013. The project, which implements a natural gas technology, is in line with the objective of reducing CO_2 emissions.

Electrabel also contributes to the Group's corporate social responsibility policy through several local initiatives (e.g. ASBL SOS Village d'enfants and Power2Act).

After disposing of its interest in the networks activity in Brussels at the end of 2012, Electrabel continued to act as a minority partner in this activity in 2013 in Flanders and Walloon. In Walloon, the eight mixed distribution system operators (DSO) merged at the end of 2013 into a new intermunicipal entity, ORES Assets, which holds both the assets and liabilities of these former DSOs. The current partners of the DSOs, including Electrabel, are now partners of ORES Assets.

In Luxembourg, the Group is still a leading player with the Twinerg 376 MW gas power plant at Esch-sur-Alzette. 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 mainly in power generation & sales of energy.

Installed capacity in Germany currently amounts to 2,250 MW, spread between the 910 MW of the (mostly coal-fired) Farge and Zolling power plants, the 132 MW of the Pfreimd hydroelectric plant, wind assets 196 MW, nuclear drawing rights portfolio (603 MW) and 343 MW of cogeneration plants held and operated by municipal utilities (Energieversorgung Gera GmbH and Kraftwerke Gera GmbH, EnergieSaarLorLux AG, WSW Energie & Wasser, GASAG Berliner Gaswerke AG).

As planned, the new supercritical 731 MW coal fired power plant in Wilhelmshaven has successfully been connected to the grid for the first time end of 2013. The normal preparations for the industrial start-up are ongoing. All functions of the plant are tested. After successful end of tests, the plant will take up commercial operation in the first half of 2014. 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, the cooperation framework with GASAG and WSW Energie & Wasser for the joint development of wind on-shore greenfield projects has been put in place and a joint venture, Tevaro GmbH, has been established. At the operational level (operations, maintenance and direct commercialization), the integration of 184 MW of onshore wind assets of International Power has been completed.

In Marketing & Sales, GDF SUEZ is active across most business segments with a total of 11.5 TWh sold in electricity & 4.3 TWh sold in gas in 2013. Sales to large business customers amount to 0.7 TWh in power and 16.9 TWh in gas. The Group is also active in the sale and distribution of electricity, gas and heat to private and smaller business customers, with a total of circa 376,000 electricity and 722,000 gas customers[1] through its cooperation with municipal utilities.

Due to the challenging context for conventional generation, political discussions on a major revision of the institutional framework are ongoing.

The Netherlands

GDF SUEZ is a leading player in the Dutch energy market through its subsidiary GDF SUEZ Energie Nederland.

The generation portfolio of GDF SUEZ in the Netherlands, which amounts to 3,809 MW at the end of 2013, consists of several gas-fired power plants, a coal-fired power plant, which has the ability to co-fire 30% biomass, gas turbines (GT) and nine wind turbines. Hence, the renewable energy capacity of GDF SUEZ Energie Nederland amounts to 207 MW.

A new coal-fired power plant with a capacity of 736 MW is under construction in Rotterdam and will be commissioned in 2014.

Due to difficult market conditions, the Group's position in large scale generation is under heavy pressure, leading to the mothball of Flevo (119 MW) and a strong focus on operational excellence at all other power plants.

To strengthen its market position, GDF SUEZ has prepared and implemented a restructuring plan and focuses on the development of renewable energy and on decentralized energy solutions close to or on the customers' premises.

In Marketing & Sales, GDF SUEZ Energie Nederland is an important player on the Dutch market. It supplies gas and power to more than 475,000 retail customers using the Electrabel brand. In the B2B segment, GDF SUEZ Energie Nederland is a major supplier with 26.4 TWh sold in gas and 8.7 TWh in power. In both segments GDF SUEZ Energie Nederland is frontrunner with regards to customer satisfaction, resulting in a lower than average churn.

On September 6, 2013, the government and participants of the Social and Economic Council (SER) reached an "energy agreement on sustainable growth". This agreement includes, among others, the closure before January 1, 2016, of coal fired power plant Nijmegen (100% held by GDF SUEZ Energie Nederland), as other coal fired power plants built in the 1980s, subject to the Dutch Competition Authority's check that the closing of the plant in such circumstances is compatible with Dutch and EU competition law. The competition

(1) Including entities at equity method.

authority did not take a positive position thereon so that alternative solutions are being investigated to allow closing of the power plants in the context of the "energy agreement on sustainable growth" to take place in line with applicable law. The agreement also provides for the current coal tax to be abolished for the remaining coal units by January 1, 2016. Other topics of the agreement include: energy transition, targets for renewable energy and regulatory framework, development of distributed energy and the need of a long term vision on Carbon Capture and Storage.

1.3.1.6.2 Rest of Europe

Poland

GDF SUEZ is present in Poland via its subsidiary GDF SUEZ Energia Polska mainly active in power generation.

At year end 2013, installed capacity amounts to 1,768 MW, including coal fired capacity in Polaniec of 1476 MW and a total renewable capacity of 292 MW. This includes the Green Unit (190 MW), being amongst the world largest biomass units, and three wind farms: Jarogniew-Moltowo (21 MW), Wartkowo (31 MW) and Pagów (51 MW).

GDF SUEZ Energia Polska develops the retrofit of 7 power units, with the aim to increase the capacity and the efficiency. The modernization of the Units 1 and 7 has been completed in 2013, and Unit 6 is under progress.

In 2013 GDF SUEZ Energia Polska sold 0.6 TWh of electricity to industrial customers, 3.5 TWh on the wholesale market and 4.8 TWh to other Group entities.

The renewable energy regulatory environment is in set to change significantly. Current government proposal includes the introduction of 15 year feed-in tariff granted through auction system (joint auctions for all technologies with a maximum price per technology). Existing assets will be separated from new assets and will have a choice to stay within current green certificates (GC) system or participate in dedicated auctions. Hydro will be excluded, while co-firing will stay in GC system with support reduced by 50%.

Hungary

GDF SUEZ is present in Hungary via the following subsidiaries: GDF SUEZ Energy Hungary in natural gas sales, Égáz-Dégáz gas distribution network operator and Dunamenti power plant. These operating entities are managed by GDF SUEZ Energy Holding Hungary, which has recently acquired electricity and gas trading licences (B2B) and intends to take over free market customers.

Installed net capacity amounts to 1,041 MW & heat generation capacity to 2,419 GJ/h, through the Dunamenti power plant fuelled by natural gas (alternative fuel is oil). Dunamenti is Hungary's largest gas fired power generation unit in terms of installed capacity. Old units of Dunamenti were decommissioned at the end of 2012, cutting the installed capacity by 826 MW. It has been decided to further optimize operations for the remaining capacity.

GDF SUEZ Energy Hungary also sells natural gas to B2B and B2C clients and electricity to B2B clients. Égáz-Dégáz Földgázelosztó, its 100% subsidiary (through EIH, fully owned by GDF SUEZ), is active in natural gas distribution. As of 2013, it operates a 23,110 km long distribution network and it distributes 14 TWh of natural gas to 782,000 customers.

Regulation is a key concern in Hungary. End user tariffs have been reduced, by law, by 20%. Regulated rate of return of Distribution System Operators has been cut to zero (for households) and several costs are not recognized in the tariff. Finally, in addition to unfavorable economic conditions, generation units suffer from non-transparent bidding process for ancillary services. In all cases lobby and legal actions have already been taken by GDF SUEZ at national and EU level.

Romania

GDF SUEZ is present in Romania via its subsidiary GDF SUEZ Energy Romania SA mainly active in the sale and distribution of natural gas and expanding activities in power.

The core activities include the supply of gas to 1.4 million customers located mostly in the Southern part of the country. It also supplies electricity and green certificates to 1,036 industrial and commercial sites. Its subsidiary Distrigaz Sud Retele operates a 17,404 km long distribution network. GDF SUEZ Energy Romania is also active in the energy services sector through its affiliate Distrigaz Confort, that serves 640,000 customers, with a focus on maintenance of internal installations.

Beginning of 2013, GDF SUEZ Energy Romania SA has successfully put in operation its first wind farm in Romania, an installation of 48 MW located in Gemenele (Braila county). A second wind farm project, with a capacity of 50 MW commissioned in Baleni (Galati county) in December 2013.

GDF SUEZ is further present in the natural gas storage area, mainly through its subsidiary Depomures, which has a total working capacity of 300 million cubic meters.

Austria

GDF SUEZ is active in 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. The gas volumes sold amount to 4.1 TWh. GDF SUEZ Gasvertrieb provides also balancing services to various market participants.

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 2.4 TWh.

Italy-Greece

GDF SUEZ operates in Italy through the reference company GDF SUEZ Energia Italia S.p.A., active in power generation and energy sales.

GDF SUEZ directly manages 2,755 MW (through majority stakes in assets) and holds a 50% equity stake in Tirenno Power S.p.A which manages 3,274 MW. The installed capacity at 100% is thus 6,029 MW. Gas assets account for 4,132 MW, VPP 1,100 MW, coal 591 MW, wind 130 MW and hydro 73 MW.

GDF SUEZ sells gas and electricity to different business segments, including retail B2B and Giants, totalizing 1,3 million contracts, of which 190,000 are dual offers. To promote energy efficiency and innovation through the B2C segment, a permanent observatory of energy innovation in retail market has been launched in May 2013 (cooperation with European House-Ambrosetti and Polytechnic of Milan).

GDF SUEZ manages the entire gas portfolio in Italy and opened a trading floor in April 2013. GDF SUEZ develops a gas storage facility of 300 Mcm in North Italy, Bagnolo Mella project, in line with the set up of Storengy Italia S.p.A. in March 2012. The project received in April 2012 a positive opinion from Environment Ministry.

In Greece, the Group is present in electricity generation through a joint venture with GEK TERNA (Greek private company) in Heron I and II. Heron I is a 148 MW open cycle gas-fired plant in operation since 2004. Heron II is a 422 MW combined cycle gas-fired power plant, which started to operate in August 2010.

Spain

In Spain, GDF SUEZ is active in power generation, portfolio management and sales (power, gas & bidding services).

Installed net capacity in Spain amounts to 1,973 MW with two combined cycle power plants: Castelnou Energia (774 MW) and GDF SUEZ Energia Cartagena (1,199 MW). The energy of both power plants is sold on the wholesale market.

Marketing & Sales activity is focused on the Spanish Industrial Market with 3.2 TWh sold in gas and 2.3 TWh in electricity. Power sales concluded by end of December 2013 for supply in 2014 account for 2.7 TWh.

The Group sold in July 2013 its 12.5% stake in the Medgaz consortium (gas pipeline between Algeria and Spain with a capacity of 8 bcm/year and a length of 210 km).

Portugal

GDF SUEZ activities in Portugal are mainly focused on power generation.

The total installed capacity amounts to 3,108 MW, including 1,830 MW of CCGT plants, a 576 MW coal-fired plant, and 702 MW of renewable assets (mainly wind), historically owned by several Group entities (Turbogás – Produtora Energética SA, Elecgás SA, Tejo Energia SA, Lusovento Holding B.V. and Generg SGPS). In 2013, GDF SUEZ signed a joint-venture agreement with the Japanese company Marubeni Corporation leading to the sale of a 50% stake in its generation portfolio in Portugal.

Additionally to power generation, the Group has natural gas distribution activities through a 25.4% stake in Portgás which commercializes and distributes natural gas and propane in a concession in Northern Portugal.

1.3.2 Energy International business line

1.3.2.1 Role

The GDF SUEZ Energy International business line is responsible for the Group's energy activities outside Europe(1). The business line is currently present in 32 countries across five regions worldwide. Together with power generation, it is also active in closely linked businesses including downstream LNG, gas distribution, water desalination and energy retail. The business line has a strong presence in its markets with 72.9 GW(2) in operation and a significant programme of 8.4 GW(3) of projects under construction as at December 31, 2013.

1.3.2.2 Strategy

Generating value for the long-term is central to the business model. To achieve this, GDF SUEZ 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 risks through diversification.

The four main strategic priorities of the business line are:

- Pursue growth in fast growing markets: Strengthen positions in existing markets and be considered a local player. Capture opportunities in attractive new markets with a mix of technologies, including new opportunities along the energy value chain. Develop renewable sources of energy where economically viable.
- Optimize the value of the portfolio: Pursue a more integrated business model with a "system-play" approach(4). Target synergies that will allow cost reductions and achieve scale effects in operations. Redeployment of capital in projects that offer superior returns.

(1) Except the activities in the UK-Europe region.

(2) 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 interests held by GDF SUEZ irrespective of the actual percentage stake of the holding.

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

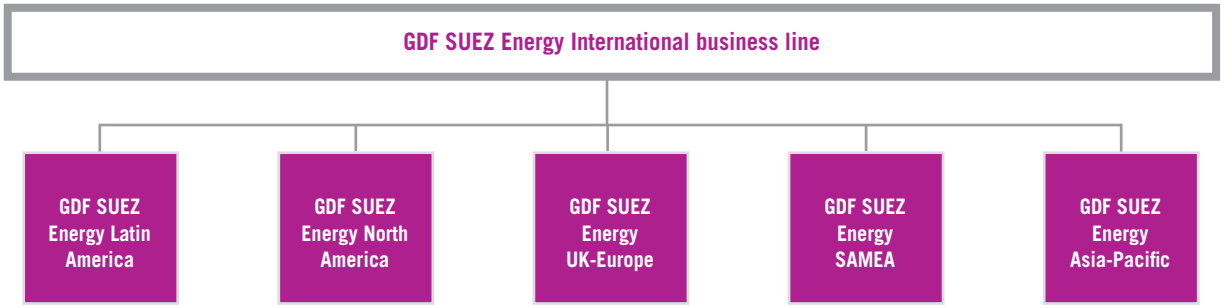
(4) A system-play approach is an approach which seeks to create industrial synergies alongside our investments in power generation through investing in closely linked businesses, such as LNG terminals, gas distribution and energy retail (largely for commercial and industrial customers).

- Optimize assets: Deliver successfully the construction program and achieve operational optimization, always ensuring a safe working environment for all employees.
- Explore opportunities for business diversification: Capture growth in new markets and new activities along the energy value chain. Identify and enter new business opportunities in related business, including decentralized generation and full solutions for clients.

1.3.2.3 Organizational structure

The GDF SUEZ Energy International business line has five key regions: Latin America, North America, UK-Europe, SAMEA (South Asia, Middle East & Africa) and Asia-Pacific. The business line headquarters are based in London and Brussels, with respective regional headquarters in Florianopolis, Houston, London, Dubai and Bangkok.

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.



The business line 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 the business line headquarters through six functional support departments: Strategy & Communications, Finance, Business Development Oversight, Legal, HR and responsibilities of the Chief Operating Officer (Operations, Markets & Sales 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.

1.3.2.4 Key figures

GDF SUEZ Energy International activities represented nearly 14,833 million of revenues in 2013 for a total workforce of 10,576 people[1] as of December 31, 2013.

In millions of euros	2013	2012	Total change (in%)
Revenues	14,833	16,044	-7.6%
EBITDA	3,871	4,304	-10.1%

(1) Total number of employees of fully consolidated companies.

Note[1]	Latin America	North America	UK-Europe	South Asia, Middle East & Africa	Asia- Pacific
Capacity in operation *(GW)*	13.0	13.3	8.9	25.8	12.0
Capacity under construction *(GW)*	3.9	0.1	0.0	4.4	0.0
Electricity production *(TWh)*	62.6	47.2	31.4	130.9	67.4
Electricity sales *(TWh)*	54.3	74.6	35.9	12.7	42.8
Gas sales *(TWh)*	11.4	39.7	22.5	0.0	5.9

(1) All information as of December 31, 2013. Installed capacity is consolidated at 100%; sales figures are consolidated according to accounting rules.

1.3.2.5 2013 Highlights

February

- SAMEA – Started construction of the 301 MW Tarfaya wind farm in Morocco, the largest wind project in Africa.

April

- SAMEA – 3,217 MW of new capacity commissioned in the Middle East after three gas-fired plants (Barka 3 and Sohar 2 in Oman and Riyadh PP11 in Saudi Arabia) reached commercial operation.

May

- Latin America – GDF SUEZ and Mitsui agreed a partnership on the 3,750 MW Jirau hydro power plant in Brazil, whereby Mitsui acquires a 20% equity interest in the project. The Jirau project also became the world's largest renewable Clean Development Mechanism (CDM) project to obtain registration at the United Nations.

June

- SAMEA – Entered the South Africa market after signing Power Purchase Agreements (PPAs) for two power plants with a combined capacity of 1,005 MW. Also reached financial close on the 94 MW West Coast One wind project in South Africa.

August

- Asia-Pacific - Preferred bidder status confirmed for the 415 MW combined heat and power plant CHP5 in Ulaanbaatar in Mongolia.

September

- Latin America – Commercial operation of the first 75 MW turbine of the 3,750 MW Jirau hydro project in Brazil was officially approved by Electricity Energy Regulatory Agency (ANEEL).
- SAMEA – 30-year Power Purchase Agreement (PPA) signed for the Safi ultra-supercritical coal-fired project in Morocco with a capacity of 2 X 693 MW.

October

- Latin America – Signed a 15-year BOOT (Build, Own, Operate and Transfer) contract with Gas Sayago for LNG storage and regasification in Uruguay, the country's first LNG import terminal.
- Asia-Pacific – Strengthened the strategic partnership with Mitsui in Australia whereby Mitsui acquired a 28% equity interest in five assets.

December

- Latin America – Through its subsidiary EnerSur, GDF SUEZ won a bid to build and operate a 500 MW thermal plant in Ilo, in the south of Peru.
- SAMEA – Financial close achieved for the Az Zour North Independent Water & Power Project (IWPP) in Kuwait, the country's first Private Public Partnership project.
- SAMEA – Investment in Meenakshi Power Project, a thermal project in Andhra Pradesh in India.

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 organized into six countries/sub regions: Brazil, Chile, Peru, Central America (Panama and Costa Rica), Uruguay and Argentina. It manages 13,025 MW of capacity in operation and 3,881 MW of capacity under construction.

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 (approximately 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 8,577 MW, mainly hydropower projects.

Energia Sustentavel do Brasil (ESBR) holds the concession contract to build, own and operate the 3,750 MW Jirau hydropower project.

ESBR is owned by GSELA (60%), Eletrosul (20%) and Chesf (20%). 30-year Power Purchase Agreements (PPAs) have been signed 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 to existing shareholders in proportion to their stake in the project. The project achieved commercial operation of its first unit of 75 MW in September 2013. In May 2013, GDF SUEZ and Mitsui announced a partnership where Mitsui will take a 20% equity interest in the Jirau project. Closing of this transaction took place in January 2014.

Between 2003 and 2005, the Brazilian government introduced the current regulatory regime for the electricity 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. The new system has proven to be effective in attracting the investments 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 which expire 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 does not materially impact TBLE.

In March 2013, the Brazilian Government published the Resolution CNPE-03, establishing changes in the methodology of spot price calculation and on the sharing of the costs linked to thermoelectric dispatch outside of the merit order, thereby allocating a portion of these costs to generators and traders, previously these costs were born by end consumers only. This new methodology, which has been deployed since September 2013, is more conservative than the previous one regarding the need for dispatching thermal power plants (with the consequence of increasing the 'spot' price). During the transition period from April to September, the additional costs associated with dispatching thermal power plant were applied to all agents (including generators). The Association of Independent Generators filed an injunction to cancel the obligation for its members (independent generators) to support these additional costs during the transition period.

Peru

In Peru, GSELA owns 61.73% of EnerSur, which has an installed capacity of 1,827 MW and a market share of around 16% in terms of energy production. EnerSur shares are traded on the Lima stock exchange.

Conversion of the 538 MW ChilcaUno thermoelectric power station to a combined cycle plant with capacity of 805 MW was completed in 2012 and the Cold Reserve thermoelectric plant located in Ilo (south of Peru) of 564 MW was completed in 2013. Construction of a new 112 MW HPP at Quitaracsa is underway. EnerSur also won a bid in December 2013 to build and operate a 500 MW thermal plant in Ilo.

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

Regulations are based on unbundling of generation, transmission and distribution activities. These activities have been partially privatized. As a result, all new investments in generation are undertaken by the private sector. Around a third of Peru's generation is still controlled by state-owned company ElectroPeru.

Chile

E-CL is the leading company in electricity generation in Northern Chile, with an installed capacity of 1,998 MW. GSELA owns 52.76% of E-CL. E-CL's subsidiary Electroandina operates a port in Tocopilla and its gas transportation subsidiary Gasoducto NorAndino owns a gas pipeline of approximately 1,000 km between Chile and Argentina.

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

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

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

Important new laws have recently been approved:

- "20/25 Law": to increase the participation of non-conventional generating sources, up to 20% by 2025;
- "Concessions and Easements Law": to solve issues related to the negotiation of easements and concessions of transmission lines; and
- the "SIC-SING interconnection" law to enable the government to auction infrastructure.

In addition, the "Electric Highway" initiative to solve planning issues within the transmission system is under parliamentary discussion.

Panama

GSELA owns 450 MW of installed capacity, which includes a 51% controlling interest in the 249 MW Bahia Las Minas thermal generating complex, the 83 MW Cativa thermal plant and the 118 MW Dos Mares project, comprising three hydro-electric plants.

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

Uruguay

GSELA made its entry into the Uruguayan market in October 2013 when the Company signed a 15-year BOOT (Build, Own, Operate and Transfer) contract with Gas Sayago SA to provide LNG storage and regasification services in the country. Located close to Montevideo, the offshore terminal, GNL del Plata, will comprise a Floating Storage and Regasification Unit (FSRU) and a jetty, protected by a 1.5 km breakwater. The entire capacity of the terminal, which will be capable of receiving LNG carriers up to 218,000 m^3, will be reserved by the offtaker Gas Sayago. Commercial operation of the new terminal is expected in 2015.

The LNG terminal will have a long-term storage capacity of 263,000 m^3 and regasification capacity of 10 Msm^3/day, expandable to 15 Msm^3/day. Tractebel Engineering will act as owner engineer during the construction phase.

Costa Rica

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

The electricity market is vertically integrated, owned and controlled by the Costa Rican State utilities. The regulatory framework allows private investment in renewable projects capped at 50 MW per project. Only 30% of the country's capacity may be owned by private generators.

Argentina

In Argentina, GSELA holds a 64% interest in Litoral Gas SA, a gas distribution company which has a market share of 12% in terms of volume delivered. In addition, it holds a 46.7% interest in Energy Consulting Services (ECS), an electricity and gas sales and consultancy company. GSELA also holds an interest in Gasoducto Norandino, a gas transmission company with a pipeline of approximately 1,000 km between Argentina and Chile, which is 100% owned by E-CL.

The government suspended the application of the pre-existing regulatory framework since the situation of emergency was 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 five business segments – US power generation, US retail, US natural gas/LNG, Mexico and Canada. A central portfolio management group optimizes the interface between each business segment.

GSENA has an ownership interest in 13,268 MW of electric power and cogeneration capacity. Of this capacity, 975 MW are powered by renewable sources.

GSENA's US natural gas/LNG business includes a LNG receiving facility and gas sales business in New England. In the US, the company also markets power to commercial and industrial customers in 11 states plus the District of Columbia. In Mexico, the company operates natural gas Local Distribution Companies (LDCs), private gas transmission pipelines and private power plants. The business in Canada is composed primarily of utility-scale wind and solar facilities.

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. 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 totaling 11,702 MW. The energy produced is sold in the open markets or distributed to commercial and industrial entities under long-term PPAs. GSENA also operates one of the largest biomass portfolios in North America with 127 MW of capacity.

GSENA markets to large commercial and industrial customers under the GDF SUEZ brand and to small commercial customers under the *Think Energy* retail brand. The retail business serves approximately 70,000 customer meters with an estimated peak load of nearly 10,000 MW.

In 2013, GSENA divested its 440 MW Redhills coal plant in the state of Mississippi and sold a 20.58% economic interest in the 575 MW CCGT Astoria I plant located in New York City to Mitsui & Co.

GSENA's business interests in the US are governed by Federal and State regulations. 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) resulting in additional compliance costs and reporting requirements for trading activities. The US Environmental Protection Agency in 2013 proposed regulations to control greenhouse gas emissions from new power plants and expects to issue proposed regulations for existing power plants in 2014. These regulations primarily impact coal-fired facilities.

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

Puerto Rico

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

Mexico

In Mexico, GSENA operates six LDCs that serve more than 400,000 customers through a 6,500 km network and two gas transmission companies operating over 900 km of pipelines. The company is adding a 75 km extension to its Mayakan gas pipeline and was recently awarded the construction of Los Ramones Sur, a critical natural gas transmission pipeline serving the interior of the country. It is a 291 km pipeline and will be developed jointly with a unit of the Mexican National Oil company, Pemex. GSENA 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, Comisión Federal de Electricidad (CFE).

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. Mexico's President proposed a sweeping energy reform that is intended to open the country's energy sector to more foreign investments. In December 2013, Mexico's Congress voted to allow direct private investment in the country's oil and gas sector for the first time since oil was nationalized in 1938.

Canada

GSENA's Canadian operations include utility-scale wind and solar generation totaling 669 MW. The renewable portfolio operates within a joint venture set up in 2012 between Mitsui & Co and a consortium led by Fiera Axium Infrastructure Inc. who each hold a 30% interest, while GDF SUEZ is the largest shareholder with a 40% interest and continues to operate and maintain these assets. The company also owns a 112 MW natural gas-fired power plant in Ontario and has access to 1 billion cubic feet (bcf) of natural gas storage.

During 2013, GSENA brought online the 10 MW Brockville solar facility in Ontario and three wind farms: the 99 MW East Lake and 99 MW Erieau sites in Ontario and the 99 MW Cape Scott site in British Columbia.

In 2009, Ontario's Green Energy and Green Economy Act included a mechanism to promote low carbon sources of power generation by instituting a Feed-in-Tariff (FIT) program for renewable resources. In 2013, the energy ministry revised its renewable program across two dimensions: migrating the FIT program for renewable installations greater than 500 kW capacity to a competitive bidding process, and while it retained the FIT program for projects smaller than 500 kW, it reduced the tariffs paid for power generated. In addition, in response to a WTO ruling, the province also reduced domestic content retirements. As a result of its policies, Ontario's electricity mix continues to trend towards low carbon sources, with coal representing 2% of 2013 output, and the province confirming that all coal-fired power plants will retire by the end of 2014.

1.3.2.6.3 GDF SUEZ Energy UK-Europe

GDF SUEZ Energy UK-Europe primarily operates in the UK and Turkey and also holds positions in a number of assets in Continental Europe. The business has a diverse portfolio of 8,893 MW of operational generation assets, including conventional coal, oil and gas-fired plants, pumped storage and renewables. In addition, it owns a retail business, gas distribution and a trading function.

UK

GDF SUEZ Energy UK-Europe is a major electricity generator in the UK with a merchant generation fleet of twelve operational assets with a total capacity of 6,977 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). The 100%-owned Teesside (gas) plant was decommissioned in 2013. We also have 100% ownerships of six wind farms (Scotia, Crimp, Flimby, Barlockhart, Blantyre, Sober) as well as a small pipeline of wind projects at various stages of development.

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 5,500 business premises with gas. The UK-Europe region also has a 30% ownership interest in OPUS, an electricity and gas supplier to around 150,000 small and medium sized business premises.

The UK energy market is a fully liberalized merchant market under regulatory supervision from Ofgem. The UK Government energy policy is focused on encouraging low carbon generation, ensuring security of supply, and consumer affordability. Fundamental to the Government's aims is delivery of Electricity Market Reform (EMR) which centres around two new instruments: Contract for Difference Feed in Tariffs (CfD FiTs) to incentivize deployment of low carbon technologies, and a Capacity Mechanism to ensure system security. An Energy Bill providing the framework for these instruments became an Act of Parliament in December 2013. The overall process will continue in 2014 with secondary legislation that addresses the two instruments, followed by the award of the first CfD Contracts, and the first capacity auction. The UK's electricity market will gradually be transformed over the coming years as low carbon technologies are increasingly deployed under these incentives and fossil generation is used to provide essential support to the system.

Turkey

GDF SUEZ Energy UK-Europe has a presence in two generation 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, which distributes and markets natural gas to residential, commercial and industrial customers in the Kocaeli region. In Turkey, we also have a trading and supply company.

Historically Turkey has been a PPA market with a single buyer. However, the Turkish power market is currently going through a process of liberalization with the aim of becoming a fully merchant market. Merchant market trading has been gradually introduced with daily settlements on the Balancing and Settlements Market commencing at the end of 2010.

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. An agreement was signed in December 2013 to sell the stake in ISAB to ERG and the transaction is expected to complete in the first half of 2014. The business also owns 100% of the 27.5 MW Parco Eolico Girifalco (PEG) wind farm.

During 2013, the sale of 50% of the Portuguese assets to Marubeni was completed, and the management control of the remaining 50% was transferred to the Energy Europe business line. In Spain, the region owns interests in Iberica and Electrometalurgica del Ebro (84 MW of hydroelectric power stations) as well as a 1 MW solar project, and operational control is transferring to the Energy Europe business line.

The ownership of the Levanto companies was restructured at the end of 2012 with 29 MW of wind farms in the Netherlands remaining in the UK-Europe region.

All regulatory frameworks in continental European countries are different. The thermal assets in Italy are covered by long-term contracts and are not subject to market risk. The renewables activities in Europe are supported by incentive schemes in their respective countries.

1.3.2.6.4 GDF SUEZ Energy South Asia, Middle East & Africa (SAMEA)

Middle East

In the Gulf Cooperation Council (GCC) countries, GDF SUEZ Energy SAMEA acts as an asset developer, owner 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 26,975 MW and almost 4.8 million m^3 of water per day of desalination capacity in operation and under construction. 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. 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 SAMEA has ownership interests in the following natural gas-fired power and water producing plants in the GCC:

- Saudia Arabia: Marafiq, Riyadh PP11, Tihama;
- Bahrain: Al Dur, Al Ezzel, Al Hidd;
- Qatar: Ras Laffan B, Ras Laffan C;
- UAE: Fujairah F2, Al Taweelah A1, Shuweihat S1, Shuweihat S2, Umm Al Nar;
- Oman: Al Kamil, Al Rusail, Barka 2, Barka 3, Sohar 1, Sohar 2.

The SAMEA region currently has 532 MW under construction in Saudi Arabia as part of an expansion of the Tihama gas-fired cogeneration plants located at Saudi Aramco's production facilities.

Sohar 2 and Barka 3 IPPs in Oman started commercial operation on schedule in April 2013, adding almost 1,500 MW to the Sultanate's capacity. In 2014, both these projects will launch their Initial Public Offering on the Muscat Securities Market. Also in Oman, GDF SUEZ Energy SAMEA completed the sale of 10% of its 45% stake in Sohar Power Company SAOG (retaining 35%) to an investment holding company of MENA Infrastructure Fund L.P in May 2013.

PP11 in Saudi Arabia also started commercial operation on schedule in March 2013, adding 1,729 MW to the grid.

In December 2013, financial close was achieved for the Az Zour North Independent Water & Power Project (IWPP) in Kuwait, the country's first Private Public Partnership project, which involves the construction of a gas-fired combined cycle power plant of 1,500 MW and an associated water desalination plant with a capacity of 107 MIGD.

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.

South Asia

In Pakistan, GDF SUEZ Energy SAMEA holds 100% in Uch, a 551 MW gas-fired facility. A new 375 MW gas-fired unit (Uch 2 – 100% ownership) is under construction, for which commercial operation is expected in the first half of 2014. The company sold its 36% stake in KAPCO in July 2013.

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.

GDF SUEZ invested in a thermal project in Andhra Pradesh in India in December 2013 with the acquisition of a 74% equity share in the Meenakshi project, which comprises 274 MW of operational capacity and 638 MW under construction. Further opportunities in India are currently being assessed, including renewable opportunities.

The power sector in India is liberalized, with various offtake arrangements (long-term PPAs, short-term bilateral contracts and spot trading) all possible.

Africa

In 2013, GDF SUEZ Energy SAMEA started construction of three independent power projects with a total production capacity of 1.4 GW on the African continent.

In February 2013, GDF SUEZ, together with its partner Nareva Holding, started construction of the Tarfaya wind project on Morocco's southern Atlantic coast. When fully operational, the wind farm with 301 MW capacity will be the largest in Africa. Also in Morocco, Safi Energy Company, in which GDF SUEZ has a 35% participation, entered into a Power Purchase Agreement with the 'Office National de l'Electricité et de l'Eau Potable' (ONEE) for the Safi coal-fired power project. The project includes the construction and operation of a 2x693 MW ultra-supercritical coal-fired power plant in the Safi region and the sale of electricity to ONEE for 30 years following completion of the plant.

In South Africa, Aurora Wind Power, a JV in which GDF SUEZ holds 43%, started construction of the 94 MW West Coast 1 wind farm located north of Cape Town in September 2013. Construction of two greenfield open-cycle turbine power plants of 335 MW (Dedisa) and 670 MW (Avon) also started in September, and GDF SUEZ together with its partners signed 15-year PPAs for both plants with Eskom.

In addition, GDF SUEZ is actively developing further projects in South Africa. In July 2013, the Group signed a project development agreement and a coal supply term sheet with South African based mining group Exxaro Resources Ltd. for a 600 MW coal-fired power plant in Limpopo province.

In terms of regulation, a single buyer model, whereby output is sold by the private producer to a public utility under long-term contracts, has been adopted in Morocco and South Africa.

1.3.2.6.5 GDF SUEZ Energy Asia-Pacific

GDF SUEZ Energy Asia-Pacific has strongholds in Australia, Indonesia, Singapore and Thailand. Its businesses in Asia-Pacific include the construction and operation of power plants, natural gas distribution systems and retail activities.

Australia

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, which is 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 electricity and gas accounts in the domestic, small to medium enterprise and large commercial and industrial customer segments.

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. In 2013, Mitsui acquired from GDF SUEZ Australian Energy a 28% stake in all its assets (except Loy Yang B and Kwinana – where Mitsui already owned 30%). The portfolio of GDF SUEZ Australian Energy:

- Generating assets in South Australia: 921 MW;
- Generating assets in Victoria: 2,507 MW;
- Generating assets in Western Australia: 122 MW;
- Retail customers Simply Energy: 380,000.

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 privatize 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.

The Wholesale Electricity Market (WEM) for the SWIS commenced operation in September 2006. The WEM operates in the south-west region of Western Australia, the location of most of that state's population (estimated at just over 2 million). The SWIS has a summer peak demand of approximately 4,000 MW. The WEM market structure is a net bilateral structure and has separate capacity and energy mechanisms.

The (former) Australian Government's "Clean Energy Future" greenhouse gas emissions reduction scheme commenced in July 2012, committing it to a medium-term national target of reducing emissions significantly. In September 2013, a new government was elected and it has declared its intention to withdraw as soon as possible the existing CO_2 pricing law (expected in 2014).

Indonesia

GDF SUEZ Energy Asia-Pacific 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. 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.

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.

Thailand & Laos

The Glow group, in which GDF SUEZ Energy Asia-Pacific 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 3,195 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) programs, in addition to supplying electricity, steam, industrial water and services to large industrial customers principally located in the Map Ta Phut industrial area.

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

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

GDF SUEZ Energy Asia-Pacific 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 3,188 MW, including two modern gas-fired units of 430 MW each, that reached commercial operation in the summer of 2012.

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.

1.3.3 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:

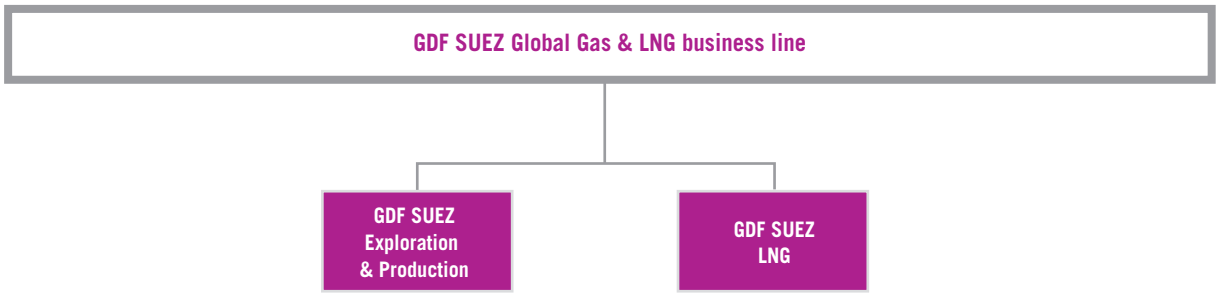
- The business line embodies and manages the Group's overall ambitions in the field of natural gas and LNG, and as such plays a coordinating role in the gas value chain within the Group;
- It operates exploration as well as production (gas and oil) assets and LNG commercial and physical assets. As such, 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 Global Gas & LNG business line plays a major role in the Group's strategy of gas chain integration. Its main objectives are therefore:

- To put the upstream gas businesses in a position to support supply of the Group's existing and potential downstream markets, including power generation;
- To manage and consolidate the Group's positions in exploration and production in Europe, to reinforce 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.

1.3.3.3 Organization



1.3.3.4 Key figures

In millions of euros	2013	2012	Total change (in%)
Business line revenues	8,445	7,945	+6.3%
Revenue contribution to Group	5,685	4,759	+19.5%
EBITDA	**2,124**	**2,377**	**-10.6%**

As of December 31, 2013, the Global Gas & LNG Business line had a workforce of 1,993 employees.

Key figures 2013:

- Hydrocarbon production sold: 51.9 Mboe;
- Reserves as of December 31, 2013: 799 Mboe.

1.3.3.5 2013 highlights

January

- ConocoPhillips and GDF SUEZ E&P UK started production from the Katy gas field in the southern part of the North Sea.

February

- GDF SUEZ and Statoil started production from the Hyme oil field, in the southern part of the Norwegian Sea.
- The LNG tanker *Grace Barleria* joined the GDF SUEZ fleet.

April

- GDF SUEZ signed an agreement with China National Offshore Oil Corporation (CNOOC), providing for the supply of a floating storage and regasification unit with sub-chartering of the LNG tanker *GDF SUEZ Cape Ann*, delivered in November 2013.

May

- GDF SUEZ signed an agreement to create a joint venture with Sempra Energy, Mitsubishi and Mitsui to develop, finance and build the natural gas liquefaction plant of Cameron LNG, a subsidiary of Sempra Energy, at Sempra Energy's methane terminal in Hackberry, Louisiana.

June

- GDF SUEZ made its first delivery of LNG to the new terminal of Melaka, in Malaysia, under the terms of a contract to sell 2.5 million tons of LNG to Petronas between 2012 and 2014.
- GDF SUEZ E&P UK and GDF SUEZ E&P Nederland successfully installed their production platforms Juliet, Orca (D18a-A), Amstel (Q13a-A) and L5 Sierra (L5a-D).

July

- The Gudrun platform was installed at the production site, in which GDF SUEZ E&P Norge is a partner alongside Statoil, the operator of this field in the Norwegian area of the North Sea.

August

- The Groupement TouatGaz, a partnership between SONATRACH and the GDF SUEZ Group, signed an EPCC (engineering, procurement, construction and commissioning) contract with Spanish company Técnicas Reunidas involving the development of the Touat gas fields in southwest Algeria.

September

- Between July and September, GDF SUEZ signed three truck-transported[1] LNG supply contracts with LNG retail players in France Gas Natural Europe, Molgas Energia and Prima LNG. These contracts entail loading an average of 40 trucks a month with LNG for 30 months on the French market.
- GDF SUEZ E&P International entered the Malaysian market, purchasing 20% of an offshore exploration license (Block 2F). A 20% stake in a second offshore exploration license (Block 3F) was purchased in December.

October

- GDF SUEZ E&P UK concluded an agreement with Dart Energy to purchase 25% of 13 UK onshore licenses in Cheshire and the East Midlands, covering the entire Bowland shale Basin. Dart Energy has retained a 75% stake and is the licenses' operator.

November

- GDF SUEZ E&P International purchased a 20% stake in two onshore exploration blocks (Parnaiba Basin) and a 25% stake in six onshore blocks (Recôncavo Basin) in Brazil in December.
- GDF SUEZ E&P International completed its disposal of 33.2% of the NOGAT pipeline in the Netherlands, continuing to act as operator, and signed an agreement in principle for the sale of its entire share (25%) of the Wiehengebirgsvorland license in Germany.

December

- Start-up of Orca (D18a-A) platform production by GDF SUEZ E&P.

1.3.3.6 Description of activities

1.3.3.6.1 GDF SUEZ E&P

Principal key indicators

Europe and North Africa are still 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 Latin America, the Caspian Sea, Asia and Oceania.

As of December 31, 2013, the Group published the following results:

- operations in 18 countries;
- 382 exploration and/or production licenses held (of which 53% are operated by the Group);
- proven and probable (2P) reserves of 799 million barrels oil equivalent (Mboe), of which 76% is natural gas and 24% liquid hydrocarbons;
- production of 51.9 Mboe, of which 69% is natural gas and 31% liquid hydrocarbons.

Role

Development of natural gas and hydrocarbons' production of GDF SUEZ is a key activity in the Group's integration throughout the gas value chain. It supports the Group's international growth, particularly in high-growth regions, and gives access to a portfolio of diversified, balanced and profitable reserves.

Activities of GDF SUEZ E&P

Legal framework of the Exploration & Production activities

The Group conducts its exploration and production activities through its subsidiary GDF SUEZ E&P International SA, in which it holds a 70% stake (with the other 30% held by the China Investment Corporation), and the company's subsidiaries (fully owned), which together constitute the GDF SUEZ E&P Business Unit, within the framework of licences, concessions or production-sharing agreements drawn up with the public authorities or national companies of the countries involved. Under current partnership contracts, one of the parties is generally designated as operator, meaning that it is responsible for

(1) LNG transported by truck to isolated customers.

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.

2P reserves

In 2013, 22 exploration wells were drilled, 13 of which were successful. The resources thus 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).

DEVELOPMENT OF THE GROUP'S RESERVES[2]

	2013			2012			2011		
Mboe	Natural gas	Liquid Hydrocarbons	Total	Natural gas	Liquid Hydrocarbons	Total	Natural gas	Liquid Hydrocarbons	Total
Reserves as of December 31, N-1	642.6	192.9	835.5	583.9	204.8	788.8	616.1	198.9	815.0
Revision + discoveries	2.9	12.3	15.2	95.7	6.9	102.6	17.8	34.5	52.3
Assets bought and sold	0.0	0.0	0.0	(0.2)	(0.8)	(1.0)	(11.0)	(9.6)	(20.6)
Production sales	(35.6)	(16.4)	(51.9)	(36.9)	(18.0)	(54.9)	(39.0)	(18.9)	(57.8)
Reserves as of December 31	609.9	188.9	798.8	642.6	192.9	835.5	583.9	204.8	788.8

CHANGES IN THE GROUP'S RESERVES BY COUNTRY

	2013			2012			2011		
Mboe	Natural gas	Liquid Hydrocarbons	Total	Natural gas	Liquid Hydrocarbons	Total	Natural gas	Liquid Hydrocarbons	Total
Germany	41.9	63.5	105.4	51.7	61.1	112.8	54.3	64.8	119.0
Norway	203.8	108.0	311.8	209.6	111.7	321.2	214.2	120.3	334.5
United Kingdom	56.3	1.2	57.4	59.5	1.8	61.3	63.1	2.4	65.5
The Netherlands	76.5	6.7	83.2	85.1	7.2	92.3	93.8	7.6	101.4
Other[1]	231.4	9.6	241.1	236.7	11.2	247.9	158.6	9.8	168.4
TOTAL	**609.9**	**188.9**	**798.8**	**642.6**	**192.9**	**835.5**	**583.9**	**204.8**	**788.8**
Change	-5%	-2%	-4%						

(1) "Other" covers Algeria, Ivory Coast, the Gulf of Mexico, Egypt and Indonesia.

As of December 31, 2013, GDF SUEZ's 2P reserves of liquid hydrocarbons and natural gas ("entitlement"[3]) were 799 Mboe, compared with 836 Mboe in 2012. Gas accounts for 76% of these reserves, which represents a volume of 610 Mboe, or 98 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 962 Mboe at the end of 2013 compared to 1,003 Mboe at the end of 2012.

(1) Developed reserves are those that can be produced from existing facilities. Undeveloped reserves are those needing new wells, new facilities or significant additional investments, starting from existing facilities, such as a compression unit.

(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 these 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 and 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.

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 of 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 153% for the period 2009-2011, 144% for the period 2010-2012 and 90% on average for the period 2011-2013.

Production

During the fiscal year ended on December 31, 2013, the production of gas and liquid hydrocarbons sold by GDF SUEZ was 51.9 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

	2013			2012			2011		
Mboe	Natural gas	Liquid hydrocarbons	Total	Natural gas	Liquid hydrocarbons	Total	Natural gas	Liquid hydrocarbons	Total
Germany	4.8	3.1	7.9	5.4	3.3	8.7	5.6	3.3	8.9
Norway	12.0	12.3	24.3	11.7	13.6	25.4	10.9	11.6	22.5
United Kingdom	1.7	0.1	1.7	1.6	0.1	1.7	4.8	2.6	7.3
The Netherlands	15.5	0.5	16.0	16.3	0.4	16.7	15.6	0.5	16.1
Other(1)	1.6	0.4	2.0	1.8	0.6	2.4	2.1	0.9	2.9
TOTAL	**35.6**	**16.4**	**51.9**	**36.9**	**18.0**	**54.9**	**39.0**	**18.9**	**57.8**

(1) "Other" 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.

Activity in affiliates

Germany (GDF SUEZ E&P Deutschland)

As of December 31, 2013, the Group owned a stake in 53 oil and natural gas fields in Germany, including 49 in production, with 2P reserves of 105 Mboe at 31 December 2013 (including approximately 40% in the form of natural gas).

Norway (GDF SUEZ E&P Norge)

GDF SUEZ E&P Norge owns a stake in 22 oil and natural gas fields off the coast of Norway including six in production, its share of which was 312 Mboe of 2P reserves as of December 31, 2013 (including approximately 65% in the form of natural gas).

United Kingdom (GDF SUEZ E&P UK)

At the end of 2013, the Group held stakes in 27 fields in the British North Sea, of which nine were in production. As of December 31, 2013, the share of 2P reserves held by the Group in these fields represented 57 Mboe (98% of which was in the form of natural gas).

The Netherlands (GDF SUEZ E&P Nederland)

The Group has stakes in 56 fields in the Dutch exclusive economic zone, of which 47 are in production. As of December 31, 2013, the share of 2P reserves held by the Group in these fields represented 83 Mboe (92% of which was in the form of natural gas).

Egypt (GDF SUEZ Exploration Egypt)

The Group holds stakes in three concessions in Egypt, two of which are in production. A fourth concession, Wadi Dib (Blocks 6 and 7) was purchased in its entirety at the end of the year.

Australia (GDF SUEZ Bonaparte)

The project is in the concept definition phase and is expected to enter the final Front-End Engineering and Design (FEED) phase in 2014.

Other countries

In Algeria, a new gas discovery was announced on the Sud-Est Illizi exploration license.

In Mauritania, drilling of a new exploration well began in Block 7.

In Libya, GDF SUEZ became the operator of a license comprising three onshore blocks alongside the Libyan sovereign fund LIA (45%) and Repsol (35%) (to be confirmed by the Libyan authorities).

In the United States (Gulf of Mexico), the last production license held by GDF SUEZ E&P (which is no longer in production) is being discontinued.

In Indonesia, gas marketing and preparation of EPC contracts for the Jangkrik and Jangkrik North-East fields are being drawn up.

In total, excluding Europe and Greenland, the Group holds stakes in 31 licences (including 3 in production), in Algeria, Australia, Azerbaijan, Brazil, the United States, Ivory Coast, Egypt, Indonesia, Libya, Mauritania, Malaysia and Qatar. As of December 31, 2013, the share of 2P reserves held by the Group in these licenses represented 241 Mboe, some 96% of which was in the form of gas.

Gas marketing

GDF SUEZ E&P produced a total of 60 TWh of natural gas in 2013. Around one-third 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, mostly under long-term contracts (e.g. in the Netherlands or Germany), or annual contracts obtained after government tenders (e.g. gas from Norway).

1.3.3.6.2 GDF SUEZ LNG

The Group's positions in LNG

- 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[1] 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

- Developing and diversifying the LNG supply portfolio (LNG production and purchase contracts with producers).
- Supplying GDF SUEZ's various entities and customers with LNG, through the management of supply and vessel chartering contracts.
- Creating additional value through the development of new projects and businesses as well as physical and financial optimization of the portfolio of LNG purchase and sale contracts and the tanker fleet.

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 cargoes. The Group's contractual annual long-term commitments are as follows (as of December 31, 2013):

	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	12% of the Melkøya plant
Trinidad and Tobago[2]	2.0	30	-
Yemen	2.6	39	-
Shell (LT agreement from 2014 – DES contract[1])	0.4	6	-
TOTAL (2013)	**16**	**239**	

(1) Delivered ex-ship. The vendor unloads LNG cargos directly at the customer's regasification terminal.
(2) The contract with Trinidad and Tobago is handled contractually by GDF SUEZ Energy North America.

(1) At the end of December 2013.

To strengthen its diversification and security of supply, GDF SUEZ GNL 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 announced a strategic partnership to develop a floating LNG liquefaction plant producing 2.4 million tons a year 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 Section 1.3.3.6.1 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 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 2013, GDF SUEZ signed an agreement to create a joint venture with Sempra Energy, Mitsubishi and Mitsui to develop, finance and build the natural gas liquefaction plant of Cameron LNG, a subsidiary of Sempra Energy, at Sempra Energy's methane terminal in Hackberry, Louisiana. This agreement will give GDF SUEZ access to an annual liquefaction capacity of 4 million tons.

LNG destination and positions in regasification terminals

In 2013, LNG deliveries were made mainly in Europe and Asia, as well as in North and South America.

The Group has access to regasification capacity in six countries: France, the United Kingdom, Belgium, the United States, Chile and Puerto Rico.

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; and
- 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-time 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 2013, 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);
- 2 ships of which the Group is a co-owner: *Gaselys* (154,500 m^3, owned by the NYK Group and GDF SUEZ) and the *BW GDF SUEZ Boston* (owned by the BW Gas Group and GDF SUEZ); and
- 12 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), a vessel management company; and
- a 40% stake in Gaztransport & Technigaz (GTT), which designs on-board LNG cargo containment systems and develops "membrane" LNG tank isolation techniques. In 2012, these membranes were fitted in 70% of carriers in service worldwide (source: GIIGNL).

1.3.4 Infrastructures business line

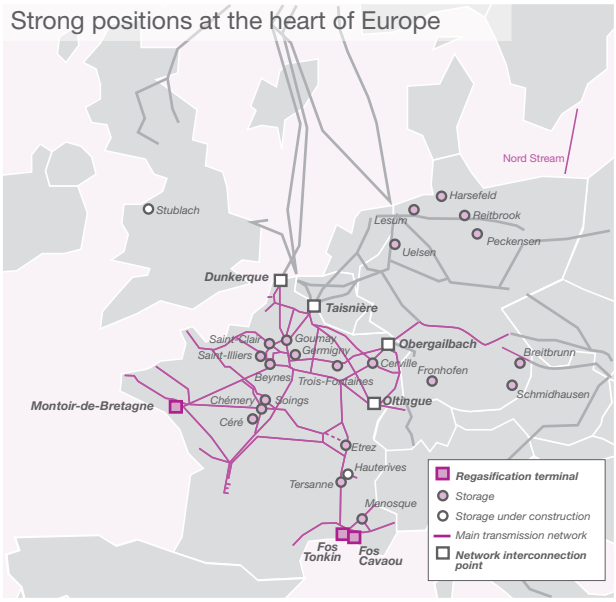
1.3.4.1 Role

The GDF SUEZ 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 and the UK) that 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 GDF SUEZ Group.

Strong positions at the heart of Europe



1.3.4.2 Strategy

The GDF SUEZ Infrastructures business line and its subsidiaries aim to promote the development of their long-term activities by strengthening the position of natural gas in the French energy mix, and by seeking new sources of growth in France and internationally.

Their strategic reflections also aim to adapt the offer from subsidiaries in the short-term, given the situation marked by restrictions, uncertainty and opportunities.

Finally, they seek to combine day-to-day professional excellence (safety of property and persons and continuity of customer supply) and economic efficiency.

1.3.4.3 Organization

The organization of activities within the GDF SUEZ Infrastructures business line is based on four independent subsidiaries which are all incorporated as French *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 are attached to GRTgaz;
- Elengy represents the Group in managing the company *Société du Terminal Méthanier de Fos Cavaou* (Fosmax LNG) and operates the terminal.

In accordance with the Energy Code, GRTgaz has, in its own right, most of the resources necessary to accomplish its missions. Commercial and financial agreements made with the Infrastructures subsidiaries or with the parent company as well as the parent company's contracts for the provision of services to GRTgaz are subject to the prior approval of the Energy Regulatory Commission (CRE).

1.3.4.4 Key figures

In € millions	2013	2012	Total change (in%)
Business line revenues	6,792	6,216	+9.3%
Revenue contribution to Group	2,574	2,031	+26.7%
EBITDA	3,370	3,049	+10.5%

In 2013, GDF SUEZ Infrastructures accounted for 23% of the Group's EBITDA.

The GDF SUEZ Infrastructures business line had a workforce of 17,660 as of December 31, 2013.

1.3.4.5 A specific legislative and regulatory environment

GDF SUEZ remains a vertically integrated group but its organization and legal ties with entities of the Infrastructures business line were strongly affected by the implementation of successive European Directives regarding the organization of the domestic energy market and the laws based on them. Infrastructure activities were subsidiarized, and managers of the transmission and distribution networks were made legally independent within the Group. In 2011, in its transposition of the "internal market" Directive 2009/73/EC, known as the "Third Directive", France opted for the ITO system(1) for the management of the transmission network (GRTgaz). This system sets out the autonomy and independence rules with which GRTgaz must comply in respect of GDF SUEZ while recognizing the entitlement of GDF SUEZ to perform economic and management supervision. In 2012, the CRE certified the compliance of GRTgaz with these provisions. In 2013, after a thorough analysis of the transposition act, the European Commission made some comments on its compliance with respect to the Directive. These comments are currently under review by the French authorities.

The legal framework within which the activities of the Infrastructures business line is carried out includes, in particular, the General Local Authorities Code that specifies the scheme applying specifically to concession-based distribution networks and the Energy Code, which reviewed and updated a substantial part of the other legislative provisions relating to natural gas.

The French government sets out public service obligations that apply to the Group. Over and above the texts setting out the rules, the Energy Code stipulates that the French government must negotiate a Public Service Contract that includes additional commitments with the Group and the infrastructures subsidiaries concerned. The next Public Service Contract will begin in 2014 and discussions with the public authorities are currently underway. The French government publishes an indicative multiyear plan describing foreseeable changes in demand for natural gas, how this demand is met and investments scheduled to this end.

The CRE ensures the proper functioning of the market to the benefit of consumers and ensures compliance by infrastructure managers with their obligations: access to infrastructures, non-discrimination, respect for the confidential nature of commercially sensitive information (CSI). Managers of the transmission and distribution networks must draft a Code of Conduct approved by the CRE. An independent compliance manager, reporting to the CRE, monitors its implementation.

The CRE sets out the regulatory framework (rate of return for assets, price indexation mechanism for tariffs, measures to encourage certain types of investment, etc.) and the corresponding infrastructure tariffs.

1.3.4.6 2013 Highlights

The new tariff framework for access to LNG terminals and the transmission network was established by the CRE for a period of four years.

As part of the French discussion about the energy transition, in 2013 GrDF constructed and presented a "Factor 4" scenario for 2050 that, based on this timeframe, models the position of gas and other energies in supplying the tertiary residential, transportation and industry sectors. This scenario was included in those being discussed.

Following two decisions of the CRE and the agreement of the Ministers of the Economy and Energy, deployment of the GrDF smart metering system ("Gazpar") was authorized subject to the outcome of calls for tender for the relevant equipment.

Two biomethane injection sites were connected by GrDF, one in Morsbach in the administrative department of Moselle and a second in a rural area (the Arcy Farm, in the Seine-et-Marne department).

A transshipment service and an LNG tanker truck loading service were established at the terminal in Montoir-de-Bretagne. Three transshipment operations have been performed since August and tanker truck loading began in September of the same year.

Training courses were provided for foreign decision-makers: GRTgaz and GrDF organized and ran a seminar on the implementation of *unbundling*, intended for Indonesian operator PGN's TOP 100. Training was also given by Storengy on storage in salt caverns for 30 engineers from Chinese operator Towngas.

Storengy signed and began implementation of a contract for the conversion of six depleted storage facilities in China with the China National Petroleum Corporation (CNPC); an agreement was also signed on site qualification for the development of aquifer storage with PetroChina Huabei.

Responding to the need for increased transmission capacity between France and Spain, the new compressor and interconnection station at Chazelles, in the administrative department of Charente, was commissioned on October 31, 2013.

At the initiative of GRTgaz, 19 transmission system operators (TSO), including GRTgaz, established "PRISMA", a European platform for the sale of capacities that is potentially accessible to all European Union transmission operators.

In April, GRTgaz signed an agreement with four other European TSOs to promote the transmission of renewable gas, and set the goal of reaching 100% of volumes transmitted by 2050.

1.3.4.7 Description of activities

1.3.4.7.1 Underground natural gas storage

The GDF SUEZ Group is the leader in underground storage in Europe, with a storage capacity of 13.27 Gm^3.

France

As of December 31, 2013, Storengy was operating in France:

- thirteen 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). Two of these sites have been mothballed (corresponding to a total storage volume of 300 million m^3) and the proposed development of another site has been suspended;
- 50 compressors with a total power of 224 MW, needed to withdraw and inject natural gas;
- surface facilities required to process the gas withdrawn, before injection into the transmission network.

(1) *Independent Transmission Operator.*

Legislative and regulatory environment in France

Underground storage facilities fall under the Mining Code and are operated pursuant to a concession granted by the French government following a public inquiry and competitive tenders. GDF SUEZ holds mining rights that it farms out(1) to its subsidiary, Storengy, which operates them and thus holds the corresponding authorizations.

According to the Third Directive, access to storage is organized according to a system known as "negotiated access". Storage prices are set 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 storage levels in order that, on October 31 of every year, they have enough natural gas to supply their customers from November 1 to March 31. An annual decree sets out the storage rights in question and related obligations. This decree was revised on 12 March 2014 (Decree 2014-328) because the existing regulatory framework was no longer adequate, due to changes in the operation of the gas market, to ensure that marketers have sufficient storage capacities for ensuring continuity of supply during periods of extreme cold.

Pricing conditions vary according to the technical capacities of the reservoirs, the basic storage service and the type of additional operating services selected.

Germany

Storengy Deutschland GmbH, a wholly-owned subsidiary of Storengy, stands as the fourth-largest German player in underground gas storage, with 10% market share by volume. The company owns and operates seven storage sites for a working capacity of some two billion m^3 (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). The future of some of these sites is currently under review.

UK

Storengy UK Ltd, a wholly-owned subsidiary of Storengy, is dedicated to the construction and marketing of salt caverns storage facilities at Stublach, in Cheshire. The planned storage capacity at the site stands at 400 million m^3 of useful volume, divided into 20 caverns. Commercial launch of the site is scheduled for 2014. The UK gas and electricity regulator, Ofgem (Office of the Gas and Electricity Market) granted a third-party access exemption for the project's first 10 caverns.

Storage strategy

Storengy must adapt to market conditions brought about by gas overcapacity currently noted in Europe:

- optimizing and enhancing its business in its traditional markets;
- identifying new sources of growth internationally, using its expertise, particularly in terms of geosciences and the management of health and safety risks, in markets with major storage requirements, such as China and India.

In the longer term, it wishes to diversify its business by operating in niche markets (storage in lined mined caverns coated to make them waterproof) and by contributing to the implementation of new energy transition solutions (compressed air storage, geothermal energy, hydrogen, synthetic methane and biomethane).

1.3.4.7.2 LNG terminal activities

LNG terminals are port facilities that allow liquid natural gas (LNG) to be received and regasified. New services have been added since 2012: reloading and transshipment of LNG tankers and LNG truck loading (road transported LNG).

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 capacities. 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, 2013.

Fos Tonkin Terminal

Brought into service in 1972, Fos Tonkin is located on the Mediterranean coast and receives LNG primarily from Algeria and Egypt. Its regasification capacity stands at 5.5 billion m^3 per year. Its jetty 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.

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 per year, two jetties that can accommodate ships transporting up to around 260,000 m^3 of LNG (Q-MAX) and three tanks with a total capacity of 360,000 m^3. Renovation of the terminal was completed in 2013, allowing it to be operated at its current capacity until 2035.

Fos Cavaou Terminal

Having managed the construction, Elengy now operates the LNG terminal at Fos Cavaou. The terminal has a regasification capacity of 8.25 Gm^3 per year, a jetty that can accommodate Q-MAX-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 72.5% stake, while Total Gaz Electricité Holding France SAS holds a 27.5% stake.

Legal and regulatory environment specific to regasification activities in France

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 on 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 on February 14, 2012.

Access to LNG terminals: principles and tariffs

Regulated tariffs for access to LNG terminals applicable since April 1, 2013 were adopted following the CRE ruling of December 13, 2012. They are scheduled to last four years (two years for Tonkin).

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

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

The tariff package consists of five terms depending (i) on the number of unload operations, (ii) quantities unloaded, (iii) use of regasification capacity, (iv) Gas-in-kind and (v) seasonal adjustment. This leads to an increase compared to the previous tariff 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 RAB for Elengy and FosMax combined stood at €1,215 million at January 1, 2014 with an actual rate of return of 8.5%, before corporate income tax.

The LNG terminal activities strategy

Elengy's strategy is centered on the following key points:

- to examine operation methods for each of the three sites in order to optimize them regardless of their utilization rate;
- to create and implement new services at the terminals, similarly to what is being done in terms of reloading, transshipment between LNG tankers and the loading of tanker trucks;
- to search for growth opportunities internationally by highlighting the skills of asset manager and operator developed over the past 50 years.

1.3.4.7.3 Distribution activities in France

The main activity of the distribution business in France is to deliver 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 utility.

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.

The Energy Code recognizes the entitlement of exclusive concession rights to 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 allows all municipalities not supplied with natural gas to entrust their public gas distribution to the operator of their choice.

The joint department specific to GrDF and ERDF

The Energy Code assigns a 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 18 months' notice, during which period the parties undertake to renegotiate an agreement.

GrDF activities

As of December 31, 2013, the French natural gas distribution network operated by GrDF was the leading network of this type in Europe due to its length (195,850 km)[1]. It has over 10.9 million delivery points[2] in 9,515 municipalities served (of which 8,950 based on exclusive rights assigned to GrDF), representing approximately 77% of the French population.

With 319.4 TWh of natural gas delivered in 2013, GrDF represented 95% of the French market for network gas distribution.

The average residual term of its concession contracts, weighted by volumes distributed, was 13.8 years at December 31, 2013.

The Joint Department's agents took more than 21.9 million gas meter readings in 2013 and made some 2.25 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 basis 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 €14,307million, subject to CRE validation, at January 1, 2013 with an actual rate of return of 6%, before corporate income tax.

ATRD 4 includes a number of new features.

To offset the productivity incentive mechanism that enables GrDF to keep 100% of any gains made beyond the target, ATRD 4 strengthens the financial incentive mechanism in terms of quality of service on key activities, with implementation of a bonus/malus 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.

(1) Source: Internal benchmark from public data for 2013.

(2) As of December 31, 2013, 1,625,000 customers supplied in this way used an alternative gas supplier.

(3) CRE ruling of February 28, 2012.

In view of the results, deemed conclusive, of promotional activities for gas usage performed by GrDF since 2008, the ATRD 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.

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), 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 GrDF strategy is centered on the following key points:

- to develop the historical gas business, with an emphasis on the promotion of gas in its various markets. In particular, GrDF wants to invest in research and development and industrial partnerships to support innovative residential solutions, such as renewable energy/gas and hybrids (gas/electricity). It will also support implementation of the new "Thermal Regulations" for new residential buildings;
- to create or support innovation, as was the case with biomethane injection and smart meters, to improve the image of gas and open the business to new activities;
- to expand internationally, which may initially take the form of service delivery;
- to strengthen its image and revenues, in connection with the development of incentive-based regulation by reinforcing industrial safety and implementing a performance plan.

1.3.4.7.4 Transmission activities

Around 75% of GRTgaz is owned by GDF SUEZ, with 25% owned by Société d'Infrastructures Gazières (SIG), a consortium bringing together CNP Assurances, CDC Infrastructures and Caisse des Dépôts.

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. It also manages an interest in the Megal Germany transmission network.

Structures

GRTgaz owns one of the longest high-pressure natural gas transmission networks in Europe(1), measuring 32,056 km, in France, at December 31, 2013: the main network (8,106 km) sends natural gas from entry points (LNG terminals, interconnection points with international pipeline networks) to the regional network. The regional network (23,950 km) then directs it towards some 4,500 delivery points serving industrial customers and distribution networks. GRTgaz operates 26 compression stations.

During 2013, GRTgaz sent 55.7 billion m^3 of gas across the French network (637 TWh).

In addition, GRTgaz has investments in the Megal transmission network in Germany (1,167 km), with a cumulative length(2) of 429 km.

Legal and regulatory framework for gas transmission in France

This activity takes place within a general framework (defined in section 1.3.4.5.) 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 on April 1 each year. 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 was reflected in an increase of 8.3% in 2013. In 2014, the increase will stand at 3.9%. The rate of return applied to the regulated asset base (RAB) is 6.5% (real, pre-tax). 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.

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 2013 for the transmission network stands at €7,045 million (subject to validation by the CRE).

Transmission Europe

Megal GmbH & Co. KG ("Megal"), owned 49%(3) by GRTgaz Deutschland (a wholly-owned subsidiary of GRTgaz), and 51% by Open Grid Europe, 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 shippers on their part of the network. GRTgaz Deutschland GmbH markets approximately 58% of the capacity of the Megal network.

(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.

(3) In 2013, GRTgaz sold its shares in Austrian carrier BOG in order to increase its stake in MEGAL from 44% to 49%.

Transmission business strategy

The GRTgaz strategy aims to ensure its development in the long term both in France and internationally by:

- making earmarked investments in France to enable better integration of European markets;
- supporting the use of gas, particularly in industry, encouraging the conversion of oil or coal to natural gas;
- improving the image of gas by promoting innovation in the operation and maintenance of industrial facilities, in particular through the development of smart grids;
- contributing to the goal expressed collectively with four other European carriers to achieve a carbon-neutral gas supply by 2050: investment is scheduled to promote the injection of biomethane into transmission networks and by 2020, to make those innovations related to "Power to Gas" possible;
- internationally, working closely with other Group entities to provide services and to achieve positioning in countries where growth in gas demand is resulting in a sharp development of gas infrastructures.

1.3.5 Energy Services business line

1.3.5.1 Role

European leader in energy services, GDF SUEZ Energy Services business line 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);
- multi-service (e.g., engineering, installation, maintenance, operation and facilities management);
- multi-energy (e.g. renewable energy sources and gas); and
- 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.

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

GDF SUEZ Energy Services has the following strategic priorities:

- to consolidate its position as the European leader of energy efficiency services by accentuating 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 is composed of six activities: Engineering, France Facilities Systems & Maintenance, France Services, France Networks, Benelux, and International. Each activity is placed under the authority of a single manager who answers for its results 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 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 (e.g. electrical, thermal and HVAC engineering and system integration);
- on-site management of energy networks and utilities as well as urban networks including mobility and public lighting;
- facilities management.

1.3.5.4 Key figures

2013 figures in millions of euros	2013	2012	Total change (in%)
Business line revenues	14,707	14,707	-0.0%
EBITDA	1,068	1,018	+5.0%

The business line has 78,114 employees in almost 30 countries, most of them in Europe, where it is active on some 1,300 sites.

1.3.5.5 2013 highlights

- January: Cofely signed a partnership contract to operate and develop the urban cooling network for Cyberjaya, Malaysia's first "cybercity". The aim is to reduce the city's electricity consumption by 40%.
- February: Cofely signed a contract with the city of Deventer (Netherlands) to manage the energy supply to an industrial park near the city. Cofely offered the city a smart grid combining local generation (e.g. wind power, photovoltaic solar power and biomass), energy storage and management.
- March: Cofely Réseaux won the tender launched by SIPPEREC, the intermunicipal energy syndicate, to carry out geothermal drilling and create a new heating network for the cities of Arcueil and Gentilly.
- April: Cofely Ineo, in association with Ansaldo STS, won the signaling contract for the first high-speed rail line in Morocco (Tangiers-Kenitra).
- April: for the fourth year running, sponsored by 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 second "Most Sustainable Town" prize.
- April: in Germany, Cofely signed a contract with the city of Oberndorf to create two heating networks to service seven buildings at the city's learning center.
- May: in Italy, an energy performance contract was signed with the city of Milan (more than 550 municipal buildings).
- June: Climespace signed an agreement with the Bibliothèque Nationale de France in Paris to build a new cooling generation plant at the BNF site, thus extending its cooling network to eastern Paris.
- June: Sanofi strengthened its collaboration with Cofely to reduce energy consumption in all of its industrial sites worldwide (more than 100 sites).
- July: Tractebel Engineering signed a project management and consulting services contract for the expansion of an LNG terminal in Shanghai.
- July: Cofely signed an energy services contract for several municipal facilities with the city of Parla in the Madrid metropolitan area. The 15-year contract is designed to generate energy savings of 6% for buildings and 40% for public lighting.
- August: in the United Kingdom, Cofely acquired Balfour Beatty Workplace, a facilities management subsidiary of Balfour Beatty.
- September: Cofely Ineo won the public tender to upgrade public lighting in Lille, in partnership with Citéos.
- October: Cofely signed an agreement with E.ON to acquire the portfolio of heating network assets owned by the E.ON group in Poland.
- October: Cofely Fabricom signed a contract with the city of Harelbeke (Belgium) to build a lock complex that will produce its own "green" power with a minimum carbon footprint.
- November: Cofely Axima, in a consortium with Cofely Endel, Cofely Ineo and Germany's M+W, won a contract worth €530 million for the site of the ITER European fusion reactor project. The contract covers air conditioning, electrical and mechanical facilities for 13 buildings.

- December: in Brazil, Cofely acquired EMAC, which specializes in multi-technical heating, ventilation and air conditioning services.
- December: Cofely purchased an equity interest in TSC Group, an Australian multi-technical heating, ventilation and air conditioning services company.

1.3.5.6 Description of activities

Engineering (Engineering Division)

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 (France SIM, Benelux and International Divisions)

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 (FSE, Networks, Benelux and International Divisions)

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.);
- generation, operation and distribution of local and renewable energy sources (cogeneration -plants, industrial utilities, heating and cooling networks, street lighting, etc.);
- integration of services (facilities management, multi-site management, public-private partnerships, etc.).

Electricity generation and distribution (International Division)

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

GDF SUEZ Energy Services 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 accounts for 28%. The business line has a strong presence in multiple occupancy buildings, public administration, hospitals, university campuses, etc.;
- the infrastructures segment, for the remainder of its activity. 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 quest for energy and environmental efficiency in public and private services 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.

1.3.5.7 Regulatory framework

The main regulatory changes impacting GDF SUEZ Energy Services at European and national 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 contracts in the public-private sector; new measures introduced in the Energy Code, relating to the opening of the electricity market and support measures for the cogeneration segment.

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, mechanics 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 placed to satisfy these growing demands.

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.

As of December 31, 2013, 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	Total capacity[1] *(MW)*	Type
Germany	Zolling	538	Biomass and coal-fired plant
	Marafiq	2,744	Natural gas plant
Saudi Arabia	Riyadh PP11	1,729	Natural gas plant
	Hazelwood	1,553	Lignite plant
	Loy Yang	953	Lignite plant
Australia	Pelican Point	479	Natural gas plant
	Al Dur	1,234	Natural gas plant
	Al Ezzel	954	Natural gas plant
Bahrain	Al Hidd	929	Natural gas plant
	Amercœur	451	Natural gas plant
	Coo	1,164	Pumping station
	Doel	2,911	Nuclear plant
	Drogenbos	538	Natural gas plant
	Herdersbrug	480	Natural gas plant
Belgium	Tihange	3,016	Nuclear plant
	Cana Brava	450	Hydroelectric plant
	Estreito	1,087	Hydroelectric plant
	Ita	1,450	Hydroelectric plant
	Jorge Lacerda	773	Coal-fired plant
	Machadinho	1,140	Hydroelectric plant
	Salto Osòrio	1,078	Hydroelectric plant
Brazil	Salto Santiago	1,420	Hydroelectric plant
	Mejillones	869	Coal-fired and natural gas plants
Chile	Tocopilla	963	Natural gas, coal- and fuel oil-fired plants
	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
United Arab Emirates	Umm Al Nar	2,240	Natural gas plant
	Cartagena	1,199	Natural gas plant
Spain	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.

Country	Site/plant	Total capacity[1] *(MW)*	Type
	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	Pumping station
	Troy	609	Natural gas plant
United States	Wise County Power	746	Natural gas plant
	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
France	Montoir-de-Bretagne	435	Natural gas plant
Greece	Viotia	570	Natural gas plant
Hungary	Dunamenti	1,041	Natural gas plant
	Paiton	1,220	Coal-fired plant
Indonesia	Paiton 3	815	Coal-fired plant
	Isab	532	Fuel oil-fired plant
	Torre Valdaliga	1,442	Natural gas plant
Italy	Vado Ligure	1,373	Natural gas and coal-fired plant
	Al-Rusail	665	Natural gas plant
	Barka 2	678	Natural gas plant
	Barka 3	744	Natural gas plant
	Sohar	585	Natural gas plant
Oman	Sohar 2	744	Natural gas plant
Pakistan	Uch	551	Natural gas plant
	Eems	1,927	Natural gas plant
	Flevo	996	Natural gas plant
Netherlands	Gelderland	592	Biomass and coal-fired plants
	Chilca	805	Natural gas plant
Peru	ILO 2	564	Fuel oil-fired plant
Poland	Polaniec	1,666	Biomass and coal-fired plants
Puerto Rico	Ecoelectrica	507	Natural gas plant
	Elecgas	840	Natural gas plant
	Pego	576	Coal-fired plant
Portugal	Turbogas	990	Natural gas plant
	Ras Laffan B	1,025	Natural gas plant
Qatar	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	Total capacity[1] *(MW)*	Type
	Deeside	515	Natural gas plant
	Eggborough	1,960	Coal-fired plant
	First Hydro	2,088	Pumping station
	Rugeley	1,026	Coal-fired plant
UK	Saltend	1,197	Natural gas plant
Singapore	Senoko	3,188	Natural gas and fuel oil-fired plants
	Gheco One	660	Coal-fired plant
Thailand	Glow IPP	713	Natural gas plant
	Ankara Boo	763	Natural gas plant
Turkey	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 (> 550 MM³ OF TOTAL USEFUL STORAGE VOLUME[(1)])

Country	Location	Gross useful volume (Mm³) [1]
France	Gournay-sur-Aronde (Oise)	1,310
France	Germigny-sous-Coulombs (Seine-et-Marne)	880
France	Saint-Illiers-la-Ville (Yvelines)	690
France	Chémery (Loir-et-Cher)	3,710
France	Céré-la-Ronde (Indre-et-Loire)	570
France	Etrez (Ain)	640
Germany	Breitbrunn[2]	992
Germany	Uelsen	840
Slovakia	Pozagas	650

(1) Useful storage volume held by GDF SUEZ, all of which are taken into account irrespective of the real ownership percentage.
(2) Site not operated by GDF SUEZ.

LNG TERMINALS

Country	Location	Total capacity [1]
France	Montoir-de-Bretagne	10 Gm³(n) per annum
France	Tonkin (Fos-sur-Mer)	5.5 Gm³(n) per annum
France	Cavaou (Fos-sur-Mer)	8.25 Gm³(n) per annum
United States	Everett	6.3 Gm³(n) per annum
United States	Neptune	3.5 Gm³(n) per annum
Chile	Mejillones	1.7 Gm³(n) per annum
Puerto Rico	Penuelas	0.8 Gm³(n) per annum

(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 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 research centers and laboratories and on partnerships with internationally recognized organizations. More than 800 researchers contribute to technological excellence in all the Group's activities. In 2013, expenditure on research and technological development amounted to €161 million.

The added value of research and innovation lies in the transformation of ideas and scientific knowledge into effective industrial applications or differentiating commercial offerings. GDF SUEZ carries out research to enhance its operating performance, and prospective corporate research programs falling 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 value chains, and carbon capture, transportation and storage (CCS).

Here are a few highlights from the 2013 programs:

- **cities and buildings of the future:** GDF SUEZ and Cofely are partners in EFFICACITY and INEF4, two energy transition institutes working on the energy efficiency of cities and buildings, launched in October 2013; the development of future city scenarios for 2030, presented at various conferences; launch of the Ecocité project in Gerland (France) to upgrade the garden city; and the Holisteec and Performer European projects to create building design and energy performance monitoring tools;
- **smart energy & environment:** provision to Group entities of a local manager for energy processes flexibility at an industrial site to optimize customer energy bills; testing of the flexibility aggregation of customers of the GreenLys project, the first full-scale smart grid demonstrator in France; sociological study of the motivation and behavior of social housing customers in relation to smart technologies in the European Showe-IT project;
- **renewable energy:** further development, in partnership, of various pilot projects and demonstrators: laying of the first stone for the biomass gasification project (GAYA project) as part of IDEEL; further engineering study of the concentrated solar thermal project at Mejillones (Chile); partnership with Alstom to develop tidal energy projects (electricity generation from ocean currents);
- **offshore LNG and future gas chains:** development of a management and decision-making tool in the field of shale gas; offshore LNG: technical studies on transfer and vatting, hydrodynamic study of interference between floating bodies; natural gas hydrates: report on industrial testing carried out in Alaska in 2012 (CH_4/CO_2 replacement technique);
- **carbon capture, transportation and storage (CCS):** slowdown in the development of the ROAD project with E.ON (an industrial-scale demonstrator in Rotterdam, Netherlands) in an unfavorable climate for CO_2 quota prices; advanced technology watch continues for the three links of the chain (capture, transportation and storage);
- **cross-functional and exploratory projects:** launch of the Valenthin project to develop low-temperature heat recovery technologies in industrial processes; HVDC: feasibility and relevance study for connection of offshore wind farms; power to gas: launch of the ADEME GRHYD project coordinated by GDF SUEZ, to study the technical feasibility of injecting hydrogen from renewable sources into the natural gas network.

In 2013, innovation and value creation were still at the heart of GDF SUEZ's business culture, with a presence in eight capital venture funds in cleantech companies (total invested amount of over €40 million); more than 100 start-ups evaluated by the Group's technology intelligence specialists; the fourth edition of the Innovation Trophies: 27 Grand Prizes and 6 Special Trophies were awarded.

Finally, in 2013, GDF SUEZ's Research and Innovation Department organized EGATEC 2013, the second European gas technology conference, under the aegis of Marcogaz and GERG. The conference brought together more than 200 European specialists and reviewed the key role played by natural gas in the European energy sector, which is undergoing profound change.

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 of the GDF SUEZ Group dedicated to the gas, new energies and emerging technologies businesses. Located in the Paris region, it had 361 employees in 2013. Its work deals with three key areas:
  - **energy products, services and systems and environmental footprint:** eco-districts and the city of the future, building energy systems, sustainable mobility, environmental assessment, life cycle analysis, industrial energy efficiency, eco-designed plants, renewable gas and new gas;
  - **operating performance, industrial safety and asset management:** LNG, industrial risk control, steel and polyethylene supply networks, gas characteristics and metrology, energy storage;
  - **integration of new technologies:** digital technologies, nanotechnologies, smart technologies, mobility tools, Big Data, security of industrial IT systems.

  Some key achievements in 2013:
  - creation of experimental sites using the guided micro-drilling machine co-patented by CRIGEN;
  - field testing of the CORTRACEUR system (CRIGEN patent), which monitors the cathodic protection of pipelines subjected to alternating currents;
  - the first nano-gas chromatograph prototype: good performance and very low maintenance;
  - LNG: testing of LNG dispersion at altitude (a world first) to validate simulation models for these types of dispersion; design of a tool for sizing transfer and recovery systems for gas evaporating from vessels used to fuel ships propelled by LNG;
  - energy transition in industry: successful laboratory testing to demonstrate the potential benefits of fired furnaces for glass fusion for the European CRAFTEM project coordinated by CRIGEN, and launch of testing on an industrial site;
  - the CRIGEN *Innovation Days,* which established a new way of working with the Group's businesses and creating value through innovation by tackling the challenges posed by the activities;
  - Leanove, an in-house start-up incubated at CRIGEN, specializing in rapid modeling and prototyping of digital solutions, was nominated for the BearingPoint-*L'Expansion* Innovation Management Awards.
- **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, Belgium. It had a staff of 237 in 2013. Its skills and activities cover the generation, transmission, distribution, storage and end use of energy. Its expertise focuses on reducing the environmental impact, improving availability, maintenance, and energy systems of the future.

  Some key achievements in 2013:
  - successful development and implementation of a more effective method – a world first – of eliminating magnetite sludge in the steam generators of nuclear power plants;
  - assistance during the construction and commissioning of two ultra-supercritical coal-fired power plants in Rotterdam (Netherlands) and Wilhelmshaven (Germany);
  - assessment of the aging and residual life of the critical components of GDF SUEZ power plants worldwide, including in Pakistan, Chile and Thailand; ranking of ways of improving the energy performance of the Group's power plants, particularly in the Netherlands, Italy and Pakistan;
  - expansion of activities in Latin America: Laborelec won the Chilean Economic Development Agency's tender for the creation of an international center of excellence, specializing chiefly in the integration of solar technologies related to energy eco-efficiency;
  - innovative lighting concepts: the LED lighting competency center developed an innovative lighting concept for the Wuppertal Nordbahntrasse (Germany);
  - new modular power management laboratory: MatchPoint is a very flexible interface for testing of power systems, decentralized power generation, energy storage and demand management.
- **Cylergie**, the Cofely research center and GIE of the Energy Services business line is based in Lyon. Its expertise is used 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 and controlling the environmental impact of our facilities.

  Some key achievements in 2013:
  - auditing tools for air treatment plants and water systems;
  - tool to study the potential benefits of setting up thermal storage on a network with a biomass boiler;
  - regulatory measurement kit for indoor air quality.

- **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 2013:

  - launch of the SESAM GRID R&D project ("future investments") for the IT security of smart grids;
  - continuation of the Smart ZAE and Smart Campus projects;
  - development of a new version of the OpenControl© multi-technical platform;

- **Tractebel Engineering**, part of the Energy Services business line, is present in 21 countries in Europe, Latin America, Asia, the Middle East and Africa and implements projects in more than 100 countries worldwide. Its R&D activity covers the following domains: sustainable energy, nuclear energy, hydropower and electricity distribution and transmission networks.

  Some key achievements in 2013:

  - launch of the European PLANGRIDEV and GREDOR programs in the Walloon region (Belgium) to define a new approach to distribution network development, taking account of decentralized generation, electric vehicles, storage and demand flexibility;
  - publication of European good practices for level 2 (nuclear) probabilistic safety assessments as part of the 7th European Framework Programme for Research.

- **The International 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

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.

2

Risk factors

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Due to the diversity of its activities, facilities and products and services, the Group is exposed to financial, industrial and commercial risks. Its leadership position in the energy 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 (ERM), 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 Audit Committee examines the risk review at least once a year. At their request, the Board's Committees are kept informed throughout the year of GDF SUEZ's exposure to financial and non-financial risks. This allows the Board of Directors to perform its duty of monitoring the effectiveness of risk management system 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, while observing the rules of governance that apply to each entity.

This policy promotes risk-taking at a reasonable level from a legal perspective, and which is acceptable to generally held opinion and economically viable. 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, Director of Audit and Risk Management 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. Risk analysis and coordination of action plans are performed in collaboration with all the Group's support functions.

Each year, the Group's ERM process begins with a risk review by the General Management 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.

2.1.3 Crisis management

GDF SUEZ may have to face crisis situations. Its economic and industrial activities, as well as its social responsibility, which can have very high profile, expose it to media attention.

To prepare for and deal with these circumstances, the Group has defined a crisis management and communication policy, which sets out general operating principles and the roles of the various participants, and it has set up a dedicated organization.

The Group is thus equipped with a warning, analysis and decision-making system that determines how and at what strategic level to handle the crisis (site, BU, business line or Corporate).

The efficiency of the system and the way that it is structured (emergency plans, business continuity plans, etc.) are regularly assessed using internal checks and appropriate training exercises.

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) and automobile insurance and prevention.

For each of these areas:

- the amounts insured depend on the financial risks resulting from claim scenarios and coverage conditions offered by the market (available capacities and tariff conditions);
- 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 2013 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 excellent 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 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 for 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 of liability or in excess of the underlying coverage taken out by 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 signatory 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 by 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 guaranties or to take out civil liability insurance up to €1.2 billion.

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, with the exception of transmission and distribution network pipelines in France. The main programs provide cover based either on new replacement value or on 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 and available offers (cost and capacity).

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 owner or operator, 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 €50 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 RISKS RELATED TO THE EXTERNAL ENVIRONMENT

The Group is sensitive to the structural and economic risk factors that affect the energy sector. These risks are all analyzed and measured as part of strategic planning processes that allow the Group to anticipate and prepare for 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 strategy").

2.2.1 Economic environment

Fiscal year 2013 was marked by the sluggishness of the European economy, weak energy demand and falling energy prices. The United States showed a tentative recovery and the economies of emerging countries continued to grow, though to a lesser extent, due to their dependence on other economic regions.

A slowdown in economic activity could have a knock-on effect of reduced demand for energy and related services by our customers, affecting the Group's business volumes and margins.

2.2.1.1 Structure of demand

In Europe, there is a decline in structural demand for gas and electricity, associated, among other things, with improvements to the energy and environmental performance of processes in industry and construction (new and existing buildings), and the eco-friendly behaviors of consumers.

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.

In view of these risks, monitoring mechanisms have been set up and business models adjusted. The Group's considerable geographic and sectoral diversity provides a means of mitigation. In addition, the Group has a range of energy services that it offers to industrial, business and residential customers, both inside and outside Europe.

2.2.1.2 Structure of supply

The duration of the crisis in Europe and the competitiveness of coal have created an overcapacity for the Group in its gas-fired plants. The Group closed or mothballed several generation units in 2013 (see 1.3.1.5 "2013 Highlights").

Policies aiming at reducing CO_2 emissions, renewable energy support systems and other regulatory and tax systems, increase the complexity of the competitive balance among different forms of energy and can firstly compromise the profitability of existing assets, and secondly create uncertainty over relevant technology choices for the future (including gas, nuclear, coal and renewables). Technology intelligence helps the Group to develop strategic scenarios that anticipate changes in the energy mix.

2.2.1.3 Business model

The Group operates in growth markets internationally, in some of which growth slowed in 2013. In some countries, the generation costs of renewable energy are competitive when compared to those for thermal energy. The diverse nature of the geographic markets in which the Group operates mitigates demand or supply-related risk exposure in these countries.

The Group's strategy focuses on the development of renewable energies (with a 50% increase in installed capacity of renewable energy between 2009 and 2015, particularly in high-growth markets) and the development of energy efficiency services.

2.2.1.4 Competitive environment

In its different businesses, the Group competes with major international players and emerging players in the private and public sectors.

Deregulation of electricity and gas markets, both in Europe and the United States, opened the door to new competitors and reinforced market price volatility. Competitive pressure has a significant negative effect on the selling prices, margins and market share of the Group's companies. The sustained economic slowdown is further exacerbating this risk.

The emergence of *smart energy* technologies affects the electricity value chain, with a new class of competitors from information technology, telecommunications and equipment manufacturers.

Furthermore, the Group also faces stiffer competition in fast-growing markets from local players.

The Group is rationalizing its operations and processes to adapt its cost structure, and is developing offers tailored to changes in its environment.

2.2.2 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. The laws and regulations that may potentially have the greatest impact on the activities of GDF SUEZ are outlined in the following subsections.

2.2.2.1 Environmental and societal 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 EU Directive on energy efficiency adopted in late 2012, must be transposed into the various Member State laws and involves, in France, for example, a very significant tightening of the rules on Energy Savings Certificates (ESC) which could have an impact on the Group's margins in France;
- the *backloading* proposal (delay in the auctioning-off of CO_2 quotas) is in the final phase of negotiations at European level: the proposed regulation authorizing the withdrawal of 900 Mt over the 2014-2016 period, reinjecting it into the market in 2019-2020, was passed by the Climate Change Committee, and should be formally approved in the coming months by the Council and the Parliament. However, in order to enable gas plants to once again become competitive compared with coal-fired plants, in addition to this *backloading*, a structural reform of the carbon market is needed, to ensure a good price level for CO_2. The EU Commission may make proposals to this effect in early 2014;
- in March 2013, the Commission published a Green Paper on the 2030 framework for climate and energy policy. According to the conclusions drawn from this consultation, the Commission prepared a package for early 2014 presenting the major policy lines of the 2030 framework for climate and energy, specifically with binding and non-binding objectives in terms of CO_2 reduction, the renewable energy component in the energy mix, and improvements to energy efficiency by 2030;
- in France, the adoption of the "Grenelle II" laws and the subsequent National Energy Transition Forum in 2013 introduced measures which restricted a number of the Group's activities, including rules on establishment, authorization procedures for renewable energy projects and water rights(1).

Changing or tightening regulations could entail additional investment or operating costs for the Group.

Beyond contractual precautions, the Group is working to limit all of these risks, principally as part of a proactive environmental protection policy (see Section 3.3, "Environmental information").

2.2.2.2 Sector regulations

In some Member States and at European level, and in a number of countries, including the United States and Australia, public measures have been implemented in the energy sector through regulation 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 withdrawal 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, by the implementation of CO_2 reduction schemes 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 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 (electricity and gas network codes, currently in development) are intended to set out network access conditions. These changes may require the technical adjustment of our operations;
- the gradual implementation of the EMIR (European Market Infrastructure Regulation) Directive: following the 2008 financial crisis, EMIR is the European response to the G20 commitments (September 2009) and aims to better monitor and improve the transparency of the market in over-the-counter (OTC) derivatives transactions. EMIR is based on the following principles: requirement for the central clearing of derivatives, requirement to *report* to a trade repository, and new risk mitigation obligations. The implementing provisions drafted by ESMA (European Securities and Markets Authority) and their supervision by national financial regulators are currently under development, with specific regard to the effective implementation date of the clearing requirement;

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

- tax on financial transactions: in February 2013, the European Commission adopted a Council Directive proposal to levy a tax on financial transactions whose entry into force is scheduled for mid-2014. The implementing provisions, specifically the criteria for the inclusion of businesses in the Financial Undertaking category have yet to be agreed by the eleven Member States participating in enhanced cooperation;
- State subsidies: the Directorate General for Competition at the European Commission (DG-COMP) is preparing a revised version of the guidelines on state subsidies in the energy and environment field. This could have an impact on the Group's business if it changes the rules regarding support mechanisms for renewable energy or energy efficiency, infrastructure financing, environmental tax exemptions and fee waivers on the financing of renewable energy (preferential rates for industrial partners), and capacity payment mechanisms;
- 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;
- in Brazil, the Group is exposed to regulatory changes on electricity markets; for instance, a portion of the costs ensuring the security of the electrical system could be transferred to producers, or the guaranteed purchase volume could be revised.

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 multiple countries. Furthermore, some regulatory developments offer new market opportunities for the Group's activities.

In addition, other risks are discussed in Section 1, through the description of the legislative and regulatory framework in which different entities operate.

2.2.2.3 Controlled, administered or regulated tariffs

In France, a portion of the Group's sales are made in the context of administered tariffs. 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 impact of procurement, infrastructure and commercial costs on natural gas selling prices or the partial impact of costs on gas infrastructure access tariffs or electricity sales from renewable energy.

The new tariff framework for natural gas sales in France, introduced in early 2013, enabled the smoothing of tariff changes and a reduction in 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, Brazil and Mexico, for energy generation, distribution and sales.

2.2.2.4 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 permits and authorizations 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, or in relation to energy price protests.

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").

2.2.2.5 Country risk

The Group's operations are mainly focused in Europe (France, Belgium, Spain, etc.) and the United States, which together accounted for approximately 85% of consolidated revenue (by destination country) in 2013. These countries carry a number of potential risks, whether political, economic, regulatory or financial.

The Group is expanding in growth markets such as Brazil, Chile, Thailand, Indonesia and Peru, which are undergoing mixed economic and political developments. A significant share of gas supplies and exploration-production business comes from countries such as Russia, Algeria, Egypt, Libya and Yemen. 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 growth 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. The inclusion of arbitration clauses in international contracts is applied as widely as possible.

2.2.3 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.

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 supplier bookings are not adequate, 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 modulate its gas purchases and rationalize its electricity production, which enables it to adapt its production and supply costs (see Section 2.3.1 – "Purchases and sales").

In the longer term, the Group is looking at ways of combining sustainable development and managing the impact of climate change on its business.

2.2.4 Reputational risk

The Group is exposed to reputational risk, both directly and indirectly, especially when the Group's values, its operational excellence or its legitimacy as a utility are called into question.

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.

Through its policies, organization, procedures and governance, the Group endeavors to prevent operational risks (see Section 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 Purchase and sale of natural gas

The Group has established a portfolio composed in part of long-term, *take-or-pay* contracts (see Section 1.3.1.6.1 "Central Western Europe").

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 in the marketplaces) as well as a diversified portfolio.

Prices of long-term purchase contracts (partially indexed to the price indices of oil products) may be decorrelated from selling prices or prices in the gas markets, and this difference could have a significant impact on the Group's earnings. Negotiations in recent years have led to the integration of market indices in long-term contracts and/or the reduction of the difference between the contract price and market price. They have also led to an increased frequency in price revisions.

2.3.1.2 Electricity sales on markets

The Group is an electricity producer in Europe and the United States, where the profitability of its assets is linked mainly to prices in electricity markets. The economic climate or decisions by some states regarding the electricity sector may lead to volatility in electricity prices, which may have an impact on Group earnings.

2.3.1.3 Operating risks related to the purchase and sale of energy

The main risks related to regulated sales are outlined in Sections 2.2.2.2 "Sector regulations" and 2.2.2.3 "Controlled, administered or regulated rates".

Some of the Group's subsidiaries have signed contracts, which are often long-term (for example, *Power Purchase Agreements*), particularly with public authorities, whose execution may depend on 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 (industrial, local governments and individual consumers). The Group thus believes that no relationship exists binding it to a customer for which termination would have a major impact on the Group's financial position and earnings.

In its portfolio optimization activities for physical assets (power plants, long-term contracts, etc) 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".

2.3.1.4 Purchase risks and supply chain risks (excluding energy)

Purchases (excluding energy) and the associated supply chain are essential for all of Group's business lines and one of the essential conditions for its performance. Group companies may depend on a limited number of suppliers for their supplies of fuels, materials, equipment and services. Specific risks are attached to purchases for projects (see Section 2.3.2.2 "Risks affecting organic growth transactions and major projects").

The variety of the Group's businesses and their diverse geographical locations allows for the diversification of risks and provides protection against the risk of failure of a major supplier. In addition, the supplier selection process is strengthened and alternatives are identified. Specific attention is paid to critical suppliers.

2.3.2 Management of assets and development

2.3.2.1 Optimization of the asset portfolio

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 interest 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 Group also sells assets for which it may retain certain liability guarantees.

The acquisition processes implemented by the Group, particularly during due diligences, 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 operations and major projects

The Group bases its growth on various major industrial asset construction projects, such as gas and electricity plants and dams, where it usually acts as owner and/or operator. The profitability of these assets – whose service life is several decades – depends greatly on cost control and construction times, the operational performance of the industrial asset, 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 or asset impairment.

Design, purchase of materials and construction activities are to a large extent sub-contracted via contracts that provide for at least partial compensation should a risk listed above occur. The implementation of contract management arrangements also allows for better control of contractual risk, in respect of our customers and principals, as well as our suppliers and sub-contractors.

The Group is also responsible for the facility design and construction phases of some projects, in particular through specialized subsidiaries within the Energy Services business line. Although these projects are always subject to in-depth studies and the Group has acknowledged expertise, construction deadlines may not always be met resulting in penalties, 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. This could have a negative impact on the Group's image, financial situation, or earnings.

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

2.3.2.3 Risk of nuclear development and projects

In the wake of the Fukushima accident, some countries have frozen or postponed projects in development, while others have continued or adopted a strategy of active development. The Group actively monitors these developments, joining forces with a Japanese consortium for the second nuclear project in Turkey.

In Belgium, in accordance with the decision made by the Government on July 4, 2012, and in line with the 2003 law, the Group is preparing for the closure of Doel 1 and 2 in 2015. In contrast, the 10-year extension beyond 2015 of Tihange 1 was decided upon (see Section 1.3.1 "Energy Europe business line", Section 2.4.4 "Nuclear power plants in Belgium" and Note 5.2.2 of Section 6.2 "Consolidated financial statements").

The Group has established governance principles for development, construction, operation and decommissioning based on its experience as a nuclear power plant operator. It is active in employee recruitment, training and retention, both for facilities in operation, service entities and Group projects. For its various nuclear projects that are currently in pre-development, its immediate financial exposure is not 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.

2.3.3 Legal risks

The Group faces legal risks in all of its businesses and in 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 Section 2.

In the course of its operations, the Group is engaged in a 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 28 in Section 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. Policies are established to avoid, as far as possible, the occurrence of such risks (see Section 3.1). The identified ethical risks are analyzed and the corresponding action plans 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 calls for a wide variety of skills worldwide. Its international growth requires new know-how and the mobility of certain key employees. In addition, demographic aging affects 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. In Europe, an agreement on the early management of jobs and expertise has been negotiated with social partners. 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 by ensuring that compensation and motivation incentives are suited to the employment environment.

2.3.5.2 Social dialogue

The Group must become more agile in order to adapt to its markets. In this context, consultation and negotiation play their part in governing social relations.

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 life in the workplace. This framework means that social partners are involved at the earliest possible moment in the strategic and industrial objectives pursued by GDF SUEZ.

As part of its development strategy outside Europe, the Group regularly holds discussions with Global Union federations.

2.3.5.3 Quality of life in the workplace and managerial behaviors

The implementing of appropriate terms of engagement, the motivation of its employees and the prevention of psychosocial risks are part of the Group's ambition.

To help managers, the Group invests in the promotion of 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"). Particular attention is also paid to the managerial chain to provide assistance in its role in change management.

Structures are deployed at the most appropriate level: being attentive to employees (call numbers, barometer surveys, etc.), quality of life in the workplace programs, information on career development, development of expertise and 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 protection of Group assets

2.3.6.1 Health and safety at work

The Group is firmly committed to eradicating fatal accidents and reducing occupational accidents and illnesses. The Group policy outlining the principles was developed and agreed with the union federations, and an action plan was set out for 2010-2015. Rules specifically covering temporary employees, the management of subcontractors, purchasing management, project management, inclusion of health and safety in manager appraisals, the 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. A specific plan for the sustainable elimination of fatal accidents was launched in 2012. It relies specifically on nine “lifesaving rules” to prevent the reoccurrence of past fatal accidents.

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 implements a policy for the protection of tangible and intangible Group assets, covering technical (including IT), legal, managerial and organizational areas. Sensitive sites where tangible corporate assets are located are subject to protective measures tailored to the local situation and revised according to the actual threat status. The Group is continuing to act to protect its intangible Group assets, in order to prevent any internal or external action aimed at capturing and using 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) expose the Group to new threats. Cyber-attacks and hacking attempts are increasingly targeted and carried out by specialists, and can target the company along with its private or public partners. More generally, system failure could result in information losses or leaks, delays and extra costs that could be detrimental to the Group’s strategy or image.

In response, the Group has set up security measures for its information systems that are tailored to the risks identified. In connection with the Group’s internal control policy and its security policy, these organizational, functional, technical and legal security measures are subject to annual checks.

2.4 INDUSTRIAL RISKS

The areas of activity in which the Group operates entail major industrial risks capable of causing damage to persons (including employees, subcontractors, neighboring residents, consumers and third parties) and property, and 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 (industrial clients or local authorities). The industrial safety of the facilities that the Group operates is one of its major concerns. The handling of these risks is subject to in-depth monitoring and specific targeted investments, audits of the facilities in question are performed regularly.

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, hydro 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 and/or environmental damages, as well as activity interruptions and operating losses.

The Group carries out its activities in compliance with a 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. Moreover, the risk of industrial accidents is part of 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 the risk of accidents linked to their failure.

The Group also identifies a risk of accident on facilities in construction causing physical harm (to Group employees, temporary workers and third parties) and damage to equipment and the environment. This risk is taken into account as part of the Group's internal control program, "INCOME", and is subject to a specific rule.

For the most part, these risks are covered by insurance policies. In the event of a major claim, given certain limitations, these policies could prove insufficient to cover all damages incurred, lost revenues, civil liabilities 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. In 2013, the Group updated its 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 stations and thermal power plants. For each facility of this type, the Group defined and implemented a safety management system, in accordance with European Directive known as "Seveso II[(1)]". 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 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, since the commissioning of the first reactor in 1974, these sites have been without any major nuclear safety incidents that could have resulted in danger to employees, subcontractors, the general population or the environment. This type of activity could present civil liability risks for the Group, specifically in the event of a nuclear accident or the discharging of large quantities of radioactive waste into the environment.

All persons working at Group nuclear power plants have appropriate qualifications, in particular control room operators. During operations, compliance with safety rules and conditions at the facilities are subject to inspection by the Belgian Federal Agency for Nuclear Control (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. Two audits were conducted in 2013 – one at Doel, the other at Tihange. These audits, conducted by independent international bodies, confirm 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.

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. The AFCN confirmed in its report of November 8, 2011 that the safety level was adequate. Its final report, published at the end of 2011, requested that some safety measures be strengthened to take account of more severe natural disasters. 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 defects were detected in the wall of the reactor vessel at Doel 3. 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. Supporting reports were sent to the public authorities in December 2012. After analysis, the AFCN ruled in favor of restarting Doel 3 and Tihange 2. Both units were restarted in early June 2013, and will undergo a similar inspection at the end of the next fuel cycle in 2014. The other tanks, which have a different design, were also inspected, with the two tanks already examined in 2013 not showing any signs of deterioration.

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). In the second half of 2013, barrels of intermediate radioactive waste from the Doel plant, stored at Belgoprocess, were subject to additional checks related to the discovery of a chemical reaction probably related to the presence of aggregates in the concrete encasement. This reaction resulted in the formation of silica gel, the precise origin of which is still under investigation in liaison with ONDRAF. However, this issue has no effect on the safety of the environment or the population. The phenomenon was not detected at the Tihange plant, where a different encasement process is used, one that does not contain aggregates.

In addition, spent nuclear fuel is stored at power production sites pending a political decision on the fuel cycle downstream process. Costs associated with the management of spent fuel and the dismantling of facilities are included in the costs of electricity production from nuclear sources and are the subject of provisions. The assumptions and sensitivities regarding the assessment of these amounts are outlined in Note 18.2 of Section 6.2 "Consolidated financial statements".

(1) Directive 96/82/EC ("Seveso II") as amended by EC Regulation 1882/2003 and Directive 2003/105/EC.

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, etc.).

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. As far as possible, the Group teams 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

2.5.1 Commodities market risk

The Group is principally exposed to two types of commodity market risk: 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 in the course of its operations, 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 portfolios include sensitivity to unit price changes, the 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 Section 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 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 relies on derivative products linked to energy 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).

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).

2.5.3 Foreign exchange risk

The Group is exposed to foreign exchange risks 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) a transactional risk related to current operations, (ii) a specific transactional risk related to investment, merger-acquisition or disposal projects and (iii) a 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, Australia and the UK.

For an analysis of foreign exchange risk sensitivity, see Note 16.1.3.2 of Section 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. Finally, the risk related to the corporate assets outside the euro zone is covered by partial hedging strategies subject to a reasonable hedging cost and sufficient market liquidity as regards the risk of currency depreciation. 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.

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, with this in view, 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 of interest rates by outstanding financial debt and sensitivity analysis for interest rate risks are available in Note 16.1.4.1 and Note 16.1.4.2 respectively of Section 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 derivatives.

Liquidity is based on the regular renewal of various financing tools available to the Group such as credit lines, bond financing or other financing tools, to ensure their availability and their adequacy in relation to 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 Section 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 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.

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 Section 6.2 "Consolidated financial statements").

2.5.7 Equity portfolio risk

At December 31, 2013, the Group holds a number of non-consolidated interests in listed companies (see Note 15.1.1 in Section 6.2 "Consolidated financial statements"), the value of which fluctuates on the basis of trends in the world stock markets and/or the position of the relevant companies.

A decline of 10% in the stock market price of these listed securities would have a negative impact of about €114 million on the Group's overall income. The Group estimates 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.

In addition, the Group holds interests in listed companies consolidated using the equity method, including SUEZ Environnement (see Note 13 to Section 6.2 "Consolidated financial statements"), for which a significant or extended fall in the price below the value on the balance sheet is an indication of impairment.

2.5.8 Tax risk

Rule tightening by States seeking financial resources cannot be ruled out. 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 28.1 of Section 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 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 (EGI) plan, which is a legal statutory plan.

Note 19 of Section 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 EGI 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 EGI 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 EGI statutory plan).

3

Social and environmental information, corporate social commitments

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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 the general framework for the professional behavior of every employee. It specifies four fundamental principles: acting in accordance with laws and regulations; establishing a culture of integrity; behaving fairly and honestly; and respecting others. It also describes the ethics governance system;
- the "Ethics in Practice" guidelines, which specify the implementation procedures for ethics in business situations on a daily basis;
- the Integrity Referential, which describes the way the Group is structured to manage the risks to which any breach of integrity exposes it, and sets out the action plan for the prevention of fraud and corruption, which includes: the implementation of the business consultants policy and the new governing principles for business relationship, particularly for gifts and invitations;
- the Managing Ethical Compliance Referential, which specifies the organization and the processes deployed to achieve effective ethical measures;
- a Human Rights Management Referential.

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 and compliance organization is overseen by the Board of Directors. The Ethics, Environment and Sustainable Development Committee, which reports to the Board, assists it with subjects relating to governance, ethics and compliance.

The Ethics Officer Steering Committee (EOSC) and the Compliance Committee (CC), both chaired by the Group Ethics Officer, initiate and implement 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 referentials and promotes their implementation within the Group. The ECD coordinates a decentralized network of more than 190 ethics officers within the subsidiaries, BUs, business lines and operating divisions and works 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 15 indicators, including the distribution of ethics documentation, training and the establishment of ethics policies. The resulting annual compliance report is presented to the Management Committee and the Ethics, Environment and Sustainable Development Committee of the Board of Directors;
- 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 the risk of fraud and corruption;
- the inclusion of ethics in the annual appraisal process for senior managers;
- 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 respect of human rights, in the assessment of 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

The GDF SUEZ Group is a large and committed employer. The aim of its human resources function is to contribute to the Group's transformation in four key areas: anticipating and preparing for the future; playing a major role alongside managers; increasing the contribution of individuals and employee groups; and making the HR function stronger, more attractive and more effective. All HR actions are closely focused on two cross-cutting aspects: the obligation to be committed to the health and safety of everyone, and the desire to mark our actions and conduct with a social imprint.

In 2013, HR policies and orientations were launched with, and for, the Group's operating partners, to support the changes and transformations, to broaden the managerial culture, and to involve employees and enhance their employability, for an optimized, well-coordinated HR performance in the service of the Group's line management.

With this in mind, GDF SUEZ adopted the "GDF SUEZ Management Way", a shared management referential for its 33,000 executives and managers (editor's note: the managerial score represents 20% of the Management Way, and rewards management quality, successful cross-functional initiatives and social performance), which was rolled out to support the Group's transformation. "GDF SUEZ Management Way" defines three key pillars:

- "People Leadership": develop and enhance the careers of its employees (development and support, promoting mobility, and 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.

"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 the cross-functional and shared knowledge of employees at every level of the organization (manager and HR manager). 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 cross-functional 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.

3.2.1.1 "Recruiting for Development"

To position the Group as a benchmark employer, four key principles drive our recruitment -practices:

- make recruitment a major lever for ethics and corporate social responsibility;
- develop a strategic recruitment vision;
- guarantee and strengthen the employer promise;
- strive for efficiency, strong performance and professionalism.

To increase its attractiveness to specific talents, especially senior technicians and women in the technical professions, a new advertising campaign was rolled out in the final quarter of 2013. A major operation, "GDF SUEZ employment encounters" was held for the first time, with 8,000 people hosted by 600 employees throughout France.

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;
- the partnership with the "*Challenge du Monde des Grandes Ecoles et Universités*";
- academic partnerships with Europe's most highly specialized institutions;
- a recruitment program for young engineers via social networks for a 2-year trainee program at operating sites in Latin America[1].

In France, the Group aims to develop work-based training[2]. At the end of 2013, 3,412 trainees had been hosted by the various subsidiaries.

3.2.1.2 "Mobility for Development"

With a target of 10,000 transfers a year by 2015, and nearly 5,500 transfers carried out at end 2013, 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;

(1) More than 76,000 visits to the site with a greater than 10% engagement indicator ("likes" or "followers").

(2) Registration to government target of 800,000 such trainees by 2015.

- contributing to developing employability;
- encouraging knowledge sharing and innovation development.

Five principles have been established to increase mobility at 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.

Tools to encourage mobility were developed in 2013. 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 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 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"

In 2013, the Group confirmed the importance given to employee training and employability with a learning policy. In line with this policy, more than two-thirds of the workforce attended at least one training session. The Group implements several training channels for all its employees:

- GDF SUEZ University for 33,000 executives, high-potential managerial staff and managers: GDF SUEZ University extended its offering in 2013, supporting the Group's geographical expansion by hosting nearly 6,400 managers from 48 countries for 181 learning sessions;
- the "Learning" functional line provides training programs within all the Group's businesses and in general skills; 92,000 employees were given access to e-learning tools on a dedicated platform;
- 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[1];
- personalized career development support for senior managers;
- development of «Experts», aiming to promote them and enhance their progress, rewarding them with Human Capital trophies;
- deployment of "Development Centers", development and personal awareness tools.

It is worth noting that, at the end of 2013, there were 633 senior managers, 14.8% of whom were women (compared with 11.5% in 2011). Twenty-six percent of new managers appointed in 2013 were women.

"Leaders for Tomorrow" ("LFT")

The aim of the LFT program is to anticipate the needs of talented Group employees, while attracting and retaining staff with management potential.

Of 33,000 managers, including 633 senior executives, 2,300 LFTs can potentially be regarded as managers of the future, 27.7% of whom are women.

This pool produces 80% of new managers on average.

"Development for Functional Lines"

The functional lines wanted to set up an HR initiative 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 and organizing key-manager appraisals.

This approach, which was initiated by the Finance functional line, has been established for a year in the Legal, Purchasing, Health & Safety, Communications, Information Systems, Audit and Human Resources functional lines.

The HRD has also encouraged the inclusion of HR projects in submissions to the Group Innovation Trophies. These projects were included in the HR Yearbook for the year, along with 100 other initiative demonstrating our HR aims.

The year 2013 also saw an increase in communities on in-house social networks, dedicated to sharing practices in various fields. Knowledge Management was active in 2013 on these topics and training.

(1) For example, 60 young women were mentored in 2013 by a senior manager, who had himself been supported by the program.

The Group's 13 HR networks (7 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.

3.2.2 Social commitment: building a company committed to corporate 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 company committed to corporate 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 its entire workforce in France (109,000 employees in 2012), with the aim of obtaining a general label in early 2014. AFNOR carried out an interim audit of entities within the first scope of consolidation (GDF SUEZ and Energy Services business line).

GDF SUEZ also pursued efforts to raise diversity awareness among managers, in the HR functional line and among employees. An extensive communications campaign was also launched to showcase the diversity of profiles/pathways using real testimonials.

Professional and gender equality

The Group signed a framework agreement on professional gender equality on April 9, 2013 with the Minister for Women's Rights. GDF SUEZ has confirmed these objectives and is also committed to exchanging good practices at regional level, with SMEs and SMIs. As a reminder, 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 women;
- 35% of high-potential managers (LFTs) will be women;
- 25% of managerial staff will be women;
- 30% of new hires will be women.

The WIN (Women in Networking) network has more than 1,200 members and offers regular dialogue and group reflection on professional challenges and Group strategy. The network is now active in five countries.

Seniors and Intergenerational policy

In September 2013, GDF SUEZ and two trade union federations signed a "Generation Contract" agreement. Under this agreement, the Group has undertaken to recruit 8,000 young people under 35 years of age on permanent contracts in France by 2015, including 3,000 under 25 years of age. It also aims to achieve a 5% proportion of trainees within the total workforce, and to recruit 50% of these at the end of their training. In 2013, 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. The recruitment rate for the over-fifties on permanent contracts reached 6.1% in 2012, compared with a target of 3%. The transmission of knowledge and skills will be encouraged by the arrangement of retirement periods and training incentives for the youngest employees. The agreement creates a new system for over-55s preparing for retirement, who will train the youngest employees.

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.

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. The Group has developed an extranet site with the Purchasing Department dedicated to purchasing from the sheltered and adapted employment sector called "Handyachats". This was promoted during Handiweek events.

(1) For a full description of the Group's Corporate Social Responsibility policy, also see Section 3.4 – "Corporate Societal Commitments".

(2) The association responsible for the fund that helps people with disabilities into employment.

In July 2012, the Group established a reporting system so that the numbers of workers with disabilities and their impact on recruitments could be identified more clearly. The first "disabled recruitment day" took place in 2013, where 55 candidates applied for 19 job openings.

GDF SUEZ renewed its partnership agreement with the Belgian Paralympic Committee for three years. The partnership (renewed in March 2013 for three years) aims to increase the employability of, and help into employment of young athletes with physical disabilities at the Belgian subsidiaries in the GDF SUEZ Group, enabling them to work to adjusted hours and under adapted conditions while pursuing top-level athletic careers (e.g. the Paralympic Games and World Championships). The partnership agreement was signed by the Ministers of Sport, the Secretary of State for Disabled People, the sporting leagues and the GDF SUEZ Group.

3.2.2.2 Integration and support in finding employment

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

In France, the Group relies on local projects, French employment agencies and its partnership with Mozaik HR, which enabled it to recruit 25 trainees from diverse backgrounds in Île-de-France and 123 in Belgium in 2013.

Inclusion through sports and work

With FACE (Foundation for Action against Exclusion), the Group plays an active role in several innovative projects aimed at using sports as a lever and platform for social and professional integration, including the "Drive-Play-Work" operation, in partnership with the Ministry of Defense, sports federations[1] and regional authorities, which in 2013 supported 220 young people in four regions, including Lyon.

The Group is multiplying its actions for integration and support in finding employment, largely through dedicated structures. SITA Rebond[2] specializes in the inclusion of populations in difficulty through economic activity. It develops and implements projects to enhance employability and offers individual support for the long-term unemployed, recipients of social minima benefits, unskilled young people under the age of 26, workers with disabilities and older workers.

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[3] and Paris-Dauphine[4]. 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 voluntary basis, who are part of a "Sponsorship" network.

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

3.2.3.1 Employee representation in the Group

The representative bodies are places for consultation and collaboration between management and employee representatives.

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, and amended on July 23, 2013 to take account of the deconsolidation of SUEZ Environnement.

With 40 members representing the Group's 125,899 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 13 members representing eight countries meets once every two months.

Working groups established for each business activity (Energy and Services) or theme also contribute to this dialogue.

In 2013, the EWC held four full-session meetings, the EWC secretariat held nine meetings and the business working groups held eight meetings.

(1) French Handball Federation and Rugby Clubs such as Béziers and Lille.

(2) A subsidiary of Sita France, SUEZ Environnement Group.

(3) The CEPs (Priority Education Agreements) and PRESAGE (Program of Research and Teaching on Gender Knowledge).

(4) Diversity Management Chair, which gives Group managers the opportunity to receive this training.

French Group Works Council

An agreement signed on June 2, 2009 also launched the French Group Works Council. This body represents more than 74,000 employees in France. Two meetings were held in 2013.

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.

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);
- The Generation Contract (see Section 3.2.2.1) agreement signed by two trade union federations on September 25, 2013;
- 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 2013, as in previous years, for the various agreements signed to measure the application of these agreements and associated 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 2013, the ISO organized 10 public meetings on a range of topics (e.g. local managers, quality of life at work and employee commitment, Europe in globalization and the performance of socially responsible enterprises) and a symposium on social relations in Morocco. The records of these gatherings are available at www.observatoire-social-international.com.

3.2.4 Employee savings plans

3.2.4.1 Group Employee Savings Plan Policy

These plans are available to employees of companies that are fully consolidated or whose share capital is majority-owned, directly or indirectly, by GDF SUEZ SA. Since the deconsolidation of the SUEZ Environnement Group on July 22, 2013, the employees of the SUEZ Environnement Group have not had access to the savings plans of the GDF SUEZ Group.

Savings plans

In France: since the end of 2009, GDF SUEZ Group employees in France[1] have had access to a Group Savings Plan (PEG), which includes the employee shareholding funds as well as a large range of diversified savingsoptions.

Outside France: measures have also been put in place in other countries to allow employees to save, under terms adapted to local laws.

Retirement savings plans

In France: Since 2010, all Group employees in France may, at their own pace, build fund for retirement by paying into the GDF SUEZ Group Collective Retirement Plan (*Plan d'Epargne pour la Retraite Collectif*-PERCO).

To take account of diverse local economic and social situations, implementation measures and information are spread 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 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 (up until July 2013).

3.2.5 Employee shareholding

GDF SUEZ continues to operate its proactive employee shareholding policy in order to involve all employees in the Group's collective success and to increase the employees' stake in the capital of GDF SUEZ.

In total, at the end of 2013, employees had received approximately 21 million free shares since the first plan in 2007. Of this total, 7.6 million shares in the vesting period of the respective plans representing a 0.31% stake in GDF SUEZ.

At the end of 2013, employees held 2.35% of the share capital (including 1.84% 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.

The Supervisory Boards of the employee sponsored mutual funds comprise shareholder representatives; at least half of them are company representatives designated under the procedures set out in the funds' rules. Although the Supervisory Board is composed in an equitable way, its chairman, who must be chosen from the shareholder representatives, holds the casting vote.

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 2013) to fund social activities for workers in the electricity and gas industries (EGI) 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 and under the exclusive supervision of the public authorities.

3.2.6.2 Profit-sharing and Incentive plans

GDF SUEZ SA and all the trade union organizations representing its employees signed a new incentive agreement on June 24, 2011 for the 2011-2013 period. The amount paid out in 2013 for 2012 was €21.7 million (to 8,954 employees).

The employee profit-sharing agreement for GDF SUEZ SA was signed on June 26, 2009. Application of the statutory profit-sharing formula for 2012 resulted in no payment being made to employees in 2013.

3.2.7 Health and safety policy

3.2.7.1 Improved performance

The Group has continued to see an improvement in its employee accident rate and safety performance, with the following changes in the 2008-2013 period:

- a 36% reduction in the accident severity rate, from 0.33 to 0.21;
- a 45% reduction in the accident frequency rate, from 8 to 4.4;
- a reduction in the mortality rate[1] from 4.3 to 0.

The frequency of commuting accidents[2] also improved, falling from 5 to 4 between 2010 and 2013.

This progress is the result of improvements at all the business lines.

This performance is better than the target (frequency rate < 4.9 at end-2013) and has reinforced the Group's position of excellence.

The Group's performance in terms of occupational health is encouraging, with a reduction in absence rate for medical reasons of 5% in five years. A new indicator has been added to the dashboard since 2012: the number of new cases of occupational diseases. Consolidated within the scope of France in 2012, this number was 133 worldwide in 2013[3].

With regard to external and temporary service providers, 11 fatal work-related accidents were recorded in 2013, compared with 6 in 2008. The frequency of workplace accidents among temporary workers decreased from 20.1 to 12 in 2013.

(1) Number of fatalities due to occupational accident/100,000,000 hours worked.

(2) Number of commuting accidents that occurred during the year under in question and involved at least one day of work stoppage, multiplied by one thousand, and divided by the number of employees in the workforce.

(3) 77.5% of the total were in France.

3.2.7.2 Targets

The progress targets for the period 2010-2015 have been set. They relate to reducing occupational accidents as follows: (i) an accident frequency rate of less than 4 in 2015 and (ii) eradicating fatal accidents with a causal link to the Group's activities.

3.2.7.3 Improvement actions

The Health and Safety Action Plan for 2010-2015 describes the actions to be implemented to achieve its targets for the 2012-2015 period. In 2012, it was supplemented by the plan for the Long-term Eradication of Fatal Accidents. This involves two key areas of focus: (i) better project management and relations with subcontractors, and (ii) fostering employee commitment to the "9 Life-Saving Rules".

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). They are reported via a quarterly email from the Chairman to senior management, via the functional line newsletter and on the Group intranet.

The management mechanism

The key principles of the Group's health and safety policy are set out in a Group agreement signed by the Chairman and employee representatives. The Group's "9 Health and Safety Rules" establish the minimum requirements to be applied by all Group subsidiaries worldwide. The deployment of these principles and requirements is verified by means of internal audits performed by the health and safety functional line. The management mechanism aims to continuously improve the control of health and safety risks. As part of the ERM process, the level of control is evaluated at least once a year by line managers and by the Group Health and Safety Department.

The *INCOME* mechanism provides a framework for the internal audits carried out by the line managers on tools for controlling industrial risks.

In addition to these structural measures, the Group places great emphasis on benchmarks and feedback as vectors for maximizing performance. The "9 Life-Saving Rules" were established after an external benchmarking exercise and a study into fatal accidents occurring at the Group. If these rules had been in place, most of the fatalities could have been avoided.

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, evaluate the results and set targets to improve the effectiveness of the management system. Specifically, these reviews are intended to assess the effectiveness of initiatives implemented as part of the plan to eliminate fatal accidents and to develop action plans to achieve its targets.

Finally, at least 10% of the performance-related pay of managers is based on their commitment to improving occupational health and safety, and their teams' results.

Training

Training effort continued in 2013: 26.6% of the total number of training hours delivered were devoted to quality, safety and the environment, and 712 managers were trained in health and safety leadership at GDF SUEZ University.

Raising awareness and sharing practices

A range of measures are used to strengthen the health and safety culture by helping to involve all Group employees in their own health and safety and that of others.

In particular, *Reflex*, the in-house health and safety magazine (167,000 copies published in eight languages), continues to communicate the good habits and behaviors to be adopted in everyday life.

Based on the fact it is not enough to be convinced of the merits of a rule to provoke a lasting change in behavior, in 2013 the Group launched the "9 Life-Saving Rules" initiative to involve all its employees, and dedicated the global day for health and safety to this theme.

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.

In addition, the AGORA website enables everyone to share practices that have been successfully implemented in their entities, access a library of management guides drawn up using internal and external benchmarks, and find experts with the same interests.

3.2.7.4 Dialogue with social partners

Dialogue between employee representatives and trade union organizations, ruled under two Group agreements (fundamental health and safety standards [worldwide] and the prevention of psychosocial risks by improving the quality of life at work ([France], see Section 3.2.3.2), continued at the local level, the Group level and locally in each business line in 2013. The Health and Safety Steering Committee monitored the Group's results, analyzed the causes of serious accidents and the preventive measures put in place, and gave its opinion on proposed changes in the Group's standards.

Monitoring committees for the various collective agreements signed at the Group level in France met to review implementation of Group commitments.

3.2.8 Social data

			Energy Europe			Energy International		
	Grenelle II Law	GRI	2013	2012	2011	2013	2012	2011
Employment								
TOTAL WORK FORCE ■■	**1.A**	**LA1**	**26,015**	**27,194**	**27,386**	**10,756**	**10,806**	**10,993**
Workforce by geographic region ■■	**1.A**	**LA1**						
France	1.A	LA1	11,521	12,038	11,450			
Belgium	1.A	LA1	6,416	6,797	7,088	59		112
Other European Union	1.A	LA1	8,078	8,359	8,848	1,020	1,117	1,188
Other European countries	1.A	LA1						
Total Europe	1.A	LA1	26,015	27,194	27,386	1,079	1,117	1,300
North America	1.A	LA1				2,122	2,239	2,406
Latin America	1.A	LA1				3,321	3,327	3,324
Asia-Middle-East-Oceania	1.A	LA1				4,234	4,123	3,963
Africa	1.A	LA1						
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Breakdown of workforce by SPC	**1.A**	**LA1**						
Managerial staff ■■	1.A	LA1	6,580	6,803	6,606	2,689	2,097	2,136
Non-managerial staff ■■	1.A	LA1	19,435	20,391	20,780	8,067	8,709	8,857
% Managerial staff	1.A		25.3%	25.0%	24.1%	25.0%	19.4%	19.4%
% Non-managerial staff	1.A		74.7%	75.0%	75.9%	75.0%	80.6%	80.6%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Breakdown of workforce by type of contract	**1.A**	**LA1**						
Permanent	1.A	LA1	94.1%	94.1%	95.2%	97.9%	97.3%	97.0%
Other	1.A	LA1	5.9%	5.9%	4.8%	2.1%	2.7%	3.0%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Age pyramid of permanent employees	**1.A**	**LA1**						
Under 25 years old	1.A	LA1	2.1%	2.7%	3.1%	3.2%	3.8%	3.9%
25-29 yrs old	1.A	LA1	10.4%	12.1%	13.0%	11.6%	11.5%	11.9%
30-34 yrs old	1.A	LA1	16.6%	16.4%	15.8%	15.2%	15.9%	15.9%
35-39 yrs old	1.A	LA1	15.8%	15.5%	15.6%	15.8%	16.0%	16.2%
40-44 yrs old	1.A	LA1	16.0%	16.0%	16.1%	15.2%	15.2%	14.6%
45-49 yrs old	1.A	LA1	14.4%	13.4%	12.8%	13.6%	13.6%	13.3%
50-54 yrs old	1.A	LA1	12.8%	12.9%	13.1%	11.3%	10.9%	11.2%
55-59 yrs old	1.A	LA1	9.8%	9.3%	9.0%	8.6%	8.2%	8.0%
60-64 yrs old	1.A	LA1	2.1%	1.8%	1.5%	4.4%	4.2%	4.2%
65 +	1.A	LA1	0.1%	0.1%	0.0%	1.1%	0.9%	0.8%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Female workforce ■■	**1.F**	**LA13**	**8,189**	**8,489**	**8,563**	**1,799**	**1,857**	**1,883**
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Diversity and equal opportunity								
Proportion of women in workforce ■■	**1.F**	**LA13**	**31.5%**	**31.2%**	**31.3%**	**16.7%**	**17.2%**	**17.1%**
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Proportion of women in management	**1.F**	**LA13**	**28.7%**	**27.9%**	**26.9%**	**18.5%**	**18.5%**	**19.4%**
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Proportion of Apprenticeship workforce	**1.F**	**LA1**	**1.8%**	**1.8%**	**1.7%**	**0.3%**	**0.4%**	**0.4%**

(1) The GDF SUEZ Group includes the six business lines as well as Corporate.

(2) Scope: see 3.2.8.2, Note on methodoly of health and safety indicators.

■■ *For financial year (FY) 2013.*

Global Gas & LNG			Infrastructure			Energy Services			Environment				GDF SUEZ Group[1]	
2013	2012	2011	2013	2012	2011	2013	2012	2011	2012	2011	2013	2012 recalculated without SE	2012	2011
1,993	**1,828**	**1,787**	**17,660**	**18,132**	**17,803**	**87,528**	**78,394**	**77,203**	**79,549**	**80,410**	**147,199**	**139,781**	**219,330**	**218,873**
512	478	518	17,439	17,912	17,599	42,251	41,900	41,139	34,067	34,982	74,214	74,955	109,022	108,319
					0	10,577	10,664	10,477	2,093	2,121	17,798	18,250	20,343	20,447
1,175	1,132	1,073	221	220	204	27,799	18,829	19,237	27,794	28,935	38,303	29,668	57,462	59,496
256	200	177				2,845	2,756	2,772	87	85	3,101	2,956	3,043	3,034
1,943	1,810	1,768	17,660	18,132	17,803	83,472	74,149	73,625	64,041	66,123	133,416	125,829	189,870	191,296
		0				493	548	355	3,367	3,362	2,615	2,787	6,154	6,123
						1,265	1,329	871	268	272	4,586	4,656	4,924	4,467
26	18	19				2,222	2,293	2,296	5,612	5,459	6,482	6,434	12,046	11,737
24						76	75	56	6,261	5,194	100	75	6,336	5,250
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%
808	746	783	3,875	3,885	3,739	16,624	14,940	13,887	11,261	11,181	32,970	30,978	42,239	40,673
1,185	1,082	1,004	13,785	14,247	14,064	70,904	63,454	63,316	68,288	69,229	114,229	108,803	177,091	178,200
40.5%	40.8%	43.8%	21.9%	21.4%	21.0%	19.0%	19.1%	18.0%	14.2%	13.9%	22.4%	22.2%	19.3%	18.6%
59.5%	59.2%	56.2%	78.1%	78.6%	79.0%	81.0%	80.9%	82.0%	85.8%	86.1%	77.6%	77.8%	80.7%	81.4%
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%
95.3%	95.3%	95.3%	94.8%	94.2%	95.1%	92.9%	92.8%	93.0%	92.9%	91.4%	93.9%	93.7%	93.4%	93.1%
4.7%	4.7%	4.7%	5.2%	5.9%	4.9%	7.1%	7.2%	7.0%	7.1%	8.6%	6.1%	6.3%	6.6%	6.9%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	89.20%	100.00%	100.00%	100.00%	100.00%	93.60%	100.00%	100.00%	100.00%
0.6%	0.5%	0.5%	5.1%	5.4%	5.1%	4.2%	4.5%	4.5%	2.8%	3.0%	3.7%	4.0%	3.6%	3.7%
6.1%	6.7%	6.8%	11.6%	11.2%	10.3%	11.0%	11.3%	11.6%	8.8%	9.1%	10.8%	11.3%	10.4%	10.7%
13.6%	13.9%	14.7%	12.7%	12.0%	11.4%	13.7%	13.8%	13.4%	12.7%	12.7%	14.3%	14.2%	13.7%	13.5%
15.4%	14.4%	14.7%	12.2%	12.5%	12.7%	12.6%	12.5%	12.8%	14.2%	14.6%	13.5%	13.4%	13.7%	14.0%
14.6%	14.8%	14.3%	13.3%	12.8%	12.5%	14.1%	14.6%	15.0%	16.4%	16.3%	14.5%	14.7%	15.3%	15.4%
13.4%	13.8%	13.0%	12.9%	13.5%	15.1%	15.4%	15.4%	15.2%	16.7%	16.8%	14.6%	14.6%	15.3%	15.3%
13.5%	14.4%	16.0%	20.6%	22.1%	23.8%	13.6%	13.3%	13.4%	14.3%	13.9%	14.3%	14.3%	14.3%	14.4%
15.7%	16.1%	16.0%	10.4%	9.6%	8.5%	11.1%	10.9%	10.6%	10.1%	9.9%	10.7%	10.3%	10.3%	9.9%
7.0%	5.4%	3.9%	1.2%	0.9%	0.7%	3.9%	3.5%	3.2%	3.4%	3.2%	3.3%	2.9%	3.1%	2.9%
0.2%	0.2%	0.1%	0.0%	0.0%	0.0%	0.4%	0.3%	0.3%	0.6%	0.5%	0.3%	0.3%	0.4%	0.3%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	89.20%	100.00%	100.00%	100.00%	100.00%	93.60%	100.00%	100.00%	100.00%
527	**484**	**477**	**4,099**	**4,200**	**4,010**	**13,796**	**9,793**	**9,399**	**15,691**	**15,939**	**29,826**	**26,306**	**41,997**	**41,732**
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%
26.4%	**26.5%**	**26.7%**	**23.2%**	**23.2%**	**22.5%**	**15.8%**	**12.5%**	**12.2%**	**19.7%**	**19.8%**	**20.3%**	**18.8%**	**19.2%**	**19.1%**
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%
25.5%	**26.1%**	**26.1%**	**28.4%**	**28.3%**	**27.5%**	**16.3%**	**14.9%**	**14.3%**	**27.1%**	**26.5%**	**21.9%**	**21.5%**	**23.0%**	**22.6%**
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%
1.8%	**1.9%**	**1.6%**	**5.1%**	**5.6%**	**4.8%**	**3.1%**	**3.0%**	**2.9%**	**1.6%**	**1.7%**	**2.9%**	**2.9%**	**2.5%**	**2.3%**

	Grenelle II Law	GRI	Energy Europe 2013	Energy Europe 2012	Energy Europe 2011	Energy International 2013	Energy International 2012	Energy International 2011
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Proportion of disabled employees	1.F		1.4%	1.2%	1.2%	0.5%	0.4%	0.4%
Employees under 25 as a% of permanent hires	1.F		18.6%	20.0%	23.3%	19.5%	17.3%	14.1%
Employees over 50 as a% of permanent hires	1.F		7.0%	5.1%	4.0%	6.8%	8.1%	7.2%
Staff and job movement								
No. of permanent hires (at constant structure)	1.A	LA2	741	1,269	1,408	899	1,167	781
No. of temporary hires (at constant structure)	1.A	LA2	1,738	1,081	1,052	250	261	300
Hiring rate	1.A	LA2	9.5%	8.9%	9.0%	10.6%	13.4%	14.3%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Rate of hiring on permanent contract	1.A	LA2	29.9%	54.0%	57.2%	78.2%	81.7%	72.2%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of lay-offs	1.A		340	nd	nd	199	nd	nd
% reporting			100.00%			100.00%		
Turnover	1.A	LA2	4.3%	5.6%	5.5%	6.7%	8.7%	9.2%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Voluntary turnover	1.A	LA2	2.1%	2.5%	3.1%	4.8%	6.1%	6.3%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Career development								
Proportion of workforce trained ■■	1.E	LA10	79.5%	84.5%	80.0%	75.7%	80.4%	75.9%
% reporting			100.00%	100.00%	99.23%	98.82%	100.00%	95.95%
Proportion of women in trained workforce	1.E	LA10	31.0%	31.2%	30.9%	14.9%	16.7%	14.2%
% reporting			100.00%	100.00%	99.23%	98.82%	100.00%	95.95%
Proportion of managers and non-managers in trained workforce:	1.E	LA10						
Managerial staff	1.E	LA10	25.5%	25.8%	24.5%	16.3%	17.2%	14.8%
Non-managers	1.E	LA10	74.6%	74.2%	75.5%	83.7%	82.8%	85.2%
% reporting			100.00%	100.00%	99.23%	98.82%	100.00%	95.95%
Total no. of training hours	1.E	LA10	818,958	911,598	1,009,836	342,711	401,376	348,905
% reporting			100.00%	100.00%	98.51%	98.82%	100.00%	95.98%
Hours of training by topic	1.E	LA10						
Business techniques			56.4%	48.0%	52.9%	43.7%	46.4%	36.4%
Quality, safety & environment			17.7%	12.8%	12.3%	24.0%	28.4%	32.9%
Languages			6.9%	7.9%	7.9%	15.8%	9.0%	6.4%
Other			19.0%	31.3%	26.9%	16.5%	16.2%	24.3%
% reporting			100.00%	100.00%	98.51%	98.82%	100.00%	95.98%
No. of training hours per person trained	1.E	LA10	39	40	45	42	46	44
% reporting			100.00%	100.00%	98.51%	98.82%	100.00%	95.95%
No. of training hours per woman trained	1.F	LA10	36	32	42	37	31	44
% reporting			100.00%	100.00%	98.51%	98.82%	100.00%	95.95%
Training expenses per hour of training (€)	1.E	LA10	27	29	26	23	21	22
% reporting			100.00%	100.00%	98.31%	97.82%	100.00%	95.98%

(1) The GDF SUEZ Group includes the six business lines as well as Corporate.

(2) Scope: see 3.2.8.2, Note on methodoly of health and safety indicators.

■■ *For financial year (FY) 2013.*

Global Gas & LNG			Infrastructure			Energy Services			Environment				GDF SUEZ Group[1]	
2013	2012	2011	2013	2012	2011	2013	2012	2011	2012	2011	2013	2012 recalculated without SE	2012	2011
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	89.22%	100.00%	100.00%	100.00%	100.00%	93.60%	100.00%	100.00%	100.00%
1.8%	1.6%	1.9%	3.0%	3.0%	2.7%	2.4%	2.3%	1.9%	1.8%	1.7%	2.1%	2.0%	1.9%	1.7%
3.7%	7.0%	4.7%	35.4%	32.8%	35.3%	22.7%	21.9%	20.9%	14.6%	15.5%	22.4%	22.0%	19.2%	19.3%
15.2%	11.7%	9.4%	3.1%	3.2%	4.1%	8.6%	9.8%	9.1%	11.5%	10.9%	7.9%	8.3%	9.5%	9.0%
217	171	127	710	1,221	1,015	5,796	7,154	7,087	6,698	6,728	8,423	11,096	17,794	17,261
44	49	42	484	728	611	4,791	4,988	4,968	8,081	10,568	7,365	7,232	15,313	17,626
13.4%	12.1%	9.3%	6.7%	10.9%	9.3%	13.6%	15.7%	15.9%	18.7%	21.6%	11.4%	13.3%	15.3%	16.4%
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%
83.1%	77.7%	75.1%	59.5%	62.7%	62.4%	54.7%	58.9%	58.8%	45.3%	38.9%	53.4%	60.5%	53.7%	49.5%
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%
8	nd	nd	21	nd	nd	1,978	nd	nd	nd	nd	2,550	nd	nd	nd
100.00%			100.00%			100.00%					100.00%			
4.0%	3.2%	4.8%	1.5%	1.7%	1.4%	6.7%	7.0%	8.0%	6.5%	6.7%	5.5%	6.0%	6.2%	6.6%
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%
3.4%	3.0%	4.2%	1.3%	1.5%	1.3%	3.5%	3.8%	4.6%	3.4%	3.6%	3.0%	3.4%	3.4%	3.7%
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%
76.0%	75.3%	79.0%	70.9%	73.7%	81.9%	63.7%	61.5%	58.5%	68.4%	69.4%	68.5%	69.1%	68.8%	68.2%
100.00%	100.00%	99.62%	100.00%	100.00%	100.00%	99.28%	99.14%	99.08%	100.00%	100.00%	99.50%	99.52%	99.69%	99.32%
24.4%	26.8%	24.8%	19.7%	18.9%	18.2%	9.5%	9.5%	10.1%	20.4%	18.0%	17.0%	17.6%	18.6%	17.8%
100.00%	100.00%	99.62%	100.00%	100.00%	100.00%	99.28%	99.14%	99.08%	100.00%	100.00%	99.50%	99.52%	99.69%	99.32%
40.0%	42.7%	43.7%	20.4%	19.1%	18.6%	18.8%	19.0%	18.1%	15.1%	15.1%	21.6%	21.9%	19.4%	18.7%
60.0%	57.3%	56.3%	79.6%	80.9%	81.4%	81.2%	81.1%	81.9%	84.9%	84.9%	78.4%	78.1%	80.6%	81.3%
100.00%	100.00%	99.62%	100.00%	100.00%	100.00%	99.28%	99.14%	99.08%	100.00%	100.00%	99.50%	99.52%	99.69%	99.32%
66,468	64,848	49,747	471,333	514,439	486,772	1,317,964	1,344,538	1,237,705	1,329,305	1,364,624	3,071,401	3,285,594	4,614,899	4,577,388
100.00%	100.00%	99.62%	100.00%	100.00%	100.00%	99.28%	98.31%	99.08%	100.00%	100.00%	99.50%	99.05%	99.40%	99.32%
48.5%	45.3%	41.1%	53.1%	49.9%	52.6%	48.9%	49.5%	47.4%	27.2%	24.6%	50.5%	49.1%	42.8%	42.2%
28.0%	31.4%	33.0%	23.7%	24.2%	22.2%	34.6%	33.1%	31.8%	36.8%	40.4%	26.6%	25.0%	28.4%	28.6%
8.9%	11.8%	10.8%	2.8%	2.7%	2.6%	3.1%	3.8%	3.5%	7.8%	5.4%	5.9%	5.6%	6.2%	5.3%
14.6%	11.6%	15.1%	20.4%	23.2%	22.7%	13.4%	13.6%	17.3%	28.3%	29.7%	17.0%	20.3%	22.6%	24.0%
100.00%	100.00%	99.62%	100.00%	100.00%	100.00%	99.28%	98.31%	99.08%	100.00%	100.00%	99.50%	99.05%	99.40%	99.32%
45	48	35	37	39	34	26	28	28	24	24	32	34	31	31
100.00%	100.00%	99.62%	100.00%	100.00%	100.00%	99.28%	98.31%	99.08%	100.00%	100.00%	99.50%	99.05%	99.40%	99.32%
46	43	38	30	33	28	22	25	27	24	26	31	30	28	32
100.00%	100.00%	99.62%	100.00%	100.00%	100.00%	99.28%	98.31%	99.08%	100.00%	100.00%	99.50%	99.05%	99.40%	99.32%
67	66	85	65	61	56	26	28	30	22	22	NS		NS	NS
100.00%	100.00%	99.62%	100.00%	100.00%	100.00%	98.61%	99.14%	99.08%	100.00%	100.00%				

			Energy Europe			Energy International		
	Grenelle II Law	GRI	2013	2012	2011	2013	2012	2011
Training expenses per person trained (€)	1.E	LA10	1,076	1,134	1,202	976	959	972
% reporting			100.00%	100.00%	98.31%	97.82%	100.00%	95.95%
Work conditions								
Days of absence per person	1.B	LA7	15	15	16	6	6	7
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Overtime	1.B	LA7	1.5%	1.6%	1.3%	7.0%	7.4%	7.0%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Safety at work(2)								
No. of fatal accidents (employees)			0	0		0	0	
	1.A	LA1						
Frequency rate			3.9	4.8		0.8	0.8	
Severity rate (French benchmark)			0.18	0.24		0.02	0.03	
Severity rate (ILO benchmark)			0.11	0.13		0.02	0.02	
% reporting			100%	100%	100%	100%	100%	
Number of new cases of occupational illness			17			6		
Compensation	**1.A**							
Average salary of manual workers, clerical staff and technicians compared with national minimum wage in 2013	Legal annual minimum wage in 2013 in €		2013	2012	2011	2013	2012	2011
France	17,163		1.49	1.52	1.51			
Belgium	18,022							
Spain	9,034		4.36	4.63		4.09	4.13	4.00
Netherlands	17,633		2.82	2.64	2.72			
United Kingdom	15,171					2.18	2.30	2.14
Luxembourg	22,490							
Romania	1,890		5.15	4.76	5.33			
Poland	4,713		3.53	4.01	3.50			
Czech Republic	3,744							
Hungary	4,023		3.04	3.46	3.76			
Slovakia	4,052							
Portugal	6,790					5.81	5.56	5.13
Greece	8,205							
Slovenia	9,404							
Turkey	4,986					4.73	5.32	4.71
United States	11,430					6.78	6.79	6.42
% reporting			98.49%	98.53%	96.21%	21.76%	22.93%	24.89%

(1) The GDF SUEZ Group includes the six business lines as well as Corporate.

(2) Scope: see 3.2.8.2, Note on methodoly of health and safety indicators.

■■ *For financial year (FY) 2013.*

Global Gas & LNG			Infrastructure			Energy Services			Environment				GDF SUEZ Group[1]	
2013	2012	2011	2013	2012	2011	2013	2012	2011	2012	2011	2013	2012 recalculated without SE	2012	2011
3,013	3,143	2,950	2,427	2,370	1,888	701	788	834	537	550	NS		NS	NS
100.00%	100.00%	99.62%	100.00%	100.00%	100.00%	98.61%	99.14%	99.08%	100.00%	100.00%				
10	11	15	15	14	19	11	11	12	12	12	NS		NS	NS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.37%	99.60%	100.00%	100.00%	100.00%				
1.7%	1.6%	1.2%	2.3%	2.5%	2.5%	2.5%	2.8%	2.7%	4.3%	4.3%	NS		NS	NS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.37%	99.60%	100.00%	100.00%	100.00%				
0	0	0	0	0	1	0	0	3	5	4	0	0	5	8
0.6	0.7	0.8	3.3	3.0	3.4	5.5	5.7	7.4	13.3	14.1	4.4	4.6	7.6	8.6
0.01	0.01	0.02	0.11	0.09	0.14	0.27	0.34	0.36	0.60	0.66	0.21	0.25	0.37	0.4
0.01	0.01	0.02	0.08	0.08	0.13	0.17	0.16	0.19	0.39	0.4	0.13	0.13	0.22	0.24
100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
0	0		1	5		109	59		42		133	64	106	
2013	2012	2011	2013	2012	2011	2013	2012	2011	2012	2011	2013		2012	2011
			1.65	1.70	1.72	1.45	1.47	1.45	1.60	1.59	NS		NS	NS
						1.95	2.00	1.95	1.51	1.51				
						3.03	3.06	3.09	2.87	2.69				
3.84	3.71	3.90				1.90	1.88	2.45	2.09	2.05				
			2.19	2.01	2.89	2.53	2.73	2.11	2.07	2.08				
						1.72	1.79	1.65	1.48	1.55				
						4.19	3.52	3.09	4.61	4.46				
						3.54	3.76	3.22	2.18	1.92				
						3.80	3.80	3.66	2.21	2.27				
						2.73	3.13	3.45						
						2.31	2.30	2.37	2.16	2.16				
						2.66	2.63	2.94	1.94	1.92				
						2.23	2.12	2.26						
									3.28	3.00				
									2.52	1.71				
									4.31	4.77				
45.71%	49.52%	43.77%	100.00%	98.80%	99.62%	82.07%	81.74%	83.02%	77.30%	77.12%				

3.2.8.1 Note on methodology of social indicators

Tool

The social indicators are derived from Group social reporting (GSR). They are set out in a shared Group referential (which can be viewed on request).

The collection, processing and reporting of data entered by the local legal entities, subsidiaries of the GDF SUEZ Group, is carried out in Magnitude financial consolidation application, in accordance with the IFRS financial scope.

The indicators published in this report relate to fully consolidated companies, whose capital and management are under the control of GDF SUEZ.

The social indicators are completely integrated, regardless of the percentage of the company's capital owned.

Scope of reporting

A reporting percentage is attached to each indicator, according to the workforce covered. Some missing or inconsistent data are omitted from the report.

Balfour Beatty Workplace (9,414 employees) (BES), which was included in the IFRS scope at end-2013, was not able to provide information for all the GSR indicators.

Consolidation methods

The indicators for this report are consolidated using clearly defined procedures and criteria.

Structural data, employee turnover, working conditions, training and safety data were consolidated by aggregation.

Internal control

The social data are successively consolidated and controlled by each operational entity and by each business line, before reaching the Group HRD level.

Grenelle 2 Law

Social information pursuant to Article R-225-105 of the French Commercial Code can be found in chapters 3.1 and 3.2, and a correspondence table showing the sections of this registration document is provided in Appendix B. The table of indicators also refers to the information required by the implementation decree.

Additional information on some indicators

1. Employment

The GDF SUEZ Group data include data from the five business lines and Corporate data (including 3,247, 3,427 and 3,291 employees in 2013, 2012 and 2011 respectively).

The data for 2011 were recalculated according to the Group structure established on January 1, 2012.

As of July 2013, the environment business line was no longer included within the scope of consolidation as a fully consolidated entity; its workforce was 79,421 and it had contributed to recruitment of 7,022 employees and 1,665 employee transfers in the first half of 2013, i.e. a total for the Group with BE of 22,810 recruitments and 7,134 mobility in 2013.

The 2012 data were recalculated without the environment business line for the purposes of comparison.

- The geographical breakdown of employees corresponds to that of the IFRS financial reporting scope. Although the companies in the Global Gas & LNG business line are located in Africa, they are considered part of Europe.
- Administrative employees are recognized under "senior technicians and supervisors".
- The French concept of cadres (managerial staff) is sometimes difficult to understand in other countries. This can lead to a slight underestimation of the number of managerial staff because some entities may take only their senior management into account.

2. Staff changes

- All indicators in this section are calculated on a constant structure basis, i.e. the fully consolidated reporting entities included in the scope of consolidation at 12/31/N-1 and at 12/31/N.
- The lay-offs indicator does not include contractual terminations.

3. Diversity and equal opportunity

The declared percentage of people with disabilities provides the best possible information on the inclusion 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.

4. Career development

- The training indicators provided in this document do not take e-learning into account.
- When all data cannot be provided within the timelines, the most recent are provided as well as a forecast of the missing data for year-end.

5. Organization of working time

The working hours of personnel within the Group companies are organized within the legal framework for working time, which varies from country to country.

- Days of absence per person are calculated according to the Group convention of eight hours of work per day.

6. Compensation

Group policy is to offer compensation to all that is personalized, fair and competitive on the market, and which reflects the performance and level of responsibility of each person.

- 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. This ratio enables assessment of the relative average national salaries of full-time manual workers, clerical staff and technicians.
- The average gross salary is obtained by dividing the annual gross salary by the average monthly full-time equivalent (FTE) workforce.
- 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 2013 are provided by Eurostat.

Changes in payroll costs are also provided in Chapter 6, Note 4-4.2.

3.2.8.2 Note on methodology of health and safety indicators

Scope

With respect to health and safety data for 2013, 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. They relate to companies excluding SUEZ Environnement.

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.

The frequency rate of workplace accidents among temporary workers employed by the Global Gas and LNG business line includes the employees of external companies.

The practices of public authorities and regulations on communicating incidences of occupational illness within companies vary according to the country concerned (for example Belgium, where only some of this information is available). This gives rise to differences in the way such data are computed by the Group's subsidiaries. A campaign to raise awareness at the Group's entities was launched in 2013 to standardize the published data.

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

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 as soon as 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.

3.3.2 The environmental management system[1]

At the end of 2013, the entities that announced an environmental commitment policy or declaration accounted for 97.5% 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. As of December 31, 2013, 70.20% 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 2013 *(% relevant revenue)*	GDF SUEZ 2013	GDF SUEZ 2012	GDF SUEZ 2012 excl. SE[1]
By an EMAS certification ■■	99.88%	14.6%	13.1%	15.6%
By an ISO 14001 certification (non-EMAS) ■■	99.89%	52.7%	53.8%	50.6%
By other external EMS certifications	99.91%	2.9%	2.8%	2.2%
TOTAL EXTERNAL CERTIFICATIONS		**70.2%**	**69.7%**	**68.4%**
By an internal certification (but not by a certified EMS)	99.91%	14.9%	14.7%	15.9%
TOTAL INTERNAL AND EXTERNAL EMS		**84.3%**	**84.4%**	**84.3%**

■■ *Verified by the Auditors with "reasonable" assurance for 2013.*

(1) Following the equity-method consolidation of SUEZ Environnement in 2013, the indicators were restated to allow comparison between 2012 and 2013.

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 and to assess their relative progress. 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.

It should be noted that the implementation of internal and external EMS is accompanied by education and training sessions related to the environmental issues that the targeted employees encounter in their activities. For example:

- GDF SUEZ Energy North America posted 6,350 hours of training in the management of hazardous waste, environmental risk management, rational water management, waste sorting and energy-saving measures;
- At Glow, in Thailand, nearly 1,000 hours of training were also provided to reduce the energy consumption of activities;
- In France, GrDF organizes eco-driving training sessions in the operational units.

(1) See Section 3.5 "Statutory auditors' attestation of completeness limited assurance report of the on social, environmental and other sustainable development information and reasonable assurance report on a selection of social and environmental information".

(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 ISO 14001-certified can obtain an EMAS certificate if it publishes an environmental declaration that meets the EMAS criteria.

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 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.

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 2013 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 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.

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 the impact data collected is consolidated when the entities are fully consolidated. For entities proportionately consolidated, the environmental impact data 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 30 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 30 are not taken into account, unless the business line has requested an exception, and provided that the data are available. It should be noted that the equity-method consolidation of SUEZ Environnement in 2013 led to its exclusion from the scope of environmental reporting in 2013. Pro forma data were recalculated without SUEZ Environnement in the 2012 excl. SE column.

To calculate environmental management indicators such as the "part of relevant revenue covered by an environmental certification, an 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 and business line 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 points should be noted with regard to the data published in this report:

1. The reliability of the scope of environmental reporting is a GDF SUEZ priority which evolves in an international context of business disposals and acquisitions. Before every reporting campaign, the financial scope for consolidation is compared against the information fed back by the business line's environmental managers in order to check which industrial entities contributing to CERIS report to which financial entities.

(1) Subject to a review in connection with the audit work performed by the statutory auditors/independent third-party agencies on social, environmental and societal information.

2. For fiscal year 2013, 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.

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, the indicators relating to water were adjusted and brought into line with the 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 indicators fall into four categories: Withdrawal, Discharge, Consumption and Recycling/Reuse. In 2013, clarifications were made to improve comprehension of these indicators;

4. Being much concerned about what becomes of the waste generated by its activities, the Group monitors indicators on its waste production and recovery, which are based on definitions of waste and recovery established by local regulations. Waste discharged and recovered is recorded in wet weight. However, the Hazelwood and Loyang B plants in Australia, whose ash represents 66.7% of hazardous waste disposed of in 2013, currently report in dry weight pending analysis to allow a more accurate estimate of the wet weight;

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 are also taken from the fourth IPCC report, with the notable exception of CH_4, for which we took the most recent estimate published on September 26, 2013 by the IPCC's Working Group I, to be included in the fifth IPCC report;

6. Primary energy consumption was widened to include natural gas activities, with the addition of indicators calculating CH_4 and N_2O emissions from primary energy consumption and the consumption of fluorinated gas was recorded across the Group.

7. 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, as well as GHG emissions from buildings at its industrial sites;

8. Specific GHG emissions from energy generation in kg CO_2 eq/MWh are calculated for the three business lines where this is a main activity: the Energy Services business line, the Energy International business line and the Energy Europe business line.

9. 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: LNG Lerici, Grace Cosmos, Cheikh Bouamama, Lalla Fatma N'Soumer, BW GDF SUEZ Everett, BW GDF SUEZ Boston, Matthew, Provalys, GDF SUEZ Global Energy, Gaselys, BW GDF SUEZ Paris, GDF SUEZ Neptune (SRV), GDF SUEZ Point Fortin, GDF SUEZ Cape ANN (SRV), Gimi, Grace Acacia, Grace Barleria, BW GDF SUEZ Brussels, Tellier. Any ISO 14001 certification of vessels is also taken into account.

10. 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 and at 0.25 for incinerators.

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).

3.3.4 Group actions

3.3.4.1 Climate change

The Group has made energy efficiency, an essential tool in the fight against climate change, the key activity 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 gases (GHG) emissions. In addition, the Group responds annually to the Carbon Disclosure Project questionnaire.

In 2013, the Group's GHG emissions (excluding tertiary emissions) totaled 142 million tons of CO_2 equivalent(1).

Indicator title	Scope covered in 2013 *(% relevant revenue)*	GDF SUEZ 2013	GDF SUEZ 2012	GDF SUEZ 2012 excl. SE(1)
Total direct GHG emissions - scope 1 ■■	99.89%	141,984,778 t CO_2 eq.	154,230,874 t CO_2 eq.	148,642,580 t CO_2 eq.
GHG emissions per business unit – energy generation		425.1 kg CO_2 eq./MWheq	446.5 kg CO_2 eq./MWheq	443.1 kg C_{O2} eq./MWheq
GHG emissions per business unit – gas exploration, production		4.9 kg CO_2 eq./MWheq	2.7 kg CO_2 eq./MWheq	2.7 kg CO_2 eq./MWheq
GHG emissions per business unit – gas storage		1.0 kg CO_2 eq./MWheq	1.0 kg CO_2 eq./MWheq	1.0 kg CO_2 eq./MWheq
GHG emissions per business unit – gas transmission (excluding LNG fleet)		0.8 kg CO_2 eq./MWheq	0.7 kg CO_2 eq./MWheq	0.7 kg CO_2 eq./MWheq
GHG emissions per business unit – LNG terminals		1.9 kg CO_2 eq./MWheq	2.0 kg CO_2 eq./MWheq	2.0 kg CO_2 eq./MWheq
GHG emissions per business unit – gas distribution		3.8 kg CO_2 eq./MWheq	5.3 kg CO_2 eq./MWheq	5.3 kg CO_2 eq./MWheq
GHG emissions per business unit – gas transportation by boat		9.4 kg CO_2 eq./MWheq	9.0 kg CO_2 eq./MWheq	9.0 kg CO_2 eq./MWheq

■■ *Verified by the Auditors with "reasonable" assurance for 2013.*

(1) Following the equity-method consolidation of SUEZ Environnement in 2013, the indicators were restated to allow comparison between 2012 and 2013.

GDF SUEZ has set up a working group to better assess the main risks related to climate change (increase in extreme events, availability of water resources, etc.) and distributes an internal newsletter on adaptation to climate change in order to share information and best practices. The Group is holding discussions on how it can implement the latest scientific advances, in particular through the European project "*Extreme Events for Energy Providers*" to define relevant climate indices for its business lines and enable its line managers to better quantify the effect of the future climate on their activities.

In addition, as indicated at 3.3.4.5, in 2013 the Group conducted a water stress assessment for its power generation facilities using the Global Water Tool and in analyzing risk at the local level. This assessment will enable the Group to make the appropriate decisions for the highest-risk sites in the future, and may be taken into account in the Group's development strategy.

(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 means increasing the Group's capacities in renewable energy, whether for generating electricity and heat, and in the case of biogas for transportation.

In 2013, renewable energy accounted for roughly 15.8 GW of installed electric equivalent, representing 18.3% of the Group's total installed capacity.

Indicator title	Scope covered in 2013 *(% relevant revenue)*	GDF SUEZ 2013	GDF SUEZ 2012	GDF SUEZ 2012 excl. SE[1]
Renewable – Net installed power (electric and thermal) ■■	99.85%	15,818 MWeq	17,657 MWeq	16,795 MWeq
Share of renewable resources in installed capacity	98.71%	18.3%	18.8%	18.1%
Renewable – Electricity and heat produced ■■	99.18%	71,394 GWheq	64,353 GWheq	61,910 GWheq
Energy produced – share of large hydropower		82.2%	74.7%	77.6%
Energy produced – share of small hydropower		2.4%	2.0%	2.1%
Energy produced – share of wind		6.4%	9.8%	10.2%
Energy produced – share of geothermal		0.077%	0.071%	0.074%
Energy produced – share of solar		0.079%	0.050%	0.052%
Energy produced – share of biomass and biogas		8.7%	13.4%	9.8%

■■ *Verified by the Auditors with "reasonable" assurance for 2013.*

These capacities correspond to the scope of the environmental reporting specified in Section 3.3.3 (excluding equity-accounted and non-controlled facilities).

(1) Following the equity-method consolidation of SUEZ Environnement in 2013, the indicators were restated to allow comparison between 2012 and 2013.

3.3.4.3 Energy efficiency

Three of GDF SUEZ's business lines offer a very wide range of services: Energy Services, Energy Europe and Energy International. In particular, Energy Services 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 (e.g., in France with the regulatory framework for Energy Savings Certificates).

For electricity generating facilities, energy performance is directly connected to the site's efficiency which influences its profitability. It is therefore a key action area for every power plant manager.

Finally, in 2013 by signing the charter for energy efficiency of commercial buildings, GDF SUEZ reaffirmed its ongoing commitment to controlling the energy consumption of buildings. Indeed, the Group has set up a green building policy to improve the environmental performance of its commercial real estate, a policy whose first phase has been deployed in France and Belgium, with the objective, among others, of reducing its energy consumption by 40% by 2020.

Indicator title	Scope covered in 2013 (% relevant revenue)	GDF SUEZ 2013	GDF SUEZ 2012	GDF SUEZ 2012 excl. SE[1]
Primary energy consumption – total (excluding own consumption) ■■	99.52%	509,353 GWh	544,852 GWh	540,961 GWh
Share of coal/lignite		39.7%	37.7%	38.0%
Share of natural gas		53.1%	54.9%	55.2%
Share of fuel oil (heavy and light)		1.6%	2.0%	1.4%
Share of biomass and biogas		3.6%	3.5%	3.5%
Share of other fuels		2.0%	1.9%	1.9%
Electricity consumption (excluding own consumption) ■■	90.71%	10,467 GWh	14,121 GWh	8,921 GWh
Thermal energy consumption (excluding own consumption)	100%	5,214 GWh	5,257 GWh	5,257 GWh
Energy efficiency of fossil fuel plants (including biomass) ■■	97.33%	42.36%	42.23%	42.60%

■■ *Verified by the Auditors with "reasonable" assurance for 2013.*
These capacities correspond to the scope of the environmental reporting specified in Section 3.3.3 (excluding equity-accounted and non-controlled facilities).
(1) Following the equity-method consolidation of SUEZ Environnement in 2013, the indicators were restated to allow comparison between 2012 and 2013.

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 €4.239 billion at the end of 2013. 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 on 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 2013 amounted to €3.364 billion.

Indicator title	Scope covered in 2013 (% relevant revenue)	GDF SUEZ 2013	GDF SUEZ 2012[1]
Radioactive gas emissions			
• Rare gases	100%	34.61 TBq	41.89 TBq
• Iodines	100%	0.03 GBq	0.07 GBq
• Aerosols	100%	0.30 GBq	0.35 GBq
Radioactive nuclear waste (weak and average activity)	100%	218.7 m^3	288.2 m^3
Radioactive liquid wastes			
• Beta and Gamma emitters	100%	13.66 GBq	19.74 GBq
• Tritium	100%	80.42 TBq	104.52 TBq

(1) The equity-method consolidation of SUEZ Environment in 2013 does not impact data related to nuclear power since SUEZ Environment does not have activities in that sector.

3.3.4.5 Water

As a committed player in water management, 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 2013, the Group made an initial assessment of water stress for "energy" activity facilities using the Global Water Tool and analyzing risk at the local level. The indicators reported relate to water withdrawal and consumption for industrial processes.

Indicator title	Scope covered in 2013 *(% relevant revenue)*	GDF SUEZ 2013	GDF SUEZ 2012	GDF SUEZ 2012 excl. SE[1]
Industrial water				
• Total withdrawal – Fresh water	99.64%	114.7 Mm^3	93.2 Mm^3	83.6 Mm^3
• Total withdrawal – Non-fresh water	98.69%	36.9 Mm^3	335 Mm^3	335 Mm^3
• Total consumption	99.46%	23.5 Mm^3	34.7 Mm^3	25.1 Mm^3
Cooling and heating water				
• Total withdrawal – Fresh water	100%	6,435.6 Mm^3	7,197.2 Mm^3	7,197.2 Mm^3
• Total withdrawal – Non-fresh water	100%	9,085.8 Mm^3	7,843.1 Mm^3	7,843.1 Mm^3
• Total consumption[2]	99.87%	132.6 Mm^3	295.3 Mm^3	154.2 Mm^3

(1) Following the equity-method consolidation of SUEZ Environnement in 2013, the indicators were restated to allow comparison between 2012 and 2013.
(2) The data given in 2012 and 2012 excl. SE were changed following adjustments made after the 2012 audit.

3.3.4.6 Waste

Indicator title	Scope covered in 2013 *(% relevant revenue)*	GDF SUEZ 2013	GDF SUEZ 2012	GDF SUEZ 2012 excl. SE[1]
Total quantity of non-hazardous waste and by-products discharged (including sludge)	99.46%	5,369,769 t	8,508,184 t	5,865,237 t
Fly ash, refioms	98.85%	3,249,849 t	3,831,706 t	3,524,158 t
Ash, bottom ash	98.73%	1,218,882 t	2,817,072 t	1,515,658 t
Desulfurization by-products	100%	369,227 t	372,862 t	372,862 t
Sludge	99.81%	24,562 t	860,831 t	4,489 t
Total quantity of non-hazardous waste and by-products discharged (including sludge)	98.94%	4,625,118 t	6,477,935 t	4,859,298 t
Total quantity of hazardous waste and by-products discharged (including sludge and excluding radioactive waste) ■■	98.80%	410,766 t	782,763 t	352,513 t
Total quantity of hazardous waste and by-products recovered (including sludge and excluding radioactive waste) ■■	98.42%	26,490 t	21,077 t	21,077 t

■■ *Verified by the Auditors with "reasonable" assurance for 2013.*
(1) Following the equity-method consolidation of SUEZ Environnement in 2013, the indicators were restated to allow comparison between 2012 and 2013.

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-NOx 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 2013 *(% relevant revenue)*	GDF SUEZ 2013	GDF SUEZ 2012	GDF SUEZ 2012 excl. SE[1]
NOx emissions	100%	155,354 t	162,461 t	157,669 t
SO_2 emissions	99.61%	278,601 t	255,623 t	255,185 t
Particulate matter emissions	87.96%	12,947 t	13,652 t	13,587 t

(1) Following the equity-method consolidation of SUEZ Environnement in 2013, the indicators were restated to allow comparison between 2012 and 2013.

3.3.4.8 Management of biodiversity

Aware that its activities have impacts on biodiversity (such as fragmentation of ecological continuity) and depend on certain ecosystem services (such as biomass fuel), in 2010 the Group committed to integrate biodiversity into its various business lines. This commitment resulted in the setting of an objective to provide each of its priority sites in Europe with a targeted biodiversity action plan by 2015. The "targeted" action plans considered for this purpose are those that show evidence of benefiting protected species/habitats or those affected by our activities.

To strengthen this commitment, the Group established a voluntary project that was officially recognized at the end of 2012 by the National Strategy for Biodiversity. Its aims are to:

- strengthen the interactions between Group activities and ecosystems and identify priority sites at a Group level;
- stimulate the development of action plans on 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 on biodiversity.

In 2013, the share of priority sites increased from 14% to 35.6% at European level. This translates into an increase of 21.6 points compared to 2012 in terms of target achievement. Site priority is assessed based on the type of activities and the distance from protected natural areas.

In its approach to biodiversity, the Group relies on its partnerships: the French Committee of the International Union for the Conservation of Nature (IUCN France) and France Nature Environnement (FNE). In 2013, a first guide was published by the IUCN to explain the importance of protecting biodiversity to site managers. The aim is to support them as they draft related action plans. A second guide was written by FNE on implementing 10 actions for biodiversity. It encourages the sites to take action by showing them the potential benefits. The Group has also established an internal communications network on biodiversity and is developing internal tools to facilitate understanding of the topic and objectives by as wide an audience as possible.

3.3.4.9 Active prevention of environmental risks

The management of industrial and environmental risks has two components: risk prevention and crisis management.

Indicator title	2013 data	2012 data	2012 excl. SE[1]
Environmental analyses	83.01% relevant revenue	69.03% relevant revenue	82.79% relevant revenue
Environmental risk prevention plan	86.45% relevant revenue	85.29% relevant revenue	85.01% relevant revenue
Environmental crises management plan	86.40% relevant revenue	85.29% relevant revenue	85.14% relevant revenue

(1) Following the equity-method consolidation of SUEZ Environnement in 2013, the indicators were restated to allow comparison between 2012 and 2013.

In 2013, there were 66 claims and eight awards for environmental damages, with total compensation amounting to €127,365. While this is very low considering the Group's size and the industrial nature of its activities, the Group actively monitors these data and implements actions to reduce them further. Furthermore, GDF SUEZ have financial provisions of €43 million for risks associated with litigations linked to environment. In 2013, environmental expenses (capital expenditure and recurring operating expenses related to environmental protection) totaled €1,153 million.

Indicator title	Scope covered in 2013 *(% relevant revenue)*	2013 data	2012 data	2012 excl. SE[1]
Environment-related claims	99.06%	66	115	83
Environment-related fines	99.06%	8	12	9
Amount of compensation *(€ thousands)*	99.06%	127	2,238	523
Environmental expenses *(€ thousands)*	95.29%	1,153,062	5,875,151	752,675

(1) Following the equity-method consolidation of SUEZ Environnement in 2013, the indicators were restated to allow comparison between 2012 and 2013.

3.3.4.10 Noise

Any industrial activity is a source of noise. In order to reduce its impact, Group 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. When replacing vehicle fleets, for instance, efforts are made to reduce the activity's noise impact.

3.3.4.11 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 be the costs of subsequent remedial measures. It is therefore important to prevent this risk and to hedge it with financial provisions. These amounted to €1.649 billion in 2013 and concerns sites rehabilitation, non nuclear installations dismantling and scheduled products elimination.

At Electrabel in Belgium, a soil survey was carried out at several power plant 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 10-year plan was agreed via a memorandum between Gaz de France and the French government for the rehabilitation of these sites. As from 2007, all sites are compatible with their use from a health perspective. 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.

3.4. CORPORATE SOCIETAL COMMITMENTS

The responsible growth model developed by GDF SUEZ integrates societal commitments into creating shared value and sustainable development.

3.4.1 Socio-economic development in local communities

For GDF SUEZ, tailoring offerings to its customers' needs, innovation and co-constructing partnerships in all communities where it operates are key factors to establish win-win projects with all its stakeholders. These factors make the local work carried out by GDF SUEZ's teams even more important, alongside good knowledge of stakeholders and a proactive, regular dialogue with them. The depth and dynamic nature of dialogue with these partners is fundamental to ensure the societal acceptability of GDF SUEZ's activities and industrial facilities, which provide services essential to everyday life and which contribute to the dynamism of local employment pools by creating direct and indirect jobs.

Internationally, in agreement with local authorities, the Group is committed to developing societal programs linked to its industrial projects, such as those to support local agriculture and protect the cultural heritage in southern Algeria, or support programs to improve children's schooling such as the provision of IT tools in Mexico, the provision of solar lamps in Kenya and the renovation of school buildings in Thailand.

GDF SUEZ supports small and medium-sized enterprises and start-ups through various programs implemented in the countries where it operates. The Group also supports social entrepreneurship via the GDF SUEZ *Rassembleurs d'Énergies* initiative. This innovative program was launched in 2011 by Gérard Mestrallet, the Group's Chairman and Chief Executive Officer, 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. The GDF SUEZ *Rassembleurs d'Énergies* initiative is based on three pillars: donations, technical assistance and investment. In 2013, more than 16 projects received grants and seven technical and managerial assistance missions provided help to social entrepreneurs. At the end of 2013, four investment projects were completed: two in France (*La foncière le Chênelet* and *Habitat & humanisme*), one in Tanzania (EGG Energy), and one in India (Rural Spark). The Group aims to support more than 50 projects through investment by 2050.

Moreover, as it develops its activities, GDF SUEZ integrates societal criteria upstream of its projects. Its societal commitment can also be seen in its responses to tenders and the selection of its strategic suppliers, encouraged by the Group to meet the 10 Global Compact principles[1]. These approaches currently involve providing significant resources in terms of societal empowerment, both at the corporate level and in the Group's entities.

To encourage the exchange of good internal practices in these areas, the Group has established a best practices community with regard to societal acceptability, which brings together the Group's leading practitioners.

3.4.2 Stakeholder dialogue and partnerships

GDF SUEZ maintains a continuous, proactive dialogue with all its stakeholders concerning its industrial activities. Ensuring the company's sustainability and creating shared value, this culture where listening and dialogue are paramount is also extended thanks to sustainable partnerships tackling social and environmental issues.

Internationally, GDF SUEZ has been a member of the United Nations Global Compact since 2001. Gérard Mestrallet chaired the French Global Compact network for three years (2010-2013). To share best practices in sustainable development, GDF SUEZ is a member of the World Business Council for Sustainable Development (WBCSD) and chairs the "energy for all" working group, among others.

At the European level, the Group is a member of the 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".

In France, GDF SUEZ has concluded structural partnerships to support its environmental efforts. Of note in this respect is its partnership with France Nature Environnement, which brings together 3,000 environmental protection associations that, since 2010, have supported the Group in its efforts to protect biodiversity.

To combat energy poverty, GDF SUEZ is a partner of Emmaüs France. A third framework agreement has been signed covering the 2013-2015 period to support Emmaüs in its actions to combat energy poverty.

3.4.3 Community philanthropy, solidarity and combating energy poverty

In all geographical regions where GDF SUEZ operates, initiatives promoting community philanthropy, solidarity and combating energy poverty are implemented by the GDF SUEZ Corporate Foundation or Group entities, in connection with local authorities, local associations, internal NGOs (Codegaz and Energy Assistance) or the Group's corporate functional departments. Since its creation in 2010, the GDF SUEZ Foundation has supported 18 projects in the field of energy which are expected to help some 70,000 people.

GDF SUEZ has launched several initiatives promoting solidarity and combating energy poverty.

In 2013, over 540,000 customers benefited from the *Tarif Spécial de Solidarité gaz* (special solidarity rate for gas), representing a total sum of over €40 million. This scheme was implemented with the broadening of the rate allocation to include those eligible for supplementary health insurance assistance. These customers will be added to those covered by supplementary universal health coverage. *The Brottes Act* of 2013 should make it easier to widen the allocation of social tariffs for 1.2 million homes potentially eligible for the gas special solidarity rate from 2014, and to apply the electricity basic needs tariff for the Group's 500,000 electricity customers.

(1) Since 2000, the United Nations Global Compact has invited companies to adopt, support and apply a range of core values within their sphere of influence in the areas of human rights, work and environmental standards, and the fight against corruption.

The Group also participates in the *Fonds de Solidarité* (solidarity housing Fund), providing €6 million per year, in line with the Public Service Agreement, and 118,000 Group customers were able to benefit from it. Since 2011, the Group has been a partner of the national "Live Better" program. Over the 2011-2013 period, the agreement provided €22 million to help 300,000 homeowners facing energy poverty to make improvements in the energy performance of their homes.

GDF SUEZ has created a network of mediation partners with over 256 customer assistance centers for customers facing payment difficulties. In 2013, more than 50,000 customers met with one of these Group partners.

GDF SUEZ has set up a dedicated structure for its customers in vulnerable situations or those facing payment difficulties. Thirty GDF SUEZ Energy Solidarity partners are in touch with local communities, departments and associations and 170 GDF SUEZ solidarity advisers can also be contacted.

In 2013, the ISIGAZ (*Information Sécurité Intérieure GAZ*) program, which informs and raises awareness among disadvantaged customers about their domestic natural gas facilities and energy savings, covered 35,500 homes in some 100 French towns.

In 2009, GDF SUEZ set up an international observatory for energy and water insecurity to enable the exchange of best practices between its subsidiaries. In 2013, the annual conference featured topics including the solidarity actions carried out in France, the energy solidarity action plan in Italy, actions to combat energy poverty in Romania and tailoring the customer approach, and active support for the creation of the "platform to combat energy poverty" in Belgium. In addition, the King Baudouin Foundation and GDF SUEZ Rassembleurs d'Energies launched a call for proposals to invest in projects led by social entrepreneurs active in the Brussels region for the construction and/or renovation of high-performance energy housing for people living in energy poverty.

3.4.4 Purchases, subcontracting and suppliers

The Group's Purchasing organization has defined four ambitious objectives that contribute to the Group's development and reputation, over and above negotiations on price:

- to be a recognized contributor to the Group's operational performance;
- to uphold the Group's values in respect of its suppliers and to be a key player in its CSR approach;
- to be a model for cross-functional initiatives within the Group;
- to drive career development.

The Group's Purchasing and Procurement Policy defines the objectives and principles that govern how the Purchasing and Procurement organization carries out its activities in interacting with the line management internally and with the suppliers' market, in connection with its responsibilities, which are outlined below:

- ensure that external supplies meet the requirements for quality and economic performance. In 2013, the purchasing organization's risk analysis system was strengthened;
- uphold commitments and maintain balanced relations with suppliers. GDF SUEZ has adopted ACESIA, a platform put forward by *AFNOR Solutions Achats* to assess the CSR performance of its suppliers based on seven core components of ISO 26000;
- effectively manage the exchange of information using optimized tools and processes. GDF SUEZ has equipped the purchasing organization with a powerful, widely-used purchase analysis tool that is based on best market practices;
- professionalize staff and develop the expertise of our employees. In terms of responsible purchasing, the French version of an e-learning course was put online in February 2013. Some 700 buyers in France were invited to take part in responsible purchasing training. The English version was launched in September 2013;
- implement purchasing portfolio management by category in order to develop the cross-functional nature of strategies within the Group;
- ensure that all agreements with suppliers are the subject of a written document (a contract based on the templates approved by the Legal Department, or an order linked to terms and conditions that include mandatory ethical, environmental and social responsibility clauses) negotiated in advance and signed between the parties by the approved buyer, pursuant to the authorizations in force.

3.5 REPORT OF THE STATUTORY AUDITOR, DESIGNATED AS AN INDEPENDENT THIRD-PARTY ENTITY, ON THE REVIEW OF ENVIRONMENTAL, SOCIAL AND SOCIETAL INFORMATION PUBLISHED IN THE MANAGEMENT REPORT

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 the Shareholders,

In our capacity as Statutory Auditor of GDF SUEZ SA, and designated as an independent third-party entity, whose request for accreditation was deemed admissible by the French National Accreditation Body (COFRAC) under the numbers 3-1048, 3-1067 and 3-1058, we hereby present you with our report on the social, environmental and societal information presented in the management report prepared for the year ended December 31, 2013 (hereinafter the "CSR Information"), 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 CSR Information provided by Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reporting criteria used by GDF SUEZ (the "Reporting Criteria"), some of which are presented throughout the management report and are available on request from the company's registered office.

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 designed to ensure compliance with rules of ethics, professional standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditors

Based on our work, our responsibility is:

- to attest that the required CSR 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 (Attestation of completeness of the CSR information);
- to express limited assurance on the fact that, taken as a whole, the CSR Information is presented fairly, in all material aspects, in accordance with the adopted Reporting Criteria (Conclusion on the fair presentation of the CSR Information);
- 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 and 3.3 are presented, fairly, in all material aspects, in accordance with the Reporting Criteria (reasonable assurance report).

Our work was carried out by a team composed of thirty five people between October 2013 and February 2014, i.e. a period of around twenty weeks. To assist us in conducting our work, we referred to our corporate responsibility experts.

We conducted the following procedures in accordance with professional standards applicable in France, the order of May 13, 2013 determining the methodology according to which the independent third party entity conducts its assignment and with regard to the fairness opinion and the reasonable assurance report in accordance with the ISAE (International Standard on Assurance Engagements) 3000[1].

1. Attestation of completeness of the CSR Information

- Based on interviews with management, we familiarized ourselves with the Group's sustainable development strategy, with regard to the social and environmental impacts of the company's business and its societal commitments and, where appropriate, any resulting actions or programs;
- We have compared the CSR Information presented in the management report with the list set forth in Article R. 225-105-1 of the French Commercial Code;
- In the event of omission of certain consolidated information, we have verified that explanations were provided in accordance with the third paragraph of the Article R. 225-105 of the French Commercial Code;
- We have verified that the CSR 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 methodological memo paragraph presented in the management report.

Based on our work and considering the aforementioned limits, we attest to the completeness of the required CSR Information in the management report.

2. Conclusion on the fair presentation of the CSR Information

Nature and scope of procedures

We held interviews with around one hundred persons responsible for preparing the CSR Information with the departments in charge of the CSR Information collection process and, when appropriate,

(1) *ISAE 3000 – Assurance engagements other than audits or reviews of historical information.*

those who are responsible for internal control and risk management procedures, in order to:

- assess the appropriateness of the Reporting Criteria with respect to its relevance completeness, reliability, neutrality and clarity, by taking into consideration, when relevant, the sector's best practices;
- verify the set-up of a process to collect, compile, process, and check the CSR Information with regard to its completeness and consistency and familiarize ourselves with the internal control and risk management procedures relating to the compilation of the CSR Information.

We determined the nature and scope of the tests and controls according to the nature and significance of the CSR Information with regard to the company's characteristics, the social and environmental challenges of its activities, its sustainable development strategies and the sector's best practices.

Concerning the CSR information that we consider to be most significant [1]:

- for the consolidating entity, we consulted the documentary sources and held interviews to corroborate the qualitative information (organization, policies, actions), we implemented analytical procedures on the quantitative information and verified, using sampling techniques, the calculations as well as the data consolidation and we verified their consistency with the other information shown in the management report;
- for a representative sample of entities [2] that we selected according to their activity, their contribution to the consolidated indicators, their location and a risk analysis, we held interviews to verify the correct application of the procedures and implemented substantive tests on a sampling basis, consisting in verifying the calculations performed and reconciling the data with supporting evidence. The selected sample represented on average 59% of the headcount and between 19% and 86% of quantitative environmental information.

Regarding the other consolidated CSR information, we have assessed its consistency in relation to our knowledge of the Group.

Finally, we have assessed the relevance of the explanations relating to, where necessary, the total or partial omission of certain information.

We believe that the sampling methods and sizes of the samples we have used in exercising our professional judgment enable us to express limited assurance; a higher level of assurance would have required more in-depth verifications. Due to the use of sampling techniques and the other limits inherent to the operations of any information and internal control system, the risk that a material anomaly be identified in the CSR Information cannot be totally eliminated.

Qualification expressed

In some selected sites, the information "Industrial water consumption" presents an uncertainty due to an erroneous application of the definition.

(1) Social information verified under reasonable assurance: Total workforce and geographical repartition; Total managers; Total non-managers (STS and WET); Proportion of women in the workforce; Female workforce; Proportion of workforce trained.

Social and health and safety information verified under limited assurance: Proportion of apprentices in workforce; Age pyramid; % of employees under 25 years old among the permanent hires; % of employees over 50 year old among the permanent hires; number of permanent hires (at constant structure); number of temporary hires(at constant structure); Hiring rate; Rate of hiring on permanent contract; Turnover (in relation to number of resignations and dismissals); Voluntary turnover (in relation to number of resignations); Total number of training hours; Number of training hours per person trained; Days of absence per person; Number of fatal accidents; Work-related accident frequency rate (FR) (in relation to the number of accidents with paid sick leave); Work-related severity rate (SR) (in relation to number of days of paid sick leave); Average salary of WET compared to the country's legal minimum wage; Number of new cases of occupational diseases; diversity policy and equal treatment between men and women; integration and employment support.

Environmental information verified under reasonable assurance: Relevant revenue covered by EMAS certified management systems; Relevant revenue covered by ISO14001 (not EMAS) certified management systems; Renewable energy – installed capacity (electrical and thermal); Renewable energy – electricity and heat produced; Primary energy consumption (excluding auto-consumption); Electricity consumption (excluding auto-consumption); Energy efficiency fossil-fuelled power plants (including biomass); Total greenhouse gas emissions; Hazardous waste and by-products discharged (excluding radioactive waste); Hazardous waste and by-products recovered (excluding radioactive waste).

Environmental information verified under limited assurance: Thermal energy consumption (excluding auto-consumption); SO_2 emissions; NOx emissions; Fine particle emissions; Industrial and desalinated water consumption; Cooling and heating water consumption; Non-hazardous waste and by-products discharged (including sludge); Non-hazardous waste and by-products recovered (including sludge).

Societal information verified under limited assurance: Procurement and supply policy.

(2) Social and health and safety information: BEE: Electrabel Belgique; HQ Belgium; N-Allo; GDF Suez Energie Deutschland; GDF SUEZ Energy Sales GmbH; Savelys; CHP (BtoC); GDF Suez Energy Romania; GDF Suez Energia Polska SA; BEI: Suez Energia de Mexico; E-CI SA; Tractebel Energia Consolidated; Suez Energy North America; BES: Axima Concept; INEO SA; Cofely Services S.A (Belgique); Cofely Netherland NV; Tractebel Engineering (BE); ENDEL; Cofely Fabricom SA.; ISB Ventilation; Cofely Axima, Cofely Axima Refrigération; Pôle Réseau; Cofely Autriche (T00275); Cofely Espana; Cofely Sud Est; Cofely IDF Tertiaire; Cofely Nord Est; B3G: GDF Production Nederland BV; GDF Suez E&P UK LTD; BI: GRDF; GRT Gaz; ELENGY.

Environnemental Information: BEE: Electrabel SA (BU et site RODENHUIZE); Electrabel Nederland (BU et site Gelderland); Zolling; CN'Air; CNR; Compagnie du Vent; Viota 2; Aesenergia (Cartagena); GDF SUEZ Energia Polska SA ; Tirreno Power (Napoli Levante, Vado Ligure, Torrevaldaliga); BEI: Bahia Las Minas; Mejillones; Tocopilla; Tractebel Energia (Cana Brava, Machadinho, Salto Osorio, Salto Santiago, Itasa); Charqueadas; Lages Bioenergetica LTD; Jorge Lacerda; Consorcia Maxigas; Tractebel Energia De Monterrey S. RL CV; Segna (Ennis-Tractebel Power Company, Colorado Energy Nations Comp. (Golden), Astoria Energy power plant (Astoria I + II), Hopewell cogeneration); FHH; Rugeley Power Station; Saltend; Baymina Enerji A.S.; Loy Yang B; Hazelwood; BES: Cofely Services Sud Ouest; Cofely Italie; Cofely Réseaux Agence Grand Sud; Climaespaço; BI: Site de stockage Chemery: B3G: GDF Suez E&P Nederland B.V.; Noordgastransport BV (NGT).

Conclusion

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 CSR Information has been presented fairly, in all material aspects, in accordance with the Reporting Criteria.

3. Reasonable assurance on certain CSR information

Nature and scope of procedures

- For certain information selected by the GDF SUEZ Group and identified by the sign ■■, we have performed the same diligences as the ones describeds in part 2 concerning the CSR information that we consider to be most significant with an extensive degree of work, particularly in terms of the number of tests and samplings;
- The selected sample represented on average 59% of the headcount and between 44% and 73% of quantitative environmental information identified by the sign ■■;
- The nature of our work enables us to express reasonable assurance on certain information selected by the GDF SUEZ Group and identified by the sign ■■.

Qualification expressed

Findings were identified in the case of the indicator "Electricity consumption (excluding auto-consumption)" especially because of the incompleteness of the reporting made by power generation units.

Conclusion

In our opinion and subject to the above-mentioned qualification, the information selected by the GDF SUEZ Group and identified by the sign ■■ was prepared, in all material aspects, in accordance with the above-mentioned Reporting Criteria.

Signed in Neuilly-sur-Seine and Paris-La Défense, March 7th, 2014

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

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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 2013 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 the 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 General Management 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 26, 2014.

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.

The duration of the Directors' terms of office is set out in Section 7.1.2 – "Corporate governance bodies".

In 2013, the term of office of Gabrielle Prunet, Director representing employee shareholders, expired at the General Shareholders' Meeting of April 23, 2013. The same Meeting elected Caroline Simon as Director representing employee shareholders.

The Board noted the resignation of Olivier Bourges, Director representing the French State, on March 5, 2013 and the appointment of Astrid Milsan as Director representing the French State, by ministerial order on July 30, 2013.

At the date of this report, the Company is managed 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 6 women Directors out of a total of 18 members. The 2011-103 Act 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 3 Directors representing employees, the assessment is based on 15 Directors, 5 of whom are women (a ratio of 33.33%).

GDF SUEZ also seeks to increase the diversity and international experience of its Board of Directors. Of its 18 Directors, 4, representing 22.22%, are not French.

4.1.1.2 Directors in office

DIRECTORS ELECTED BY THE GENERAL SHAREHOLDERS' MEETING

	Nationality	Date of first appointment	Date of last appointment	End of current term	Address
Gérard Mestrallet (64 years old) Chairman and Chief Executive Officer	French	July 16, 2008	April 23, 2012	2016	GDF SUEZ 1, place Samuel de Champlain 92400 Courbevoie
Jean-François Cirelli (55 years old) Vice-Chairman and President	French	Sept. 15, 2004	April 23, 2012	2016	GDF SUEZ 1, place Samuel de Champlain 92400 Courbevoie
Albert Frère(1) (87 years old) Vice-Chairman	Belgian	July 16, 2008	May 2, 2011	2015	Groupe Bruxelles Lambert 24, avenue Marnix 1000 Brussels (Belgium)
Ann-Kristin Achleitner (1) (47 years old)	German	Sept. 19, 2012	-	2015	Residenzstrasse 27 D - 80333 Munich (Germany)
Edmond Alphandéry(1) (70 years old)	French	July 16, 2008	May 2, 2011	2015	Compagnie Financière du Lion 73, boulevard Haussmann 75008 Paris
Jean-Louis Beffa(1) (72 years old)	French	Nov. 20, 2004	April 23, 2012	2016	Saint-Gobain Les Miroirs 18, avenue d'Alsace 92096 La Défense Cedex
Aldo Cardoso(1) (57 years old)	French	Nov. 20, 2004	May 2, 2011	2015	45, boulevard de Beauséjour 75016 Paris
Paul Desmarais(1) (59 years old)	Canadian	July 16, 2008	April 23, 2012	2016	Power Corporation of Canada 751 Victoria Square Montreal, H2Y 2J3, Quebec (Canada)
Françoise Malrieu(1) (67 years old)	French	May 2, 2011	-	2015	19 avenue Léopold II 75016 Paris
Lord Simon of Highbury(1) (74 years old)	British	July 16, 2008	April 23, 2012	2016	1, St James's Square London SW1Y 4PD (United Kingdom)

(1) **Independent Director** *(see Section 4.1.1.5 "Independence of Directors in office – Conflicts of interest").*

DIRECTORS REPRESENTING THE FRENCH STATE

	Nationality	Date of first appointment	Most recent appointment	End of current term	Address
Ramon Fernandez (46 years old)	French	March 27, 2009	April 19, 2012[1]	2016	Ministry of Finance and Industry Directorate-General for the Treasury and Economic Policy 139, rue de Bercy Télédoc 230 75572 Paris Cedex 12
Astrid Milsan (42 years old)	French	July 30, 2013	-	2016	French State Shareholding Agency Bâtiment Colbert - Télédoc 228 139, rue de Bercy 75572 Paris Cedex 12
Pierre Mongin (59 years old)	French	Nov. 9, 2009	April 19, 2012[1]	2016	RATP 54 quai de la Rapée 75599 Paris Cedex 12
Stéphane Pallez (54 years old)	French	April 19, 2012[1]	-	2016	CCR 31, rue de Courcelles 75008 Paris

(1) With effect from the close of the General Shareholders' Meeting of April 23, 2012.

DIRECTORS ELECTED TO REPRESENT EMPLOYEES

	Nationality	Date of first appointment	Most recent appointment	End of current term	Address
Alain Beullier (49 years old)	French	Jan. 21, 2009	-	2014	Elengy LNG terminal BP 35 44550 Montoir-de-Bretagne
Anne-Marie Mourer (54 years old)	French	Jan. 21, 2009	-	2014	GrDF Sud-Est Immeuble VIP 66, rue de la Villette 69425 Lyon Cedex 03
Patrick Petitjean (61 years old)	French	Jan. 21, 2009	-	2014	GDF SUEZ 1, place Samuel de Champlain 92400 Courbevoie

DIRECTORS REPRESENTING EMPLOYEE SHAREHOLDERS ELECTED BY THE GENERAL SHAREHOLDERS' MEETING

	Nationality	Date of first appointment	Most recent appointment	End of current term	Address
Caroline Simon (45 years old)	French	April 23, 213	-	2017	Inéo Défense Établissement de Sophia-Antipolis 90, Traverse des Messugues 06560 Valbonne

4.1.1.3 Information about the Directors in office at December 31, 2013

Directors elected by the General Shareholders' Meeting

Gérard Mestrallet, born April 1, 1949

Gérard Mestrallet is a graduate of the prestigious French engineering school, *École Polytechnique*, and of *École Nationale d'Administration*. He joined Compagnie Financière de SUEZ in 1984 as a Special Advisor. In 1986 he was appointed Senior Executive Vice-President in charge of industrial affairs. In 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, then, in 1997, Chairman of the SUEZ Lyonnaise des Eaux Executive Board, and on May 4, 2011, Chairman and Chief Executive Officer of SUEZ. Gérard Mestrallet was appointed Chairman and Chief Executive Officer of GDF SUEZ when SUEZ merged with Gaz de France on July 22, 2008. His appointment was renewed on April 23, 2012. He is also Chairman of Paris Europlace, a member of the International Council of Mayors of Shanghai and Chongqing, and a Director of Tongji University (Shanghai). He also holds an honorary doctorate from the University of Cranfield (UK).

Directorships and offices held at the Company	Directorships and offices held in any company in 2013	Other directorships and offices held in the last five years
Chairman and Chief Executive Officer	Chairman of the Board of Directors of GDF SUEZ Energy Services(2), SUEZ Environnement Company(1) (France), Electrabel and GDF SUEZ Energy Management Trading(2) (Belgium) Vice-Chairman of the Board of Directors of Aguas de Barcelona (Spain) Chairman of the GDF SUEZ Rassembleurs d'Énergies SAS(2) Director of Saint-Gobain(1) (France), Pargesa Holding SA(1) (Switzerland), International Power(2) (United Kingdom) Member of the Supervisory Board of Siemens AG(1) (Germany)	Chairman of the Board of Directors of International Power (United Kingdom) and Hisusa (Spain) Vice-Chairman of the Board of Directors of Electrabel (Belgium) and Hisusa (Spain) Member of the Supervisory Board of AXA(1)

(1) Listed company.
(2) GDF SUEZ Group.

Jean-François Cirelli, born July 9, 1958

A graduate of the Paris *Institut d'Études Politiques* and the *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 2013	Other directorships and offices held in the last five years
Vice-Chairman, President	Chairman of the Board of Directors of GDF SUEZ Trading (formerly Gaselys) SAS(2) (France) and Eurogas (Belgium) Vice-Chairman of Electrabel(2) (Belgium) Vice-Chairman of the Corporate Foundation of GDF SUEZ(2) Director of GDF SUEZ Énergie Services(2), SUEZ Environnement Company(1) (France), GDF SUEZ Energy Management Trading(2) (Belgium), International Power(2) (United Kingdom) and Fondation Nationale des Sciences Politiques (ENSP) Member of the Supervisory Board of Vallourec(1)	Chairman of the Board of Directors of Electrabel(2) (Belgium) and the GDF SUEZ Corporate Foundation Vice-Chairman of Eurogas (Belgium) and International Power (United Kingdom) Director of Neuf Cegetel(1) (France) Member of the Supervisory Board of Atos Origin(1)

(1) Listed company.
(2) GDF SUEZ Group.

Albert Frère, born February 4, 1926

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 2013	Other directorships and offices held in the last five years
Vice-Chairman of the Board of Directors	Honorary Regent of the National Bank of Belgium(1) Chief Executive Officer and Managing Director of Groupe Bruxelles Lambert(1) (Belgium) Chairman of the Board of Directors of ERBE, Frère-Bourgeois, Financière de la Sambre (Belgium), Stichting Administratiekantoor Frère-Bourgeois (Netherlands) and the privately-owned Château Cheval Blanc (France) Vice-Chairman, Managing Director and member of the Management Committee of Pargesa Holding SA(1) (Switzerland) Chairman of the Supervisory Board of Métropole Télévision M6(1) (France) Honorary Chairman of the Chamber of Commerce and Industry of Charleroi (Belgium) Director of LVMH(1) (France) and Les amis des aveugles de Ghlin (Belgium) Permanent Representative of Frère-Bourgeois, Director of GBL Verwaltung SARL and GBL Energy (Luxembourg) 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 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 (Luxembourg) Member of the International Committee of Assicurazioni Generali SpA(1) (Italy)

(1) Listed company.

Ann-Kristin Achleitner, born March 16, 1966

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 2013	Other directorships and offices held in the last 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(1), Metro AG(1), MunichRe (since January 3, 2013) (Germany) Vontobel Holding AG and Bank Vontobel AG (Switzerland) Member of the Board of Helmholtz-Validierungsfonds and of Helmholtz-Gemeinschaft Deutscher Forschunszentren 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 of 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 of the 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) Chairman of the Board of Trustees of Berufundfamilie GmbH Chairman (2007-2009) of Förderkreis Gründungs-Forschung e.V. (FGF), 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

(1) Listed company.

Edmond Alphandéry, born September 2, 1943

A graduate of the *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. From July 1998 to July 2012, he again served as Chairman of CNP Assurances. He has also been Chairman of the CEPS (Center for European Policy Studies) since January 1, 2014.

Directorships and offices held at the Company	Directorships and offices held in any company in 2013	Other directorships and offices held in the last five years
Director Chairman of the Strategy and Investments Committee Member of the Audit Committee	Chairman of the CEPS (Center for European Policy Studies) (Belgium) Director of Crédit Agricole CIB and Neovacs (France), Senior Advisor of Nomura Securities (France) Member of the Advisory Board of A.T. Kearney France Member of the Board of Directors of the Stichting Continuïteit ST Foundation (Netherlands) Member of the Advisory Committee of Omnès Capital (France) Member of the Advisory Board of Quadrille (France)	Chairman of Centre des Professions Financières Chairman of the Board of Directors of CNP Assurances(1) Chairman of the Supervisory Board of CNP Assurances(1) Chairman of CNP International Director of Caixa Seguros (Brazil) and CNP Vita (Italy)

(1) Listed company.

Jean-Louis Beffa, born August 11, 1941

A graduate of the *École Polytechnique*, Jean-Louis Beffa also holds degrees from the *École Nationale Supérieure du Pétrole* and the *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 2013	Other directorships and offices held in the last five years
Director Chairman of the Appointments and Compensation Committee	Chairman of Claude Bernard Participations SAS and JL2B Conseil Vice-Chairman of the Supervisory Board of the Fonds de Réserve des Retraites (pension fund) Director of Élée SAS and of Saint-Gobain Corporation (US) Member of the Supervisory Board of Le Monde, Société Editrice du Monde, Le Monde et Partenaires Associés SAS	Chairman and Chief Executive Officer of Saint-Gobain(1) Chairman of the Board of Directors of Saint-Gobain(1) Chairman of the Supervisory Board of the Agence de l'Innovation Industrielle Vice-Chairman of the Board of Directors of BNP Paribas(1) Director of Saint-Gobain(1) and Saint-Gobain Cristaleria (Spain) Permanent representative of Compagnie de Saint-Gobain on the Board of Directors of Saint-Gobain PAM Director of Groupe Bruxelles Lambert(1) (Belgium) Member of the Supervisory Board of Siemens AG(1) (Germany)

(1) Listed company.

Aldo Cardoso, born March 7, 1956

A graduate of the *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 2013	Other directorships and offices held in the last five years
Director Chairman of the Audit Committee Member of the Strategy and Investments Committee	Director of Bureau Veritas(1), Imerys(1), GE Corporate Finance Bank SAS (France), and Mobistar(1) (Belgium) Non-voting Director of AXA Investment Managers (France)	Director of Accor(1), Gecina(1) and Rhodia(1)

(1) Listed company.

Paul Desmarais, born July 3, 1954

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 1986, he was appointed Chairman and Head of Operations of Power Financial Corporation, a company he helped to create. He became Chairman of the Corporation's Board in 1990, 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 2013	Other directorships and offices held in the last five years
Director	Chairman of the Board and Co-CEO of Power Corporation of Canada(1) (Canada) Co-Chairman of the Board of Power Financial Corporation(1) (Canada) Chairman of the Board of Directors and Executive Director of Pargesa Holding SA(1) (Switzerland) Vice-Chairman of the Board of Directors and member of the Permanent Committee of Groupe Bruxelles Lambert(1) (Belgium) Trustee and Co-Chairman of the International Advisory Board of the Brookings Institution (US) Director and Member of the Management Committee of Great-West Lifeco Inc.(1) (Canada) and its principal subsidiaries and of IGM Financial Inc.(1) (Canada) and its principal subsidiaries Director of Lafarge SA(1) and Total SA(1) (France) Director of SGS SA(1) (Switzerland) Member of the International Board of the Institut Européen d'Administration des Affaires (INSEAD) (France) 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 (Canada) Honorary Member of the International Advisory Board of the Desautels School of Management and member of the International Advisory Board of the Dean of McGill University in Montreal (Canada) Chairman of the Canadian Council of Chief Executives (Canada) Member of the Global Advisory Council of Harvard University (US) Member of the International Advisory Committee of the Council on Foreign Relations (US)	Member of the Board of Directors of INSEAD

(1) Listed company.

Françoise Malrieu, born February 7, 1946

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 the 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, Chairman of Arescoop and a Director of the *Institut Français des Administrateurs* –(IFA).

Directorships and offices held at the Company	Directorships and offices held in any company in 2013	Other directorships and offices held in the last 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 Director of Aéroports de Paris[1] Member of the Supervisory Board of Bayard Presse SA	Senior Advisor of Aforge Finance Deputy Controller on the Taskforce to Control the Compensation of Financial Market Professionals

(1) Listed company.

Lord Simon of Highbury, born July 24, 1939

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 2013	Other directorships and offices held in the last five years
Director Member of the Strategy and Investments 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)	Deputy Chairman of Unilever Plc[1] and Cambridge University Council (UK)

(1) Listed company.

Directors representing the French State

Ramon Fernandez, born July 25, 1967

A graduate of the *Institut d'Études Politiques de Paris* and the *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 Director General of the French Treasury at the Ministry of the Economy and Finance since March 2009.

Directorships and offices held at the Company	Directorships and offices held in any company in 2013	Other directorships and offices held in the last five years
Director	Director General of the French Treasury at the Ministry of the Economy and Finance Chairman of the Caisse de la Dette Publique Chairman of the Paris Club Chairman of the Advisory Committee on Legislation and Financial Regulation Chairman of the Agence France Trésor 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 representing the French State of CNP Assurances(1) 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 AERAS 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 training offered by 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'Economie Française Director representing the French State of CADES (Caisse d'Amortissement de la dette sociale) Member of the Supervisory Board of the BPCE Bank representing the French State Member of the Council for Economic Analysis Member of the High Council for the Public Sector

(1) Listed company.

Astrid Milsan, born November 21, 1971

A graduate of the *Institut d'Études Politiques de Paris*, Astrid Milsan has a Master's Degree in Law from the Université de Droit de Paris II – Assas and studied at the *École Nationale d'Administration*. She began her career in 1996 as Reporting Counselor (conseiller rapporteur) at the Versailles Administrative Tribunal. From 1998 to 2001, she was in charge of project financing and privatization at the Bankgesellschaft Berlin, in London and Berlin. In 2001, she moved to HSBC in London, where she worked in Corporate Finance, Mergers & Acquisitions in Europe and Asia, and Transport & Logistics. In 2003, she joined the Finance division (legal and financial engineering for State market transactions) of the French State Shareholding Agency (APE). In 2006, she was appointed Head of Corporate Finance and Development and General Secretary of the Interministerial Committee on Industrial Restructuring (CIRI) at the Treasury, within the French Ministry of Economic Affairs, Finance and Employment. In 2007, she became Deputy Director of Corporate Finance and Competitiveness (financial market regulation, Acting Government Commissioner on the board of the Autorité des Marchés Financiers, the French market regulator) at the Treasury. In 2009, she was appointed Deputy Director of Energy and other investments at the APE. She then became Deputy Director of the Services, Aerospace and Defense sub-division of the APE in 2011, before being appointed Deputy Director General of the APE in 2013.

Directorships and offices held at the Company	Directorships and offices held in any company in 2013	Other directorships and offices held in the last five years
Director Member of the Audit Committee Member of the Strategy and Investments Committee Member of the Appointments and Compensation Committee	Director, as a representative of the French State, of Safran[1], DCNS, Établissement Public de Financement et de Restructuration (EPFR), Imprimerie Nationale, SNPE, Société de gestion de Participations Aéronautiques (Sogepa), SOGEADE and SOGEADE Gérance	Director, as a representative of the French State, of Areva NC, la Française des Jeux, Eramet, le Laboratoire français de fractionnement et de biotechnologies, OSEO, OSEO garantie and Oseo Innovation et IDES Member of the Supervisory Board, as a representative of the French State, of RTE and OSEO Financement

(1) Listed company.

Pierre Mongin, born August 9, 1954

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 then 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 April 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 become Chairman and CEO of RATP in July 2006.

Directorships and offices held at the Company	Directorships and offices held in any company in 2013	Other directorships and offices held in the last five years
Director Member of the Strategy and Investments Committee	Chairman and CEO 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

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 Réassurance on April 28, 2011.

Directorships and offices held at the Company	Directorships and offices held in any company in 2013	Other directorships and offices held in the last 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(1), CACIB (Crédit Agricole Corporate & Investment Bank) (until October 9, 2013) and PlaNet Finance Member of the Supervisory Board of Eurazeo(1)	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 CACIB (Crédit Agricole Corporate & Investment Bank), FTCD and TPSA (Poland)

(1) Listed company.

Directors elected to represent employees

Alain Beullier, born March 26, 1964

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 2013	Other directorships and offices held in the last five years
Director Sponsored by the Chemical Energy Federation - CFDT trade union Member of the Ethics, Environment and Sustainable Development Committee	None.	None.

Anne-Marie Mourer, born April 20, 1959

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 Reseaux 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 2013	Other directorships and offices held in the last five years
Director Sponsored by the Federation of the Gas and Electricity Industries – CFE-CGC trade union Member of the Audit Committee	None.	None.

Patrick Petitjean, born August 23, 1952

After completing his secondary education in Nancy, France, Patrick Petitjean began his career in the printing industry. He joined Gaz de France in 1977, 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 2013	Other directorships and offices held in the last 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 Investments Committee	None.	None.

Directors elected by the General Shareholders' Meeting to represent employee shareholders

Caroline Simon, born November 3, 1968

Caroline Simon trained in industrial purchasing and began her career at Thomson-CSF in 1991 as a buyer of electrical and electronic components, general expenses, upstream purchasing and investment negotiation. She joined the Group in 1997 and currently holds a purchasing position at INEO Défense in the area of cabling and mechanical subcontracting.

Directorships and offices held at the Company	Directorships and offices held in any company in 2013	Other directorships and offices held in the last five years
Director Sponsored by the Federation of Public Utilities - CFDT trade union	Chairman of the Supervisory Board of LINK France fund	Member of the Supervisory Board of the SPRING France and LINK France funds

4.1.1.4 Number of GDF SUEZ shares and stock options held by Directors in office at December 31, 2013

	Number of shares	Number of stock options
Gérard Mestrallet	82,131[2]	1,233,504
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
Aldo Cardoso	1,000	N/A
Paul Desmarais	2,121	N/A
Ramon Fernandez	[1]	N/A
Françoise Malrieu	1,419	N/A
Astrid Milsan	[1]	N/A
Pierre Mongin	[1]	N/A
Anne-Marie Mourer	54	N/A
Stéphane Pallez	200	N/A
Patrick Petitjean	107	N/A
Caroline Simon	30	N/A
Lord Simon of Highbury	1,911	N/A

(1) The statutory 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.

(2) 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 11, 2014, and again on February 26, 2014 by the Board of Directors.

The Board of Directors of GDF SUEZ examined the circumstances of each of the Directors on a case-by-case basis in relation to the Afep-Medef Code, to which it refers.

In addition to the two corporate officers, it is specified that the following Directors, who were appointed as a result of statutory obligations, cannot be deemed independent:

- Ramon Fernandez, Astrid Milsan, Pierre Mongin and Stéphane Pallez, Directors representing the French State, appointed under the above-mentioned Article 2 of the Decree-Law of October 30, 1935;
- Alain Beullier, Anne-Marie Mourer and Patrick Petitjean, Directors representing employees, and Caroline Simon, Director representing employee shareholders, appointed under the above-mentioned Article 8-1 of Act 86-912 of August 6, 1986 relating to privatizations.

Eight Directors are deemed to be independent (see Section 4.1.1.2 "Directors in office"), making the percentage of independent Directors 57% (NB: pursuant to the Afep-Medef Code, the number of Directors representing employees and employee shareholders is not taken into account in calculating the percentage of independent Directors).

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 significant enough in terms of purchasing and sales volumes to create a conflict of interest likely to affect Mr 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. Aldo Cardoso agreed to comply with these rules of conduct, pursuant to Article 5 of the Directors' Charter.

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") 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 boards or management.

4.1.2 Non-voting Director

The function of non-voting Director is described in Section 7.1.2 "Corporate governance bodies".

This office is 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 Finance Director. His biography and directorships and offices held are set out below.

Gérard Lamarche, born July 15, 1961, is a Belgian citizen

Gérard Lamarche is a graduate in Economic Science from the University of Louvain-La-Neuve and the INSEAD Management Institute (Advanced Management Program for SUEZ Group Executives). He also trained at the Wharton International Forum in 1998-1999 (Global Leadership Series). He began his career at Deloitte Haskins & Sells in Belgium in 1983, and was appointed as an M&A consultant in the Netherlands in 1987. He joined the Belgian arm of Société Générale in 1988 as an Investment Manager, and was then Management Auditor from 1989 to 1991, before becoming an Advisor to the Strategy and Planning Department from 1992 to 1995. He joined Compagnie Financière de SUEZ as Special Advisor to the Chairman and Secretary to the Management Committee (1995-1997), before being appointed Assistant Director in charge of Planning, Control and Accounting. In 2000, Gérard Lamarche pursued his career in the industrial sector by joining NALCO (SUEZ's US subsidiary, the world leader in industrial wastewater treatment) as General Managing Director. In March 2004, he was appointed Chief Financial Officer of the SUEZ Group. In April 2011, Gérard Lamarche was appointed Director of Groupe Bruxelles Lambert (GBL), where he has been Managing Director since January 2012.

Directorships and offices held at the Company	Directorships and offices held in any company in 2013	Other directorships and offices held in the last five years
Non-voting Director	Managing Director of Groupe Bruxelles Lambert(1) Director of Legrand(1), Lafarge(1), Total(1) (France) and SGS(1) (Switzerland) *(since July 10, 2013)*	Chairman of GDF SUEZ CC and Genfina (Belgium) Director of Distrigaz(1), Fortis Banque(1), Europalia, Groupe Bruxelles Lambert(1), GDF SUEZ Belgium, Electrabel, SUEZ-TRACTEBEL (Belgium), SUEZ Environnement, SUEZ Environnement Company(1), GDF SUEZ Energie Services (France), SUEZ Environnement North America, Leo Holding Company (USA), de Aguas de Barcelona (Spain) and International Power PLC (UK)

(1) Listed company.

4.1.3 Government Commissionner

The role of Government Commissioner is described in Section 7.1.2 "Corporate governance bodies".

The position is held by Laurent Michel, who was appointed by the Minister of Energy by ministerial order dated January 18, 2013. Florence Tordjman was appointed Laurent Michel's Acting Government Commissioner by the same order.

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 State 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

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.

Board meetings are also attended by the non-voting Director, the Government Commissioner and the representative of the Central Works Council, each with one advisory vote, as well as 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.

Once a year, the Board of Directors carries out a self-assessment under the guidance of an independent Director. Also once a year, the Board (excluding the corporate officers and directors having employment contracts with a Group company) evaluates the performance of the corporate officers and discusses the future of the management.

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 above).

The Internal Regulations were amended on September 25, 2013 and December 11, 2013. 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, and to comply and ensure others' compliance with current regulations governing securities transactions carried out by corporate officers and employees.

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".

4.1.4.3 Activities of the Board of Directors

The Board of Directors of GDF SUEZ met 10 times in 2013, with an average attendance rate of 84%.

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 2012 financial statements, financial information for the first and third quarters of 2013, preparation of the 2013 interim financial statements, management planning documents, the 2013 interim dividend, the independence of Directors, evaluation of the Board's performance, convening the general meeting of shareholders and holders of equity securities, the public service Contract and the tariff situation, the nuclear situation in Belgium, the review and mapping of Group risks, the 2012 health and safety report, the policy on professional and pay equality, adaptation of the Board's Internal Regulations to the revised Afep-Medef Code, the issue of hybrid bonds and the bond buyback offer, the share buyback program, governance and relations between GDF SUEZ and SUEZ Environnement after the expiration of the shareholders' agreement, renewal of the authorization to issue bonds and the authorization relating to sureties, guarantees and pledges, allocation of performance shares and medium-term business plan. It also set a Group target of a 10% reduction in its specific CO_2 emissions by 2020 for power and related energy generation worldwide, from the 2012 emissions level.

A strategy seminar held by the Board of Directors addressed the following topics: the global and European energy landscape, the Group's adaptation to changes in the energy sector and the greater emphasis given to customer orientation in Europe and, internationally, consolidating the Group's leadership position in independent power generation, establishing an integrated position in the gas value chain, development in energy efficiency and leadership and change management.

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.

In order to carry out their work, the Committees may interview members of Company and Group divisions and/or commission technical studies on matters within their competence at the Company's expense, provided that they have informed the Chairman of the Board about this, and that they report on it to the Board. If the Committees use the services of external consultants, they must ensure that the advice concerned is objective.

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 Committee for Ethics, the Environment and Sustainable Development. The General Secretariat provides secretarial services to the Board Committees.

The Audit Committee

The Audit Committee has six members: Aldo Cardoso (Chairman), Ann-Kristin Achleitner, Edmond Alphandéry, Françoise Malrieu, Astrid Milsan 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, 2013"). When appointed, they are provided with detailed information on the Group's accounts, finances and operations.

Operating procedures

Article 3.1 of the Internal Regulations sets out the rules and operating procedures of the Audit Committee, pursuant to the applicable regulations and to the Afep-Medef code of corporate governance for listed companies.

The Audit Committee's responsibilities include the following:

- to monitor the process of preparing financial information;
- to examine in advance, and provide an opinion on, the draft annual and interim financial statements, at least two days before these are submitted to the Board; examination of the financial statements must be accompanied by a presentation by the Statutory Auditors and by the Chief Financial Officer;
- to interview, whenever it deems necessary, the Statutory Auditors, general management, financial management, internal audit and any other management personnel; if appropriate, these interviews may take place without the presence of members of General Management;
- to examine major financial press releases before they are released;
- to monitor the legal audit of the parent company and consolidated financial statements by the Statutory Auditors;
- to guide the selection procedure for the Statutory Auditors, and submit a recommendation to the Board on the appointment or reappointment of the Statutory Auditors;
- to ensure compliance with the principles guaranteeing the independence of the Statutory Auditors;
- to review each year with the Statutory Auditors the auditing fees paid by the Company and its Group to the networks to which the Statutory Auditors belong, their auditing plans and results of audits, as well as subsequent recommendations and follow-up;
- to evaluate the effectiveness and quality of the Group's internal control systems and procedures;
- to examine, with the internal audit managers, the measures and actions taken in the area of internal audit and subsequent recommendations and follow-up, without the presence of members of the General Management, if appropriate;
- to regularly obtain updates on the Group's financial position, cash position and significant risks;
- to review the Group policy in terms of risk control and the procedures for evaluating and managing these risks.

The Audit Committee met 10 times in 2013, with an average attendance rate of 94%. The Statutory Auditors attended nine of these meetings.

Activities

In 2013, the Committee specifically addressed the following: 2013 budget forecasts, 2012 year-end estimates and forecasts and preparation of consolidated and parent company financial statements at December 31, 2012, financial information from the first and third quarters of 2013, interim and annual closing options and assumptions, preparation of the interim consolidated and parent company financial statements at June 30, 2013, the interim dividend for 2013, impairment tests, the roll-out of the Perform 2015 program, renewal of authorizations to issue bonds and guarantees, quarterly internal audit reports, the audit plan for 2013 and the independence of internal audit, the review of the Group internal audit and the Chairman's report on internal controls, review of the financial resolutions presented to the General Shareholders' Meeting, monitoring of the Statutory Auditors' fees in 2012, reappointment of the Statutory Auditors, prior approval of the work entrusted to the Statutory Auditors outside their auditing engagement and adaptation of the associated procedure, the independence of the Statutory Auditors and their schedule of work for 2013, reviewing and mapping Group risks and the division of monitoring priority risks in 2013, risks related to purchasing and the supply chain, managing project risks, managing employee-related liabilities and hedging assets, allocation of debt to equity in the Group, the hybrid bond issue and the share buyback program, as well as relations with SUEZ Environnement after the expiration of the shareholders' agreement.

Strategy and Investment Committee

The Strategy and Investment Committee has six members: Edmond Alphandéry (Chairman), Aldo Cardoso, Astrid Milsan, 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 tasked 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 11 times in 2013, with an average attendance rate of 86%.

Activities

In 2013, the Committee specifically addressed the following: the presentation of work and the summary of the unconventional gas project, the Group's nuclear position, GrDF's smart gas meter (Gazpar system), the Group's ambition in natural gas, direction of the ENR strategy and matter related to power generation, country positioning for the US and Australia, the energy challenges facing Europe, the major global energy balances and preparation of the Board's annual strategy seminar and analysis of its findings.

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 discussed the energy challenges facing Europe with Colette Lewiner, International Director of the Energy, Utilities & Chemicals Sector at Capgemini, and the major global energy balances with Fatih Birol, Chief Economist at the International Energy Agency (IEA).

Before it was presented to the Board of Directors, the 2013-2019 medium-term business plan was reviewed at a joint meeting of the Strategy and Investments Committee and the Audit Committee.

The Appointments and Compensation Committee

The Appointments and Compensation Committee has four members: Jean-Louis Beffa (Chairman), Françoise Malrieu, Astrid Milsan 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 role 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 and President of the Company, as their terms of office near their end. It also reviews and makes recommendations to the Board of Directors on the compensation, pension and welfare plans, benefits in kind and various emoluments awarded to the Chairman and Chief Executive Officer and to the Vice-Chairman and President, as well as to any members of the Board having employment contracts with the Company. It reviews all applications by the Chairman and Chief Executive Officer and the Vice-Chairman and President for any corporate office in a listed company other than the Group, in order to inform the Board's opinion on this application.

The corporate officers attend meetings of the Appointments and Compensation Committee, unless the meetings address matters that concern them.

The Committee also makes recommendations on performance shares allocated to the Executive Vice-Presidents. It gives an opinion on maintaining the benefit of bonus share allocations for members of the Management Committee when these are normally lost by their holders when they leave the Group.

The Appointments and Compensation Committee met three times in 2013, with an average attendance rate of 67%.

Activities

The Appointments and Compensation Committee notably addressed the following matters in 2013: the independence and qualification of Directors, the composition of the Board Committees, the number of Directors representing employees and procedures for renewing their terms of office, the organization of the Management Committee and the Executive Committee, HR policy (attractiveness, retention, succession planning, mobility and diversity), the fixed and variable compensation of the two corporate officers, the performance achievement indices assigned to them for 2012, the respective amounts of the two corresponding variable portions, criteria for the assessment of their performance-related compensation for 2013, amendment of the Board of Directors' Internal Regulations to take account of the Afep-Medef Code as revised in June 2013, amendment of the distribution of the total annual amount of directors' fees pursuant to the revised Afep-Medef Code, verification of performance conditions for the various stock option plans and performance shares and the allocation of performance shares.

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 Committee met five times in 2013, with an average attendance rate of 95%.

Activities

In the area of ethics, 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. It also reviewed the guidelines for business relationships and the mapping of ethical risks.

With regard to sustainable development, the Group's annual environmental performance report and the annual report on the sustainable development action plans were submitted to the Committee. The committee recommended to the Board that a specific Group target be set for CO_2 emissions.

It also reviewed policy on professional and pay equality, and, more broadly, on the gender diversity policy implemented at the Group, as well as the 2012 health and safety report.

Lastly, the annual self-assessment of the Board of Directors took place, supervised by the committee Chairman with the help of an independent expert. It was submitted to the Board of Directors on February 26, 2014. The Board noted that progress had continued in areas for which recommendations had been made in previous years, and approved the new recommendations made by the Committee. These mainly involve further improvements to the monitoring of implementation of strategy and time management by the Board, through a generalized summarizing effort in the presentation and documentation of dossiers.

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 Section 4.5 "Compensation and benefits paid to members of corporate governance bodies".

4.1.7 Corporate governance code

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, which can be viewed on the website http://www.medef.fr.

The following table sets out the recommendations of the Afep-Medef Code that the Company has not adopted, and the reasons for this decision.

Recommendation not adopted	Explanation
Article 4 of the Code (Board of Directors - Strategy)	The Board's Internal Regulations do not explicitly set out "the principle according to which every significant transaction outside the strategy announced by the company must be approved in advance by the board of directors". However, the provisions of Article 2.2 of the Internal Regulations, which stipulate the principle according to which "the Chairman periodically, and at least once a year, shall include on the Board's agenda a review […] of the Group's industrial strategy and the Group's financial strategy", have an equivalent effect.
Article 18.1 of the Code (Composition of the Appointments and Compensation Committee)	The Appointment and Compensation Committee does not currently include a Director representing employees. The Board of Directors' meeting following the Annual Shareholders Meeting of April 28, 2014 will designate a Director representing employees as a member of the Appointment and Compensation Committee.
Article 19 of the Code (Number of directorships of corporate officers)	Gérard Mestrallet holds four directorships in listed companies other than the Group: SUEZ Environnement Company (term 2016), Saint-Gobain (term 2015), Siemens (term 2018) and Pargesa Holding. His term as a director of Pargesa Holding will expire at the end of the Ordinary General Shareholders' Meeting of May 6, 2014 and will not be renewed. Mr Mestrallet will stay on as Chairman of the Board of Directors of SUEZ Environnement Company (SEC) for the following reasons: the shareholders' agreement relating to SEC expired on July 22, 2013, and GDF SUEZ no longer controls SEC, but GDF SUEZ is SEC's reference shareholder and long-term strategic partner (see Section 1.1.2 "History and evolution of the Company").
Article 23.2.4 of the Code (Acquisition of additional shares when Performance Shares are available)	In view of the share ownership requirement set by the Board of Directors at 200% of fixed compensation for the two corporate officers (and the requirement to hold two-thirds of vested Performance Shares until the ownership target is reached), the acquisition of additional shares once the performance shares allocated are available was not imposed (see Section 4.5.5.1).

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 Management 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;
- responsibility of all players for the implementation of internal control at every level of the organization;
- consideration, at the control design stage, of the balance between the level of assurance required and the cost of implementation;
- 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 recommendations of the report on the Audit Committee published by the AMF on June 14, 2010 as well as AMF Recommendation 2013-17.

General internal control guidelines

The general internal control guidelines of GDF SUEZ (INCOME program) 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

GDF SUEZ updates the scope of deployment of the INCOME internal control program every year, in particular taking new Group entities into account. This allows managers to oversee the most appropriate level of internal control in view of the risks and challenges involved.

The scope is defined using a combination of financial criteria and criteria on the risks of business malfunction as identified by the functional and operational divisions. In 2013, it covered 178 entities.

For entities that fall outside this scope in view of the criteria, INCOME program control repositories are provided, as well as a detailed internal control questionnaire, covering sensitive areas such as the segregation of duties and protection of assets.

Internal control players

In addition to the information previously provided on the role of the corporate governance bodies (see Section 4 "Corporate governance"), 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 General Management Committee and the Audit Committee;
- the business lines and functional divisions implement the INCOME program; they define their own control procedures in accordance with Group standards and policies and in a manner adapted to their specific activities, 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

The continuing dialogue between the overall risk management, internal control and internal audit processes is strengthened by the fact that they are grouped within a single division.

Risk Management Division

(See Section 2.1 "Risk management process").

Internal Control Division

The Internal Control Division organizes the monitoring of the internal control program, in partnership with the functional departments and the business lines, mainly to help manage the Group's most significant risks.

The Management Observatory for Internal Control was created at the end of 2010 to improve management's involvement in structural decision-making relating to internal control, such as the policy implemented and changes to the standards, and to increase understanding of management expectations in respect of internal control. This body, chaired by a member of the GDF SUEZ General Management Committee, examines changes to the internal control program proposed by the Head of Internal Control, submits them, with its opinion, to the Head of Internal Control and to the

General Management Committee for a decision and monitors their implementation; it met once in 2013.

The Internal Control Division is also 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 monitor their application.

The Internal Control Division oversees a network of coordinators responsible for running internal control to support the managers 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. The Internal Control functional line also provides the functional divisions with information on implementation of decisions prescribed at Group level.

Internal Audit Division

The Internal Audit Division is an independent and objective function that assesses the smooth running of the Company in all areas, risk management, and in particular the adequacy and effectiveness of the internal control system. It is supported by the internal audit organizations deployed in the business lines.

The Corporate Internal Audit team provides for implementation, control and observance of international professional standards established by the Institute of Internal Auditors.

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.

Expert networks composed of internal auditors who have the required level of technical knowledge apply a transversal approach to address issues of global interest (governance, health, safety and environmental management, 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;
- analysis 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 through its validation by the General Management bodies of the Group and the business lines and then its approval by the Audit Committee.

In addition, the Internal Audit Division, which is a function independent from management, provides the Group's senior managers and governance bodies with additional assurance on the effectiveness of the Group's internal control measures. It reviews the internal control system and carries out long-term testing of the controls. It also looks at the quality of the self-assessments carried out by the business managers and the commitment of senior managers.

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. A summary of findings and corrective actions is regularly presented to the managers of the subsidiaries, the Executive Committees of the business lines, the Group General Management Committee 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 structured according to the components of the COSO and 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 "Risk management process"), dialogue is established between the Risk Management and 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, helping to better control risks related to important issues, such as industrial risks;
- sharing of feedback on each of the approaches implemented.

Control activities

The internal control system includes about 60 accounting, financial and operating 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 the General Management and the functional divisions.

Implementation of the controls is also regularly monitored.

Information and communication

The Group-level 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 learning and understanding of internal control.

Coordination and monitoring of internal control

The internal control system comes under the jurisdiction of a decision signed by the Chairman and Chief Executive Officer. It is managed as follows:

- monitoring of the internal control program;
- 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;
- 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 (business lines) and half-yearly meeting (functional divisions). These meetings are supplemented, when necessary, by working groups and education and training actions.

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 management. 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) 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 Environmental and Societal Responsibility 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 and their internal control.

Responsibility for the preparation and the control of accounting and financial information is defined at each level of the Group's organization (Corporate Management, business lines, BUs and reporting entities).

This internal control system is consistent with the AMF reference framework. It covers not only the processes for preparing financial information for financial statements, 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 Division. It is updated on a regular basis according to changes in international standards;
- closing instructions sent out prior to each consolidation phase. These cover 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.

Identifying and assessing risks

The main risks identified are monitored and managed as follows:

- 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 action and communication plans for the functional lines in question;
- budgetary processes and medium-term business planning, performance monitoring, regular meetings at which the finance functions are mostly stakeholders, 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 which both report to the Finance Division, coordinate their activities at weekly meetings attended by their key managers.

The Accounting Division drives the process of producing the consolidated financial statements, supported by the consolidation teams and the management control divisions of Corporate Management and the business lines.

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 business units and reporting entities;
- controls at the Corporate Management level on the information passed on to this level by the business lines.

Within the Accounting Division, three centers of expertise (Consolidation Methods, Consolidation Process and Accounting Standards) optimize the way in which complex technical issues are handled and resolved. These centers, resulting from pooling expertise throughout the Group, ensure 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 control

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;
- the Finance Divisions at the business line, which implements procedures with all operating subsidiaries, including a decentralized control (see below the paragraph “Setting objectives and coordination”);
- the Corporate Accounting Division, which is in charge of financial reporting, preparing the parent company financial statements (of GDF SUEZ and the financial vehicles managed by Corporate), 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 on 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

The consolidated reporting entities all use the Magnitude software package to consolidate their financial statements and reporting under the Group’s Management Control process.

The application is managed jointly by:

- the Consolidation Methods Center of Expertise, which handles administrative tasks and system configuration and provides operating assistance to users;
- 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 subsidiaries and BUs’ IT departments.

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

The Communications Division applies the policies set by the “Communication with the press” procedure. 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 Finance Division also uses the current “Missions and operating principles of financial communication” procedure, which sets out management principles for the Group’s financial communication and clearly defines its activities in areas concerning analyst and investor relations and market intelligence.

Within the Finance Division the Financial Communications - Investor Relations Division steers and coordinates the market presentation process, including the quarterly, interim and annual financial data, as well as information about major transactions.

Setting objectives and coordination

The General Management updates and communicates the Group’s overall objectives and the allocation of resources to the business lines. The Planning and Management Control Division, which reports to the Finance Division, prepares instruction memos for each of the business lines. These memos specify the macroeconomic assumptions to be applied, including assumptions on commodities prices set by the Strategy Division, the financial and non-financial

indicators, 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 Magnitude software application, and the manual of Group accounting policies.

In the fall, the Business Line Committee validates, for each business line, the objectives set for the following year and the corresponding budget, as well as the outlook beyond the current year derived from the budget process and the medium-term business plan to 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, brings together representatives from the 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 are presented to the Audit Committee before being submitted to the Board of Directors.

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.

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 streamline and optimize the internal control system;
- adapting controls according to changes in risks.

It is against this backdrop that the INCOME 2015 program was launched in early 2013, with the aim of strengthening internal control's contribution to Group performance by capitalizing on the benefits of the INCOME program established in 2009.

4.1.9 Statutory provisions regarding the participation of Shareholders at 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".

4.2 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 constructed 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, 2013.

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 7, 2014

The Statutory Auditors

Deloitte & Associes	Ernst & Young et Autres	Mazars
Véronique Laurent	Pascal Macioce	Thierry Blanchetier
Pascal Pincemin	Charles-Emmanuel Chosson	Isabelle Sapet

4.3 GENERAL MANAGEMENT

The Company's General Management is 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 nine members as of 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*
Valérie Bernis, *Executive Vice-President, Communications, Marketing and Sustainable Development*
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*
Willem Van Twembeke, *Executive Vice-President in charge of the Energy International business line*(2)

(1) Since February 1, 2013.
(2) Since September 1, 2013.

The following were also members of the General Management Committee in 2013:

- Dirk Beeuwsaert, Executive Vice-President, in charge of the Energy International business line, until August 31, 2013;
- Jean-Louis Chaussade, Executive Vice-President, in charge of the Environment business line, until July 23, 2013.

Alain Chaigneau, the General Secretary, has attended meetings of the General Management Committee since September 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 had 19 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*
Valérie Bernis, *Executive Vice-President, Communications and Marketing and Sustainable Development*
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*
Isabelle Kocher, *Executive Vice-President, Chief Financial Officer*
Jérôme Tolot, *Executive Vice-President in charge of the Energy Services business line*
Willem Van Twembeke, *Executive Vice-President in charge of the Energy International business line*[1]
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*
Véronique Durand-Charlot, *member of the Executive Committee, Director of Information Systems*
Marc Florette, *member of the Executive Committee, Director of Research and Innovation*
Philippe Jeunet, *member of the Executive Committee, Advisor to the Chairman and Chief Executive Officer in charge of the City of Energy and Environment project*
Didier Retali, *member of the Executive Committee, Director of Audit and Risks*
Paul Rorive, *member of the Executive Committee, Director of Nuclear Development*
Édouard Sauvage, *member of the Executive Committee*[2], *Director of Strategy*
Denis Simonneau, *member of the Executive Committee, Director of European and International Relations*
The General Secretariat provides administrative services for the General Management Committee and the Executive Committee.

(1) Since April 1, 2013.
(2) Since February 11, 2013.

The following were also members of the Executive Committee during the 2013 financial year:

- Dirk Beeuwsaert, *Executive Vice-President, in charge of the Energy International business line until August 31, 2013*
- Jean-Louis Chaussade, *Executive Vice-President in charge of the Environment business line, until July 23, 2013*
- Bruno Bensasson, *Director of Strategy and Sustainable Development until February 10, 2013*
- Pierre Clavel, *(Deputy Director of the Global Gas & LNG business line, in charge of Business Development), until February 28, 2013*
- Phil Cox, *Chief Executive Officer of International Power plc until April 1, 2013*
- Yves de Gaulle *(Special Advisor to the Chairman and Chief Executive Officer of GDF SUEZ in charge of Renewable Energy Policy), until February 28, 2013*
- Jean-Pierre Hansen *(Chairman of the Energy Policy Committee), until February 28, 2013*
- Christelle Martin, *in charge of Group Human Resources until February 1, 2013*
- Philippe Saimpert, *Special Advisor to the Chairman and Chief Executive Officer until February 28, 2013*
- Emmanuel van Innis *(Special Advisor to the Chairman and Chief Executive Officer), until February 28, 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 other 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 performance during the year of the agreements and commitments already approved by the Shareholders' Meeting.

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

A.1. 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.

A.1.1. With Suez Environnement Company (35.8% equity interest)

Directors concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the Board of Directors of Suez Environnement Company andMr. Cirelli, Vice Chairman and President of GDF SUEZ and Director of Suez Environnement Company.

Nature, purpose and terms: Amendment to the trademark license agreement and transition agreement regarding external purchases

A shareholders' agreement was signed in June 2008, just before the merger of Suez and Gaz de France for a period of five years from July 22, 2008; it allowed to control 48% of the capital of Suez Environnement Company along with the other shareholders in the agreement, of which 35% was held by Suez alone.

As mentioned in paragraph B.2.1.b. "Agreements and commitments approved in previous years " from part B of this report, this agreement expired on July 22, 2013, resulting in the loss of control of Suez Environnement Company by GDF SUEZ. This change in circumstances led to a review of the governance of Suez Environnement, which was examined by the Board of Directors at its July 31, 2013 meeting. In addition, the Board planned to sign two significant agreements covering the "Suez" brand and external purchases.

The Board of Directors' meeting of September 25, 2013 examined and authorized these agreements which respectively provide for:

- an addendum to the trademark license agreement, under whose specific terms GDF SUEZ has the right to terminate the trademark license agreement if GDF SUEZ ceases to hold an interest of more than 20% in Suez Environnement Company, or if another shareholder (or several shareholders acting together) holds more than 20% of the capital and said other shareholder holds more than the GDF SUEZ interest. In this event, the Group would have the right to terminate the trademark license agreement after serving twelve months' notice, and thus to withdraw the right to use the name "SUEZ";
- as a reminder, this addendum to the trademark licence agreement, signed in 2008, which concerned the grant from SUEZ to Suez Environnement for five years , on a non-exclusive and free basis, of the brand "SUEZ" under its corporate name, and in other specific brands;
- the transition agreement concerning external purchases for a limited period, i.e. until July 31, 2015, will allow both companies to retain their critical mass, generating significant reductions, and to leverage both volumes and synergies with regard to external suppliers.

At its meeting of September 25, 2013, the Board of Directors of your company unanimously authorized:

- the conclusion of the addendum to the trademark license agreement, giving full powers to the Chairman and Chief Executive Officer and to the Vice-Chairman and President, by delegation, to sign the addendum, to sign any other related documents, and to perform any formalities for this purpose or as required by law, and generally to do whatever is necessary to give full effect to the trademark license agreement, as amended by the addendum;
- the conclusion of the trademark license agreement concerning external purchases, giving full powers to the Chairman and Chief Executive Officer and to the Vice-Chairman and President, by delegation, to sign said agreement, to sign any other related documents and generally, to do whatever is necessary.

This addendum and the transition agreement concerning external purchases were signed on October the 1st, 2013.

A.2. Agreements and commitments authorized after closing

The following agreements and commitments since the year end, previously authorized by your Board of Directors, have been brought to our attention.

A.2.1. With Crédit Agricole Corporate and Investment Bank ("Crédit Agricole CIB")

Director concerned

Mr. Alphandéry, Director of GDF SUEZ and of Crédit Agricole CIB.

Nature, purpose and terms: Changes to 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 an interest in Nord Stream AG on July 1, 2010 through the purchase by GDF SUEZ Holding Switzerland AG (a wholly-owned subsidiary of GDF International, itself is a wholly-owned subsidiary of GDF SUEZ) of a 4.5% stake from E.ON and a 4.5% stake from Wintershall.

The project financing has two phases (Phase I and Phase II), corresponding to the two pipelines.

As developed in paragraph "Agreements and commitments approved in previous years "from part B of this report, project financing for Phase I was authorized by the Board of Directors on June 23, 2010. This authorization was confirmed by the Board of Directors on January 13, 2011 following a number of amendments to some of the transaction documents in order to acknowledge the entry of GDF SUEZ into the project on July 1, 2010 and the implementation of financing for Phase II. Project financing for Phase II was authorized by the Board of Directors on January 13, 2011.

Nord Stream AG plans to refinance the commercial loans for Phase I not covered by export credit agencies for the sum of EUR 729 million via the issue of bonds on the project, in accordance with the Replacement Debt mechanism, as set out in the Phase I Common Terms Agreement and the Phase II Common Terms Agreement (the "Bond Issue"). The Bond Issue will be conducted via a BNP Paribas multi-issuer vehicle ("Aquarius"). Aquarius is an ad hoc vehicle based in Ireland and managed by a BNP Paribas independent Board of Directors. Aquarius will issue fixed-rate bonds with a maturity of fifteen years via its existing bond program and will give Nord Stream AG the proceeds of the Bond Issue in accordance with the Replacement Debt mechanism outlined above. Nord Stream AG will use the sums thus made available to refinance the Phase I commercial loans.

To this end, GDF SUEZ will sign:

- an English Law Global Amendment amending certain financing documents to which GDF SUEZ is a party (namely the Change in Law Commitment Agreement, the Decommissioning Commitment Agreement, the Shareholder Commitment Agreement and the Phase II Completion Guarantee) (each agreement being more fully described in the extract of the minutes of the January 22, 2014 meeting of the Board of Directors, which approved its conclusion, known together as the "Guarantees"). The amendments referred to by the English Law Global Amendment are intended to allow Aquarius to benefit from the guarantees contained in the Guarantees, like any other commercial bank lender in connection with the transaction, and transfer to it the benefit of all interest-rate hedging agreements for Phase I and Phase II;
- an English Law Dispute Resolution Amendment Agreement, , designed to change the terms of dispute resolution in certain existing financing documents in order to confer exclusive jurisdiction in the same manner to all parties to the agreements in question. These changes follow recent case law developments, specifically in Russia and France, which have invalidated so-called "asymmetric" jurisdiction clauses, when these provide for the exclusive jurisdiction of the courts selected for the sole benefit of one party to the agreement.

Although the GDF SUEZ commitment is restricted to 9% of the obligations guaranteed under the Change in Law Commitment Agreement, the Decommissioning Commitment Agreement, the Shareholder Commitment Agreement and the Phase II Completion Guarantee, the Guarantees are not capped.

The guarantees are issued in favor of Nord Stream AG and Société Générale acting as Security Agent on its behalf and, as a trustee, on behalf of all financial parties in Phase I, and, as regards the Change in Law Commitment Agreement, in Phase II, among which are Crédit Agricole Corporate and Investment Bank.

At its meeting of January 22, 2014, the Board of Directors unanimously approved the conclusion of the Agreements and each of the above-mentioned Guarantees, conferring all powers to the Chairman and Chief Executive Officer, with power to delegate, in order to sign the Agreements (as well as all other deeds, conventions, and documents necessary or required for the conclusion of the Agreements), to set out their final conditions and procedures, to approve their terms and, more generally, to take all measures, sign all deeds, conventions, and documents, and to take all required or useful steps in order to bring the Nord Stream AG financing project to successful completion.

A.2.2. With the Suez Environnement Company (in which an interest is held of 35.8%)

Director 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: Sharing of pension obligations between GDF SUEZ and Suez Environnement

In connection with the non-renewal of the Shareholders' Agreement, approved by the Board of Directors at its meeting of December 5, 2012 and which expired on July 22, 2013, GDF SUEZ no longer controls Suez Environnement.

As a result of the evolution of the relations between GDF SUEZ and Suez Environnement, it becomes necessary to conclude of an agreement designed to avoid a situation whereby no account is taken, when calculating the pension rights resulting from the supplementary defined-benefit plans, known as "TC and TD", of a portion of the working periods of employees who spent their careers at both the GDF SUEZ and the Suez Environnement groups.

This agreement provides that those working periods at the GDF SUEZ group until July 22, 2013 will be taken into account when calculating rights by the Suez Environnement group, and that those working periods at the Suez Environnement group until July 22, 2013 will be taken into account when calculating rights by the GDF SUEZ group, provided that these working periods created rights pursuant to pension regulations under the version in effect on July 22, 2013.

This agreement provides for the evaluation of employee benefits for each of the two groups and outlines the procedures used to transfer the credit balance in favor of Suez Environnement group in the amount of EUR 59,266.

At its meeting of February 26, 2014, the Board of Directors unanimously approved the conclusion of the above-mentioned agreement, giving full powers to the Chairman and Chief Executive Officer and to the Vice-Chairman and President, by delegation, to sign said agreement, to sign any other related documents and generally, to do whatever is necessary as regards the sharing of pension obligations between GDF SUEZ and Suez Environnement.

B. Agreements and commitments already approved by the Shareholders' Meeting

B.1. Agreements and commitments approved during the year

We have also been informed of the performance, in the past year, of the following agreements and commitments, already approved by the Shareholders' Meeting of April 23, 2013, based on the Statutory Auditors' special report of March 6, 2013.

B.1.1. With the French government (which holds an interest of 36.7%)

Shareholders and Directors concerned

French government, Mr. Bourges, Mr. Fernandez, Mr. Mongin and Mrs Pallez, directors representing the French government.

Nature, purpose and terms: Public Service Contract

In December 2009, GDF SUEZ signed a public service contract with the French government. 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 the activities of its natural gas distribution (GrDF) and natural gas transmission (GRTgaz) networks, and its "storage" (Storengy) and "terminal" (Elengy) 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 regulated tariffs and establishes the rules and responsibilities of the various parties for the period 2010-2013.

The French government committed to annually publish a ministerial order establishing the conditions according to which the natural gas regulated tariffs could change in the coming year. Between two ministerial orders, GDF SUEZ could 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 meeting of December 9, 2009, the Board of Directors expressly approved this agreement. At its meeting of January 22, 2013, the Board of Directors expressly authorized Gérard Mestrallet, Chairman and Chief Executive Officer, and Jean-François Cirelli, Vice-Chairman and President, to sign with the French government an addendum to this contract concerning tariff changes, which will now be monthly rather than quarterly.

This addendum to the contract was approved by the Combined Shareholders' Meeting of April 23, 2013.

B.2. Agreements and commitments approved in previous years

B.2.1. Whose implementation continued during the year

Pursuant to Article R. 225-30 the French Commercial Code, we have been informed that the performance of the following agreements and commitments, approved in previous fiscal years by the Shareholders' Meeting, continued during the year.

B.2.1.a. With the Electrabel and International Power (wholly-owned subsidiaries of the Group)

Directors concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ, 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 to the International Power Financing Framework Agreement

At its meeting of August 9, 2010, the Board of Directors of GDF SUEZ had authorizeda 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 approved by the Board of Directors of IPR 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 Financing Framework 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 this 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. This termination took effect on March 15, 2013.

Net financial income generated amounted to EUR 7.9 million for the year under said agreement.

B.2.1.b. With the Suez Environnement Company (in which an interest is held of 35.8%), Groupe Bruxelles Lambert, Caisse des Dépôts et Consignations, CNP Assurances, Sofina, and Areva

Directors concerned

Mr. Frère, Director of GDF SUEZ and Chairman and Chief Executive Officer of Groupe Bruxelles Lambert, Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the Board of Directors of Suez Environnement Company, Mr. Desmarais Jr., Director of GDF SUEZ and Groupe Bruxelles Lambert, Mr. Fernandez, Director of GDF SUEZ, and CNP Assurances and member of the Supervisory Board of CDC, and Mr. Cirelli, Vice-Chairman and President of GDF SUEZ and Director of Suez Environnement Company.

Nature, purpose and terms: Shareholders' 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 fi ve 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 confi rmed 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.

B.2.1.c. With the Suez Environnement Company (in which an interest is held of 35.8%)

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: Cooperation and shared functions agreement, industrial cooperation and marketing agreement and agreement relating to the resolution of litigation in Argentina

- 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. The end of the shareholders' agreement also resulted in the termination of this agreement on the same date.

  In view of the non-renewal of the shareholders' agreement and in order to extend the industrial, commercial and service cooperation agreement, GDF SUEZ and Suez Environnement announced January 23, 2013 the conclusion of an Agreement establishing the "Guidelines and industrial and commercial cooperation guidances between GDF SUEZ and Suez Environnement Company."

  The agreement, signed on January 17, 2013, is known as the "Guidelines" and focuses on five areas: reciprocal preference in purchasing/sales, development of synergies between industrial activities, development of joint commercial offerings, and the partnership between sustainable development policy and commercial coordination of marketing, innovation and R&D.

At its meeting of December 5, 2012, the Board of Directors unanimously approved the signing of the draft guidelines and industrial and commercial cooperation policies presented to it.

- In connection with the spinoff-distribution of the Suez Environnement division (the "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 or arising therefrom (the "Argentine Rights").

This agreement was expressly authorized by the Suez Board of Directors at its meeting of June 4, 2008, and signed on June 5, 2008.

In 2013, Suez Environnement reinvoiced EUR 1.7 million in attorney and advisory fees to GDF SUEZ.

b) 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 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 alleviating liquidity pressure on Suez Environnement (estimated at EUR 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 Environment 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 that 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, 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 EUR 350 million, maturing on July 15, 2013. This agreement came into force January 1, 2011.

The financing agreement with Suez Environnement Company ended on March 31, 2013.

As of December 31, 2013, all loans granted and current account advances made by the GDF SUEZ group to the Suez Environnement Company had been repaid in full. Net financial income generated amounted to EUR 3 million for the year.

B.2.2 Which were not implemented during the year

Furthermore, we have been informed of the continuation of the following commitments and agreements already approved by the Shareholders' Meeting in previous years, which were not performed during the past year.

B.2.2.1. With Crédit Agricole Corporate and Investment Bank ("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

As mentioned in the paragraph 1 "Agreements and commitments authorized since the year end" part A. of this report, 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. The project financing has two phases (Phase I and Phase II), corresponding to the two pipelines.

Project financing for Phase I was authorized by the Board of Directors on June 23, 2010. This authorization was confirmed by the Board of Directors on January 13, 2011 following a number of amendments to acknowledge the entry of GDF SUEZ into the project on July 1, 2010 and the implementation of financing for Phase II. Project financing for Phase II was authorized by the Board of Directors on January 13, 2011.

GDF SUEZ, acting as Sponsor in connection with Phase I project financing, authorized by the Board of Directors on June 23, 2010, was required to sign:

- an Accession Undertaking to the Subordination Deed, dated July 1, 2010, under which GDF SUEZ acceded, as a new subordinated 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' credit;
- an independent Completion Guarantee (Phase I Completion) 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 EUR 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 transportation services 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 terms of 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 SUE'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 is restricted to 9% of such costs. Under the financing documentation, the signature of this guarantee may be required at the first 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", to cover, in the event of abandonment of the construction of the second pipeline, the project costs (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 signing of this guarantee may be required upon the commissioning of the first gas pipeline in favor of the lending banks financing Phase I of the project;

These guarantees are intended to replace the Phase I Completion Guarantee, dated July 1, 2010.

While GDF SUEZ's commitment is restricted 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 was nearing completion, the Board of Directors was required to renew its authorization for the conclusion of the Change in Law, the Commitment Agreement Phase I Disputed Claim, the Commitment Agreement, the Decommissioning Commitment Agreement and the 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.

These guarantees were signed on October 11, 2012, with the exception of the Phase I guarantee "Disputed Claim Commitment Agreement", which was not required.

To date, these guarantees have not had any impact.

As mentioned in paragraph 1 "Agreements and commitments authorized during the year" of part A of this report, the Board, at its meeting of January 22, 2014, has unanimously authorized the conclusion of contracts amending certain contractual clauses to the guarantees abovementioned.

B.2.2.2. With CNP Assurances, CDC infrastructure, Caisse des Dépôts et Consignations (CDC), Société d'Infrastructures Gazières (SIG) and GRTgaz (75%- eld subsidiary of the Group)

Director concerned

Mr. Fernandez, Director of GDF SUEZ and 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 on 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 EUR 810 million and for the subscription of shares amounting 6.8% of the capital at EUR300 million, bringing the aggregate amount of the transaction to EUR1,110 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 2013.

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 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.

This shareholders' agreement continued unchanged in 2013.

B.2.2.3. With the Electrabel company (wholly-owned Group subsidiary)

Directors concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the Board of Directors of Electrabel and Mr. Cirelli, Vice-Chairman 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. At its meeting of July 4, 2007, the Board of Directors expressly approved the sale transaction and the agreement.

The sale agreement included vendor warranties to cover liabilities for a maximum amount of EUR 1.5 billion and for a maximum term ending March 31, 2013.

This agreement had no impact on fiscal year 2013.

B.2.2.4. With GDF SUEZ group companies that are members of the GDF SUEZ Alliance GIE

Director concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the Board of Directors of GDF SUEZ Energy Services.

Nature, purpose and terms:

In its meeting of July 4, 2001, the Suez Board of Directors authorized the creation of an ad hoc financing vehicle, the Suez Alliance GIE, subsequently GDF SUEZ Alliance GIE, and Suez's membership in this GIE (economic interest group).

It also approved the guarantee granted by Suez for the benefit of the other members of the GIE that are subsidiaries of Suez. Consequently, GDF SUEZ, as parent company of the Group, will be the ultimate guarantor to other members for any debts they may incur any, and which may exceed their share.

This agreement had no impact on fiscal year 2013.

B.2.2.5. With GDF SUEZ group companies that are not members of the GDF SUEZ Alliance GIE

Director concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and 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 re 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 2013.

B.2.2.6. With the GDF SUEZ Energy Services company (wholly-owned Group subsidiary)

Director concerned

Mr. Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the Board of Directors of GDF SUEZ Energy Services.

Nature, purpose and terms:

At its meeting of July 4, 2001, the Board of Directors approved the performance guarantee granted by SUEZ to Suez Energy Services, regarding the construction and operation of a domestic 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 2013 fiscal year.

Neuilly-sur-Seine and Paris-La Défense, March 7th, 2014

The Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres	MAZARS
Véronique Laurent	Pascal Macioce	Isabelle Sapet
Pascal Pincemin	Charles-Emmanuel Chosson	Thierry Blanchetier

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

This chapter was prepared in coordination with the Appointments and Compensation Committee.

4.5.1 Compensation of executive corporate officers

Compensation of executive corporate officers is determined by the Board of Directors based on the Appointments and Compensation Committee's proposals.

The compensation policy is regularly reviewed by the Appointments and Compensation Committee, and relies in particular on specific studies by an external specialist firm in this field.

In its recommendations to the Board of Directors, the Appointments and Compensation Committee seeks to propose a compensation policy in line with the practices of comparable major international groups for similar positions, based on a benchmark established by a specialized external firm that includes companies listed on the CAC40, Eurostoxx 50 and Eurostoxx Utilities indices, excluding companies in the financial sector.

Stringent quantitative and qualitative performance criteria are set both for the variable portion of compensation and for long-term incentive plans, helping to maintain a link between the Group's performance and the compensation of its directors in the short-, medium- and long-term.

In accordance with the recommendations of the revised AFEP-MEDEF Code of June 2013 on compensation policy, to which the Company adheres, the compensation of the two executive corporate officers comprises:

- a fixed element (see 4.5.1.1);
- a variable element, balanced relative to total compensation, the purpose of which is to reflect the executive's personal contribution to the Group's development and results (see 4.5.1.2);
- a deferred variable element in the form of Performance Units (see 4.5.1.3), subject to performance conditions.

4.5.1.1 Fixed compensation

In 2013, fixed compensation 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 and, at his request, the total 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 2013 by GDF SUEZ to Gérard Mestrallet was €1,309,531, plus the mandatory retirement amount (€90,469), making a total of €1,404,533 including benefits in kind of €4,533.

In 2013 Jean-François Cirelli, Vice-Chairman and President, was paid total fixed compensation of €1,003,836, including benefits in kind of €3,836.

Fixed compensation for 2014 of the two executive corporate officers remains unchanged.

4.5.1.2 Variable compensation

Variable compensation paid in 2013 for 2012 was set by the Board of Directors of GDF SUEZ at its meeting of February 27, 2013, on the recommendation of the Appointments and Compensation Committee, at €1,600,000 for Gérard Mestrallet (a decrease of 5% compared to the variable compensation paid for 2011) and at €840,000 for Jean-François Cirelli (a decrease of 0.2% compared to the variable compensation paid for 2011).

This variable compensation is structured into two components: a quantitative component (70%) and a qualitative component (30%). The quantitative criteria used are based 50% on Recurring net income, Group Share per share and 50% on free cash flow, ROCE and net debt (each for one-sixth). The quantitative targets for 2012 were based on the Group's projected budget as presented to the Board of Directors on February 8, 2012.

Variable compensation for 2013 to be paid in 2014 is structured into two components: a quantitative component (70%) and a qualitative component (30%).

For the quantitative component, the criteria used are based 50% on Recurring net income, Group Share per share and 50% on free cash flow, ROCE and net debt (each for one-sixth). The quantitative targets for 2013 were based on the Group's projected budget as presented to the Board of Directors on December 5, 2012.

For the qualitative component, the criteria used are:

- for Gérard Mestrallet: monitoring the ROCE per business line; establishing a proactive R&D policy involving the business lines; overseeing the Group's social and environmental responsibilities; managing CAPEX and general and administrative expenses (G&A); and meeting Group health and safety targets;
- for Jean-François Cirelli: redefining the business model of the Energy Europe business line; establishing a proactive R&D policy involving the business lines; and overseeing the contribution by the Energy Europe business line and the Purchasing organization to the Perform 2015 performance plan.

In 2013, Gérard Mestrallet's target variable compensation was set at 130% of his fixed compensation and capped at 150%. Jean-François Cirelli's target variable compensation was set at 100% and capped at 120%.

At its meeting of February 26, 2014, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, set – based on the above - the variable compensation for 2013 as follows:

- for Gérard Mestrallet: €1,630,174, compared with €1,600,000 for 2012;
- for Jean-François Cirelli: €892,700 compared with €840,000 for 2012.

However, in light of the difficult situation of the energy sector in Europe, and its impact on the Group (including the efforts required from employees under the Perform 2015 performance plan) and on its shareholders, the two executive corporate officers waived 50% of their variable compensation for 2013, which therefore amounts to:

- for Gérard Mestrallet: €815,000;
- for Jean-François Cirelli: €446,000.

The quantitative criteria and the percentages of target and maximum variable compensation for 2013 have been renewed for 2014.

4.5.1.3 Deferred variable compensation (Performance Units)

The Appointments and Compensation Committee recommended to the Board of Directors that the executive corporate officers receive compensation by means of a long-term incentive, provided that it is reasonable and subject to strict performance conditions, which are also comparable to those of other beneficiaries.

Accordingly, the Appointments and Compensation Committee proposed to the Board a long-term incentive plan for the 2013 fiscal year in the form of Performance Units having the same characteristics as the plan proposed in February 2013 (which the corporate officers waived).

The Board of Directors, at its meeting of February 26, 2014, approved the award of 150,000 Performance Units (valuation €1,260,000) to Gérard Mestrallet and 100,000 Performance Units (valuation €840,000) to Jean-François Cirelli for 2013. However, in view of the factors described in 4.5.1.2 above, both corporate officers waived 50% of their deferred variable compensation for 2013, such that the award of Performance Units for 2013 is as follows:

- for Gérard Mestrallet: 75,000 Performance Units (valuation €630,000);
- for Jean-François Cirelli: 50,000 Performance Units (valuation €420,000).

The valuation of Performance Units is explained in note (1) under section 4.5.1.7 below.

The characteristics of the Performance Units Plan are:

- Performance Units are fully vested after three years (March 2017), after which the beneficiary may freely exercise them, with fractional exercise permitted;

- final vesting depends on a three-fold performance condition, with each criterion weighing one-third of the total [1]:
  - Total Shareholder Return (TSR: stock market performance, reinvested dividend) of GDF SUEZ compared to the TSR of companies included in the Eurostoxx Utilities index (Eurozone) over the period December 2016-January 2017 compared to November-December 2013,
  - Recurring net income, Group Share for fiscal 2015 and 2016, compared to the budgeted Recurring net income, Group Share for these same years (pro forma),
  - 2016 ROCE compared to the 2016 ROCE in the mid-term business plan (MTBP) presented to the Board of Directors on February 26, 2014.
- upon exercise, Performance Units are valued based on the weighted average daily price published after the request date. This method reduces the effects of volatility inherent in a closing or opening price;
- obligation to reinvest in GDF SUEZ shares two-thirds of the net amount paid, until the shareholding target (equal to two years' fixed compensation for corporate officers, see 4.5.5.1 below) has been met;
- maintenance of rights in the event of death, retirement, disability (2nd or 3rd category under Article L. 341-4 of the French Social Security Code);
- in case of death, the performance conditions will be deemed fully satisfied. Successors would have a period of six months from the date of death to exercise the Performance Units. After this time the Performance Units will irrevocably lapse;
- in case of termination of duties for any other reason, the rights will lapse, unless otherwise decided by the Board of Directors.

Both executive corporate officers have already announced, in the context of mentioned in 4.5.1.2 above, their intention to waive 30% of their total theoretical compensation for 2014 (fixed compensation, target variable compensation and deferred variable compensation for 2014 approved in principle by the Board of Directors [2]). This reduction will apply in the first instance to variable compensation.

4.5.1.4 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 Chie f Executive Officer on April 23, 2012 and therefore his employment contract, which was automatically suspended when he became a 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 any annuity payments resulting from collective supplementary pension plans. The annual annuity 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 in 2012 (reference year for the liquidation of rights).

(1) Details of the performance conditions:

(a) external condition related to the Total Shareholder Return (TSR) (stock market performance, reinvested dividend) of the GDF SUEZ share compared with the TSR of companies included in 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 December 2016 - January 2017, versus November-December 2013.

(b) Internal condition related to Recurring net income, Group share for 2015 and 2016 vs the budgeted Recurring net income, Group share for the same years (pro forma):

Recurring net income, Group share 2015+2016 < 90% of budgeted Recurring net income, Group share 2015+2016: success rate of 0%

Recurring net income, Group share 2015+2016 = 90% of budgeted Recurring net income, Group share 2015+2016: success rate of 33%

Recurring net income, Group share 2015+2016 > 90% of budgeted Recurring net income, Group share 2015+2016 progressive and linear success rate from 33%

Recurring net income, Group share 2015+2016 >= budgeted Recurring net income, Group share 2015+2016: success rate of 100%

(c) internal condition related to the 2016 ROCE compared to the 2016 ROCE in the mid-term business plan (MTBP) presented to the Board of Directors on February 26, 2014:

2016 ROCE < 2016 ROCE threshold: success rate of 0%

2016 ROCE = 2016 ROCE threshold: success rate of 33%.

2016 ROCE = 2016 ROCE of MTBP: success rate of 100%

Progressive and linear success rate from 33%.

Success rates (from 0% to 100%) will be calculated for each condition and an overall rate established through an arithmetic mean of the three conditions.

(2) The principle of granting deferred variable compensation for 2014 approved by the Board of Directors on February 26, 2014 for 150,000 Performance Units for Gérard Mestrallet and 100,000 Performance Units for Jean-François Cirelli.

Jean-François Cirelli is covered by a mandatory 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.

4.5.1.5 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 4.5.1.4.

GDF SUEZ does not currently offer any signing bonus or compensation for the loss of office to executive corporate officers. Neither is any compensation payable to corporate officers under no-competition clauses.

4.5.1.6 Summary of compensation of each executive corporate officer

	2013		2012	
In €	Amount due for 2013	Amount paid in 2013	Amount due for 2012	Amount paid in 2012
Gérard Mestrallet *Chairman and Chief Executive Officer*				
Fixed compensation	1,400,000 (1)	1,400,000 (1)	1,400,000 (1)	1,400,000 (1)
Variable compensation (2)	815,000	1,600,000	1,600,000	1,683,898
Exceptional compensation	0	0	0	0
Directors' fees	0	0	0	0
Benefits in kind (3)	4,533	4,533	5,079	5,079
TOTAL	**2,219,533**	**3,004,533**	**3,005,079**	**3,088,977**
Jean-François Cirelli *Vice-Chairman and President*				
Fixed compensation	1,000,000	1,000,000	1,000,000	1,000,000
Variable compensation (2)	446,000	840,000	840,000	842,036
Exceptional compensation	0	0	0	0
Directors' fees	0	0	0	0
Benefits in kind (4)	3,836	3,836	1,028	1,028
TOTAL	**1,449,836**	**1,843,836**	**1,841,028**	**1,843,064**

(1) Including CNAV, ARRCO and AGIRC.
(2) The total amount of variable compensation due for 2012 was determined on February 27, 2013 and paid in March 2013. The total amount of variable compensation due for 2013 was determined on February 26, 2014 and paid in March 2014.
(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 €	2013	2012
Gérard Mestrallet *Chairman and Chief Executive Officer*		
Compensation due for the fiscal year *(detailed in the preceding table)*	2,219,533	3,005,079
Valuation of options granted for the fiscal year	0	0
Valuation of Performance Shares granted for the fiscal year	0	0
Valuation of Performance Units (deferred variable compensation) granted for the fiscal year[1]	630,000	0
TOTAL	**2,849,533**	**3,005,079**
Jean-François Cirelli *Vice-Chairman and President*		
Compensation due for the fiscal year *(detailed in the preceding table)*	1,449,836	1,841,028
Valuation of options granted for the fiscal year	0	0
Valuation of Performance Shares granted for the fiscal year	0	0
Valuation of Performance Units (deferred variable compensation) granted for the fiscal year[1]	420,000	0
TOTAL	**1,869,836**	**1,841,028**

(1) The valuation of Performance Units, based on a model provided by an external specialist firm, is based on an approach used for all of its client companies to obtain comparable valuations. It uses the parameters and assumptions consistent with the principles of IFRS, but takes into account all possible performance conditions (external and internal), not limited to "market" performance conditions as in IFRS 2. This valuation also takes into account the share price, the annual expected dividend yield, historical share price volatility, the risk free rate, a three-year maturity of a three-year vesting period and an estimated life of 4.5 years. Under these rules, the valuation calculated by the Appointments and Compensation Committee on February 11, 2014 and the Board of Directors on February 26, 2014 amounts to €8.40 per Performance Share.

4.5.1.8 Elements of compensation due or awarded for 2013 to each executive corporate officer of the Company, subject to the consultative vote of shareholders

In accordance with the recommendations of Article 24.3 of the revised AFEP-MEDEF Code of June 2013 to which the Company refers pursuant to Article L. 225-37 of the French Commercial Code, the following elements of compensation due or awarded for the fiscal year ended to each executive corporate officer of the Company are subject to the shareholders' consultative vote:

- the fixed element;
- the annual variable element and, where appropriate, the multi-year variable element with the objectives contributing to the determination of this variable element;
- exceptional compensation;
- stock options, performance shares and any other long-term compensation;
- compensation associated with the commencement or termination of duties;
- supplementary retirement plan; and;
- benefits of any kind.

Accordingly, the Shareholders' Meeting of April 28, 2014 will be asked to cast a consultative vote on the following elements of compensation due or awarded for the fiscal year ended to Gérard Mestrallet, Chairman and Chief Executive Officer and Jean-François Cirelli, Vice-Chairman and President:

ELEMENTS OF COMPENSATION DUE OR AWARDED FOR 2013 TO GÉRARD MESTRALLET, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Element of compensation	Amount	Comments
Fixed compensation	€1,400,000	The fixed compensation of Gérard Mestrallet remained unchanged in 2013. The suspended employment contract of Gérard Mestrallet was terminated on his initiative upon his reappointment as Chairman and CEO on April 23, 2012. He requested the liquidation of his retirement benefit plan and, at his request, the total 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 2013 by GDF SUEZ to Gérard Mestrallet was €1,309,531, plus the mandatory retirement amount (€90,469), making a total of €1,404,533 including benefits in kind of €4,533.
Variable compensation	€815,000	The structure of variable compensation of Gérard Mestrallet for 2013 to be paid in 2014 is broken down into two components: a quantitative component (70%) and a qualitative component (30%). For the quantitative component, the criteria used are based 50% on Recurring net income, Group Share per share and 50% on free cash flow, ROCE and net *d*ebt (each for one-sixth). The quantitative targets for 2013 were included in the Group's projected budget as presented to the Board of Directors on December 5, 2012. For the qualitative component, the criteria used are: establishing a proactive R&D policy involving the business lines; overseeing the Group's social and environmental responsibilities; managing CAPEX and general and administrative expenses (G&A); and meeting Group health and safety targets. In 2013, Gérard Mestrallet's target variable compensation was set at 130% of his fixed compensation and capped at 150%. At its meeting of February 26, 2014, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, set the variable compensation for 2013 of Gérard Mestrallet at €1,630,174. However, given the difficult situation of the energy sector in Europe, and its impact on the Group (including the efforts required from employees under the Perform 2015 performance plan) and on its shareholders, Gérard Mestrallet waived 50% of his variable compensation for 2013, which amounted therefore to €815,000.
Deferred variable compensation (Performance Units)	Valuation: €630,000	The Board of Directors, at its meeting of February 26, 2014, approved the award of 150,000 Performance Units to Gérard Mestrallet for 2013. However, in view of the factors described above, Gérard Mestrallet waived 50% of his deferred variable compensation for 2013, and as a result he was awarded 75,000 Performance Units for 2013. Performance Units are fully vested after three years (March 2017), after which the beneficiary may freely exercise them, with fractional exercise permitted. Final vesting depends on a three-fold performance condition, with each criterion weighing one-third of the total: • Total Shareholder Return (TSR: stock market performance, reinvested dividend) of GDF SUEZ compared to the TSR of companies included in the Eurostoxx Utilities index (Eurozone) over the period December 2016-January 2017 compared to November-December 2013; • Recurring net income, Group Share for fiscal 2015 and 2016, compared to the budgeted Recurring net income, Group Share for these same years (pro forma); • 2016 ROCE compared to the 2016 ROCE in the mid-term business plan presented to the Board of Directors on February 26, 2014. Success rates (from 0% to 100%) will be calculated for each condition and an overall rate established through an arithmetic mean of the three conditions.
Variable multi-year compensation	None	Gérard Mestrallet receives no variable multi-year compensation.
Directors' fees	None	Gérard Mestrallet receives no Directors' fees.
Exceptional compensation	None	Gérard Mestrallet receives no exceptional compensation.
Allocation of stock options, performance shares and any other long-term compensation	None	None
Compensation associated with the commencement or termination of duties	None	Gérard Mestrallet receives no compensation associated with the commencement or termination of duties.

Supplementary retirement plan	No payments	Gérard Mestrallet is not covered by an individual retirement benefit plan. In addition to mandatory retirement plans, he benefits from collective supplementary pension benefits given to former employees of the SUEZ Group, which he joined in 1984. Gérard Mestrallet was reappointed as Chairman and CEO 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 any annuity payments resulting from collective supplementary pension plans. The annual annuity 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, representing 28% of his benchmark compensation in 2012 (reference year for the liquidation of rights).
Benefits in kind	€4,533	Gérard Mestrallet benefits from the use of a company vehicle.

ELEMENTS OF COMPENSATION DUE OR AWARDED FOR 2013 TO JEAN-FRANÇOIS CIRELLI, VICE-CHAIRMAN AND PRESIDENT

Type of compensation	Amount	Comments
Fixed compensation	€1,000,000	The fixed compensation of Jean-François Cirelli remained unchanged in 2013. In 2013 Jean-François Cirelli, Vice-Chairman and President, received total fixed compensation of €1,003,836, including benefits in kind of €3, 836.
Variable compensation	€446,000	The structure of variable compensation of Jean-François Cirelli for 2013 to be paid in 2014 is broken down into two components: a quantitative component (70%) and a qualitative component (30%). For the quantitative component, the criteria used are based 50% on Recurring net income, Group Share per share and 50% free cash flow, ROCE and net debt (each for one-sixth). The quantitative targets for 2013 were included in relation to the Group's projected budget as presented to the Board of Directors on December 5, 2012. For the qualitative component, the criteria used are: redefining the business model of the Energy Europe business line; establishing a proactive R&D policy involving the business lines; and overseeing the contribution by the Energy Europe business line and Purchasing to the Perform 2015 performance plan. In 2013, Jean-François Cirelli's target variable compensation was set at 100% of his fixed compensation and capped at 120%. At its meeting of February 26, 2014, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, set the variable compensation for 2013 of Jean-François Cirelli at €892,700. However, given the difficult situation of the energy sector in Europe, and its impact on the Group (including the efforts required from employees under the Perform 2015 performance plan) and on its shareholders, Jean-François Cirelli waived 50% of the variable compensation for 2013, which amounted therefore to €446,000.
Deferred variable compensation (Performance Units)	Valuation: €420,000	The Board of Directors, at its meeting of February 26, 2014, approved the award of 100,000 performance Units to Jean-François Cirelli for 2013. However, in view of the factors described above, Jean-François Cirelli waived 50% of his deferred variable compensation for 2013, and as a result he was awarded 50,000 Performance Units for 2013. Performance Units are fully vested after three years (March 2017), after which the beneficiary may freely exercise them, with fractional shares permitted. Final vesting depends on a three-fold performance condition, with each criterion weighing one-third of the total: • Total Shareholder Return (TSR: stock market performance, reinvested dividend) of GDF SUEZ compared to the TSR of companies included in the Eurostoxx Utilities index (Eurozone) over the period December 2016-January 2017 compared to November-December 2013; • Recurring net income, Group Share for fiscal 2015 and 2016, compared to the budgeted Recurring net income, Group Share for these same years (pro forma); • 2016 ROCE compared to the 2016 ROCE in the mid-term business plan presented to the Board of Directors on February 26, 2014. Success rates (from 0% to 100%) will be calculated for each condition and an overall rate established through an arithmetic mean of the three conditions.
Variable multi-year compensation	None	Jean-François Cirelli receives no variable multi-year compensation.
Directors' fees	None	Jean-François Cirelli receives no Directors' fees.
Exceptional compensation	None	Jean-François Cirelli receives no exceptional compensation.

Allocation of stock options, performance shares and any other long-term compensation	None	None
Compensation associated with the commencement or termination of duties	None	Jean-François Cirelli receives no compensation associated with the commencement or termination of duties.
Supplementary retirement plan	No payments	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.
Benefits in kind	€3,836	Jean-François Cirelli benefits from an energy price advantage.

4.5.2 Compensation of other senior 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 element and a variable element.

Changes in the fixed portion of compensation are linked to changes in specific situations, expansion or significant change in responsibilities and to repositioning made 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.

The variable element paid in 2013 for 2012 was calculated based 50% on economic criteria (Recurring net income, Group Share per share, ROCE, net debt, free cash flow and Efficio), and 50% on qualitative criteria.

SUMMARY TABLE OF GROSS COMPENSATION, INCLUDING BENEFITS IN KIND, FOR NON-EXECUTIVE DIRECTORS (MEMBERS OF THE GENERAL MANAGEMENT COMMITTEE AND OTHER MEMBERS OF THE EXECUTIVE COMMITTEE)*

	2013	2012
Fixed *(in euros)*	8,542,432	11,160,974
Variable *(in euros)*	7,785,250	11,784,093
TOTAL *(IN EUROS)*	**16,327,682**	**22,945,067**
Number of members	27	25

* *Compensation for the Executive Committee members is calculated excluding severance pay and taking into account the time served on the Executive Committee during the year (in 2012, one member for 10 months, in 2013, one member for one month, six members for two months, one member for three months, one member for seven months, one member for eight months, one member for nine months, and one member for ten months).*

4.5.3 Retirement provision

The total funded amount of retirement commitments for members of the Executive Committee was €103.3 million at December 31, 2013.

The Group has a policy of funding pension obligations via planned assets without these being specifically dedicated to the pension liabilities of Executive Committee members.

4.5.4 Compensation of non-executive directors and non-voting directors

4.5.4.1 Directors and non-voting Directors appointed by the Shareholders' Meeting

Upon motion of the Board of Directors, the Shareholders' Meeting sets the total annual amount of directors' fees to be distributed by the Board among its members.

At the recommendation of the Appointments and 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 envelope of directors' fees set by the Gaz de France 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 at Board and Committee meetings. The same system applies to non-voting Directors' fees, which are deducted from the budget for directors' fees. The distribution rules are indicated below. (Note that Gérard Mestrallet, Chairman and Chief Executive Officer, and Jean-François Cirelli, Vice-Chairman and President, receive no directors' fees for their participation on the GDF SUEZ Board of Directors).

DISTRIBUTION OF DIRECTORS' FEES TO NON-EXECUTIVE DIRECTORS AND NON-VOTING DIRECTORS APPOINTED BY THE SHAREHOLDERS' MEETING

Director	
• Fixed fee	€35,000 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
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
Appointments and Compensation 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

On the basis of the above, the non-executive directors and non-voting Directors received the directors' fees shown in the following table for fiscal 2012 and 2013. (Note that unless otherwise indicated, no other compensation was paid to these executives 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 SHAREHOLDERS' MEETING

In €	Fiscal year 2013[1]	Fiscal year 2012[1]
Albert Frère	45,284 [2][8]	47,855 [2][8]
Ann-Kristin Achleitner [4]	84,997 [2]	26,284 [2]
Edmond Alphandéry	95,997 [3]	93,664
Jean-Louis Beffa	60,284 [3]	72,330
Aldo Cardoso	110,997 [3]	108,997
René Carron [5]	N/A	62,997
Paul Desmarais Jr	46,796 [2]	64,330 [2]
Anne Lauvergeon [6]	N/A	28,617
Françoise Malrieu	97,997 [3]	84,331
Thierry de Rudder [6]	N/A	42,759 [2][9]
Lord Simon of Highbury	75,997 [2]	74,331 [2]
Richard Goblet d'Alviella (non-voting Director) [6]	N/A	19,522 [2]
Philippe Lemoine (non-voting Director) [6]	N/A	22,093
Gérard Lamarche (non-voting Director) [7]	35,426 [2][9]	30,426 [2][9]
TOTAL	**653,775**	**778,536**

(1) Directors' fees due for a given fiscal year are paid during the fiscal year concerned.
(2) Before deduction of withholding tax levied on directors' fees paid to Directors residing outside France.
(3) Before deduction of withholding tax relating to tax and social contributions imposed by the Finance Act for 2013 (No. 2012-1509).
(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) These directors' fees are paid to Groupe Bruxelles Lambert.
(9) This compensation is 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 (€237,180) is paid directly to the Public Treasury in accordance with the regulations).

This applies to Olivier Bourges (until March 5, 2013), Ramon Fernandez, Astrid Milsan (since July 30, 2013), Pierre Mongin and Stéphane Pallez.

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, Gabrielle Prunet (until April 23, 2013) and Caroline Simon (since April 23, 2013).

Update to directors' fees allocation rules in accordance with Article 21.1 of the revised AFEP-MEDEF Code

At its meeting of December 11, 2013, the Board of Directors decided, on the recommendation of the Appointments and Compensation Committee, with effect from January 1, 2014 and without change to the overall envelope of directors' fees, to update directors' fees allocation rules in accordance with Article 21.1 of the AFEP-MEDEF Code as revised in June 2013, which provides that the allocation rules must include a predominant variable portion.

4.5.5 Information on stock options or the award of performance shares

4.5.5.1 Availability of shares resulting from the exercise of stock options and of 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.

At its meeting of September 25, 2013, the Board of Directors decided, on the recommendation of the Appointments and Compensation Committee, to update the existing system as follows:

- objective: To build a share portfolio equivalent to two years' fixed compensation for executive corporate officers, one and a half years for other members of the General Management Committee and one year for other members of the Executive Committee. This objective is set in terms of the number of shares for each person concerned, and is calculated based on fixed compensation for 2013 and the average share price over the previous three years. These bases are revised every two years;
- until the objective is met: Reinvestment of two-thirds of the gross capital gains arising from the exercise/sale of options, or holding of the corresponding number of shares arising solely from the exercise of options and holding of two-thirds of acquired Performance Shares [(1)].

At its meeting of February 26, 2014, the Board of Directors decided to adjust this mechanism to deferred variable compensation in the form of Performance Units benefitting the two executive corporate officers (see 4.5.1.3 above) by requiring them to reinvest in GDF SUEZ shares two-thirds of the net amount paid until the shareholding target (equal to two years' fixed compensation) referred to above is met.

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 financial 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 financial proxy every year within 15 days following the date of publication of the annual financial statements and on condition that the interested parties are not in possession of inside information at that 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 2013

Authorization of the Shareholders' Meeting of April 23, 2012

The twenty-second resolution of the GDF SUEZ Combined 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 to allocate shares.

Also note that the Shareholders' Meeting was not asked to renew the authorization to grant stock options

Performance Share Plan for 2012 (Board meeting of February 27, 2013)

Under the authorization granted by the 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 order of November 3, 2009, with European Directives CRD3 and CRD4 regarding the compensation of financial market professionals, and with the order of December 13, 2010. The main features of this plan and other plans granted for 2012 are listed on pages 159 and following of the 2012 Registration Document filed with the AMF under number D.13-0206 on March 22, 2013.

(1) In view of this demanding obligation, the acquisition of additional shares upon acquisition of Performance Shares (Article 23.2.4 of the AFEP-MEDEF Code) was not imposed.

Authorization of the Shareholders' Meeting of April 23, 2013

The twelfth resolution of the GDF SUEZ Combined Shareholders' Meeting of April 23, 2013 authorized the Board of Directors to award bonus shares to employees and/or corporate officers of companies belonging to the Group (with the exception of corporate officers of the Company) up to the limit of 0.5% of the share capital on the date of the decision to allocate shares. Also note that the Shareholders' Meeting was not asked to grant an authorization for stock options.

Performance Share Plan for 2013 (Board meetings of December 11, 2013 and February 26, 2014)

Under the authorization granted by the Shareholders' Meeting of April 23, 2013, the Board of Directors, at its meeting of December 11, 2013, decided to implement Performance Share Plans for certain employees of GDF SUEZ and its subsidiaries (excluding corporate officers of GDF SUEZ). The main features of this plan are as follows:

(a) a plan with dual performance conditions, pursuant to which 1,410,140 Performance Shares are granted to 519 beneficiaries, including members of the Executive Committee, excluding the corporate officers;

(b) a plan with a single performance condition, under which 1,391,550 Performance Shares were allocated to 6,356 beneficiaries, the majority of whom received 60 to 120 Performance Shares each. The Board of Directors set the following schedule and general conditions for the plans:

Acquisition period	December 11, 2013 to March 14, 2017 (2018 for some countries)
Presence at [1]	March 14, 2017 (2018 for some countries)
Final acquisition date	March 15, 2017 (2018 for some countries)
Holding period[2]	March 15, 2017 to March 14, 2019 (no holding period if acquired in 2018)
Transferable from	March 15, 2019 (2018 for some countries)
Performance conditions [3]**:**	
Dual-condition plan	• 50% based on the Recurring net income, Group share, for 2015 and 2016 compared to the budgeted Recurring net income, Group share for the same years (pro forma); and • 50% based on Total Shareholder Return (TSR: stock market performance, reinvested dividend) of the GDF SUEZ share compared with the TSR of companies included in the Eurostoxx Utilities Index (Eurozone) over the period December 2016-January 2017 compared to November-December 2013
Single-condition plan	• TSR of the GDF SUEZ share compared with that of companies on the Eurostoxx Utilities Index (Eurozone) over the period December 2016-January 2017 compared to November-December 2013

(1) Current employment contract with a Group company at these dates (except in cases of retirement, death or 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 recurring net income, Group share for 2015 and 2016 vs the budgeted Recurring net income, Group share for the same years (pro forma):
- *Recurring net income, group share 2015+2016 < 90% budgeted Recurring net income, group share 2015+2016: success rate of 0%.*
- *Recurring net income, group share 2015+2016 = 90% budgeted Recurring net income, group share 2015+2016: success rate of 33%*
- *Recurring net income, group share 2015+2016 > 90% budgeted Recurring net income, group share 2015+2016 and < budgeted Recurring net income, group share 2015+2016: progressive and linear success rate from 33%*
- *Recurring net income, group share 2015+2016 >= budgeted Recurring net income, group share 2015+2016: success rate of 100%*

(b) external condition related to the TSR of the GDF SUEZ share compared with the TSR of companies on the Eurostoxx Utilities (Eurozone) index
- *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 will be calculated by taking the average of the GDF SUEZ TSR (stock market performance, reinvested dividend) and that of the Eurostoxx Utilities (Eurozone) companies over two months, namely December 2016 to January 2017, versus November to December 2013.
For the dual condition plan, the sum of the success rate of (a) and (b) is divided by two to obtain a total success rate.

In addition, under the authorization given by the Shareholders' Meeting of April 23, 2013, the Board of Directors, at its meeting of February 26, 2014, decided to implement a Performance Share Plan for certain employees of GDF SUEZ Trading, a subsidiary of GDF SUEZ, in accordance with the order of November 3, 2009 and with European Directives CRD3 and CRD4 regarding the compensation of financial market professionals, and with the order of December 13, 2010.

The allocation concerned 45 people within GDF SUEZ Trading, for a total of 89,991 GDF SUEZ Performance Shares; its features are similar to those of the plan of February 27, 2013 (presence and performance conditions). The Board of Directors set the following schedule and general conditions for the plans:

Acquisition period	February 26, 2014 to March 14, 2016 for around half the shares February 26, 2014 to March 14, 2017 for the remaining shares
Presence at [1]	March 14, 2016 for around half the shares March 14, 2017 for the remaining shares
Final acquisition date	March 15, 2016 for around half the shares March 15, 2017 for the remaining shares
Holding period[2]	March 15, 2016 to March 14, 2018 for around half the shares March 15, 2017 to March 14, 2019 for the remaining shares
Transferable from	March 15, 2018 for around half the shares March 15, 2019 for the remaining shares
Performance conditions	• Based on GDF SUEZ Trading's profit before tax for fiscal year 2015 for around half the shares • Based on GDF SUEZ Trading's profit before tax for fiscal year 2016 for the remaining shares

(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).

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 2013

None.

4.5.6.2 GDF SUEZ stock subscription and purchase options exercised by the executive corporate officers of GDF SUEZ in fiscal year 2013

None.

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, 2012	6,119,554	5,007,175
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)	44,240	46,510
Balance on December 31, 2013	6,075,314	4,960,665

(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 projected a target price of €18.68; as this target price was achieved at market closing on September 24, 2013; the options subject to this condition could be exercised.
(4) Exercised from January 1 to December 31, 2013.
(5) Cancelled from January 1 to December 31, 2013.
(6) For other Group senior managers, 50% of the options are subject to "simple" conditions. These conditions were tested in November 2013 to establish a target price of €20.13; as soon as the GDF SUEZ price reaches the target price at market closing, the options subject to this condition may be exercised.

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 Shareholders' Meeting of July 16, 2008, which, in its fourth resolution, approved the merger with SUEZ.

For year	2005	2006	2007
Date of authorizing Shareholders' Meeting	Apr. 27, 2004	Apr. 27, 2004	May 4, 2007
Date of Board decision	Dec. 9, 2005	Jan. 17, 2007	Nov. 14, 2007
Total number of shares purchasable as of December 31, 2012	5,664,034	5,704,906	4,434,260
O/w: Total number of shares purchasable by corporate officers (1) as of December 31, 2012	408,889	403,504	0
Start date for the exercise of options (2)	Dec. 9, 2009	Jan. 17, 2011	Nov. 14, 2011
Expiry date	Dec. 8, 2013	Jan. 16, 2015	Nov. 13, 2015
Exercise conditions	(3)	(4)	(5)
Subscription price in euros	22.79	36.62	41.78
Options exercised from January 1, 2013 to December 31, 2013	0	0	0
Options cancelled from January 1, 2013 to December 31, 2013	5,664,034	32,873	22,588
Balance on December 31, 2013	0	5,672,033	4,411,672

(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. These conditions were met in December 2009.
For other Group senior managers, 50% of the options are subject to "simple" conditions. These conditions were met in December 2009.
(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 January 2011.
For other Group senior managers, 50% of the options are subject to "simple" conditions. These conditions were met in January 2011.
(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 November 2011.
For other Group senior managers, 50% of the options 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, 2013

Plan	Jan. 17, 2007
Exercise date	Jan. 17, 2011
End date	Jan. 16, 2015
Exercise price in euros	36.62
Balance of options at December 31, 2013:	
• Condition of presence only	180,515
• Performance condition	185,824 (1)
• "Enhanced" performance condition	37,165 (2)

(1) Options were subject to a performance condition, which was met in January 2011.
(2) Options were subject to an "enhanced" performance condition, which was met in January 2011.

No hedging instruments have been set up on the 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, 2013

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 executive corporate officer by GDF SUEZ and all other companies of the GDF SUEZ Group

None.

4.5.7.2 GDF SUEZ Performance Shares that became available for each executive corporate officer of GDF SUEZ in fiscal year 2013

	Plan	Acquisition date	Date of availability	Number of shares acquired (1)
Gérard Mestrallet *Chairman and Chief Executive Officer*	Nov. 12, 2008	Mar. 15, 2011	Mar. 15, 2013	3,469
Jean-François Cirelli *Vice-Chairman and President*	Nov. 12, 2008	Mar. 15, 2011	Mar. 15, 2013	2,312

(1) These shares are subject to the conditions set forth in section 4.5.5.1

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 Shareholders' Meeting of July 16, 2008, which, in its fourth resolution, approved the merger with SUEZ.

For year:	2008	2009		2010	
	2008 plan	2009 plan	Mar. 3, 2010 traders' plan	2010 plan	Mar. 2, 2011 traders' plan
Date of authorizing Shareholders' Meeting	July 16, 2008	May 4, 2009	May 4, 2009	May 3, 2010	May 3, 2010
Date of Board decision	Nov. 12, 2008	Nov. 10, 2009	Mar. 3, 2010	Jan. 13, 2011	Mar. 2, 2011
Share price in euros [1]	28.5	24.8	21.5	18.1	23.3
Start of acquisition period [2]	Nov. 12, 2008	Nov. 10, 2009	Mar. 3, 2010	Jan. 13, 2011	Mar. 2, 2011
End of acquisition period	Mar. 14, 2011 [4]	Mar. 14, 2012 [7]	Mar. 14, 2012 [10] Mar. 14, 2013 [11]	Mar. 14, 2014 [13]	Mar. 14, 2013 [10] Mar. 14, 2014 [11]
Start of holding period	Mar. 15, 2011 [3]	Mar. 15, 2012 [3]	Mar. 15, 2012 [10] Mar. 15, 2013 [11]	Mar. 15, 2014 [13]	Mar. 15, 2013 [10] Mar. 15, 2014 [11]
End of holding period	Mar. 14, 2013 [5]	Mar. 14, 2014 [8]	Mar. 14, 2014 [10] Mar. 14, 2015 [11]	Mar. 14, 2016 [13]	Mar. 15, 2015 [10] Mar. 15, 2016 [11]
Related conditions	[6]	[9]	[12]	[14]	[15]
Shares being acquired as of December 31, 2012	138,802	312,812	31,853	3,350,254	56,742
Shares delivered from January 1, 2013 to December 31, 2013	129,370	367	31,853	4,412	28,367
Shares cancelled from January 1, 2013 to December 31, 2013	9,432	12,554	0	20,143	0
Balance at December 31, 2013	0	299,891	0	3,325,699	28,375

(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, no holding period.
(4) For France, Belgium, Italy and Spain; for other countries, March 14, 2013
(5) For France and Belgium; for Italy and Spain, March 14, 2014; for other countries, no holding period.
(6) Condition for 2010 EBITDA 38.54% met.
(7) For France, Belgium, Italy and Spain; for other countries, March 14, 2013
(8) For France and Belgium; for Italy and Spain, March 14, 2015; for other countries, no holding period.
(9) Condition on 2011 EBITDA 89.4% met.
(10) For 50% of shares (1/3 of the shares under the plan of March 3, 2010).
(11) For 50% of shares (2/3 of the shares under the plan of March 3, 2010).
(12) GDF SUEZ Trading 2011 ROE for 1/3 (condition met in full) and GDF SUEZ Trading 2012 ROE for 2/3 (condition met in full).
(13) For France, Belgium, Spain and Romania; for other countries, acquisition on March 14, 2015 with no holding period.
(14) 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.

	2011		2012		2013
2011 plan	Feb. 29, 2012 traders' plan	2012 plan	Feb. 27, 2013 traders' plan	2013 plan	Feb. 26, 2014 traders' plan
May 2, 2011	May 2, 2011	Apr. 23, 2012	Apr. 23, 2012	Apr. 23, 2013	Apr. 23, 2013
Dec. 6, 2011	Feb. 29, 2012	Dec. 5, 2012	Feb. 27, 2013	Dec. 11, 2013	Feb. 26, 2014
11.3	15.1	8.1	9.2	7.6	13.3
Dec. 6, 2011	Feb. 29, 2012	Dec. 5, 2012	Feb. 27, 2013	Dec. 11, 2013	Feb. 26, 2014
Mar. 14, 2015 (16)	Mar. 14, 2014 (10) Mar. 14, 2015 (11)	Mar. 14, 2016 (19)	Mar. 14, 2015 (10) Mar. 14, 2016 (11)	Mar. 14, 2017 (22)	Mar. 14, 2016 Mar. 14, 2017
Mar. 15, 2015 (16)	Mar. 15, 2014 (10) Mar. 15, 2015 (11)	Mar. 15, 2016 (19)	Mar. 15, 2015 (10) Mar. 15, 2016 (11)	Mar. 15, 2017 (22)	Mar. 15, 2016 Mar. 15, 2017
Mar. 14, 2017 (16)	Mar. 15, 2016 (10) Mar. 15, 2017 (11)	Mar. 14, 2018 (19)	Mar. 15, 2017 (10) Mar. 15, 2018 (11)	Mar. 14, 2019 (22)	Mar. 15, 2018 Mar. 15, 2019
(17)	(18)	(20)	(21)	(23)	(24)
2,965,645	70,098	3,556,095	none	none	none
3,010	0	560	0	0	0
10,500	0	34,115	0	0	0
2,952,135	70,098	3,521,420	94,764	2,801,690	0

(15) 50% based on 2012 GDF SUEZ Trading EBITDA (met in full) and 50% based on 2013 GDF SUEZ Trading EBITDA.

(16) For France, Belgium and Spain, with holding period 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.

(17) For 464 beneficiaries, dual condition: 50% based on 2014 EBITDA and 50% on the TSR of GDF SUEZ compared with the TSR of the Eurostoxx Utilities (Eurozone) countries; for 5,531 beneficiaries, simple condition based on the TSR of GDF SUEZ compared with the TSR of Eurostoxx Utilities (Eurozone) companies.

(18) 50% based on 2013 GDF SUEZ Trading EBITDA and 50% based on 2014 GDF SUEZ Trading EBITDA.

(19) For France, Belgium and Spain, with holding period from March 15, 2016 to March 14, 2018 inclusive and transferable from March 15, 2018; for other countries, acquisition on March 14, 2017 with no holding period.

(20) For 547 beneficiaries, dual condition: 50% based on 2014 and 2015 recurring net group profit and 50% on the TSR 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 of GDF SUEZ compared with the TSR of Eurostoxx Utilities (Eurozone) companies.

(21) 50% based on 2013 GDF SUEZ Trading EBITDA and 50% based on 2014 GDF SUEZ Trading EBITDA.

(22) For France, Belgium and Spain, with holding period from March 15, 2017 to March 14, 2019 inclusive and transferable from March 15, 2019; for other countries, acquisition on March 14, 2018 with no holding period.

(23) For 519 beneficiaries, dual condition: 50% based on 2015 and 2016 recurring net group profit and 50% on the TSR of GDF SUEZ compared with the TSR of the Eurostoxx Utilities (Eurozone) countries; for 6,356 beneficiaries, simple condition based on the TSR of GDF SUEZ compared with the TSR of Eurostoxx Utilities (Eurozone) companies.

(24) 50% based on 2014 GDF SUEZ Trading profit before tax and 50% based on 2015 GDF SUEZ Trading profit before tax.

4.5.7.4 Summary of Performance Shares held by Gérard Mestrallet at December 31, 2013

Plan	SUEZ Feb. 13, 2006	SUEZ Feb. 12, 2007	GDF SUEZ Nov. 12, 2008	GDF SUEZ Jan. 13, 2011
Conditions	2007 ROCE	2008 ROCE	2010 EBITDA	• 2013 EBITDA (1/3) • TSR / Eurostoxx Utilities (Eurozone) (1/3) • 2013 ROCE (1/3)
Acquisition date [1]	Mar. 15, 2008	Mar. 15, 2009 [3]	Mar. 15, 2011 [3]	Mar. 15, 2014 [3]
Shares under acquisition	0	0	0	87,000
Shares delivered	2,000 [2]	3,186 [4]	3,469 [5]	0[6]
Transferable from	Mar. 15, 2010	Mar. 15, 2011	Mar. 15, 2013	Mar. 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) Vested shares are subject to a holding period under the Balladur Act (see 4.5.5.1).
(4) Condition met.
(5) Condition partially met.
(6) As of March 15, 2014, a total of 12,711 Performance Shares had been acquired under this plan.

4.5.7.5 Summary of Performance Shares held by Jean-François Cirelli at December 31, 2013

Plan	Gaz de France Jun. 20, 2007*	Gaz de France May 28, 2008*	GDF SUEZ Nov. 12, 2008	GDF SUEZ Jan. 13, 2011
Conditions	2007 EBO and 2008 EBO (1)	2008 EBO and 2009 EBO [3]	2010 EBITDA [4]	• 2013 EBITDA (1/3) • TSR / Eurostoxx Utilities (Eurozone) (1/3) • 2013 ROCE (1/3)
Acquisition date	Jun. 23, 2009	Jun. 1, 2010	Mar. 15, 2011	Mar. 15, 2014 [6]
Shares under acquisition	0	0	0	60,000
Shares delivered	30	15 [5]	2,312 [5]	0
Transferable from	July 1, 2011 [2]	Jun. 1, 2012 [2]	Mar. 15, 2013 [7]	Mar. 15, 2016

** Global bonus share plans for all employees and corporate officers of Gaz de France.*
(1) Condition met.
(2) These shares may not be sold during the term of office.
(3) Subject to a presence condition 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 4.5.5.1).
(7) As of March 15, 2014, a total of 8,766 Performance Shares had been acquired under this plan.

No hedging instruments have been set up on the options or Performance Shares granted to executive corporate officers.

4.5.8 Stock subscription or purchase options granted to the ten non-executive employees 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 2013 to the ten non-executive employees of the issuer and its companies, and to whom the greatest number of stock options were allocated

None.

4.5.8.2 GDF SUEZ stock subscription or purchase options exercised in fiscal year 2013 by the ten non-executive employees of GDF SUEZ with the greatest number of stock subscription or purchase options

None.

4.5.9 Performance shares granted to the ten non-executive employees 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 2013 TO THE TEN NON-EXECUTIVE EMPLOYEES OF THE ISSUER AND ITS COMPANIES, AND TO WHOM THE GREATEST NUMBER OF BONUS SHARES WERE GRANTED

Total number of shares granted	Share price* *(in euros)*	Issuers	Plans
162,610	8.61	GDF SUEZ	Dec. 11, 2013

* *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 2013

	Date of transaction	Type of transaction	Quantity	Unit price *(in euros)*	Transaction price *(in euros)*
Legal entity connected to Albert Frère	May 17, 2013	Disposal of shares	(1)	16.31	1,060,150,000
Legal entity connected to Albert Frère	Nov. 29, 2013	Sale of call options	(1)	17.6	8,800,000
Legal entity connected to Albert Frère	Nov. 29, 2013	Sale of call options	(1)	17.6	4,400,000
Legal entity connected to Albert Frère	Nov. 29, 2013	Sale of call options	(1)	17.75	1,135,059
Legal entity connected to Albert Frère	Nov. 29, 2013	Sale of call options	(1)	17.5	4,375,000
Legal entity connected to Albert Frère	Nov. 29, 2013	Sale of call options	(1)	16.155	4,038,750
Legal entity connected to Albert Frère	Nov. 29, 2013	Sale of call options	(1)	17.-	3,162,901
Legal entity connected to Albert Frère	Nov. 29, 2013	Sale of call options	(1)	16.155	8,077,500
Legal entity connected to Albert Frère	Nov. 29, 2013	Sale of call options	(1)	17.-	12,750,000

(1) Not provided.

5

Information on the share capital and shareholding

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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, Euronext Vigeo World 120, Euronext Vigeo Europe 120 and Euronext Vigeo France 20.

At December 31, 2013, 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	2014	2015	2016	2017	2018	2019-2023	> 2023	Account Total	Corresponding %
Intangible assets	116	13	11	11	11	11	56	5	7,286	1.6%
Property, plant and equipment	6,875	77	23	41	1,135	30	1,828	3,741	65,037	10.6%
Equity investments	4,477	92	21	18	159	126	203	3,858	7,651	58.5%
Bank accounts	342	6	-	-	77	-	30	228	8,691	3.9%
Other assets	210	2	-	-	78	1	2	127	35,341	0.6%
TOTAL	**12,020**	**189**	**55**	**69**	**1,461**	**167**	**2,120**	**7,959**	**124,006**	**9.7%**

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, 2013, after adjusting for treasury stock, the Company held 2,360,281,068 shares representing the same number of eligible voting rights.

Pursuant to Article 24.1 of Act No. 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, 2013, there were 10,083,705 stock options outstanding that if exercised would result in the issue of 10,083,705 GDF SUEZ shares. With the exception of the options mentioned above, as of December 31, 2013, there were no share equivalents conferring direct or indirect access to the share capital of GDF SUEZ.

At that date, the potential capital in the event of the exercise of these stock options would represent 100.42% of the GDF SUEZ share capital at December 31, 2013, and the dilution percentage would represent 0.42% of the share capital.

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 and their utilization related to the share capital and share equivalents

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 GENERAL 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 22, 2013)	Maximum purchase price: €40. Maximum shareholding: 10% of the share capital. Aggregate amount of purchases: ≤ €9 billion	GDF SUEZ holds 2.28% of its share capital as of April 23, 2013	Authorization expired (cancelled by the 5th resolution of the Combined Shareholders' Meeting of April 23, 2013)
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 22, 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 22, 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 22, 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 issues 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
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 22, 2014)	€225 million for shares(1) (2) +€5 billion for debt securities(1)(2)	None	Full amount of the authorization
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 22, 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 Employee Savings Plan	26 months (until June 22, 2014)	€40 million	None	Authorization expired (cancelled by the 9th resolution of the Combined Shareholders' Meeting of April 23, 2013)
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 22, 2013)	€10 million	None	Authorization expired (cancelled by the 10th resolution of the Combined Shareholders' Meeting of April 23, 2013)
20th	Capital increase by incorporation of premiums, reserves, profits or other	26 months (until June 22, 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 22, 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 22, 2013)	Maximum shareholding: 0.5% of the share capital	Allocation of 6 million bonus shares on October 30, 2012, 3.6 million Performance Shares on December 5, 2012, and 0.1 million Performance Shares on February 27, 2013 i.e. 0.40% of share capital at February 27, 2013	Authorization expired (cancelled by the 11th and 12th resolutions of the Combined Shareholders' Meeting of April 23, 2013)

(1) This is a ceiling set by the Combined Shareholders' Meeting of April 23, 2012 for the issues 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.

AUTHORIZATIONS GRANTED BY THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING OF APRIL 23, 2013

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 22, 2014)	Maximum purchase price: €40. Maximum shareholding: 10% of the share capital. Aggregate amount of purchases: ≤ €9.6 billion	GDF SUEZ holds 2.18% of its share capital as of December 31, 2013	7.82% of the share capital
9th	Capital increase reserved for members of the Group Employee Savings Plan	26 months (until June 22, 2015)	€40 million(1)	None	Full amount of the authorization
10th	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 22, 2014)	€10 million(1)	None	Full amount of the authorization
11th	Authorization to award bonus shares to all employees and officers of Group companies (excluding officers of the parent company)	18 months (until October 22, 2014)	Maximum shareholding: 0.5% of the share capital(2)	None	0.38% of the share capital(2)
12th	Authorization to award bonus shares to certain employees and officers of Group companies (except for officers of the Company)	18 months (until October 22, 2014)	Maximum shareholding: 0.5% of the share capital(2)	Allocation of 2.8m bonus shares on December 11, 2013, and of 0.1 million Performance Shares on February 26, 2014 i.e. 0.12% of share capital at February 26, 2014	0,38% of the share capital(2)

(1) The issues decided in application of the 9th and 10th resolutions are allocated to the overall ceiling of €275 million set by the 19th resolution of the Combined Shareholders' Meeting of April 23, 2012.

(2) This is a ceiling set by the Combined Shareholders' Meeting of April 23, 2013 for the awards decided pursuant to the 11th and 12th resolutions.

5.1.4 Five-year summary of changes in the share capital

ISSUANCE OF SHARES

Date	Event	Nominal *(in euros)*	Premium *(in euros)*	Capital *(in euros)*	Number of shares	Par value per share *(in euros)*
Jan. 21, 2009	Increase of the share capital resulting from the exercise of stock options	2,111,140[1]	-	2,193,643,820	2,193,643,820	1.00
June 2, 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[2]	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
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[3]	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[4]	17,838,829.31	2,252,636,208	2,252,636,208	1.00

Date	Event	Nominal *(in euros)*	Premium *(in euros)*	Capital *(in euros)*	Number of shares	Par value per share *(in euros)*
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[5]	69,395,152.92	2,412,824,089	2,412,824,089	1.00

(1) These new shares were recorded in GDF SUEZ's financial statements at December 31, 2008.
(2) These new shares were recorded in GDF SUEZ's financial statements at December 31, 2009.
(3) These new shares were recorded in GDF SUEZ's financial statements at December 31, 2010.
(4) These new shares were recorded in GDF SUEZ's financial statements at December 31, 2011.
(5) These new shares were recorded in GDF SUEZ's financial statements at December 31, 2012.

5.1.5 Stock repurchase

5.1.5.1 Treasury stock

The 5th resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of April 23, 2013 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, 2013;
- maximum total amount of acquisitions, net of fees: €9.6 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). This agreement continued to apply in 2013.

Between January 1 and December 31, 2013, under the liquidity agreement, the Company purchased 2,685,000 shares, for a total of €43.5 million or €16.21 per share. Over the same period, and also under this agreement, GDF SUEZ sold 2,385,000 shares for a total price of €38.9 million or €16.31 per share.

Furthermore, between January 1 and December 31, 2013, GDF SUEZ did not purchase any shares intended to cover its commitments to the beneficiaries of stock options, bonus shares or company savings plans.

Between January 1 and February 26, 2014, under the liquidity agreement, GDF SUEZ purchased 325,000 shares, for a total of €5.4 million or €16.74 per share. Over the same period, and also under this agreement, GDF SUEZ sold 940,000 shares for a total price of €16.3 million or €17.33 per share.

Furthermore, between January 1 and February 26, 2014, GDF SUEZ did not purchase any shares intended to cover its commitments to the beneficiaries of stock options, bonus shares or company savings plans.

At February 26, 2014, the Company held 2.15% of its share capital, or 51,926,106 shares, including 6,560,000 shares under the liquidity agreement and 45,366,106 shares to cover its commitments to the beneficiaries of stock options, bonus shares and 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 28, 2014 (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 28, 2014.

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 plans or stock subscription options, bonus share plans on existing shares, or employee shareholding plans under company savings plans, in the latter case, for a maximum nominal amount of €30 million;
- to allocate or sell such shares to any entity as part of implementing an international employee shareholding plan for a maximum nominal amount of €10 million;
- 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 previously or subsequently 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 General 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 26, 2014, GDF SUEZ directly held: 55,926,106 shares, i.e. 2.15% of share capital.

Therefore, based on the estimated share capital at the date of the Meeting, the stock repurchase program could cover up to 189 million shares, representing 7.85% of the share capital, for a maximum amount payable of €7.5 billion.

Maximum term of the stock repurchase program

The stock repurchase program will be in effect for a period of 18 months beginning on the date of this Shareholders' Meeting, i.e. until October 27, 2015.

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[1]	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.	
Listing	Paris	
ISIN Code	FR0000047748	

(1) The minimum annual interest is 85% of the average bond rate and the maximum annual interest is 130% of the average bond rate.

During 2013, 367,962 shares were purchased (see Section 6.2, "Consolidated financial statements" - Note 15.3.2.2) reducing the number of outstanding tranche A irredeemable and non-voting securities to 194,440 at December 31, 2013, representing a nominal outstanding of €148,211,890. Their total market value, based on the closing price on December 31, 2013 (€791.40), was €153,879,816.

REMUNERATION OF TRANCHE A IRREDEEMABLE AND NON-VOTING SECURITIES OVER THE LAST THREE YEARS

In €	2013	2012	2011
Fixed remuneration	11.44	14.87	17.11
Variable remuneration	134.11	49.25	49.64
Theoretical total remuneration	145.55	64.12	66.75
Minimum remuneration	15.43	20.06	23.09
Maximum remuneration	23.60	30.68	35.31
Gross remuneration per security	23.60	30.68	35.31

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 as such must, under Article R. 228-67 of the French Commercial Code, convene 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 in cases where the securities are registered.

AMOUNT OF SUBSCRIBED CAPITAL TRADING VOLUMES AND HIGH AND LOW PRICES OF THE TRANCHE A SECURITIES IN PARIS

	High *(in euros)*	Low *(in euros)*	Volume of transactions *(securities)*
2013			
January	705	680	999
February	704	693	918
March	695	680	1,697
April	671	661	2,588
May	666	656	3,592
June	814	644	49,563
July	801	750	10,791
August	753	750	23
September	750	750	94
October	750	750	71
November	750	750	25
December	791	775	71

Source: Reuters.

5.1.6.2 Deeply subordinated securities

In July 2013, GDF SUEZ launched an issue of deeply subordinated perpetual securities. On July 8, 2013, the prospectus for the transaction was approved by the French Financial Markets Authority (AMF) under number 13-335. This transaction allowed the Group to raise an amount equivalent to €1.7 billion in three tranches with an average coupon of 4.4%. These securities are rated A3 by Moody's and BBB+ by Standard & Poor's.

Issuer	Currency	Coupon	Issue date	Maturity	First option for redemption	Amount issued *(in stated currency)* *(in millions)*	Exchange	ISIN Code
GDF SUEZ	EUR	3.875%	Jul. 10, 2013	Perpetual	Jul. 10, 2018	600	Paris	FR0011531714
GDF SUEZ	GBP	4.625%	Jul. 10, 2013	Perpetual	Jan. 10, 2019	300	Paris	FR0011531722
GDF SUEZ	EUR	4.750%	Jul. 10, 2013	Perpetual	Jul. 10, 2021	750	Paris	FR0011531730

In accordance with the provisions of IAS 32, and given their characteristics, these instruments are recognized in equity in the Group's consolidated financial statements (see Section 6.2, "Consolidated financial statements" - Notes 15.3.2.2 et 17.7).

5.1.6.3 Euro Medium Term Notes (EMTN) Program

GDF SUEZ has a €25 billion EMTN program. This program was updated on September 27, 2013 and approved by the AMF.

5.1.6.4 Bond issues

The main features of bond issues outstanding at December 31, 2013 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	5.125%	Feb. 19, 2003	Feb. 19, 2018	750	Paris Luxembourg	FR0000472334
Belgelec Finance	EUR	5.125%	June 24, 2003	June 24, 2015	503	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	499	Luxembourg	BE0934260531
GDF SUEZ(1)	EUR	6.250%	Oct. 24, 2008	Jan. 24, 2014	845	Luxembourg	FR0010678151
GDF SUEZ(1)	EUR	6.875%	Oct. 24, 2008	Jan. 24, 2019	911	Luxembourg	FR0010678185
GDF SUEZ(1)	GBP	7.000%	Oct. 30, 2008	Oct. 30, 2028	500	Luxembourg	FR0010680041
GDF SUEZ(1)	JPY	3.180%	Dec. 18, 2008	Dec. 18, 2023	15,000	None	FR0010697193
GDF SUEZ(1)	EUR	5.625%	Jan. 16, 2009	Jan. 18, 2016	1,205	Luxembourg	FR0010709279
GDF SUEZ(1)	EUR	6.375%	Jan. 16, 2009	Jan. 18, 2021	1,000	Luxembourg	FR0010709451
GDF SUEZ(1)	JPY	Yen Libor3m + 120 bp	Feb. 5, 2009	Feb. 5, 2014	18,000	None	FR0010718205
GDF SUEZ(1)	GBP	6.125%	Feb. 11, 2009	Feb. 11, 2021	700	Luxembourg	FR0010721704
GDF SUEZ(1)	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(1)	GBP	5.000%	Oct. 1, 2010	Oct. 1, 2060	1,100	Paris	FR0010946855
GDF SUEZ(1)	EUR	2.750%	Oct. 18, 2010	Oct. 18, 2017	1,000	Paris	FR0010952739
GDF SUEZ(1)	EUR	3.500%	Oct. 18, 2010	Oct. 18, 2022	1,000	Paris	FR0010952770
GDF SUEZ(1)	EUR	5.950%	Mar. 16, 2011	Mar. 16, 2111	300	Paris	FR0011022474
GDF SUEZ(1)	EUR	3.046%	Oct. 17, 2011	Oct. 17, 2018	150	Paris	FR0011131846
GDF SUEZ(1)	CHF	1.500%	Oct. 20, 2011	Oct. 20, 2017	300	SIX	CH013975685-9
GDF SUEZ(1)	EUR	3.896%	Oct. 24, 2011	Oct. 24, 2023	100	Paris	FR0011133495
GDF SUEZ(1)	EUR	3.125%	Nov. 21, 2011	Jan. 21, 2020	544	Paris	FR0011147305
GDF SUEZ(1)	EUR	1.500%	June 1, 2012	Feb. 1, 2016	1,000	Paris	FR0011261890
GDF SUEZ(1)	EUR	2.250%	June 1, 2012	June 1, 2018	1,000	Paris	FR0011261916
GDF SUEZ(1)	EUR	3.000%	June 1, 2012	Feb. 1, 2023	1,000	Paris	FR0011261924
GDF SUEZ(1)	EUR	2.500%	Jul. 2, 2012	Jan. 21, 2020	400	None	FR0011278506
GDF SUEZ(1)	JPY	1.260%	Jul. 6, 2012	Jul. 6, 2022	10,000	Paris	FR0011283134
GDF SUEZ(1)	EUR	1.500%	Jul. 20, 2012	Jul. 20, 2017	750	Paris	FR0011289222
GDF SUEZ(1)	EUR	2.625%	Jul. 20, 2012	Jul. 20, 2022	750	Paris	FR0011289230
GDF SUEZ(1)	CHF	1.125%	Oct. 9, 2012	Oct. 9, 2020	275	SIX	CH0195288102
GDF SUEZ(1)	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
GDF SUEZ(1)	EUR	Eur3M + 58 bps	Apr. 16, 2013	Apr. 16, 2020	200	Paris	FR0011464171
GDF SUEZ(1)	NOK	4.02%	Apr. 22, 2013	Apr. 22, 2024	500	Paris	FR0011470822
GDF SUEZ(1)	EUR	3.375%	Mar. 25, 2013	Mar. 25, 2033	100	None	FR0011450964
GDF SUEZ(1)	USD	3.75%	Apr. 18, 2013	Apr. 18, 2033	50	Paris	FR0011469006
GDF SUEZ	EUR	0.00%	Apr. 2, 2013	Apr. 2, 2038	80	None	-

(1) Issued under the EMTN program.

5.1.6.5 Commercial paper

The Company has short-term financing programs (commercial paper and US Commercial Paper).

GDF SUEZ set up a €5 billion commercial paper program on August 13, 2008. This program was updated on July 3, 2013 and was approved by the Banque de France. At December 31, 2013 the amount outstanding was €3,713 million.

The Company also has a US Commercial Paper program in place for US$4.5 billion. The amount outstanding on December 31, 2013 was US$1,306 million.

5.2 SHAREHOLDING

5.2.1 Stock exchange quotation

TRADING VOLUMES AND HIGH AND LOW PRICES OF GDF SUEZ SHARES IN PARIS

	High[1] (in euros)	Low[1] *(in euros)*	Volume of transactions[2]
2013			
January	15.995	15.110	4,036,385
February	15.165	14.120	4,887,946
March	15.700	14.180	4,970,047
April	16.595	15.235	5,200,294
May	16.730	15.750	4,093,697
June	15.765	14.525	5,163,004
July	16.140	14.950	3,591,975
August	17.240	16.240	4,362,382
September	18.870	16.455	4,969,898
October	19.475	18.200	4,632,177
November	18.810	17.070	4,733,401
December	17.175	16.165	4,935,691

(1) Rate obtained from daily closing prices.
(2) 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 American Depositary Receipt (ADR) program on a U.S. stock exchange. These ADRs are traded on the Nasdaq over-the-counter market.

5.2.2 Breakdown of share capital – Changes in shareholding

At December 31, 2013, the Company held 2,412,824,089 shares, including 52,543,021 in treasury stock.

In fiscal 2013, there were no changes in the Company's share capital.

MAJOR CHANGES IN GDF SUEZ SHAREHOLDINGS DURING THE PAST THREE FISCAL YEARS

	December 31, 2013		December 31, 2012		December 31, 2011	
	% of share capital	% of voting rights[1]	% of share capital	% of voting rights	% of share capital	% of voting rights
French State	36.7	37.5	36.7	37.6	36.0	36.6
Groupe Bruxelles Lambert (GBL)	2.4	2.5	5.1	5.2	5.2	5.3
Employee shareholding	2.4	2.4	2.3	2.3	2.9	3.0
CDC Group	1.9	1.9	1.9	2.0	2.0	2.0
CNP Assurances	1.0	1.1	1.0	1.1	1.1	1.1
Sofina	0.5	0.5	0.5	0.5	0.6	0.6
Treasury stock	2.2	-	2.3	-	1.7	-
Management	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
Public	52.9	54.1	50.2	51.3	50.5	51.4
	100%	100%	100%	100%	100%	100%

(1) Calculated based on the number of shares and voting rights outstanding at December 31, 2013.

5.2.3 Disclosure thresholds

NOTIFICATIONS OF LEGAL DISCLOSURE THRESHOLDS RECEIVED SINCE JANUARY 1, 2013

May 17, 2013	Lowering	2.40%	Groupe Bruxelles Lambert (GBL)

To the Company's knowledge, as of the date of this Reference Document, only the French State holds share capital and/or voting rights in GDF SUEZ that exceed one of the legal 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 No. 2004-803 of August 9, 2004 as amended by Act No. 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 No. 2004-803 of August 9, 2004 and Decree No. 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. In application of the Act of December 7, 2006 set out above, 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 No. 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 No. 93-1296 of December 13, 1993 applied pursuant to Article 10 of Act No. 86-912 (as amended) relating to privatizations and concerning certain rights attached to the golden share, and to Decree No. 2007-1790 of December 20, 2007, all decisions of this nature must be reported to the Minister of the Economy.

The decisions mentioned above are deemed to be authorized if the Minister of the Economy 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 the Economy. Before the expiration of the aforementioned one-month period, the Minister of the Economy may waive the right to veto. If there is a veto, the Minister of the Economy will communicate the reasons of his or her decision to the company in question. The decision of the Minister of the Economy 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 Reference 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 6.1.1.9 "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 of July 31, 2013, the Board of Directors decided on the payment in cash, of an interim net dividend of €0.83 per share, to be applied against the dividend for fiscal 2013.

The Board of Directors will propose to the General Shareholders' Meeting of April 28, 2014 the payment of a full dividend for fiscal year 2013 of €1.5 per share (identical to the ordinary dividend paid for fiscal year 2012), including the €0.83 per share 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)*
2008	2.20(1)
2009	1.47
2010	1.50
2011	1.50
2012	1.50

(1) 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

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6.1 MANAGEMENT REPORT

6.1.1 Management report

Data included in the income statement, statement of financial position and statement of cash flows for the year ended December 31, 2013 are based on pro forma figures(1), calculated as if SUEZ Environnement had been accounted for under the equity method as of January 1, 2012. The basis used to prepare this pro forma data is disclosed in Section 6.1.1.7. to this report.

In a persistently tough economic and regulatory environment – mainly in Europe – the GDF SUEZ Group delivered 2013 operating results in line with guidance while at the same time carrying out significant impairments of its assets (property, plant and equipment, goodwill and other intangible assets), thereby acknowledging in its financial statements the structural changes that are impacting two of its European businesses in particular: thermal power generation and underground natural gas storage.

Revenues were down slightly by 0.8% on a reported basis to €81.3 billion compared with 2012 (organic growth of 3.0%). The negative impact of changes in the scope of consolidation and currency effects were partially compensated by higher gas and electricity sales in France due to broadly cold climatic conditions and the upturn in LNG sales as part of arbitrage transactions in early 2013.

EBITDA, which amounted to €13.4 billion for the year, was down 8.1% on a reported basis (organic decrease of 2.7%). This decrease in reported EBITDA was attributable to negative currency effects, the loss of earnings from entities sold as part of the Group's asset portfolio optimization program, lower electricity prices, the end of free carbon allowances and a decline in production in the Exploration - Production business. These adverse impacts were partially offset by the positive impact of the commissioning of new assets, cold climatic conditions in France, strong operating performances and the results of the Group's performance action plan.

Current operating income declined by 13.8% on a reported basis (negative organic growth of 7.8%) to €7.2 billion, reflecting the drop in EBITDA and higher net additions to provisions, partially offset by lower depreciation and amortization charges.

On a pro forma basis, **net income/(loss) Group share** totaled -€9.7 billion in 2013, down €11.3 billion year on year. In 2013, net income/(loss) Group share was mainly impacted by the impairment of the Group's assets in the consolidated financial statements.

Net recurring income Group share which amounted to €3.4 billion was down 10.1% year on year. The decline in current operation income was partially offset by lower recurring financial expenses due to a more active debt management. Moreover the tax charge decreased despite a higher effective recurring tax rate.

Cash generated from operations before income tax and working capital requirements, which amounted to €13.3 billion, was €1.3 billion lower than for the year ended December 31, 2012, due mainly to the drop in EBITDA.

Net debt, which stood at €29.8 billion at end-December 2013, was €6.8 billion lower than one year earlier and mainly reflected the following items: (i) cash flow from operations (CFFO) of €10.4 billion less gross investments for the period of €7.5 billion; (ii) dividends of €3.5 billion paid to GDF SUEZ SA shareholders; (iii) the proceeds from the issue of hybrid notes by GDF SUEZ in early July 2013 (€1.7 billion); (iv) the impact of disposals carried out as part of the asset portfolio optimization program, including the sale of SPP (Slovakia) and 50% of the Portuguese energy businesses; and (v) the classification of certain French wind farms and the Group's stake in the Jirau dam as assets held for sale.

6.1.1.1 Revenues and earnings trends

Pro forma, in millions of euros	Dec. 31, 2013	Dec. 31, 2012	% change (reported basis)
Revenues	**81,278**	**81,960**	**-0.8%**
EBITDA	**13,419**	**14,600**	**-8.1%**
Depreciation, amortization and provisions	(6,053)	(6,077)	
Net disbursements under concession contracts	(40)	(30)	
Share-based payments	(85)	(94)	
CURRENT OPERATING INCOME	**7,241**	**8,399**	**-13.8%**

(1) Consolidated financial statements presented in Section 6.2 have been approved and authorised for issue by the Board of Directors as of February 26, 2014. They have been audited by Group's statutory auditors. The pro forma figures, including the SUEZ Environnement Company Group as an associate from January 1, 2012, have been reviewed by Group's statutory auditors and are subject to a specific report.

Consolidated **revenues** for the year ended December 31, 2013 amounted to €81.3 billion, down 0.8% compared with 2012. On an organic basis (excluding the impact of changes in the scope of consolidation and exchange rates), revenues moved up by 3.0%.

Changes in the scope of consolidation had a negative €2.1 billion impact, mainly corresponding to disposals (sale by Energy Europe of SPP in Slovakia and by Energy International of Maestrale in Italy and Germany, and the disposal of the US thermal power plant of Red Hills and Astoria Energy, Phase I) and the change to equity method accounting following the loss of control of Senoko (Singapore), Al Hidd (Bahrain) and Sohar Power Company SAOG (Oman).

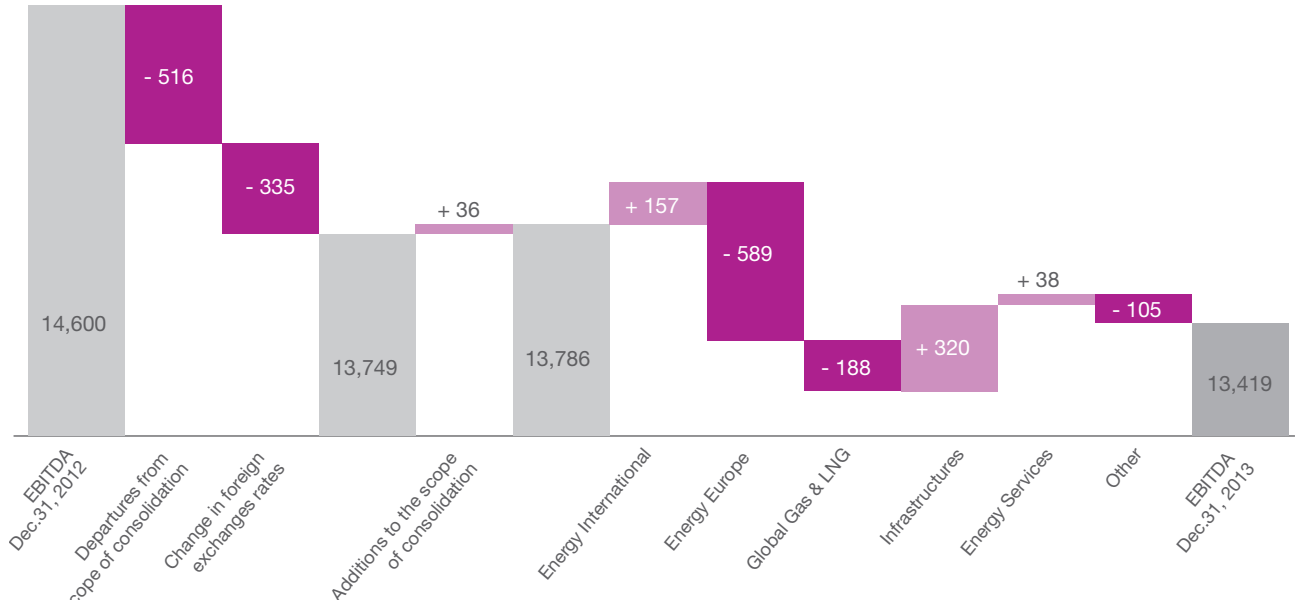
Exchange rates had a negative €0.9 billion impact on Group revenues due to the appreciation of the euro against the other major currencies.

Organic revenue performance varied across the Group's business lines: Global Gas & LNG and Infrastructures reported strong growth for the period, while revenues were up slightly at Energy Europe and Energy International and stable at Energy Services.

EBITDA declined by 8.1% to €13.4 billion over the period. Excluding the impact of changes in exchange rates and in the scope of consolidation, the decrease in EBITDA came out at 2.7%.

EBITDA TRENDS

Pro forma, in millions of euros



Changes in the scope of consolidation had a negative €479 million impact, in line with the impact on revenues. Additions to the scope of consolidation were few in number and not material.

Changes in exchange rates had a negative €335 million impact due to the appreciation of the euro against the other major currencies (mainly the Brazilian real, US dollar and Norwegian krone).

On an organic basis, EBITDA was down 2.7% or €367 million. Notwithstanding the impact of the Group's performance plan across the business lines, this decline reflected the following trends:

- EBITDA for Energy International amounted to €3,871 million and was up 4.2% on an organic basis due to the positive contribution of newly-commissioned facilities, notably in Brazil, Peru and Thailand, higher prices in Australia and a good performance by the LNG business in the US. However, this was partially offset by lower figures reported in Chile, difficult market conditions in the UK and unfavorable climatic conditions in the US;
- EBITDA for Energy Europe came in at €3,415 million, down 14.8% on an organic basis, due to the fall in electricity market prices and the end of free carbon allocations. These adverse impacts were only partially offset by cold climatic conditions in 2013 and the benefit of the gas price "catch-up" adjustments in France;
- EBITDA for Global Gas & LNG dropped €188 million or 8.2% on an organic basis to €2,124 million, chiefly as a result of the fall in production of the Exploration - Production business, due to production outages at the Snøvhit and Njord fields in the first and second halves of 2013, respectively;
- EBITDA for Infrastructures climbed 10.5% on an organic basis to €3,370 million, boosted by particularly favorable climatic conditions in 2013 and the annual review of infrastructure access tariffs, and despite lower storage capacity sales in France;
- EBITDA for Energy Services advanced by 3.8% on an organic basis to €1,068 million, all its activities contributing to its performance.

Current operating income declined 7.8% on an organic basis compared with 2012, to €7.2 billion. Net additions to provisions were higher while net depreciation and amortization expenses edged down due to impairment loss provisions taken on certain assets at December 31, 2012 and to the decrease in production in the Exploration - Production business, combined with an increase in the Book of Reserves. After taking into account changes in the scope of consolidation and exchange rates, current operating income for the period declined by 13.8% on a reported basis.

6.1.1.2. Business trends

6.1.1.2.1 Energy International

Pro forma, in millions of euros	Dec. 31, 2013 Total [1]	Latin America	Asia-Pacific [2]	North America	UK & Other Europe [2]	SAMEA [2]
Revenues	**14,833**	**3,617**	**2,990**	**4,094**	**3,552**	**580**
EBITDA	**3,871**	**1,475**	**840**	**1,016**	**481**	**181**
Depreciation, amortization and provisions	(1,232)	(398)	(245)	(390)	(190)	(8)
Share-based payments	(4)	-	-	-	-	-
CURRENT OPERATING INCOME	**2,635**	**1,076**	**595**	**626**	**291**	**173**

Pro forma, in millions of euros	Dec. 31, 2012 Total [1]	Latin America	Asia-Pacific [2]	North America	UK & Other Europe [2]	SAMEA [2]	% change (reported basis)
Revenues	**16,044**	**3,827**	**3,059**	**4,412**	**4,056**	**689**	**-7.6%**
EBITDA	**4,304**	**1,690**	**740**	**1,092**	**697**	**224**	**-10.1%**
Depreciation, amortization and provisions	(1,397)	(462)	(221)	(444)	(234)	(26)	
Share-based payments	(6)	-	-	-	-	-	
CURRENT OPERATING INCOME	**2,902**	**1,228**	**519**	**649**	**462**	**198**	**-9.2%**

(1) The Energy International business line also has a "headquarters" function, the costs for which are not broken down in the table above.

(2) Energy International business line has been reorganized into five business areas (previously six). Asia-Pacific now includes Australia, formerly a separate business area, but no longer includes Pakistan which is now part of SAMEA (South Asia, Middle East and Africa). Turkey is now included in the UK & Other Europe business area. Prior year figures have been restated to reflect this new organizational structure.

Energy International's **revenues**, at €14,833 million, fell 7.6% based on reported figures and climbed 2.9% on an organic basis. These changes reflect the impact of the asset portfolio optimization program (accounting for a decrease of €860 million) and exchange rate fluctuations (negative impact of €770 million, due to the strengthening of the euro against all major currencies). They also reflect continued organic growth driven by the commissioning of new power plants in Thailand and Latin America as well as power price increases implemented, primarily in Brazil, Thailand and Australia. Gas and electricity sales reached respectively 79.6 TWh and 220.4 TWh.

EBITDA decreased by 10.1% on a reported basis to €3,871 million, but showed an underlying increase of €157 million or 4.2% after taking into account the negative impacts of divestments (€318 million) and foreign exchange movements (€272 million). This increase reflects the impact of the above mentioned newly commissioned plants and price increases, as well as the strong performance of the LNG business in the US and the impacts of the performance plan.

Current operating income, at €2,635 million, decreased by 9.2% on a reported basis but increased by €143 million or 5.8% on an organic basis, reflecting the increase in EBITDA partly offset by additional depreciation charged against newly commissioned plants.

Latin America

Revenues for the Latin America region totaled €3,617 million, down €209 million on a reported basis but up 3.0% on an organic basis compared to 2012. In Brazil, higher sales resulted from the full commissioning of the Estreito hydro power plant (1,090 MW) combined with an increase in average sales prices, primarily due to indexation linked to inflation. Peru trended upwards thanks to the commissioning of the Chilca combined cycle plant (270 MW) and the Ilo thermo plant (560 MW), as well as a rise in demand from customers. In Chile, revenues decreased following a decline in LNG sales as supply agreements gradually expired.

Electricity sales increased by 1.5 TWh to 54.3 TWh, while gas sales were down 3.3 TWh, particularly in Chile, coming in at 11.4 TWh.

EBITDA totaled €1,475 million, representing a decrease of €44 million or 2.9% on an organic basis, mainly reflecting:

- negative trends in Chile, mostly linked to coal plants' (CTA/CTH) forced outage during January 2013 and to the end of LNG high margin gas supply agreements;

- a lower performance in Brazil, mostly due to adverse hydrological conditions, partly offset by the commissioning of the final units at Estreito and an increase in average prices for bilateral sales, mainly due to inflation;
- positive trends in Peru, mainly due to the commissioning of the Chilca combined cycle facility and of the Ilo thermo plant.

Current operating income amounted to €1,076 million, down €14 million or 1.2% on an organic basis. A favorable change in the LNG terminal's depreciation profile in Chile in line with the end of high margin gas sales contracts and the start of re-gasification services partially offset the downturn in EBITDA.

Asia-Pacific

Revenues for the region totaled €2,990 million, down 2.3% or €69 million on a reported basis, reflecting the change of consolidation method for Senoko in Singapore following a change in control. However, revenues showed strong organic growth of 18.6% or €469 million, primarily attributable to the commissioning of power generation assets in Thailand (Gheco One and TNP2 in August 2012 and December 2012, respectively), as well as to higher electricity prices in Australia following the introduction of the carbon emissions reduction scheme on July 1, 2012 and a stronger performance from the Australian retail business.

Electricity sales decreased by 0.8 TWh to 42.8 TWh, reflecting the change of consolidation method for Senoko (negative impact of 2.7 TWh) and a decrease of 1.2 TWh in Australia, offset by an increase of 3.1 TWh in Thailand. Natural gas sales increased by 1.0 TWh to 5.9 TWh.

EBITDA came in at €840 million, up €101 million (13.6%) based on reported figures or €187 million (28.5%) on an organic basis. Organic EBITDA growth mainly results from:

- a strong performance in Thailand, driven by increases in both volumes (partly related to the maintenance cycle) and prices, and by the commissioning of Gheco One and TNP2;
- higher prices in Australia and an improved performance from the retail business, with higher margins and more accounts.

Current operating income amounted to €595 million, up €136 million or 29.7% on an organic basis, reflecting EBITDA trends and the start of depreciation at the recently commissioned plants of Gheco One and TNP2.

North America

Revenues for the North America region totaled €4,094 million, representing a decrease of 7.2% based on reported figures and an increase of 0.7% on an organic basis. This resulted from a strong performance in the gas businesses and an improved operational performance in Mexico, but was tempered by a fall in US wholesale electricity pricing and compression in the US retail market.

Electricity sales increased by 2.0 TWh to 74.6 TWh on an organic basis, after adjusting for divestments within the scope of the asset portfolio optimization program, which reduced volumes by 6.1 TWh. Natural gas sales [(1)], excluding intra-group transactions, fell by 10.9 TWh to 39.7 TWh, mainly due to fewer overall LNG cargoes combined with more LNG diversions (intra-group sales).

EBITDA came in at €1,016 million, up 3.2% on an organic basis. The strong performance from the LNG (improved margins versus 2012) and Mexican businesses was partially offset by a decline in the overall performance of the US power and retail businesses, which were primarily impacted by mild weather conditions.

Current operating income totaled €626 million, representing an increase of 5.7% on an organic basis, chiefly due to the EBITDA improvement.

UK & Other Europe

Revenues for the region totaled €3,552 million, representing a decrease of 5.8% on an organic basis. This primarily resulted from the lower utilization of assets in Spain and Portugal and a drop in sales volumes in the UK retail business.

Electricity sales amounted to 35.9 TWh, representing a decrease of 4.6 TWh. This is mainly due to lower volumes in Spain and Portugal and in the UK retail business. It also reflects a reduction of 1.6 TWh due to the asset portfolio optimization program in Continental Europe and to the closure of certain power plants in the United Kingdom. Gas sales were 22.5 TWh, down 4.1 TWh due to lower volumes for the UK retail business and Turkish operations.

EBITDA of €481 million fell 9.5% on an organic basis. Power production assets in the United Kingdom continued to face challenging market conditions (particularly gas-fired plants) and were also affected both by the end of free carbon allowances and by the introduction of a carbon floor tax. These impacts were partially mitigated by the implementation of cost-reduction actions, a favorable one-off compensation payment and better dark spreads.

Current operating income totaled €291 million, representing a decrease of 20.9% on an organic basis. This resulted from lower EBITDA and higher provision balances, partially offset by a fall in depreciation due to the decommissioning of the Teesside power plant.

(1) Sales of natural gas (including intra-group sales) came out 5.8 TWh lower at 71.4 TWh, as a result of fewer LNG cargoes.

South Asia, Middle East & Africa

Revenues for the region totaled €580 million, up 7.3% on an organic basis. This growth is mainly related to higher revenues from the operating and maintenance (O&M) activities of new power plants in Oman (Barka 3 and Sohar 2) and in Saudi Arabia (Riyadh IPP).

EBITDA came in at €181 million, down €43 million on a reported basis, but representing an increase of €19 million or 12% on an organic basis. This reported decrease takes into account the change in consolidation method for Al Hidd and Sohar 1 power plants, which have been accounted for under the equity method since their partial disposals in May 2012 and May 2013, respectively. The underlying organic change is mainly related to increased O&M activities.

Current operating income totaled €173 million, an increase of €37 million or 27.7% on an organic basis, reflecting improved EBITDA as well as lower provisions.

6.1.1.2.2 Energy Europe

Pro forma, in millions of euros	Dec. 31, 2013 Total [1]	Central Western Europe	Southern & Eastern Europe [2]	Dec. 31, 2012 Total [1]	Central Western Europe	Southern & Eastern Europe [2]	% change (reported basis)
Revenues	**43,479**	**36,355**	**7,124**	**44,418**	**35,804**	**8,614**	**-2.1%**
EBITDA	**3,415**	**2,967**	**560**	**4,180**	**3,429**	**880**	**-18.3%**
Depreciation, amortization and provisions	(1,950)	(1,546)	(399)	(1,670)	(1,200)	(468)	
Share-based payments	(14)	(11)	-	(16)	(13)	-	
CURRENT OPERATING INCOME	**1,452**	**1,409**	**161**	**2,494**	**2,215**	**413**	**-41.8%**

(1) Of which business line corporate function costs.
(2) Other Europe has been renamed Southern & Eastern Europe.

VOLUMES SOLD BY THE BUSINESS LINE

In TWh	Dec. 31, 2013	Dec. 31, 2012	% change (reported basis)
Gas sales	684	658	+3.9%
Electricity sales	187	193	-3.6%

The contribution of Energy Europe to Group **revenues** came in at €43,479 million, down 2.1% year on year. Gas sales amounted to 684 TWh, including 126 TWh to key accounts. Electricity sales amounted to 187 TWh. At end-December 2013, Energy Europe had over 14.2 million individual customers for gas and almost 5.3 million electricity customers.

The business line's **EBITDA** for the period fell by 18.3% to €3,415 million. The period was adversely impacted by a fall in selling prices on the electricity market, outages at the Doel 3 and Tihange 2 nuclear power plants in Belgium until the beginning of June 2013 [1], the end of free carbon allocations and by the sale of SPP (Slovakia) in early 2013. Climatic conditions, the price "catch-up" adjustments in France for 2011 and 2012 and performance efforts only partially offset these impacts.

The 41.8% drop in **current operating income** reflects the decline in EBITDA as well as net additions to provisions in the Central Western Europe (CWE) region.

Central Western Europe (CWE)

The contribution of CWE to Group **revenues** amounted to €36,355 million, edging up 1.5% year on year, as the strong performance in France more than offset sluggish sales in Belgium.

CWE's **EBITDA** declined by 13.5 % on a reported basis, primarily due to the overall fall in electricity market prices in Europe, the end of free carbon allocations and lower margins on midstream gas, partially offset by favorable climatic conditions, the gas price "catch-up" adjustments in France and performance efforts.

The 36.4% drop in **current operating income** reflects the decline in EBITDA and higher net additions to provisions chiefly on certain contracts.

(1) The year-on-year impact of outages at the Doel 3 and Tihange 2 nuclear power plants in Belgium is slightly negative. These lasted 24 weeks at Doel 3 and 14 weeks at Tihange 2 in 2012 and continued through early June 2013 at both plants.

CWE FRANCE

Pro forma, in millions of euros	Dec. 31, 2013	Dec. 31, 2012	% change (reported basis)
Revenues	**17,669**	**17,183**	**+2.8%**
EBITDA	**1,523**	**1,175**	**+29.6%**
Depreciation, amortization and provisions	(509)	(470)	
Share-based payments	(4)	(5)	
CURRENT OPERATING INCOME	**1,010**	**700**	**+44.3%**

VOLUMES SOLD IN FRANCE

In TWh	Dec. 31, 2013	Dec. 31, 2012	% change (reported basis)
Gas sales [1]	281	288	-2.7%
Electricity sales	52	50	+2.8%

(1) Business line contribution data.

FRANCE CLIMATIC CORRECTION

In TWh	Dec. 31, 2013	Dec. 31, 2012	Total change in TWh
Climate adjustment volumes (negative figure = warm climate, positive figure = cold climate)	17.3	(0.9)	+18.2

CWE France's contribution to Group **revenues** amounted to €17,669 million for the year to December 31, 2013, up €486 million compared to the previous period.

Natural **gas sales** declined by 7.7 TWh year on year and the more favorable climatic conditions of 2013 could not completely offset the impacts of customer losses and energy savings. GDF SUEZ still holds around 83% of the retail market and around 51% of the business market.

Electricity sales increased by 1.5 TWh thanks to higher sales to direct customers and to the market as a result of the increase in electricity production. This grew to 32.6 TWh (31.5 TWh in 2012) thanks to the commissioning of new wind farms and an exceptionally high level of hydropower in 2013, partly offset by a fall in production at gas-fired power plants (unfavorable market conditions).

EBITDA grew by €348 million due mainly to the very favorable climatic conditions in 2013 (positive impact on gas sales) and the gas price "catch-up" adjustments in France which had a positive €150 million impact in 2013. These positive factors were partly offset by a fall in electricity market prices.

Current operating income came out €310 million higher, in line with the increase in EBITDA.

CWE BENELUX & GERMANY

Pro forma, in millions of euros	Dec. 31, 2013	Dec. 31, 2012	% change (reported basis)
Revenues	**12,555**	**14,210**	**-11.6%**
EBITDA	**1,357**	**1,883**	**-28.0%**
Depreciation, amortization and provisions	(794)	(665)	
Share-based payments	(6)	(6)	
CURRENT OPERATING INCOME	**557**	**1,212**	**-54.2%**

Revenues from Benelux & Germany amounted to €12,555 million, a drop of 11.6% compared to 2012. Electricity volumes sold amounted to 96.0 TWh, which was down 7% due to the slowdown of sales in Belgium. Electricity production fell by 1.7 TWh to 64.7 TWh due to unfavorable spreads and outages at coal-fired plants, partially offset by much lower outages at nuclear power plants at year end:

- electricity sales in Belgium and Luxembourg dropped by almost 15% in volume terms to 72.1 TWh, due mainly to a fall in market sales, which were adversely impacted by the closure of old coal-fired plants, and to customer losses;

- electricity sales in the Netherlands advanced 7.6% to 9.9 TWh, driven by higher sales to individual and business customers;
- electricity sales in Germany surged by 50% to 14.1 TWh on the back of higher sales to the market and to business customers.

Gas volumes sold increased 0.8%, or 1.0 TWh, driven by a positive climatic effect and stronger market sales that offset the loss of individual and business customers in Belgium and lower sales to key accounts in Germany and the Netherlands.

EBITDA for Benelux & Germany fell back by 28% under the impact of lower electricity prices and unfavorable spreads, the end of free carbon allocations and a sluggish performance in Germany.

Current operating income declined by even more than EBITDA as a result of higher net additions to provisions chiefly on certain contracts.

Southern & Eastern Europe

Pro forma, in millions of euros	Dec. 31, 2013	Dec. 31, 2012	% change (reported basis)
Revenues	**7,124**	**8,614**	**-17.3%**
EBITDA	**560**	**880**	**-36.3%**
Depreciation, amortization and provisions	(399)	(467)	
CURRENT OPERATING INCOME	**161**	**413**	**-61.1%**

Southern & Eastern Europe region **revenues** dropped 17.3% due to lower sales in Italy and the disposal of SPP (Slovakia).

EBITDA for Southern & Eastern Europe slumped by 36.3% due to the disposal of SPP (Slovakia) at the beginning of 2013 and lackluster performances in Italy and Poland due to a tough regulatory environment, and notwithstanding a strong performance from Romania.

The drop in **current operating income** largely tracked the decline in EBITDA although the decrease was offset somewhat by lower net additions to depreciation, amortization and provision charges.

6.1.1.2.3 Global Gas & LNG

Pro forma, in millions of euros	Dec. 31, 2013	Dec. 31, 2012	% change (reported basis)
Revenues	**5,685**	**4,759**	**+19.5%**
Total revenues *(incl. intra-group transactions)*	8,445	7,945	+6.3%
EBITDA	**2,124**	**2,377**	**-10.6%**
Depreciation, amortization and provisions	(1,182)	(1,255)	
Share-based payments	(2)	(3)	
CURRENT OPERATING INCOME	**940**	**1,119**	**-16.0%**

Global Gas & LNG's contribution to Group **revenues** for the year ended December 31, 2013 amounted to €5,685 million, up 19.5% or €926 million year on year. Organic growth came in at 22.3% or €1,033 million.

The contribution to revenues was driven by:

- growth of 19 TWh in external sales in LNG business, with volumes amounting to 79 TWh for the year, representing 87 cargoes, of which 67 shipped to Asia (2012: 60 TWh for 66 cargoes, of which 39 shipped to Asia), and the impact of higher gas selling prices in Europe and the arbitrage operations in Asia and Europe in early 2013;
- higher Exploration & Production hydrocarbon production contribution (45.4 Mboe at end-December 2013 versus 43.6 Mboe at end-December 2012 [1]), albeit with no impact on revenues due to unfavorable movements in the oil-gas mix.

EBITDA for the Global Gas & LNG business line amounted to €2,124 million at December 31, 2013, compared with €2,377 million at the end of December 2012, down €253 million or 10.6% on a reported basis. It dropped by €188 million on an organic basis, due mainly to the decline in production in the Exploration - Production business, notably due to outages carried out at the Snøvhit and Njord fields in the first and second halves of 2013, respectively.

Current operating income came in at €940 million for the year, down 16% or €179 million on a reported basis, due to lower depreciation charges as a result of the abovementioned fall in production, combined with the upward revaluation of the Book of Reserves.

(1) Total production : 51.9 Mboe at end-December 2013 versus 54.9 Mboe at end-December 2012 (lower internal sales counterbalanced by higher external sales).

6.1.1.2.4 Infrastructures

Pro forma, in millions of euros	Dec. 31, 2013	Dec. 31, 2012	% change (reported basis)
Revenues	**2,574**	**2,031**	**+26.7%**
Total revenues *(incl. intra-group transactions)*	6,792	6,216	+9.3%
EBITDA	**3,370**	**3,049**	**+10.5%**
Depreciation, amortization and provisions	(1,299)	(1,239)	
Share-based payments	(8)	(5)	
CURRENT OPERATING INCOME	**2,063**	**1,805**	**+14.3%**

Total **revenues** for the Infrastructures business line, including intra-group services, amounted to €6,792 million in 2013, an increase of 9.3% on 2012. This was primarily driven by an increase in distribution and transportation infrastructure access tariffs in an environment marked by lower storage capacity sales in France and by colder climatic conditions when compared to 2012.

Full-year 2013 revenue trends reflect:

- an increase in volumes distributed by GrDF due to colder climatic conditions in 2013 than the previous year (up 24.0 TWh);
- the annual review of distribution infrastructure access tariffs (8.0% increase on July 1, 2012, and 4.1% increase on July 1, 2013);
- the annual review of transport infrastructure access tariffs on April 1, 2012 (6% increase) and April 1, 2013 (8.3% increase).

In this climatic and regulatory context, the business line's contribution to Group revenues in 2013 was €2,574 million, up 26.7% year on year, reflecting:

- growth in transportation, storage and terminal services for third parties against the backdrop of an increasingly deregulated market;
- higher gas purchase-sale transactions to maintain storage performance.

EBITDA for the Infrastructures business line amounted to €3,370 million for the period, up 10.5% compared to 2012.

All of the business line's activities contributed to the growth performance, except for underground natural gas storage which was held back by lower prices and smaller volumes.

Current operating income came in at €2,063 million, up 14.3%, with net depreciation, amortization and provision charges remaining stable.

6.1.1.2.5 Energy Services

Pro forma, in millions of euros	Dec. 31, 2013	Dec. 31, 2012	% change (reported basis)
Revenues	**14,707**	**14,707**	**-%**
EBITDA	**1,068**	**1,018**	**+5.0%**
Depreciation, amortization and provisions	(317)	(317)	
Net disbursements under concession contracts	(38)	(30)	
Share-based payments	(9)	(11)	
CURRENT OPERATING INCOME	**705**	**660**	**+6.8%**

Revenues for the Energy Services business line were stable year on year at €14,707 million on a reported basis.

On an organic basis, they edged down 0.1% or €15 million, reflecting:

- a €24 million decrease in services activities in France, reflecting the impact of the expiration of gas cogeneration contracts and the slowdown in construction projects;
- a €26 million decline in installation activities in the Netherlands;
- a €53 million drop in installation and services activities in the UK, Switzerland, Austria and Spain where market conditions remain very tough;
- lower levels of Engineering business (down €9 million), reflecting cuts in investment in the European energy sector.

These items were partially offset by:

- €31 million growth in installation activities in France;
- growth in installation activities in Belgium (up €23 million), albeit at a lower rate than in 2012;
- brisk business in installation and services activities in Germany (up €31 million);
- a €9 million rise in the heating networks activity in France, due primarily to the positive impact of rate increases and cold climatic conditions in the first six months of the year, and despite the expiration of gas cogeneration contracts with CPCU.

EBITDA for Energy Services grew 5.0% (€50 million) on a reported basis to €1,068 million.

Organic growth came out at 3.8%, or €39 million, despite the following adverse developments:

- the expiration of gas cogeneration contracts in France (negative impact of €60 million);
- narrower margins, especially in engineering and local and regional installation markets in France and Belgium;
- negative volume impacts, especially for installation activities in Spain and the Netherlands.

These items were more than offset by:

- cold climatic conditions in France in the first quarter of 2013;
- cost-cutting measures – especially on overheads – and measures to boost operating performance;
- the positive impact of the French tax credit to promote competitiveness and employment (*Crédit d'Impôt Compétitivité Emploi*);
- the positive impact of the commissioning of new heating networks and services in France.

Current operating income amounted to €705 million, compared with €660 million in 2012 and mirrors the growth in business line EBITDA. Net additions to depreciation, amortization and provisions were stable year on year.

6.1.1.2.6 Other

Pro forma, in millions of euros	Dec. 31, 2013	Dec. 31, 2012	% change (reported basis)
EBITDA	**(430)**	**(328)**	**-31.2%**
Depreciation, amortization and provisions	(76)	(199)	
Share-based payments	(48)	(54)	
CURRENT OPERATING INCOME/(LOSS)	**(554)**	**(581)**	**+4.6%**

EBITDA for the Other business line came in at a negative €430 million and was down on 2012, largely owing to the settlement of a legal dispute.

However, **current operating income/(loss)** for 2013 came in at a similar level to 2012 due to the reversal of a provision relating to this same dispute.

6.1.1.3. Other income statement items

Pro forma, in millions of euros	Dec. 31, 2013	Dec. 31, 2012	% change (reported basis)
Current operating income	**7,241**	**8,399**	
Mark-to-market on commodity contracts other than trading instruments	(225)	105	
Impairment losses	(14,947)	(2,387)	
Restructuring costs	(288)	(263)	
Changes in scope of consolidation	(41)	110	
Other non-recurring items	536	161	
Income/(loss) from operating activities	**(7,724)**	**6,124**	**(13,848)**
Net financial income/(loss)	(1,754)	(2,341)	586
Income tax expense	(620)	(1,884)	1,264
Share in net income of associates	513	480	33
NET INCOME/(LOSS)	**(9,585)**	**2,380**	**(11,965)**
Of which non-controlling interests	152	836	(684)
Of which net income/(loss) Group share	(9,737)	1,544	(11,281)

Income/(loss) from operating activites amounted to -€7,724 million, down on the end-2012 figure mainly due to the drop in current operating income and the impact of impairment losses taken against goodwill, property, plant and equipment, and intangible assets.

At December 31, 2013, the Group recognized impairment losses against goodwill for €5,775 million, and against property, plant and equipment, and intangible assets for €9,103 million, chiefly concerning the Energy Europe and Infrastructures business lines.

The impairment losses recognized against the Energy Europe business line can be analyzed as follows:

- €4,438 million relating to goodwill (which consisted mainly of €3,862 million on the Central Western Europe CGU (CWE), €252 million on the Southern Europe CGU and €264 million on the Eastern Europe CGU);
- €5,670 million relating to property, plant and equipment, and intangible assets (which consisted mainly of €3,765 million on thermal power plants in Germany, the Netherlands, Belgium, Luxemburg and France (CWE), and €1,013 million relating to power generation assets in Italy, with the balance against other thermal power generation assets in Europe.

These impairment losses are primarily attributable to though economic conditions in Europe, which are durably affecting our midstream and downstream margins and the profitability of our power generation assets. While these assets were originally designed to be operated a minima as mid merit power plants, they are now increasingly used as backup capacities within the electricity system.

Impairment losses on the Infrastructures business line concern underground natural gas storage activites for a total of €1,250 million relating to goodwill, and storage facilities in France, Germany and the UK for €1,896 million.

These impairment losses reflect the durable decline in the profitability of the storage activities in the European market, which is notably due to the decrease of the seasonal spreads levels.

In recognizing these impairment losses, GDF SUEZ has acknowledged the major shift in Europe's energy sector, in which entire asset categories are moving towards new uses aimed at guaranteeing the electricity and gas supply.

At December 31, 2012, the Group had recognized impairment losses in an amount of €2,387 million, primarily relating to assets carried on the books of GDF SUEZ Energy Europe and GDF SUEZ Energy International.

Income/(loss) from operating activities was also affected by:

- changes in the fair value of commodity instruments that had a negative impact of €225 million on income from operating activities (reflecting the impact of transactions not eligible for hedge accounting) compared with a positive impact of €105 million at December 31, 2012. This was mainly due to a negative price effect related to changes in the forward prices of the underlying commodities over the period, coupled with the negative impact of unwinding positions with a positive market value at December 31, 2012;
- restructuring costs of €288 million, compared with €263 million the previous year;
- "Changes in scope of consolidation" (gains and losses on the disposal of consolidated equity interests or on remeasurement of previously held interests in accordance with IFRS 3) which amounted to a negative €41 million at December 31, 2013, compared with €110 million at December 31, 2012;
- "Other non-recurring items" for a positive €536 million (mainly relating to the reversal of a provision for back-end of the nuclear fuel cycle in Belgium), compared with €161 million for the year ended December 31, 2012 (mainly corresponding to income relating to the reduction of a penalty within the scope of the "MEGAL" proceedings).

The Group reported a net financial income/(loss) of €1,754 million for the year ended December 31, 2013, compared with an expense of €2,341 million for the year ended December 31, 2012. This improvement was mainly the result of a positive interest rate impact on net debt and the reversal of positive mark-to-market impacts at the end of 2013 which were significantly negative at end-2012 (chiefly as a result of the increase in the value of the embedded derivative in International Power convertible US bonds following movements in the share price in the wake of the Group's offer to buy the remaining 30% of its share capital).

The effective recurring tax rate was 1.4 points higher than in 2012, mainly as a result of:

- capping of the net deferred tax asset position in 2013 for certain tax consolidation groups in Europe;
- the 3% tax on dividends payout by French companies;
- offset by recognition in the first-half of 2012 of one-off deferred tax income, including €90 million on the Australian power generation business following changes in tax legislation.

Income from associates was €33 million higher than in the year ended December 31, 2012.

Net income attributable to non-controlling interests amounted to €152 million, down on the previous year, as a result of the acquisition of the 30% non-controlling interest in International Power and the impact of impairment losses.

6.1.1.4. Changes in net debt

Net debt, which stood at €29.8 billion at year-end 2013, was €6.8 billion lower than one year earlier and mainly reflected the following items: (i) cash generated from operations before income tax and working capital requirements of €13.3 billion less gross investments for the period of €7.5 billion; (ii) dividends of €3.5 billion paid to GDF SUEZ SA's shareholders; (iii) the cash received on the issue of hybrid notes by GDF SUEZ in early July 2013 (€1.7 billion); (iv) the impact of disposals carried out as part of the asset portfolio optimization program, including the sale of SPP (Slovakia) and of 50% of the Portuguese energy businesses; and (v) the reclassification of certain French wind farms and the Group's stake in the Jirau dam as assets held for sale.

Changes in net debt break down as follows:

Pro forma, in millions of euros

(1) The difference between the reported debt of €43,914 million and the pro forma debt of €36,646 million corresponds to the impact of the change in the consolidation méthod for SUEZ Environnement.

The net debt to EBITDA ratio amounted to 2.22 at December 31, 2013. The ratio is calculated as follows:

Pro forma, in millions of euros	Dec. 31, 2013	Dec. 31, 2012
Net debt	29,840	36,646
EBITDA	13,419	14,600
Net debt / EBITDA ratio	2.22	2.51

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 €13,307 million for the year ended December 31, 2013, down €1,283 million compared with 2012 (€14,590 million).

This fall was in line with the EBITDA performance.

6.1.1.4.2 Change in working capital requirements

Working capital requirements (€53 million) has marginaly impacted the net debt.

6.1.1.4.3 Net investments

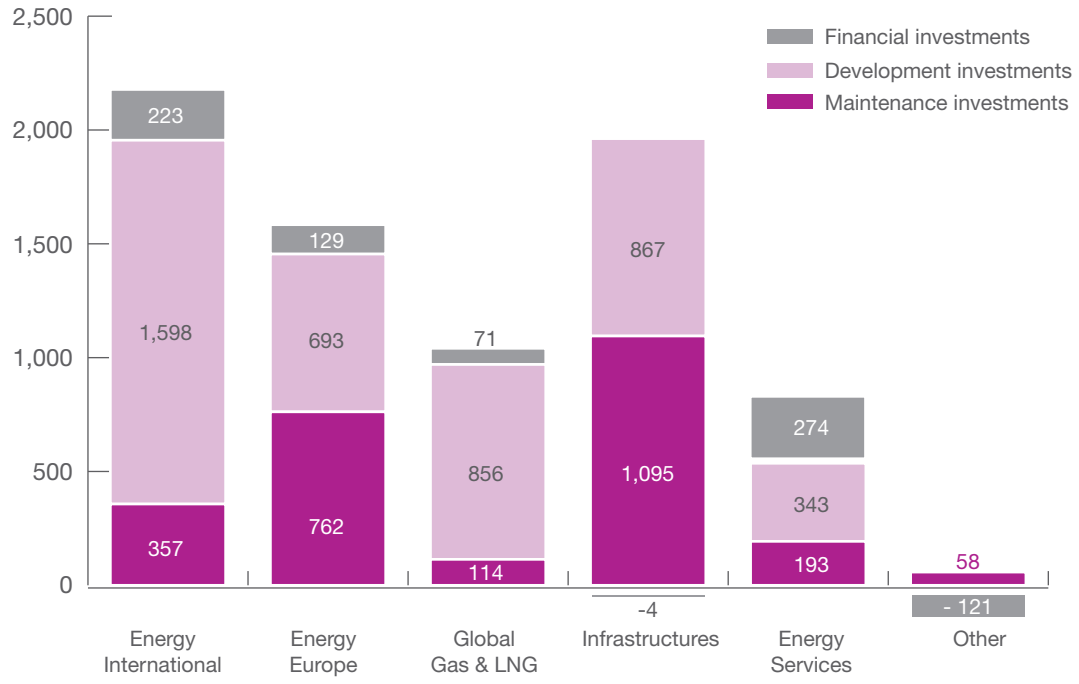
Investments in 2013 amounted to €7,508 million and included:

- financial investments of €572 million, mainly relating to acquisitions in the Energy Services business line (notably Balfour Beatty Workplace);
- development investments totaling €4,358 million. Most of this amount was invested by the Energy International business line in Brazil and by Exploration - Production (in the B3G business line);
- maintenance investments for an amount of €2,578 million.

Disposals amounted to €2,410 million and primarily involved the sale of SPP (Slovakia) for €1,115 million (disposal price less expenses and an outstanding balance payable in 2015) and of 50% of the Portuguese energy businesses sold for an amount of €321 million net of expenses.

Capital expenditure breaks down as follows by business line:

Pro forma, in millions of euros



6.1.1.4.4 Share buybacks and dividends

Share buybacks and dividends in 2013 amounted to €4,351 million and included:

- €3,539 million paid by GDF SUEZ SA to its shareholders, consisting of (i) the outstanding balance on the 2012 dividend (i.e., €0.67 per share) paid in April 2013, and (ii) an interim dividend in respect of 2013 (i.e., €0.83 per share) paid in November 2013;
- the remaining sums correspond to dividends paid by various subsidiaries to non-controlling interests, withholding tax and share buybacks.

6.1.1.4.5 Issuance of hybrid notes

On July 3, 2013, GDF SUEZ SA issued €1,657 million in deeply-subordinated perpetual (or hybrid) notes, which fulfill the definition of equity instruments under IFRS.

6.1.1.4.6 Net debt at December 31, 2013

Excluding amortized cost but including the impact of foreign currency derivatives, at December 31, 2013, 67% of net debt was denominated in euros, 15% in US dollars and 5% in pounds sterling.

Including the impact of financial instruments, 81% of net debt is at fixed rates.

The average maturity for the Group's net debt is 9.4 years.

At December 31, 2013, the Group had total undrawn confirmed credit lines (which may be used as back up lines for commercial paper programs *inter alia*) of €13.5 billion.

6.1.1.5. Other items in the statement of financial position

Reported basis, in millions of euros	Dec. 31, 2013	Dec. 31, 2012	Impact of equity-accounting for SUEZ Environnement	Net change
Non-current assets	**106,775**	**145,109**	**(16,469)**	**(21,865)**
of which goodwill	20,697	30,035	(3,220)	(6,118)
of which intangible assets and PP&E, net	72,323	99,617	(12,468)	(14,827)
of which investments in associates	4,636	2,961	1,400	274
Current assets	**52,836**	**60,339**	**(7,819)**	**316**
Shareholders' equity	**53,490**	**71,303**	**(4,676)**	**(13,136)**
Provisions	16,179	17,551	(1,832)	461
Borrowings	39,914	57,209	(10,113)	(7,182)
Other liabilities	50,027	59,385	(7,666)	(1,691)

The following comments refer to the column entitled "Net change" in the above table. The impacts of accounting for SUEZ Environnement under the equity method are disclosed in Section 6.1.1.7 of this report.

The carrying amount of **property, plant and equipment and intangible assets** amounted to €72.3 billion, a decrease of €14.8 billion compared to December 31, 2012. This decrease was primarily the result of impairment losses (negative €9.1 billion impact), depreciation and amortization (negative €5.9 billion impact), translation adjustments (negative €3.1 billion impact) and the negative €3.3 billion from reclassifying certain assets as held for sale, partly offset by the positive impact of investments for the period totaling €7.2 billion.

Goodwill decreased by €6.1 billion to €20.7 billion, including €5.8 billion relating to impairment losses recognized during the period.

Investments in associates amounted to €4.6 billion, up €0.3 billion, mainly attributable to Energy International (SAMEA).

Total equity amounted to €53.5 billion, down €13.1 billion compared to December 31, 2012, essentially reflecting the net loss for the period (negative €8.9 billion), the payment of cash dividends to GDF SUEZ SA's shareholders (negative €3.5 billion impact).

Provisions increased by €0.5 billion due to the combined impact of net additions for the period, unwinding discounts on certain provisions (positive €0.6 billion impact) and the release of surplus provisions (negative €0.6 billion impact).

6.1.1.6. Reconciliation of reported income to pro forma income

In millions of euros	Dec. 31, 2013 (consolidated)	Dec. 31, 2012 (consolidated)	Change – SUEZ Environnement [1]	Change – pro forma [2]	Change – pro forma (%) [3]
Revenues	89,300	97,038	(7,055)	(682)	-0.8%
EBITDA	14,775	17,026	(1,069)	(1,181)	-8.1%
Current operating income	7,828	9,520	(534)	(1,158)	-13.8%
Income/(loss) from operating activities	(6,695)	7,133	20	(13,848)	-226.1%
Net financial income/(loss)	(1,977)	(2,775)	211	586	-25.1%
Income tax expense	(727)	(2,049)	58	1,264	-67.1%
Share in net income of associates	490	433	24	33	+6.9%
NET INCOME /(LOSS)	**(8,909)**	**2,743**	**313**	**(11,965)**	**-502.8%**
Of which non-controlling interests	380	1,199	(136)	(684)	-81.8%
Of which net income/(loss) Group share	(9,289)	1,544	448	(11,281)	-730.8%

(1) The figures in this column were obtained from the difference between the reconciliation columns "Exclusion of SUEZ Environnement group contribution and presentation as an associate" and "Intra-group and others" of the 2013 and 2012 income statement (see Section 6.1.1.7).

(2) The pro forma changes are obtained from the difference between the 2013 and 2012 income statements, adjusted for the impact of the SUEZ Environnement change.

(3) The pro forma percentage changes are obtained from the 2012 consolidated total, adjusted for the 2012 SUEZ Environnement change (see Section 6.1.1.7).

Consolidated revenues for the year totaled €89.3 billion. The difference between this figure and 2012 revenues relates essentially to the loss of control of SUEZ Environnement. The residual pro forma change (negative 0.8%) is presented in Section 6.1.1.1 of this report.

The consolidated versus pro forma negative changes in EBITDA and current operating income of €2.2 billion and €1.7 billion, respectively, are attributable to:

- the loss of control of SUEZ Environnement (as for revenues);
- the pro forma decrease of 8.1% and 13.8%, respectively, detailed in Section 6.1.1.1.

The impact of the loss of control of SUEZ Environnement on "income/(loss) from operating activities", "net financial income/(loss)", "income tax expense" and "share in net income of associates" is non material.

Changes relating to other items of the pro forma income statement are detailed in Section 6.1.1.3.

6.1.1.7. 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 force in SUEZ Environnement Company, 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' Meeting of January 22, 2013, confirmed that the SUEZ Environnement shareholders' agreement would not be renewed and would therefore expire on July 22, 2013 for all the parties concerned.

As a consequence of the end of the shareholders' agreement, GDF SUEZ ceased to exercise control over SUEZ Environnement Company on July 22, 2013 and accounted for this entity under the equity method as from this date (see Note 2.1).

In accordance with IAS 27 – *Consolidated and Separate Financial Statements*, the residual interest in SUEZ Environnement Company is recognized at fair value at the date control was relinquished.

Based on SUEZ Environnement Company's share price of €10.26 on July 22, 2013, the associate's carrying amount was €1,868 million and the net gain amounted to €448 million (presented under "Changes in scope of consolidation" in the consolidated income statement for the year ended December 31, 2013) (see Note 2.1).

The purchase price allocation for SUEZ Environnement Company's assets, liabilities and contingent liabilities had almost been completed by December 31, 2013, but marginal adjustments may still be made through June 30, 2014.

The Group has prepared pro forma financial statements for information purposes in the following tables showing SUEZ Environnement Company as an associate from January 1, 2012, excluding the revaluation gain.

By definition, the pro forma statement of financial position as at December 31, 2013 is similar to the published consolidated financial statement available in Section II.

Income statement for the year ended December 31, 2013

In millions of euros	Dec. 31, 2013	Exclusion of SUEZ Environnement contribution and presentation as equity-accounted associate	Intra-group and other	Pro forma GDF SUEZ: SUEZ Environnement as equity-accounted associate
Revenues	89,300	(8,031)	9	81,278
Purchases	(51,216)	1,698	(4)	(49,523)
Personnel costs	(11,704)	2,107	-	(9,597)
Depreciation, amortization and provisions	(6,600)	548	-	(6,053)
Other operating expenses	(14,058)	3,251	(14)	(10,820)
Other operating income	2,107	(160)	10	1,956
CURRENT OPERATING INCOME	**7,828**	**(588)**	**-**	**7,241**
Mark-to-market on commodity contracts other than trading instruments	(226)	1	-	(225)
Impairment losses	(14,943)	(4)	-	(14,947)
Restructuring costs	(305)	17	-	(288)
Changes in scope of consolidation [(1)]	406	2	(448)	(41)
Other non-recurring items	545	(10)	-	536
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**(6,695)**	**(581)**	**(448)**	**(7,724)**
Financial expenses	(2,487)	273	(3)	(2,217)
Financial income	510	(50)	3	463
NET FINANCIAL INCOME/(LOSS)	**(1,977)**	**223**	**-**	**(1,754)**
Income tax expense	(727)	107	-	(620)
Share in net income of associates	490	23	-	513
NET INCOME/(LOSS)	**(8,909)**	**(228)**	**(448)**	**(9,585)**
Net income/(loss) Group share	(9,289)	-	(448)	(9,737)
Non-controlling interests	380	(227)	-	152
EBITDA	**14,775**	**(1,356)**	**-**	**13,419**

(1) The €448 million impact reflects the net gain recorded in the consolidated accounts when SUEZ Environnement was first accounted for under the equity method.

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals.

Statement of cash flows for the year ended December 31, 2013

In millions of euros	Dec. 31, 2013	Exclusion of SUEZ Environnement contribution and presentation as equity-accounted associate	Intra-group and other	Pro forma GDF SUEZ: SUEZ Environnement as equity-accounted associate
NET INCOME/(LOSS)	(8,909)	(227)	(448)	(9,585)
- Share in net income of associates	(490)	(23)	-	(513)
+ Dividends received from associates	280	99	-	379
- Net depreciation, amortization, impairment and provisions	20,889	(516)	-	20,373
- Impact of changes in scope of consolidation and other non-recurring items	(481)	8	448	(25)
- Mark-to-market on commodity contracts other than trading instruments	226	(1)	-	225
- Other items with no cash impact	93	(14)	-	79
- Income tax expense	727	(107)	-	620
- Net financial expense	1,977	(223)	-	1,754
Cash generated from operations before income tax and working capital requirements	**14,313**	**(1,006)**	**-**	**13,307**
+ Tax paid	(2,103)	101	-	(2,002)
Change in working capital requirements	**(186)**	**238**	**-**	**53**
CASH FLOW FROM OPERATING ACTIVITIES	**12,024**	**(667)**	**-**	**11,357**
Acquisitions of property, plant and equipment and intangible assets	(7,529)	594	-	(6,936)
Acquisitions of controlling interest in entities, net of cash and cash equivalents acquired	(363)	13	-	(350)
Acquisitions of investments in associates and joint ventures	(166)	4	(1)	(162)
Acquisitions of available-for-sale securities	(143)	14	-	(128)
Disposals of property, plant and equipment, and intangible assets	280	(24)	-	256
Loss of controlling interest in entities, net of cash and cash equivalents sold	496	(21)	1	477
Disposals of investments in associates and joint ventures	1,441	(7)	-	1,434
Disposals of available-for-sale securities	174	(1)	-	173
Interest received on non-current financial assets	67	3	3	73
Dividends received on non-current financial assets	137	(18)	-	120
Change in loans and receivables originated by the Group and other	(6)	41	143	178
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(5,611)**	**599**	**147**	**(4,865)**
Dividends paid	(4,694)	348	-	(4,346)
Repayment of borrowings and debt	(5,869)	519	-	(5,350)
Change in financial assets at fair value through income	(437)	28	-	(408)
Interest paid	(1,494)	230	(3)	(1,267)
Interest received on cash and cash equivalents	117	(25)	-	92
Cash flow on derivatives qualifying as net investment hedges and compensation payments on derivatives	(184)	(10)	-	(195)
Increase in borrowings	3,617	(959)	(142)	2,517
Increase/decrease in capital	2,037	(2)	-	2,035
Purchase and/or sale of treasury stock	(5)	-	-	(5)
Changes of ownership interest in controlled entities	(71)	12	-	(59)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(6,982)**	**141**	**(145)**	**(6,986)**
Effects of changes in exchange rates and other	(2,123)	2,160	(2)	35
TOTAL CASH FLOW FOR THE PERIOD	**(2,691)**	**2,233**	**-**	**(458)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**11,383**	**(2,233)**	**-**	**9,150**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8,691**	**-**	**-**	**8,691**

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals.

Income statement for the year ended December 31, 2012

In millions of euros	Dec. 31, 2012 [1]	Exclusion of SUEZ Environnement contribution and presentation as equity-accounted associate	Intra-group and other	Pro forma GDF SUEZ: SUEZ Environnement as equity-accounted associate
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	(3,433)	526	(7)	(2,914)
Financial income	658	(92)	7	573
NET FINANCIAL INCOME/(LOSS)	**(2,775)**	**434**	**-**	**(2,341)**
Income tax expense	(2,049)	165	-	(1,884)
Share in net income of associates	433	47	-	480
NET INCOME	**2,743**	**(363)**	**-**	**2,380**
Net income Group share	1,544	-	-	1,544
Non-controlling interests	1,199	(364)	-	836
EBITDA	**17,026**	**(2,426)**	**-**	**14,600**

(1) Comparative data for 2012 have been restated to reflect the retrospective application of IAS 19 Revised (see Note 1.1.1).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals.

Statement of cash flows for the year ended December 31, 2012

In millions of euros	Dec. 31, 2012 (1)	Exclusion of SUEZ Environnement contribution and presentation as equity-accounted associate	Intra-group and other	Pro forma GDF SUEZ: SUEZ Environnement as equity-accounted associate
NET INCOME	2,743	(363)	-	2,380
- Share in net income of associates	(433)	(47)	-	(480)
+ Dividends received from associates	315	79	-	394
- Net depreciation, amortization, impairment and provisions	9,246	(1,121)	-	8,125
- Impact of changes in scope of consolidation and other non-recurring items	(87)	50	-	(37)
- Mark-to-market on commodity contracts other than trading instruments	(109)	4	-	(105)
- Other items with no cash impact	114	(24)	-	90
- Income tax expense	2,049	(165)	-	1,884
- Net financial expense	2,775	(434)	-	2,341
Cash generated from operations before income tax and working capital requirements	**16,612**	**(2,022)**	**-**	**14,591**
+ Tax paid	(2,010)	113	-	(1,898)
Change in working capital requirements	**(995)**	**(330)**	**-**	**(1,325)**
CASH FLOW FROM OPERATING ACTIVITIES	**13,607**	**(2,239)**	**-**	**11,368**
Acquisitions of property, plant and equipment and intangible assets	(9,177)	1,222	-	(7,955)
Acquisitions of controlling interest in entities, net of cash and cash equivalents 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 controlling interest in entities, net of cash and cash equivalents sold	537	(74)	-	462
Disposals of investments in 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
Dividends received on non-current financial assets	129	(19)	-	110
Change in loans and receivables originated by the Group and other	(21)	147	6	132
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(8,451)**	**1,296**	**13**	**(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 qualifying as net investment hedges and compensation payments on derivatives	(721)	68	-	(653)
Increase in borrowings	11,587	(1,146)	(6)	10,435
Increase/decrease in capital	229	-	-	229
Purchase and/or sale of treasury stock	(358)	-	-	(358)
Changes of ownership interest in controlled entities	(10,125)	(21)	-	(10,147)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(8,321)**	**1,250**	**(13)**	**(7,085)**
Effects of changes in exchange rates and other	(126)	(2,541)	-	(2,667)
TOTAL CASH FLOW FOR THE PERIOD	**(3,293)**	**(2,233)**	**-**	**(5,526)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**14,675**	**-**	**-**	**14,675**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**11,383**	**(2,233)**	**-**	**9,150**

(1) Comparative data for 2012 have been restated to reflect the retrospective application of IAS 19 Revised (see Note 1.1.1).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals.

6.1.1.8. 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 €28,608 million in 2013, up 2.5% on 2012 due mainly to more favorable weather conditions.

The Company posted a net operating loss of €676 million versus a net operating loss of €267 million in 2012, chiefly reflecting net additions to provisions for certain loss-making contracts.

The Company reported net financial income of €1,054 million, compared with net financial income of €749 million one year earlier. This mainly includes dividends received from subsidiaries for €1,778 million compared to €1,734 million in 2012, the cost of debt which remained stable at €843 million, and reversals of provisions for interest rate risk for €167 million following the mark-to-market of derivative instruments not qualifying for hedge accounting.

Non-recurring items included €483 million in non-recurring expenses, chiefly comprising impairment losses on securities, net of reversals (expense of €254 million), early-redemption penalties on bonds (expense of €165 million) and debt waivers (expense of €60 million), partially offset by net reversals of accelerated depreciation and amortization (income of €112 million).

The income tax amounts to €768 million compared to €542 million by the end of 2012. These two amounts include a tax integration result of €441 million and €381 million in respectively 2013 and 2012.

Net income for the year came out at €663 million.

Shareholders' equity amounted to €43,984 million at end-2013, versus €46,976 million at December 31, 2012, reflecting the dividend payout, partially offset by net income for the period.

At December 31, 2013, net debt (including irredeemable and non-voting securities) came out at €27,453 million. At the same date, cash and cash equivalents totaled €6,320 million.

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 demonstrate 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, 2013			Dec. 31, 2012		
In millions of euros	External	Intra-group	Total	External	Intra-group	Total
Past due	114	142	256	2	43	45
30 days	40	614	654	476	27	503
45 days	6	15	21	17	8	25
More than 45 days	-	17	17	3	-	3
TOTAL	**160**	**788**	**948**	**498**	**78**	**576**

6.1.1.9. Outlook

Acceleration of the industrial strategy of the Group

GDF SUEZ wishes to pursue and to accelerate the implementation of its industrial strategy, with two clear objectives:

- **To be the benchmark energy player in fast growing markets:**
  - by leveraging on strong positions in the independent power production and in LNG, and by strengthening these positions,
  - by building integrated positions all along the gas value chain, including infrastructures,
  - by developing energy services activities internationally;

and

- **To be leader in the energy transition in Europe:**
  - in renewable energies, thermal and electric, centralized and distributed,
  - by offering energy efficiency services to its clients,
  - by developing new businesses (biogas, smart energy and digitalization...).

GDF SUEZ pursues in all its businesses ambitious industrial objectives:

- At the end of 2013, the Group had **15 GW**(1) **of projects under construction or under advanced development,** of which close to 90% in fast growing markets;
- In natural gas, the Group targets a production of 59-**63 million barrels oil equivalent (mboe) by 2016** vs 52 mboe in 2013 and seeks to develop its LNG supply portfolio from 16 million tons per annum (mtpa) to **20 mtpa by 2020;**

(1) At 100%.

- In energy services, GDF SUEZ pursues the ambitious targets **to increase revenues from energy efficiency by 40% between 2013 and 2018** and to double sales outside Europe by 2019.

Finally, GDF SUEZ objective is to prepare the future by reinforcing innovation and research and by positioning itself on new businesses (biogas, retail LNG, demand management, digitalization…). It has therefore set up a dedicated new entity **"Innovation and new business"** in order to stimulate innovation within the Group and to capture new growth drivers.

2014 financial targets increased

For 2014, the Group increases its financial objectives[1]:

- **Net recurring income, Group share**[2] between €3.3 and €3.7 billion, assuming average weather conditions and stable regulation;
- **Net capex**[3] between €6 and 8 billion;
- **Net debt/Ebitda ratio** below or equal to 2.5x and an "A" category credit rating.

In light of the fact that the objective to reduce net debt below €30 billion by end 2014 has already been reached, the Group has decided:

- to revise the €11 billion objective for its portfolio optimization program of which €5 billion has already been achieved in 2013;
- that asset disposals will now be used to fund additional growth capex.

Enhanced targets for *Perform* 2015 performance plan

Given the progress made in 2013 on ***Perform* 2015** and the continued depressed economic conditions, GDF SUEZ has decided to accelerate the plan's implementation and to add €800 million to its gross cumulated objectives for end 2015. The 2015 cumulated objective on the net recurring income Group share has been raised to €0.9 billion.

New dividend policy

At the Shareholders' General Meeting on April 28, 2014, the Board will propose to shareholders a stable dividend, payable in cash, of €1.5 per share for the fiscal year 2013.

For the period 2014-2016, the Group commits to a dividend policy based on a payout ratio of 65-75%[4] with a minimum of €1 per share, payable in cash and with an interim payment.

At the occasion of the Shareholders' General Meeting on April 28, 2014, the Board will also propose to shareholders a 10% loyalty dividend for shares in registered form for more than two years. This measure will be applicable for the first time to the dividend payment related to fiscal year 2016 and will be capped to 0.5% of social capital for a single shareholder.

Enhanced social and environmental targets

GDF SUEZ is also well on the way to achieving its **extra financial targets** by 2015, with its training target already met with 69% of employees trained in 2013:

- CO_2 specific emissions: a 10% decrease in the emission rate between 2012 and 2020;
- renewable energy: a 50% increase in installed capacity compared with 2009;
- health and safety: achieve an accident frequency rate below 4;
- 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.

In France, GDF SUEZ is one of the largest employers with 74,000 employees. Worldwide, GDF SUEZ is present in more than 70 countries and employs close to 150,000 collaborators; it expects to recruit 15,000 people per year worldwide of which 9,000 per year in France over 2014-2015 period.

(1) These targets assume average weather conditions, no substantial regulatory or macro-economic changes, commodity price assumptions based on market conditions as of the end of December 2013 for the non-hedged portion of production, and average foreign exchange rates for 2014 as follows: €/$1.38, €/BRL3.38.

(2) Net result Excluding restructuring costs, MtM, impairments, disposals, other non-recurring items and associated tax impact and nuclear contribution in Belgium.

(3) Net Capex = gross Capex – disposals; (cash and net debt impact).

(4) Based on net recurring result Group share.

6.1.2 Statutory Auditors' report on the pro forma financial information related to the year ended December 31, 2013

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, 2013 which is included in section 6.1.1.7 of the 2013 GDF SUEZ 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 has resulted in the loss of control of Suez Environnement Company by GDF SUEZ as a consequence of the termination of the shareholders' agreement of Suez Environnement Company 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, 2013 and 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 ESMA 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 7, 2014

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 Borrowing conditions and financing structure applicable to the issuer

Debt structure

Gross debt (excluding bank overdrafts, financial derivative instruments and amortized cost) amounted to €38.2 billion on December 31, 2013, down sharply on the previous year, and was primarily made up of €23 billion in bond issues and €8.6 billion in bank loans (including finance leases). Short-term loans (commercial paper plus draws on credit lines) accounted for 15% of this total gross debt at the end of 2013.

74% 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 €29.2 billion at the end of 2013.

At the end of 2013, the net debt was 67% denominated in euros, 15% in US dollars and 5% in British pounds, excluding amortized cost but after the foreign exchange impact of derivatives.

After the impact of derivatives, 81% of the net debt was at a fixed rate. At December 31, 2013, the average cost of gross debt (excluding SUEZ Environnement) stood at 3.68%, down 52 points compared to 2012. The average maturity of net debt was 9.4 years.

Main transactions in 2013

The main transactions performed in 2013 affecting financial debt are described in Note 15.3.2 of Section 6.2 "Consolidated financial statements". Furthermore, the Group implemented €750 million in new pooled credit lines, with the aim of diversifying counterparties. In 2013, the annual update of the prospectus for GDF SUEZ's €25 billion EMTN program received approval No. 13-0514 from the AMF, dated September 27, 2013).

Ratings

GDF SUEZ has been rated A/A-1 by Standard & Poor's and A1/P-1 by Moody's with a negative outlook since May 2013 and July 2012 respectively.

6.1.3.2 Restrictions on the use of capital

On December 31, 2013, the Group had total undrawn confirmed credit lines (usable, among other things, as back-up lines for the commercial paper programs) of €13.5 billion. Of these lines, 92% 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 6% of the total of these pooled lines. No pooled credit facility was in use as at the end of 2013.

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 GDF 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, 2013, all Group companies whose debt is consolidated were compliant with the covenants and representations contained in their financial documentation, with the exception of:

- three subsidiaries of the Energy International business line that failed to comply with a covenant;
- three subsidiaries of the Energy Europe business line that failed to comply with a covenant;
- a subsidiary of the Energy Services business line that failed to comply with a covenant.

At December 31, 2013, no default had been claimed by the counterparties; waivers are currently being discussed or already granted. In the case of a subsidiary of the Energy Europe business line, in January 2014, lenders raised an Event of Default with the intention of negotiating a financial standstill. These defaults have no impact on the lines accessible by the Group.

6.1.3.3 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 financing could be established for very specific projects.

The Group has a total of €3.5 billion in credit lines or loans expiring in 2014 (excluding the maturity of €5.1 billion in commercial paper). In addition, at December 31, 2013 it had €8.8 billion in cash (net of bank overdrafts) and, as mentioned in Section 6.1.3.2 "Restrictions on the use of capital", a total of €13.5 billion in available lines (not net of the amount of commercial paper issued), including €2.4 billion expiring in 2014.

6.2 CONSOLIDATED FINANCIAL STATEMENTS

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6.2.1 Consolidated financial statements

Income statement

In millions of euros	Notes	Dec. 31, 2013	Dec. 31, 2012 (1)
Revenues	4	89,300	97,038
Purchases		(51,216)	(52,177)
Personnel costs	4	(11,704)	(13,234)
Depreciation, amortization and provisions	4	(6,600)	(7,113)
Other operating expenses		(14,058)	(17,188)
Other operating income		2,107	2,194
CURRENT OPERATING INCOME		**7,828**	**9,520**
Mark-to-market on commodity contracts other than trading instruments		(226)	109
Impairment losses		(14,943)	(2,474)
Restructuring costs		(305)	(342)
Changes in scope of consolidation		406	155
Other non-recurring items		545	165
INCOME/(LOSS) FROM OPERATING ACTIVITIES	5	**(6,695)**	**7,133**
Financial expenses		(2,487)	(3,433)
Financial income		510	658
NET FINANCIAL INCOME/(LOSS)	6	**(1,977)**	**(2,775)**
Income tax expense	7	(727)	(2,049)
Share in net income of associates	13	490	433
NET INCOME/(LOSS)		**(8,909)**	**2,743**
Net income/(loss) Group share		(9,289)	1,544
Non-controlling interests		380	1,199
BASIC EARNINGS PER SHARE *(EUROS)*	9	**(3.94)**	**0.68**
DILUTED EARNINGS PER SHARE *(EUROS)*	9	**(3.91)**	**0.67**

(1) Comparative data for 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

Statement of comprehensive income

In millions of euros	Notes	Dec. 31, 2013	Dec. 31, 2013 Owners of the parent	Dec. 31, 2013 Non-controlling interests	Dec. 31, 2012 [1]	Dec. 31, 2012 Owners of the parent [1]	Dec. 31, 2012 Non-controlling interests [1]
NET INCOME/(LOSS)		**(8,909)**	**(9,289)**	**380**	**2,743**	**1,544**	**1,199**
Available-for-sale financial assets	15	(51)	(45)	(6)	309	273	36
Net investment hedges		375	327	48	(76)	(66)	(10)
Cash flow hedges (excl. commodity instruments)	16	537	450	87	(304)	(326)	22
Commodity cash flow hedges	16	(261)	(255)	(6)	(445)	(469)	25
Deferred tax on items above	7	(212)	(181)	(31)	276	272	4
Share of associates in recyclable items, net of tax		128	95	33	(28)	(8)	(20)
Translation adjustments		(2,043)	(1,591)	(451)	(372)	(452)	80
TOTAL RECYCLABLE ITEMS		**(1,527)**	**(1,201)**	**(326)**	**(640)**	**(777)**	**137**
Actuarial gains and losses		633	598	35	(661)	(567)	(94)
Deferred tax on actuarial gains and losses	7	(200)	(189)	(11)	222	196	26
Share of associates of non-recyclable items from actuarial gains and losses, net of tax		(12)	(12)	-	(1)	-	(1)
TOTAL NON-RECYCLABLE ITEMS		**420**	**397**	**24**	**(440)**	**(371)**	**(68)**
TOTAL COMPREHENSIVE INCOME		**(10,016)**	**(10,093)**	**77**	**1,664**	**396**	**1,268**

(1) Comparative data for 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

Statement of financial position

ASSETS

In millions of euros	Notes	Dec. 31, 2013	Dec. 31, 2012 (1)
Non-current assets			
Intangible assets, net	11	7,286	13,020
Goodwill	10	20,697	30,035
Property, plant and equipment, net	12	65,037	86,597
Available-for-sale securities	15	3,015	3,398
Loans and receivables at amortized cost	15	2,368	3,541
Derivative instruments	15	2,351	3,108
Investments in associates	13	4,636	2,961
Other non-current assets	27	723	962
Deferred tax assets	7	662	1,487
TOTAL NON-CURRENT ASSETS		**106,775**	**145,109**
Current assets			
Loans and receivables at amortized cost	15	1,078	1,630
Derivative instruments	15	3,825	4,280
Trade and other receivables, net	15	21,318	25,034
Inventories	27	5,070	5,423
Other current assets	27	8,229	9,012
Financial assets at fair value through income	15	1,004	432
Cash and cash equivalents	15	8,691	11,383
Assets classified as held for sale	2	3,620	3,145
TOTAL CURRENT ASSETS		**52,836**	**60,339**
TOTAL ASSETS		**159,611**	**205,448**

(1) Comparative data for 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

LIABILITIES

In millions of euros	Notes	Dec. 31, 2013	Dec. 31, 2012 [1]
Shareholder's equity		47,955	59,834
Non-controlling interests		5,535	11,468
TOTAL EQUITY	**17**	**53,490**	**71,303**
Non-current liabilities			
Provisions	18	14,129	15,480
Long-term borrowings	15	29,424	45,247
Derivative instruments	15	2,101	2,751
Other financial liabilities	15	158	343
Other liabilities	27	1,187	2,063
Deferred tax liabilities	7	9,792	11,959
TOTAL NON-CURRENT LIABILITIES		**56,792**	**77,843**
Current liabilities			
Provisions	18	2,050	2,071
Long-term borrowings	15	10,490	11,962
Derivative instruments	15	4,062	4,092
Trade and other payables	15	16,599	19,481
Other liabilities	27	13,606	16,820
Liabilities directly associated with assets classified as held for sale	2	2,521	1,875
TOTAL CURRENT LIABILITIES		**49,329**	**56,302**
TOTAL EQUITY AND LIABILITIES		**159,611**	**205,448**

(1) Comparative data for 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies 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	Shareholder's 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**
Impact of IAS 19 Revised (see Note 1.1.1)				78				78	6	84
EQUITY AT JANUARY 1, 2012 (1)	**2,252,636,208**	**2,253**	**29,716**	**31,283**	**240**	**447**	**(930)**	**63,009**	**17,346**	**80,354**
Net income (1)				1,544				1,544	1,199	2,743
Other comprehensive income (1)				(371)	(325)	(452)		(1,148)	68	(1,080)
TOTAL COMPREHENSIVE INCOME (1)				**1,174**	**(325)**	**(452)**	**-**	**396**	**1,268**	**1,664**
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)				-		-
Dividends paid in cash (see Note 17)				(767)				(767)	(1,352)	(2,119)
Acquisitions/disposals of treasury stock				(83)			(276)	(359)		(359)
Transactions between owners (International Power transaction – see Note 2.5)				(2,304)	(157)	240		(2,221)	(5,841)	(8,062)
International Power convertible bonds (see Note 2.5)				(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 (1)	**2,412,824,089**	**2,413**	**32,207**	**26,427**	**(242)**	**235**	**(1,206)**	**59,834**	**11,468**	**71,303**

(1) Comparative data for 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

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	Shareholder's equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2012 (1)	**2,412,824,089**	**2,413**	**32,207**	**26,427**	**(242)**	**235**	**(1,206)**	**59,834**	**11,468**	**71,303**
Net income/(loss)				(9,289)				(9,289)	380	(8,909)
Other comprehensive income				397	391	(1,591)		(804)	(303)	(1,107)
TOTAL COMPREHENSIVE INCOME				**(8,893)**	**391**	**(1,591)**	**-**	**(10,093)**	**77**	**(10,016)**
Employee share issues and share-based payment				88				88	5	93
Dividends paid in cash (see Note 17)				(3,539)				(3,539)	(1,071)	(4,610)
Acquisitions/disposals of treasury stock (see Note 17)				(101)			97	(5)	-	(5)
Loss of control of SUEZ Environnement (see Note 2.1)								-	(5,152)	(5,152)
Issuance of deeply-subordinated perpetual notes (see Note 17.7)				1,657				1,657	-	1,657
Transactions between owners				19	3			22	(187)	(165)
Share capital increases subscribed by non-controlling interests								-	379	379
Other changes				(8)				(8)	15	7
EQUITY AT DECEMBER 31, 2013	**2,412,824,089**	**2,413**	**32,207**	**15,650**	**152**	**(1,356)**	**(1,109)**	**47,955**	**5,535**	**53,490**

(1) Comparative data for 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

Statement of cash flows

In millions of euros	Notes	Dec. 31, 2013	Dec. 31, 2012 (1)
NET INCOME/(LOSS)		**(8,909)**	**2,743**
- Share in net income of associates		(490)	(433)
+ Dividends received from associates		280	315
- Net depreciation, amortization, impairment and provisions		20,889	9,246
- Impact of changes in scope of consolidation and other non-recurring items		(481)	(87)
- Mark-to-market on commodity contracts other than trading instruments		226	(109)
- Other items with no cash impact		93	114
- Income tax expense		727	2,049
- Net financial expense		1,977	2,775
Cash generated from operations before income tax and working capital requirements		**14,313**	**16,612**
+ Tax paid		(2,103)	(2,010)
Change in working capital requirements	27	(186)	**(995)**
CASH FLOW FROM OPERATING ACTIVITIES		**12,024**	**13,607**
Acquisitions of property, plant and equipment and intangible assets	3.4.3	(7,529)	(9,177)
Acquisitions of controlling interest in entities, net of cash and cash equivalents acquired	3.4.3	(363)	(103)
Acquisitions of investments in associates and joint ventures	3.4.3	(166)	(306)
Acquisitions of available-for-sale securities	3.4.3	(143)	(142)
Disposals of property, plant and equipment, and intangible assets		280	185
Loss of controlling interest in entities, net of cash and cash equivalents sold		496	537
Disposals of investments in associates and joint ventures		1,441	300
Disposals of available-for-sale securities		174	93
Interest received on non-current financial assets		67	54
Dividends received on non-current financial assets		137	129
Change in loans and receivables originated by the Group and other	3.4.3	(6)	(21)
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES		**(5,611)**	**(8,451)**
Dividends paid		(4,694)	(2,117)
Repayment of borrowings and debt		(5,869)	(7,558)
Change in financial assets at fair value through income		(437)	2,473
Interest paid		(1,494)	(1,915)
Interest received on cash and cash equivalents		117	185
Cash flow on derivatives qualifying as net investment hedges and compensation payments on derivatives		(184)	(721)
Increase in borrowings		3,617	11,587
Increase/decrease in capital	17.7	2,037	229
Purchase and/or sale of treasury stock		(5)	(358)
Changes of ownership interest in controlled entities	3.4.3	(71)	(10,125)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		**(6,982)**	**(8,321)**
Effects of changes in exchange rates and other		(2,123)	(126)
TOTAL CASH FLOW FOR THE PERIOD		**(2,691)**	**(3,291)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**11,383**	**14,675**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**8,691**	**11,383**

(1) Comparative data for 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

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 and energy services) 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 26, 2014, the Group's Board of Directors approved and authorized for issue the consolidated financial statements of the Group for the year ended December 31, 2013.

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, 2012 and 2013). 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, 2013 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, 2013 are consistent with the policies used to prepare the consolidated financial statements for the year ended December 31, 2012, except for those described in Sections 1.1.1 to 1.1.3 below.

1.1.1 IAS 19 Revised – Employee benefits applicable on January 1, 2013

Changes in accounting principles pursuant to the application of IAS 19 Revised are as follows for the Group:

- under IAS 19 Revised, the net interest expense (income) on the net defined benefit liability (asset) is determined by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability (asset). This net interest expense (income) is presented as "financial expense" ("financial income") in the income statement. Until December 31, 2012, two separate financial components regarding defined benefit plans were recognized in the Group's income statement:
  - an interest expense ("financial expense"), being the unwinding of the discount on the present value of the defined benefit obligation;
  - an interest income ("financial income"), being the expected return on plan assets;
- under the amended standard, plan administration costs are recognized when the administration services are rendered. Before the revision of the standard, administration costs were included in the actuarial assumptions used to measure the defined benefit obligation;
- as from application of IAS 19 Revised, unvested past service cost shall be recognized immediately whereas previously it was recognized over the vesting period.

The impacts resulting from the retrospective application of the revised standard on the 2012 financial statements are as follows:

- in the statement of financial position as of December 2012, the change implies a €146 million decrease of the provision for post-employment benefits, a €50 million decrease of the deferred tax assets, and a €96 million increase of equity. These restatements mainly originate from the change in the accounting for plan administration costs;
- as of December 2012, net financial expense and net income are reduced by €19 and €12 million respectively, whereas basic earnings per share and diluted earnings per share remain unchanged. Total comprehensive income as of December 31, 2012 decreased by €22 million (recyclable items - actuarial gains and losses and deferred tax on these elements);
- equity as of January 1, 2012 increases by €84 million.

(1) Available on the European Commission's website: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

1.1.2 Other IFRS standards, amendments and IFRIC interpretations applicable in 2013

- IFRS 13 – Fair value measurement: This standard has no significant impact on total comprehensive income or statement of financial position. New disclosures required by FRS 13 about assets and liabilities fair value are located in Note 15 "Financial instruments";
- 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 Offsetting Financial Assets and Financial Liabilities: information about rights to offset and related arrangements associated with financial assets and liabilities are disclosed in Note 15 "Financial instruments";
- Annual Improvements to IFRSs 2009-2011. These amendments have no impact for the Group;
- IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine. The Group is not affected by this interpretation.

1.1.3 Amendment effective in 2014 that the Group has elected to early adopt in 2013

- Amendments to IAS 36 – *Recoverable amount disclosures for non-financial assets*. These amendments limit the disclosures related to the recoverable amount of a CGU which includes goodwill or intangible assets with an indefinite useful life, to those CGUs in which an impairment loss or a reversal of an impairment loss has been recognized.

1.1.4 IFRS standards, amendments and IFRIC interpretations applicable in 2014 that the Group has elected not to early adopt in 2013

- IFRS 10 – Consolidated Financial Statements;
- IFRS 11 – Joint Arrangements;
- Amendment to IAS 28 – Investments in Associates and Joint Ventures.

The application of these standards and amendments will not have any material impact on the Group's consolidated financial statements as of January 1, 2014.

- IFRS 12 – Disclosure of Interests in Other Entities;
- Amendments to IAS 32 – Presentation - Offsetting financial assets and financial liabilities;
- IFRS 9 Hedge accounting – Amendments to IFRS 9, IFRS 7 and IAS 39 (1);
- Amendments to IAS 39 – Novation of derivatives and continuation of hedge accounting;
- IFRIC 21 – *Levies* (1).

The potential impact on the Group resulting from the application of these standards, amendments and interpretation as of January 1, 2014 is currently being assessed.

1.1.5 Standards and amendments applicable after 2014

- IFRS 9 – Financial Instruments: Classification and Measurement (1);
- Amendments to IAS 19 – Defined benefit plans - employee contributions (1);
- Annual Improvements to IFRSs 2010-2012 (1);
- Annual Improvements to IFRSs 2011-2013 (1).

The impact resulting from the application of these standard and amendments is currently being assessed.

1.1.6 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 economic and financial crisis prompted the Group to step up its risk oversight procedures and include an assessment of them in measuring financial instruments and performing impairment tests. The Group's estimates used in business plans and discount rates used in impairment tests and for calculating provisions, take into account

(1) *These standards and amendments have not yet been adopted by the European Union.*

the crisis situation and the resulting significant market volatility. At the end of 2013, the Group also incorporated a structural change in the medium- and long-term energy equilibrium models for Europe, thereby acknowledging a major shift that is affecting several of its businesses.

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 and other intangible assets, and property, plant and equipment (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, property, plant and equipment and intangible assets is based on estimates and assumptions regarding in particular the expected market outlook, changes in the regulatory environment – 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 recognized.

The key assumptions used in the impairment tests on material goodwill CGUs and on CGUs in respect of which material impairment losses were recognized in 2013 (see Notes 5.2 "Impairment losses" and 10.3 "Impairment tests on goodwill CGU") are as follows:

- Energy – Central Western Europe (CWE) CGU (GDF SUEZ Energy Europe business line).

The cash flow projections for the electricity and gas activities in the CWE region are based on a large number of key assumptions, such as the long-term prices for fuel and CO_2, expected trends in gas and electricity demand and in power prices, the market outlook, as well as changes in the regulatory environment (especially concerning nuclear capacities in Belgium, the extension of drawing rights agreements for French nuclear plants, and the creation of a power capacity market), and the prospects of renewal of the Group's hydro concessions in France. The key assumptions also include the discount rate used to calculate the value in use of this goodwill CGU.

- Storage CGU (GDF SUEZ Infrastructures business line).

Key assumptions used in the impairment test include the level of seasonal natural gas spreads in France and Germany, gas price volatility forecasts in the UK, changes in the regulatory environment for third-party access to French storage capacity, as well as the discount rates.

- Energy – Southern Europe CGU (GDF SUEZ Energy Europe business line).

Key assumptions used in the impairment test concern expected trends in the demand for electricity and gas and forecast changes in the price of fuel, CO_2 and electricity beyond the liquidity period, as well as the discount rates.

- Distribution CGU (GDF SUEZ Infrastructures business line).

The cash flow projections are drawn up based on the tariff for public natural gas distribution networks (known as "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 (*Commission de Régulation de l'Énergie* – 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 2019. The RAB is the value assigned by the regulator to the assets operated by the distributor.

- Global Gas & LNG CGU.

The main assumptions and key estimates primarily include the discount rates, expected trends in hydrocarbon prices, changes in the euro/US dollar exchange rate, expected trends in liquefied natural gas supply and demand, as well as the market outlook.

- Energy – North America (GDF SUEZ Energy International business line).

The main assumptions and key estimates primarily include the values assigned to long-term power and fuel prices, the market outlook and the discount rates.

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 processing and storage of radioactive nuclear fuel consumed);

- the timing of expenditure (notably, for nuclear power generation activities, the timetable for processing 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 statement 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 consolidated companies is presented in the Note 30 "List of the main consolidated companies at December 31, 2013" 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 losses" in the consolidated income statement.

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, not to exceed 40 years;
- 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	30
Customer portfolios	10	40
Other intangible assets	1	40

Some intangible assets with an indefinite useful life such as trademarks, 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		
• Storage – Production – Transport – Distribution	5	60*
• Installation – Maintenance	3	10
• Hydraulic plant and equipment	20	65
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 statements 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, which are conveyed to the operator, 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 nature of the compensation. Accordingly:

- 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);
- otherwise the "intangible asset" model is applied : the concession operator has the right to charge for use of the public sector asset.

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;
- 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 losses”.

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 1.4.5 “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 unit 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 losses”. 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.

Except in case of enforceable master netting arrangements or similar agreements, counterparty risk is included in the fair value of financial derivative instrument assets and liabilities. It is calculated according to the "expected loss" method and takes into account the exposure at default, the probability of default and the loss given default.

The probability of default is determined on the basis of credit ratings assigned to each counterparty ("historical probability of default" approach).

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.

The Group share-based payments are equity-settled instruments (cash-settled instruments are not currently used by the Group).

Equity-settled instruments: 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.

1.4.15 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 Revised (see Section 1.1.1).

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 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, actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are 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.

Net interest on the net defined benefit liability (asset) is presented in net financial expense (income).

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 processing 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

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 ANC Recommendation 2013-03 on the format of financial statements of entities applying IFRS standards). 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 (marked-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 losses include 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/(loss).

"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 income tax 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/(loss) 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 basic 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 Loss of control of SUEZ Environnement

2.1.1 Termination of the shareholders' agreement

Following the announcements made on December 5, 2012 and January 22, 2013 (see Note 2.2 "Announcement of the non-renewal of the SUEZ Environnement Company Shareholders' Agreement" and Note 28.3 "Confirmation of the non-renewal of the SUEZ Environnement Company Shareholders' Agreement" to the consolidated financial statements for the year ended December 31, 2012), the SUEZ Environnement Company shareholders' agreement expired on July 22, 2013 for all the parties involved.

As a result of the termination of the shareholders' agreement, GDF SUEZ no longer controls SUEZ Environnement Company. From July 22, 2013, the interest held by the Group in SUEZ Environnement Company will be accounted for under the equity method in its consolidated financial statements.

2.1.2 Impact on GDF SUEZ Group's financial statements

In accordance with IAS 27 – Consolidated and Separate Financial Statements, the residual interest in SUEZ Environnement Company was recognized at fair value at the date control was relinquished. Based on SUEZ Environnement Company's share price of €10.26 on July 22, 2013, the associate's carrying amount was €1,868 million and the fair value revaluation gain amounted to €476 million (based on the accounts as at July 22, 2013). The net gain and the loss corresponding to the reclassification to income of recyclable items of SUEZ Environnement Company's statement of comprehensive income are presented under "Changes in scope of consolidation" for an amount of €448 million net of expenses.

In accordance with the provisions of IAS 28 – Investments in Associates, the Group has measured SUEZ Environnement's identifiable assets and liabilities at fair value. Amortization of the fair value adjustments allocated to SUEZ Environnement's assets and liabilities did not have a material impact on GDF SUEZ's consolidated financial statements for the year ended December 31, 2013. Although the fair value of the identifiable assets and liabilities has only been measured on a provisional basis, the Group does not expect the amounts to change significantly.

SUEZ Environnement's contribution to the consolidated income statement and statement of cash flows for the years ended December 31, 2013 and December 31, 2012 and for the statement of financial position as at December 31, 2012 are presented below, while the key financial indicators reported by SUEZ Environnement are presented in Note 13.2:

INCOME STATEMENT

In millions of euros	SUEZ Environnement Group contribution as at July 22, 2013	Revaluation gain net as at July 22, 2013	SUEZ Environnement as investment in associates from July 22, 2013	Total SUEZ Environnement contribution as at Dec. 31, 2013	Dec 31, 2012 (1)
Revenues	8,031	-	-	8,031	15,093
Purchases	(1,698)	-	-	(1,698)	(3,481)
Personnel costs	(2,107)	-	-	(2,107)	(3,767)
Depreciation, amortization and provisions	(548)	-	-	(548)	(1,036)
Other operating expenses	(3,251)	-	-	(3,251)	(5,925)
Other operating income	160	-	-	160	238
CURRENT OPERATING INCOME	**588**	**-**	**-**	**588**	**1,121**
Mark-to-market on commodity contracts other than trading instruments	(1)	-	-	(1)	4
Impairment losses	4	-	-	4	(87)
Restructuring costs	(17)	-	-	(17)	(78)
Changes in scope of consolidation	(2)	448	-	447	45
Other non-recurring items	10	-	-	10	4
INCOME FROM OPERATING ACTIVITIES	**581**	**448**	**-**	**1,029**	**1,009**
Financial expenses	(273)	-	-	(273)	(527)
Financial income	50	-	-	50	94
NET FINANCIAL INCOME/(LOSS)	**(223)**	**-**	**-**	**(223)**	**(434)**
Income tax expense	(107)	-	-	(107)	(177)
Share in net income of associates	17	-	62	80	22
NET INCOME	**268**	**448**	**62**	**778**	**422**
Net income Group share	41	448	62	551	58
Non-controlling interests	227	-	-	227	364

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

STATEMENT OF FINANCIAL POSITION

In millions of euros	Dec. 31, 2012 [1]
Non-current assets	
Intangible assets, net	4,056
Goodwill	3,257
Property, plant and equipment, net	8,867
Available-for-sale securities	393
Loans and receivables at amortized cost	703
Derivative instruments	257
Investments in associates	490
Other non-current assets	80
Deferred tax assets	761
TOTAL NON-CURRENT ASSETS	**18,865**
Current assets	
Loans and receivables at amortized cost	215
Derivative instruments	5
Trade and other receivables, net	3,763
Inventories	291
Other current assets	1,111
Financial assets at fair value through income	24
Cash and cash equivalents	2,233
Assets classified as held for sale	-
TOTAL CURRENT ASSETS	**7,643**
TOTAL ASSETS	**26,508**
Shareholders' equity	1,451
Non-controlling interests	5,388
TOTAL EQUITY	**6,839**
Non-current liabilities	
Provisions	1,408
Long term borrowings	8,392
Derivative instruments	91
Other financial liabilities	3
Other non-current liabilities	640
Deferred tax liabilities	578
TOTAL NON-CURRENT LIABILITIES	**11,112**
Current liabilities	
Provisions	560
Short term borrowings	1,488
Derivative instruments	9
Trade and other payables	2,834
Other current liabilities	3,666
Liabilities directly associated with assets classified as held for sale	-
TOTAL CURRENT LIABILITIES	**8,557**
TOTAL EQUITY AND LIABILITIES	**26,508**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

STATEMENT OF FINANCIAL CASH FLOWS

In millions of euros	Dec. 31, 2013	Dec. 31, 2012 (1)
NET INCOME	778	434
Cash generated from operations before income tax and working capital requirements	1,125	2,140
Change in working capital requirements	(239)	330
CASH FLOW FROM OPERATING ACTIVITIES	785	2,358
CASH FLOW USED IN INVESTING ACTIVITIES	(600)	(1,297)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	(259)	(1,369)
Effects of changes in exchange rates and other	(2,160)	56
TOTAL CASH FLOW FOR THE PERIOD	**(2,233)**	**(251)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**2,233**	**2,485**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**-**	**2,233**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

2.2 Disposals carried out in 2013

In 2013 the Group continued to roll out its "portfolio optimization" program aimed at reducing consolidated net debt.

The disposals carried out within the scope of this program led to a €3,429 million decrease in net debt compared with December 31, 2012.

The table below shows the cumulative impact of these disposals on the Group's net debt at December 31, 2013. The individual and aggregate disposal gains/(losses) were not material at December 31, 2013.

In millions of euros	Disposal price	Decrease in net debt	Net gain (loss) on disposals, and changes in scope recognized in income	Impacts recognized in shareholders' equity
Transactions finalized in 2013 relating to "Assets held for sale" at December 31, 2012	**1,283**	**(1,168)**	**2**	**-**
Disposal of the 24.5% interest in SPP (Slovakia)	1,242	(1,127)	-	-
Disposal of 80% of IP Maestrale (Italy and Germany)	28	(28)	-	-
Disposal of a 10% interest in Sohar Power Company SAOG (Oman)	13	(13)	2	-
Transactions carried out in 2013	**1,000**	**(1,960)**	**30**	**(11)**
Sale of 50% of the portfolio of power generation assets in Portugal	328	(567)	(22)	-
Entry of a 28% non-controlling shareholder in the portfolio of power generation assets in Australia	301	(301)	-	(11)
Disposal of thermal power plants in the United States	82	(809)	34	-
of which cash received on the remaining disposal price of the Choctaw plant - transaction finalized in 2012	*-*	*(130)*	*-*	*-*
of which disposal of the Red Hills plant	*-*	*(226)*	*34*	*-*
of which sale of 20.6% of Astoria Energy, Phase I power plant	*82*	*(453)*	*-*	*-*
Sale of 33.2% stake in NOGAT (Netherlands)	182	(177)	14	-
Disposal of 36% in KAPCO (Pakistan)	107	(106)	4	-
Other disposals that are not material taken individually	**201**	**(301)**	**74**	**-**
TOTAL	**2,484**	**(3,429)**	**106**	**(11)**

IP Maestrale, Sohar Power Company SAOG and the Group's 24.5% interest in SPP were classified as "Assets held for sale" at December 31, 2012. This reclassification had already resulted in a €946 million decrease in net debt at December 31, 2012. Overall, taking into consideration the €1,168 million received in 2013, these three transactions reduced consolidated net debt by €2,114 million.

2.2.1 Disposal of the 24.5% interest in SPP (Slovakia)

On January 23, 2013, GDF SUEZ and E.ON finalized the sale of their interests in Slovak Gas Holding (SGH) – in which they both held an equal stake – to Energetický a Prumyslový Holding (EPH). SGH is a holding company with a 49% interest in the Slovak gas operator Slovenský Plynárenský Priemysel a.s. (SPP).

This disposal valued the Group's 24.5% interest in SPP at €1,301 million. On January 23, 2013, the Group received a payment of €1,127 million corresponding to the sale 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.

The disposal gain is not material. This transaction also brings the arbitration proceedings that GDF SUEZ and E.ON had initiated against the Slovak State before the ICSID to an end (see Note 27.1 "Legal and arbitration proceedings" to the consolidated financial statements for the year ended December 31, 2012).

2.2.2 Disposal of 80% of IP Maestrale (Italy and Germany)

On February 13, 2013, the Group finalized the sale of its 80% controlling interest in IP Maestrale – a subsidiary managing a portfolio of wind power generation businesses in Italy and Germany – to the ERG Group for €28 million.

In view of the provisions of the agreement entered into with ERG, the 20% interest retained by GDF SUEZ in IP Maestrale is recognized as a financial asset for an amount of €7 million.

This transaction did not have a material impact on the Group's consolidated income statement at December 31, 2013.

2.2.3 Sale of 50% of the portfolio of power generation assets in Portugal

On October 13, 2013, the Group sold off 50% of its portfolio of thermal and renewable power generation assets in Portugal to Marubeni Corporation for €328 million.

The sale included the assets of GDF SUEZ Energy Europe (100% of the wind farm operator Eurowind; 42.5% of the renewable energy producer Generg) and the assets of GDF SUEZ Energy International (100% of Turbogas and 50% of Elecgas, both of whom operate combined cycle power plants; 50% of Tejo Energia, a coal-fired power plant operator). In the consolidated financial statements at December 31, 2012, Eurowind and Turbogas were fully consolidated, Elecgas was consolidated by the proportionate method and Generg and Tejo Energia were accounted for under equity method.

Following the sale to Marubeni, the remaining 50% stakes in Eurowind and Turbogas and the 25% stake in Elecgas are all consolidated by the proportionate method. The residual interests in Generg and Tejo Energia of 21.25% and 25%, respectively, are accounted for under the equity method. Pursuant to IAS 27, the interests retained in Eurowind and Turbogas were revalued at fair value at the transaction date. Once transaction fees of €8 million were included, this transaction generated a loss on disposal of €22 million.

The transaction also reduced the Group's net debt by €567 million at December 31, 2013 (i.e., consideration of €328 million received, less transaction fees of €8 million, plus the impact of the derecognizing of 50% of the net debt of €494 million previously carried on the books of the entities included in the transaction).

These Portuguese assets contributed €101 million to "Net income/(loss) Group share" in 2013 (not including disposal proceeds) and €56 million in 2012.

2.2.4 Entry of a 28% non-controlling shareholder in the portfolio of power generation assets in Australia

On October 31, 2013, Mitsui & Co. Ltd. took a 28% non-controlling interest in a portfolio of Australian power generation and energy sales assets formerly 100% held by the Group.

This transaction covered the Hazelwood coal-fired power plant, Synergen and Pelican Point gas-fired power plants, the Canunda wind farm and the gas and electricity sales business Simply Energy.

The transaction took the form of a capital increase fully subscribed by Mitsui & Co. Ltd. Mitsui paid AUD 416 million (€301 million) for 127,623,432 new shares representing 28% of the capital of IP Australia Holdings Pty Ltd which owns 100% of the five assets concerned. As this was a transaction between owners, the difference between the disposal price and carrying amount of the investment, i.e. €11 million, was recorded against shareholders' equity. At December 31, 2013, the Mitsui & Co. Ltd.'s 28% accounting non-controlling interest in the Australian energy business portfolio amounted to €289 million.

2.2.5 Disposal of thermal power plants in the United States

2.2.5.1 Disposal of the Red Hills power plant

On February 28, 2013, the Group sold its subsidiary Red Hills, a 440 MW coal-fired power plant in Mississippi.

The disposal generated a capital gain of €34 million and led to a €226 million reduction in net debt.

2.2.5.2 Sale of 20.6% of Astoria Energy, Phase I power plant

On October 31, 2013, the Group finalized an agreement to sell a 20.6% stake in the capital of Astoria Energy, Phase I, a subsidiary which operates a 575 MW combined cycle power plant in the State of New York, to Mizuho for a total amount of USD 109 million (€82 million).

The Group's residual 44.8% equity interest in Astoria Energy, Phase I (corresponding to 36.8% of voting rights) will be accounted for

under the equity method. Its carrying amount was €178 million at December 31, 2013.

This transaction generated in the Group's financial statements a €453 million decrease in net debt (i.e., consideration of €82 million received plus the impact of derecognized net debt of €371 million previously carried on the books of Astoria Energy, Phase I).

2.2.6 Sale of a 33.2% stake in NOGAT (Netherlands)

On October 31, 2013, the Group finalized an agreement to sell a 33.2% stake in NOGAT BV to the German pension fund PGGM for an amount of €182 million. NOGAT BV operates an offshore pipeline network that transports North Sea gas to a Dutch on-shore treatment plant.

As it remains under joint control, the Group's remaining 15% stake in NOGAT BV will continue to be accounted under the proportionate method. A gain on disposal of €14 million was reported at December 31, 2013.

2.2.7 Disposal of KAPCO (Pakistan)

In July, 2013, the Group sold its entire 36% interest in Kot Addu Power Company Ltd (KAPCO), an independent power producer in Pakistan, for 14.6 billion Pakistani rupees (€107 million). This transaction did not have a material impact on the Group's consolidated income statement at December 31, 2013.

2.3 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 €3,620 million and €2,521 million, respectively, at December 31, 2013.

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, 2013	Dec. 31, 2012
Property, plant and equipment, net	3,279	2,282
Other assets	342	864
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**3,620**	**3,145**
Borrowings and debt	2,175	1,259
Other liabilities	347	616
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**2,521**	**1,875**

At December 31, 2013, "Assets held for sale" included the 60% equity interest in Energia Sustentável do Brasil (Jirau) and the French subsidiary Futures Energies Investissement Holding. This reclassification reduces consolidated net debt by an additional €2,146 million.

The Group completed the sale of Energia Sustentável do Brasil in January 2014 and expects to finalize the sale of part of its stake in Futures Energies Investissement Holding during the first half of 2014.

All "Assets held for sale" at December 31, 2012 (SPP in Slovakia, IP Maestrale in Italy and Germany, and Sohar Power Company SAOG in Oman) were sold in 2013 (see Note 2.2 "Disposals carried out in 2013").

2.3.1 Energia Sustentável do Brasil – "Jirau" (Brazil)

On May 13, 2013, the Group announced an agreement with Mitsui & Co. Ltd. concerning the Jirau hydro power plant in Brazil. Pursuant to the agreement, the Group would sell to Mitsui & Co. Ltd. a 20% equity interest in Energia Sustentável do Brasil (ESBR), which was created to build, own and operate the 3,750 MW Jirau hydro power plant.

At December 31, 2013, the conditions precedent for the completion of the transaction (including authorization from the antitrust authorities and the energy regulation agency) had not been fulfilled. Accordingly, the assets and liabilities of the 60% proportionately consolidated interest in ESBR were classified under "Assets held for sale". This reclassification led to a €1,894 million decrease in the Group's net debt at December 31, 2013.

This disposal was completed on January 16, 2014. The Group received consideration of BRL. 1,024 million (€318 million). At the date when the 2013 consolidated financial statements were authorised for issue, this transaction decreased the Group's net debt by an amount of €2,212 million (i.e., derecognition of ESBR's net debt of €1,894 million plus €318 million in consideration received).

Following this transaction, GDF SUEZ's residual 40% stake in ESBR is accounted for under the equity method.

2.3.2 Futures Energies Investissement Holding (France)

On December 9, 2013, the Group announced that it had reached an agreement with Crédit Agricole Assurances (via its subsidiary Predica) regarding the sale of 50% of Futures Energies Investissement Holding's share capital, a transaction that will result in the loss of control over this subsidiary. This entity operates a wind energy asset portfolio in France with a total installed capacity of 426 MW.

At December 31, 2013, the conditions precedent for the completion of the transaction had not been fulfilled. Accordingly, the assets and liabilities of Futures Energies Investissement Holding were classified within "Assets held for sale". This reclassification led to a €252 million decrease in the Group's net debt at December 31, 2013.

The Group expects to finalize this transaction during the first half of 2014.

2.4 Other transactions in 2013

2.4.1 Acquisition of Balfour Beatty Workplace

On December 13, 2013, the Group finalized the acquisition of Balfour Beatty Workplace comprising the UK Facility Management business of the Balfour Beatty Group.

Provisional goodwill of €145 million was recorded in respect of this acquisition at December 31, 2013 and the purchase price allocation will be finalized in 2014.

2.4.2 Other transactions

Various other acquisitions, equity transactions and disposals took place in 2013 (notably the acquisition of a controlling interest in Meenakshi Energy which operates a coal-fired power plant in India, and the acquisition of a Polish heating network portfolio). The individual and aggregated impacts of these transactions on the consolidated financial statements for the year ended December 31, 2013 are not material.

2.5 International Power - Main transactions in 2012

2.5.1 Acquisition of non-controlling interests in International Power

On June 29, 2012, the Group completed the acquisition of the 30.26% non-controlling interest in International Power following the approval of the transaction by the UK authorities. GDF SUEZ now holds 100% of the voting rights of the International Power Group.

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 (GBP 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.

2.5.2 Purchase of International Power plc shares arising from the conversion of bonds into International Power plc shares

During the third quarter of 2012, 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. The total consideration paid amounted to €1,828 million and the Group redeemed all outstanding unconverted bonds at par at a cost of €25 million.

2.5.3 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 2.5.1 and 2.5.2 on cash flows, net debt and 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)**

Acquisition of the 30.26% non-controlling interest 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 interest was recognized as a deduction from shareholders' equity.

Including transaction fees of €112 million, which were also recognized as a deduction from shareholders' equity, this transaction resulted in a total decrease in equity of €8,062 million at December 31, 2012.

Purchase of the International Power plc shares arising from convertible bonds and redemption of outstanding convertible bonds

The purchase of International Power plc shares for an amount of €1,828 million and redemption of the outstanding convertible bonds for €25 million increased net debt by €723 million, based on the derecognition of €1,130 million in borrowings and debt on bonds converted or redeemed.

This negative €288 million impact on shareholders' equity corresponds to the difference between the €1,828 million purchase price, the carrying amount of the corresponding convertible bonds (€1,635 million) and 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 comprised the following: borrowings and debt of €1,105 million; a derivative liability of €505 million corresponding to the optional component of the US-dollar denominated International Power plc convertible bonds; and the optional component of the euro-denominated convertible bonds accounted for in non-controlling interests for an amount of €25 million.

2.6 Other changes in Group structure during 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**

2.6.1 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 CAD 451 million (€351 million). The Group's residual 40% interest in the Canadian renewable energy activities will now be accounted for under the equity method.

2.6.2 Disposal of thermal power plants in the United States

2.6.2.1 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 USD 259 million (€200 million). An initial payment of USD 96 million (€74 million) was made in February 2012 and the balance was paid in January 2013 (see Note 2.2 "Disposals carried out in 2013").

2.6.2.2 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 USD 257 million (€200 million).

2.6.3 Disposal of the interest in Sibelga (electricity and gas distribution in Belgium)

On December 31, 2012, Electrabel sold its 30% interest in Sibelga – the Brussels gas and electricity distribution network operator – to the public inter-municipal company Interfin for €211 million.

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.

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.

Since the end of SUEZ Environnement shareholders' agreement on July 22, 2013, the Group accounts its share under the equity method (see Note 2.1 "Loss of control of SUEZ Environnement").

The Group is now organized around the following five operating segments: GDF SUEZ Energy International, GDF SUEZ Energy Europe, GDF SUEZ Global Gas & LNG, GDF SUEZ Infrastructures and GDF SUEZ Energy Services.

- **GDF SUEZ Energy International business line:** these subsidiaries produce and market power in North America, Latin America, Asia-Pacific, the United Kingdom and Other Europe and the Middle East. They also distribute and market gas in North America, Latin America, Asia and Turkey. 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** 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 notably in Italy and in the Netherlands).
- **GDF SUEZ Global Gas & LNG business line** 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 natural 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 design and implement environmental and energy efficiency solutions through multi-technical services in the fields of engineering, installations, and energy services.
- **SUEZ Environnement** was a separate business line until July 22, 2013. As such its contribution to the income statement key indicators in 2013 (until the loss in control) and 2012 accounts remain presented under a specific line of the segment information. From now on, the SUEZ Environnement contribution to the statement of financial position key indicators are shown in the "Other" line.

SUEZ Environnement subsidiaries 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 notably 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.

3.2 Key indicators by operating segment

REVENUES

	Dec. 31, 2013			Dec. 31, 2012		
In millions of euros	External revenues	Intra-Group Revenues	Total	External revenues	Intra-Group Revenues	Total
Energy International	14,833	818	15,651	16,044	435	16,480
Energy Europe	43,479	1,530	45,010	44,418	1,666	46,084
Global Gas & LNG	5,685	2,760	8,445	4,759	3,186	7,945
Infrastructures	2,574	4,218	6,792	2,031	4,184	6,216
Energy Services	14,698	229	14,927	14,693	230	14,923
Elimination of internal transactions	9	(9,556)	(9,547)	15	(9,702)	(9,687)
TOTAL REVENUES (EXCLUDING SUEZ ENVIRONNEMENT)	**81,278**	**-**	**81,278**	**81,960**	**-**	**81,960**
SUEZ Environnement [1]	8,031	6	8,037	15,093	10	15,103
Elimination of internal transactions	(9)	(6)	(15)	(15)	(10)	(25)
TOTAL REVENUES	**89,300**	**-**	**89,300**	**97,038**	**-**	**97,038**

(1) SUEZ Environnement fully consolidated until July 22, 2013.

EBITDA

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Energy International [1]	3,871	4,304
Energy Europe	3,415	4,180
Global Gas & LNG	2,124	2,377
Infrastructures	3,370	3,049
Energy Services	1,068	1,018
Other [1]	(430)	(328)
TOTAL EBITDA (EXCLUDING SUEZ ENVIRONNEMENT)	**13,419**	**14,600**
SUEZ Environnement [2]	1,356	2,426
TOTAL EBITDA	**14,775**	**17,026**

(1) Restated for re-allocation of corporate costs previously included in "Other".
(2) SUEZ Environnement fully consolidated until July 22, 2013.

CURRENT OPERATING INCOME (COI)

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Energy International [1]	2,635	2,902
Energy Europe	1,452	2,494
Global Gas & LNG	940	1,119
Infrastructures	2,063	1,805
Energy Services	705	660
Other [1]	(554)	(581)
TOTAL CURRENT OPERATING INCOME (EXCLUDING SUEZ ENVIRONNEMENT)	**7,241**	**8,399**
SUEZ Environnement [2]	588	1,121
TOTAL CURRENT OPERATING INCOME	**7,828**	**9,520**

(1) Restated for re-allocation of corporate costs previously included in "Other".
(2) SUEZ Environnement fully consolidated until July 22, 2013.

DEPRECIATION AND AMORTIZATION

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Energy International	(1,142)	(1,391)
Energy Europe	(1,491)	(1,567)
Global Gas & LNG	(931)	(1,202)
Infrastructures	(1,285)	(1,233)
Energy Services	(321)	(335)
Other	(110)	(111)
TOTAL DEPRECIATION AND AMORTIZATION (EXCLUDING SUEZ ENVIRONNEMENT)	**(5,281)**	**(5,840)**
SUEZ Environnement [1]	(613)	(1,101)
TOTAL DEPRECIATION AND AMORTIZATION	**(5,895)**	**(6,941)**

(1) SUEZ Environnement fully consolidated until July 22, 2013.

INDUSTRIAL CAPITAL EMPLOYED

In millions of euros	Dec. 31, 2013	Dec. 31, 2012 [1]
Energy International	21,588	27,827
Energy Europe	15,373	24,018
Global Gas & LNG	4,569	4,967
Infrastructures	19,168	20,877
Energy Services	3,534	3,141
Other	3,561	973
Of which SUEZ Environnement equity value at December 31, 2013	*1,891*	-
TOTAL INDUSTRIAL CAPITAL EMPLOYED	**67,793**	**81,804**
RECONCILIATION WITH INDUSTRIAL CAPITAL EMPLOYED AT DECEMBER 31, 2012		
SUEZ Environnement [2]		13,677
TOTAL INDUSTRIAL CAPITAL EMPLOYED AT DECEMBER 31, 2012		**95,480**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).
(2) SUEZ Environnement fully consolidated until July 22, 2013.

CAPITAL EXPENDITURE (CAPEX)

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Energy International	2,178	12,947
Energy Europe	1,584	2,408
Global Gas & LNG	1,041	710
Infrastructures	1,959	1,752
Energy Services	810	535
Other	81	77
TOTAL CAPITAL EXPENDITURE (EXCLUDING SUEZ ENVIRONNEMENT)	**7,652**	**18,427**
SUEZ Environnement [1]	677	1,495
TOTAL CAPITAL EXPENDITURE	**8,329**	**19,923**

(1) SUEZ Environnement fully consolidated until July 22, 2013.

In 2012, the Energy International business line included the €9,815 million cash out relating to the acquisition of the non controlling interest in 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, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012 (1)
France	34,969	35,914	30,342	33,990
Belgium	10,884	11,110	2,701	3,943
Other EU countries	24,436	28,978	12,591	27,537
Other European countries	1,058	1,040	1,131	1,426
North America	4,638	5,469	5,479	9,118
Asia, Middle East & Oceania	8,372	8,633	7,772	9,155
South America	4,314	4,951	7,132	10,091
Africa	627	941	645	219
TOTAL	**89,300**	**97,038**	**67,793**	**95,480**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

The decrease in industrial capital employed mostly comes from changes in scope of consolidation (see Note 2 "Main changes in Group structure"). The main geographic areas concerned are:

- other EU countries, with the loss in control of SUEZ Environnement (Agbar), the disposal of SPP in Slovakia, of IP Maestrale in Italy and of a 50% stake in the portfolio of power generation assets in Portugal;
- North America, with the loss in control of SUEZ Environnement (United Water) and of Astoria Energy, Phase I power plant, and the disposal of Red Hills power plant;
- South America, with the classification of Energia Sustentável do Brasil (Jirau) as "Assets held for sale".

France is less impacted, with the SUEZ Environnement entities being replaced by their equity value which is, by convention, presented in this area.

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, 2013	Dec. 31, 2012
CURRENT OPERATING INCOME	**7,828**	**9,520**
Net depreciation, amortization and provisions	6,600	7,113
Share-based payments (IFRS 2) and other	99	118
Net disbursements under concession contracts	247	275
EBITDA	**14,775**	**17,026**

3.4.2 Reconciliation of industrial capital employed with items in the statement of financial position

In millions of euros	Dec. 31, 2013	Dec. 31, 2012 [1]
(+) Property, plant and equipment and intangible assets, net	72,323	99,617
(+) Goodwill	20,697	30,035
(-) Goodwill arising on the Gaz de France - SUEZ merger [2]	*(8,562)*	*(11,592)*
(-) Goodwill arising on the International Power combination [2]	*(2,406)*	*(2,750)*
(+) IFRIC 4 and IFRIC 12 receivables	1,715	2,682
(+) Investments in associates	4,636	2,961
(+) Trade and other receivables	21,318	25,034
(-) Margin calls [2] & [3]	*(992)*	*(800)*
(+) Inventories	5,070	5,423
(+) Other current and non-current assets	8,952	9,974
(+) Deferred tax	(9,130)	(10,472)
(+) Carrying amount of the entities classified as "Assets held for sale"	1,099	1,271
(-) Share in net equity to be disposed of in a third party transaction [4]	(392)	(1,271)
(-) Provisions	(16,179)	(17,552)
(+) Actuarial gains and losses in shareholders' equity (net of deferred tax) [2]	*962*	*1,316*
(-) Trade and other payables	(16,599)	(19,481)
(-) Margin calls [2] & [3]	*243*	*302*
(-) Other liabilities	(14,961)	(19,219)
INDUSTRIAL CAPITAL EMPLOYED	**67,793**	**95,480**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).
(2) 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.
(3) Margin calls included in "Trade and other receivables" and "Trade and other payables" correspond to advances received or paid as part of collateralization agreements set up by the Group to reduce its exposure to counterparty risk on commodity transactions.
(4) The related operations are detailed in Note 2.3 "Assets held for sale". The definition of industrial capital employed includes the carrying value of the share in net equity the Group will retain after the transaction. On the other hand, the share in net equity to be disposed of in a third party transaction is excluded.

3.4.3 Reconciliation of capital expenditure (CAPEX) with items in the statement of cash flows

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Acquisitions of property, plant and equipment and intangible assets	7,529	9,177
Acquisition of control over subsidiaries net of the cash and cash equivalents acquired	363	103
(+) Cash and cash equivalents acquired	*52*	*60*
Acquisitions of investments in associates and joint ventures	166	306
(+) Cash and cash equivalents acquired	-	*12*
Acquisitions of available-for-sale securities	143	142
Change in loans and receivables originated by the Group and other	6	21
(+) Other	*(1)*	*1*
Change in ownership interests in controlled entities	71	10,125
(+) Payments received in respect of the disposal of non-controlling interests	-	*(24)*
TOTAL CAPITAL EXPENDITURE	**8,329**	**19,923**

NOTE 4 CURRENT OPERATING INCOME

SUEZ Environnement's contribution is presented in Note 2.1 "Loss of control of SUEZ Environnement".

4.1 Revenues

Group revenues break down as follows:

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Energy sales	64,485	65,241
Rendering of services	23,543	29,750
Lease and construction contracts	1,272	2,047
REVENUES	**89,300**	**97,038**

In 2013, revenues from lease and construction contracts amounted to €918 million and €354 million, respectively (€1,128 million and €919 million in 2012).

4.2 Personnel costs

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Short-term benefits	(11,107)	(12,627)
Share-based payments (see Note 24)	(93)	(114)
Costs related to defined benefit plans (see Note 19.3.4)	(381)	(340)
Costs related to defined contribution plans (see Note 19.4)	(123)	(153)
PERSONNEL COSTS	**(11,704)**	**(13,234)**

4.3 Depreciation, amortization and provisions

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Depreciation and amortization (see Notes 11 and 12)	(5,895)	(6,941)
Net change in write-downs of inventories, trade receivables and other assets	(298)	(194)
Net change in provisions (see Note 18)	(408)	22
DEPRECIATION, AMORTIZATION AND PROVISIONS	**(6,600)**	**(7,113)**

Depreciation and amortization break down as €973 million for intangible assets and €4,940 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".

NOTE 5 INCOME/(LOSS) FROM OPERATING ACTIVITIES

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
CURRENT OPERATING INCOME	**7,828**	**9,520**
Mark-to-market on commodity contracts other than trading instruments	(226)	109
Impairment losses	(14,943)	(2,474)
Restructuring costs	(305)	(342)
Changes in scope of consolidation	406	155
Other non-recurring items	545	165
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**(6,695)**	**7,133**

5.1 Mark-to-market on commodity contracts other than trading instruments

In 2013, this item represents a net loss of €226 million, compared with a net gain of €109 million in 2012, mainly reflecting:

- changes in the fair value of (i) electricity and natural gas sale and purchase contracts falling within the scope of IAS 39 and (ii) financial instruments used as hedges but not eligible for hedge accounting, resulting in a net loss of €228 million (compared with a net gain of €138 million in 2012). This loss is mainly due to a negative price effect related to changes in the forward prices of the underlying commodities during the period. It also includes the negative impact of the settlement of positions with a positive market value at December 31, 2012;
- the ineffective portion of cash flow hedges, representing a gain of €2 million (compared to a loss of €29 million in 2012).

5.2 Impairment losses

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Impairment losses:		
Goodwill	(5,775)	(294)
Property, plant and equipment and other intangible assets	(9,103)	(1,899)
Financial assets	(88)	(212)
Investments in associates	-	(144)
TOTAL IMPAIRMENT LOSSES	(14,966)	(2,549)
Reversals of impairment losses:		
Property, plant and equipment and other intangible assets	12	67
Financial assets	11	8
TOTAL REVERSALS AND IMPAIRMENT LOSSES	23	75
TOTAL	**(14,943)**	**(2,474)**

Impairment losses of €14,943 million primarily relate to the GDF SUEZ Energy Europe (€10,108 million) and GDF SUEZ Infrastructures (€3,146 million) business lines.

After taking into account the deferred tax effects and the share of impairment losses attributable to non-controlling interests, the impact of these impairment losses on net income/(loss) Group share for 2013 amounts to €12,821 million.

The impairment losses recognized against goodwill, property, plant and equipment and intangible assets at December 31, 2013 can be analyzed as follows:

In millions of euros	Country	Impairment losses on goodwill	Impairment losses on property, plant and equipment and other intangible assets	Total impairment losses	Valuation method	Discount rate
Energy – Central Western Europe goodwill CGU		**(3,862)**	**(4,219)**	**(8,081)**	**Value-in-use – DCF**	**6.5-9.0%**
o/w impairment losses on thermal power plants:			(3,765)			
o/w	*Germany*		*(1,252)*		*Value-in-use – DCF*	*6.6%-8.6%*
o/w	*Netherlands*		*(1,171)*		*Value-in-use – DCF*	*7.5%-8.6%*
o/w	*Belgium/ Luxembourg*		*(887)*		*Value-in-use – DCF*	*8.6%*
o/w	*France*		*(455)*		*Value-in-use – DCF*	*7.5%-8.1%*
o/w impairment losses on other property, plant and equipment and intangible assets			(454)			
Storage goodwill CGU		**(1,250)**	**(1,896)**	**(3,146)**	**Value-in-use – DCF**	**5.2%-9.2%**
o/w impairment losses on gas storage facilities in Europe:			(1,896)			
o/w	*France*		*(1,083)*		*Value-in-use – DCF*	*6.5%*
o/w	*Germany*		*(415)*		*Value-in-use – DCF*	*5.2%-9.2%*
o/w	*United Kingdom*		*(398)*		*Value-in-use – DCF*	*8.5%*
Energy – Southern Europe goodwill CGU		**(252)**	**(1,195)**	**(1,447)**	**Value-in-use – DCF**	**6.8%-13.0%**
o/w impairment losses on thermal power generation assets:	Italy		(1,013)		Value-in-use – DCF	7.5%
o/w impairment losses on customer relationships	Italy		(144)		Value-in-use – DCF	9.0%
o/w other thermal assets	Greece		(38)		Value-in-use – DCF	11.9%
Energy – Eastern Europe goodwill CGU		**(264)**	**(178)**	**(442)**	**Value-in-use – DCF**	**8.5%-12.3%**
o/w other thermal assets			(123)		Value-in-use – DCF	11.3%
o/w other			(55)			
Energy – Spain goodwill CGU		**(60)**	**(78)**	**(138)**	**Value-in-use – DCF**	**6.8%-8.4%**
o/w impairment losses on a thermal power plant			(78)		Value-in-use – DCF	7.8%
Other impairment losses in Europe			**(459)**	**(459)**		
o/w impairment losses on thermal power plants	United Kingdom		(459)		Value-in-use – DCF	8.2%-8.7%
TOTAL IMPAIRMENT LOSSES RELATING TO EUROPEAN BUSINESS		**(5,688)**	**(8,025)**	**(13,713)**		
Other impairment losses:		**(87)**	**(1,079)**	**(1,166)**		
Offshore regasification LNG terminal	United States		(263)		Fair value	
Other		(87)	(816)			
GROUP TOTAL		**(5,775)**	**(9,103)**	**(14,878)**		

In Europe, the Group faces a tough economic environment which is durably affecting the profitability of its power generation activities and underground natural gas storage business.

In 2013, the market fundamentals of the countries where the Group operates have again deteriorated with notably new decreases in the demand of gas and electricity, the commissioning of new renewable capacities generated additional over-capacities which trigger the new drop in the running hours of the thermal power plants and electricity prices which remained at very low levels.

In this context, gas-fired power plants are the power generation assets worst hit by this morose environment: their load factors continue to fall, squeezed by a combination of sluggish demand, the fast-paced development of renewable energy and current competition from coal-fired power plants.

The load factors for combined-cycle gas-fired power plants in France were around 15% in 2013, down from an almost 50% historical. This trend can be observed in every European country in which the Group operates.

Margins on the marketing and sales and the gas midstream activities are squeezed by competitive pressure related to the increase in the supply of gas and in the demand for solutions indexed to market gas prices.

The sales of underground gas storage capacities have also been affected by the depressed market fundamentals described here before. In summer 2013, the forward TTF market prices of the natural gas seasonal spreads have again dropped and amount to around 1€ per MWh, representing one of the lowest level ever seen. This contraction in seasonal spreads affects sales prices in France as well as sales volumes for certain capacity sales contracts (whose prices are closely correlated to seasonal spreads). The volume of unsold capacity in France represented 18.3 TWh in 2013 (12 TWh in 2011 and 2012), or 17% of the total marketable capacity in France.

In view of this market environment in Europe, and as no signs of recovery are observed for the short and medium term, the Group adopted at the end of 2013 a new reference scenario for the period 2014-2035. The vision expressed by the Group in this scenario results in thermal power plants which will be increasingly used to fill the remaining capacity gap and ensure the security of supply within the electricity system by adjusting supply in line with demand during periods of lower renewable energy production (the production of renewable energy is inherently irregular).

The annual 2013 impairment tests carried out on European CGUs take into account these structural developments as well as the lasting decline in electricity prices and seasonal natural gas spreads.

The Group recognized total impairment losses of €13,713 million against its European operations, including €5,688 million relating to goodwill, €5,476 million relating to thermal power generation assets and €2,549 million relating to other property, plant and equipment and intangible assets.

5.2.1 Additional information regarding impairment losses booked in 2013

The price forecasts used to determine the value in use of CGUs are taken from the Group's reference scenario for the period 2014-2035. The various forecasts that feature in the Group's reference scenario were approved by the Group Management Committee in December 2013. The forecasts and projections included in this scenario were determined as follows:

- forecasts for the 2014-2016 period were calculated using forward market prices for fuel, CO_2 and electricity over the liquidity period;
- beyond this period, medium- and long-term energy prices were determined by the Group based on macroeconomic assumptions and fundamental supply and demand equilibrium models, the results of which are regularly compared against forecasts prepared by external energy sector specialists. More specifically, medium- and long-term electricity prices were determined by the Group using electricity demand forecasting models, medium- and long-term forecasts of fuel and CO_2 prices, and expected trends in installed capacity and in the technology mix of the production assets within the power generation system.

5.2.2 Energy – Central Western Europe CGU

The Central Western Europe (CWE) CGU groups together natural gas supply, trading, marketing and sales activities, along with power generation and the sale of energy in France, Belgium, the Netherlands, Luxembourg and Germany. The power stations represent in Group share 23,866 MW and include mainly nuclear power plants in Belgium (4,134 MW), drawing rights on nuclear facilities in France (1,209 MW), hydropower plants in France (2,330 MW), and thermal power plants (11,300 MW). The total amount of goodwill allocated to this CGU prior to the 2013 impairment test was €12,336 million.

The value in use of the CWE CGU was calculated using the cash flow forecasts drawn up on the basis of the 2014 budget and the 2015-2019 medium-term business plan approved by the Group Management Committee and Board of Directors. Cash flow forecasts beyond this six-year period were based on the reference scenario adopted by the Group.

Cash flow forecasts relating to the main contributing businesses for the period beyond the medium-term business plan were determined as described below:

Activities	Assumptions applied beyond the term of the business plan
Thermal (gas- and coal-fired power plants) and wind power generation	Cash flow projection over the useful life of generation assets and underlying agreements
Nuclear power generation in Belgium	Cash flow projection over the useful life of Tihange 1 (50 years), and over a technical life of 60 years for the Doel 3, Doel 4, Tihange 2 and Tihange 3 reactors
Drawing rights on Chooz B and Tricastin power plants	Cash flow projection over the remaining term of existing agreements plus assumption that drawing rights will be extended for a further ten years
Hydropower generation in France	Cash flow projection over the useful life of concessions plus assumption that concessions will be renewed
Natural gas supply, trading and marketing and sales activities	Cash flow projections over a time period allowing for the convergence towards an expected price level and equilibrium, plus application of a terminal value based on normative cash flows using a long-term growth rate of 1.9%

The discount rates applied to these cash flow forecasts range from 6.5% to 9%, depending on the risk profile of each business activity.

Key assumptions used for impairment test

Key assumptions concern expected changes in the regulatory environment, in the demand for electricity and gas, and in the price of fuel, CO_2 and electricity beyond the liquidity period.

As regards the assumptions concerning the regulatory environment in Belgium, the Council of Ministers announced a series of decisions relating to the electricity market in July 2012 and July 2013.

In particular, in December 2013 the government confirmed the following schedule for the gradual phase-out of nuclear power:

- the Doel 1 and Doel 2 reactors will still be closed after an operating life of 40 years, i.e., on February 15, 2015 and December 1, 2015, respectively;
- the operating life of Tihange 1 will be extended by ten years, until October 1, 2025. In return, the Belgian government will receive a fee corresponding to 70% of the excess of the proceeds from electricity sales over the full cost of the reactor plus the remuneration of the investments needed to extend the useful life of this facility. This fee will replace the nuclear contribution attributable to Tihange I;
- the Doel 3, Tihange 2 and Tihange 3/Doel 4 reactors will be closed in 2022, 2023 and 2025 respectively, after 40 years of operation.

Due to the extension of operating life of Tihange I, the significance of nuclear power share in the Belgian energy mix, and the lack of a sufficiently detailed and attractive industrial plan enticing energy utilities to invest in replacement thermal capacity, the Group considers – as in 2012 – that nuclear power will still be needed to guarantee the energy equilibrium in Belgium after 2025. The value in use was therefore calculated based on an assumption that the operating life of the Doel 3, Doel 4, Tihange 2 and Tihange 3 reactors would be extended by 20 years. In return, the value in use calculated for the reactors whose operating life is extended is based on a principle of profit sharing with the Belgian State.

In France, the Group includes an assumption that its drawing rights on the Tricastin and Chooz B nuclear plants, expiring in 2031 and 2047, respectively, will be extended by ten years. Although no such decision has been taken by the government and the nuclear safety authority, the Group considers that extending the reactors' operating life is the most credible and likely scenario at this point in time. This is also consistent with the expected French energy mix featured in its reference scenario.

The normative margin associated with gas midstream activities represents the best estimate of the profitability of these businesses over the medium and long term. This normative margin is down on the assumptions adopted in 2012 due to a deterioration in market conditions.

The Group also assumed that its hydropower concession agreements would be renewed, particularly the agreement with Compagnie Nationale du Rhône expiring in 2023.

Results of impairment test

The recoverable amount of the Central Western Europe goodwill CGU amounts to €18,953 million at December 31, 2013.

Within the CWE goodwill CGU, the impairment test carried out on the Assets CGU comprising thermal power plants in Central Western Europe led the Group to recognize an impairment loss of €3,765 million against the CGU's property, plant and equipment, which has been particularly hard hit by the deterioration in market conditions described above. The value in use of this CGU was determined based on the projected cash flows to be generated by the plants concerned over their useful lives. The cash flows are identical to those used to test the goodwill CGU for impairment. The discount rates used are between 6.6% and 8.6%.

Impairment tests were also performed on assets and businesses in specific situations, in particular assets within a selling process and whose fair value are below their carrying amounts. Impairment losses totaling €454 million euros were recognized against the property, plant and equipment and intangible assets concerned as a result of these tests.

Following these tests on the "CWE thermal power plants" CGU and other asset CGUs, the impairment test performed on the CWE CGU goodwill led to recognise an imparment loss of €3,862 milion against goowill.

In all, impairment losses recognized within the CWE goodwill CGU totaled €8,081million. After taking into account the deferred tax effects and the share of write-downs attributable to non-controlling interests, the impact of these impairment losses on net income/(loss) Group share amounts to €7,050 million.

Sensitivity analyses

A decrease of €1/MWh in electricity prices for nuclear and hydropower generation would lead to an additional impairment loss of €405 million. Conversely, an increase of €1/MWh in electricity prices would reduce impairment by €405 million.

A decrease of 5% in the margin captured by thermal power plants would lead to an additional impairment loss of €93 million. Conversely, an increase of 5% in the margin captured by thermal power plants would reduce impairment by €93 million.

A decrease of 5% in the margin on gas and electricity sales activities would lead to an additional impairment loss of €173 million. Conversely, an increase of 5% in the margin on gas and electricity sales activities would reduce impairment by €173 million.

An increase of 0.5% in the discount rates would lead to an additional impairment loss of €1,300 million. Conversely, a decrease of 0.5% in the discount rates would reduce impairment by €1,450 million.

Various transformational scenarios have been considered concerning nuclear power generation in Belgium after 2025:

- in the event of a ten-year extension of the operating lives of the Doel 3, Doel 4, Tihange 2 and Tihange 3 reactors and the subsequent disappearance of all nuclear components in the portfolio, an additional impairment loss of €2,100 million would need to be recognized;
- the disappearance of the entire nuclear component from the portfolio after 50 years of operation in the case of Tihange 1 and 40 years of operation for the other plants currently in use would lead to an additional impairment loss of €5,000 million;
- if the operating lives of the reactors were extended by 20 years and nuclear capacity was subsequently renewed at a level equivalent to the four reactors Doel 3, Doel 4, Tihange 2 and Tihange 3, impairment would be reduced by €850 million.

In France, if the drawing rights on the Chooz B and Tricastin reactors were not extended for a further ten years, the impairment loss would increase by €384 million.

For Belgian nuclear facilities and French hydropower plants under concession, the cash flows for the periods covered by the renewal of the hydropower concessions and the 20-year extension of the operating lives of the Doel 3, Doel 4, Tihange 2 and Tihange 3 reactors are based on a number of assumptions relating to the economic and regulatory conditions for operating these assets (royalty rates, required level of investment, etc.) during this period. A change in one or more of these inputs could lead to a material adjustment in the impairment recognized.

5.2.3 Storage CGU

The Storage CGU (GDF SUEZ Infrastructures business line) groups together the entities that own, operate, market and sell underground natural gas storage capacities in France, Germany, and the UK. The CGU includes 21 underground storage sites with a total storage capacity of 12.5 Gm^3. The total amount of goodwill allocated to this CGU prior to the 2013 impairment test was €1,794 million.

The value in use of the Storage CGU was calculated using the cash flow forecasts drawn up on the basis of the 2014 budget and the 2015-2019 medium-term business plan approved by the Group Management Committee and Board of Directors. Cash flows beyond this six-year period were extrapolated.

Cash flows for storage activities in Germany and France were forecast up to 2022, which is when the Group estimates that seasonal spreads will have reached their long-term price equilibrium. A terminal value was calculated for 2023 by applying to the normative cash flows for 2022 a growth rate corresponding to the long-term inflation rate expected in the eurozone.

In the UK, cash flows were forecast over the contractual operating term of the site, i.e., until 2037.

The discount rates applied to these cash flow forecasts, which differ according to the risk profile of storage businesses (regulations specifying storage obligations in France; storage capacities sold under contracts spanning several years; storage capacities entirely subject to market risk), are 6.5% for France, 8.5% for the UK and between 5.2% and 9.2% for Germany.

Key assumptions used for impairment test

Forecast capacity sales for storage activities in France and Germany depend on changes in market conditions, and particularly on seasonal natural gas spreads. For France, they also depend on expected changes in storage regulations set by the French government for natural gas suppliers.

A change in seasonal spreads would affect the level of revenues as a result of the impact of the spreads on (i) the sales price of certain capacity sales agreements which are closely correlated to spreads, and (ii) overall sales volumes.

Forecast seasonal natural gas spreads are based on:

- TTF gas forward prices over the liquidity period (up to 2016);
- beyond this period, the gas prices used to determine the seasonal spreads for 2017-2022 are estimated based on internal models that calculate expected gas prices drawing on various inputs such as macroeconomic assumptions, expected trends in the demand for gas in Europe and across the globe, expected changes in the gas supply and gas production costs in gas-producing countries, as well as assumptions concerning the development of gas infrastructures (LNG terminals, transportation capacity, storage sites, etc.).

In France, regulations governing access to underground natural gas storage capacity (third party access) require natural gas suppliers to hold adequate natural gas inventories to safeguard supplies for certain categories of end customers. To date, these regulations required suppliers as of November 1 to hold a minimum quantity of gas in inventory, based on the storage rights attached to their portfolio of domestic customers and customers serving the public interest.

The public authorities decided to change these storage obligations with the aim of better safeguarding supplies and has (i) introduced withdrawal obligations on top of these volume requirements, intended to meet peak-day winter demand and (ii) broadened the scope of customers covered by these storage obligations. In his draft decree, the Minister for Ecology, Sustainable Development and Energy took a number of provisional measures along these lines for winter 2014-2015 and increased minimum volume and peak-day demand requirements. However, any structural changes in the regulatory environment governing third party access as from winter 2015-2016 are not yet known and will not be determined until after the consultation process just launched by the government. Based on the measures included in the draft decree, the Group considered that storage obligations for all industry players in France are likely to represent 82 TWh (volume requirements) and 1,700 GWh/d (withdrawal requirements). The forecast cash flows therefore assume an increase in volumes sold as part of regulatory obligations, due to expected changes in regulations regarding third party access to storage capacities.

In the UK, the nature of the Stublach site (salt cavern with very high injection and withdrawal rates) means that forecast capacity sales primarily depend on assumptions regarding the volatility of gas prices on the UK market over the period concerned. Since future volatility in gas prices is difficult to predict, long-term volatility forecasts are based on an assumption of convergence towards historical levels of volatility.

Results of the impairment test

The recoverable amount of the Storage CGU is €1,890 million at December 31, 2013. Since this amount is lower than the carrying amounts tested, the Group recognized a total impairment loss of €3,146 million, including €1,250 million relating to goodwill and €1,896 million relating to property, plant and equipment and intangible assets. After taking into account tax income of €485 million related to write-downs taken against property, plant and equipment and intangible assets, the impact of this impairment is €2,661 million.

This impairment loss reflects the durable decline in the profitability of storage activities in the European market. In view of the renewed decrease in forward prices relating to seasonal natural gas spreads observed in second-half 2013 for the period 2014-2016, a further rise in unsold capacity seen at the time of the 2013 sales campaign in France, and the deterioration in storage market fundamentals (sluggish gas demand, the increase in rival flexible gas solutions, excess storage capacity in continental Europe), the Group considered in its 2014-2019 medium-term business plan and in its cash flow forecasts beyond 2019 that seasonal spreads would not return to their previous historical levels.

Sensitivity analyses

A 5% decrease in storage revenues in France and Germany over 2014-2022 and the normative cash flow used to calculate terminal value would lead to an additional impairment loss of approximately €450 million at December 31, 2013, assuming that the other impairment test assumptions remained unchanged. Conversely, an increase of 5% in storage sales would decrease the impairment loss by €450 million.

In France, a decrease of 10 TWh in the sales assumption relating to regulatory obligations as compared to the scenario used in the Group's forecasts would result in an additional impairment loss of €877 million. Conversely, an increase of 10 TWh would decrease the impairment loss by €608 million.

An increase of 0.5% in the discount rates used would lead to an additional impairment loss of €468million. A decrease of 0.5% in the discount rates would decrease the impairment loss by €658 million.

5.2.4 Energy – Southern Europe CGU

The Energy – Southern Europe CGU comprises gas and electricity production and sales activities in Italy and Greece. This CGU consists of installed production capacity of 4,680 MW in Group share, including around 4,500 MW relating to thermal power generation assets.

The value in use of the Energy – Southern Europe CGU was calculated using cash flow forecasts drawn up on the basis of the 2014 budget and 2015-2019 medium-term business plan approved by the Group Management Committee and Board of Directors. Cash flows beyond this six-year period were forecast based on the reference scenario adopted by the Group.

Cash flows relating to power generation assets were forecast over the useful lives of the underlying assets and agreements. The terminal value of marketing and sales activities was determined by applying a 1.9% growth rate to normative cash flows for 2019.

The discount rates applied to these forecasts range from 6.8% to 13%, depending on the risk profile assigned to each type of power generation and sales activity.

Key assumptions used in the impairment test concern expected trends in the demand for electricity and gas and forecast changes in the price of fuel, CO_2 and electricity beyond the liquidity period.

Results of impairment test

In view of the significant deterioration in market conditions, with a sharp fall of the demand captured by the Group's thermal power generation assets, a pronounced fall in clean spark spreads and a slump in profitability for marketing and sales activities, the Group recognized a total impairment loss of €1,447 million against the Energy – Southern Europe CGU.

This €1,447 million impairment loss chiefly reflects:

- write-downs of €1,013 million against property, plant and equipment and intangible assets relating to thermal power generation assets managed by GDF SUEZ Energia Italia;

- write-downs of €144 million relating to electricity and gas marketing and sales activities in Italy. In view of the difficulties encountered by these activities, the Group has written down the full amount of the related property, plant and equipment and intangible assets;
- write-downs of €252 million relating to the impairment loss taken against the entire residual goodwill of the Southern Europe goodwill CGU.

Sensitivity analyses

A 0.5% increase in the discount rate would lead to the recognition of an additional €47 million impairment loss on the property, plant and equipment and intangible assets relating to the thermal power generation assets managed by GDF SUEZ Energia Italia.

A decrease of 5% in the margin captured by thermal power generation assets would lead to an additional impairment loss of €78 million. Conversely, an increase of 5% in the margin captured by thermal power generation assets would reduce impairment by €78 million.

5.2.5 Energy – Eastern Europe CGU

The Energy – Eastern Europe CGU comprises gas and electricity production, sale and distribution activities in Poland, Romania, and Hungary. This CGU consists of installed production capacity of nearly 3,000 MW in Group share, including around 2,800 MW relating to thermal power generation assets. The total amount of goodwill allocated to this CGU prior to the 2013 impairment test was €340 million.

The value in use of the Energy – Eastern Europe CGU was calculated using the cash flow forecasts drawn up on the basis of the 2014 budget and 2015-2019 medium-term business plan, as approved by the Group Management Committee and Board of Directors. A terminal value was calculated by extrapolating the cash flows beyond that period.

The discount rates applied to these forecasts range from 8.5% to 12.3%, depending on the risk profile assigned to each type of power generation, sales and distribution asset.

Key assumptions used in the impairment test concern expected trends in the demand for electricity and gas and forecast changes in the price of fuel, CO_2 and electricity beyond the liquidity period.

Results of the impairment test and sensitivity analyses

The recoverable amount of the Energy – Eastern Europe goodwill CGU was €942 million at December 31, 2013.

Since this was lower than the carrying amounts tested, the Group recognized an impairment loss of €264 million against the goodwill in the CGU, along with an impairment loss of €123 million against property, plant and equipment relating to a thermal power plant.

An increase of 0.5% in the discount rate used would lead to an additional impairment loss of €94 million. A decrease of 5% in the margin captured by thermal power plants would lead to an additional impairment loss of €60 million.

5.2.6 Energy – Spain CGU

The Energy – Spain CGU comprises gas and electricity production and sales activities in Spain. This CGU includes thermal power generation assets representing 2,000 MW of installed production capacity in Group share. The total amount of goodwill allocated to this CGU prior to the 2013 impairment test was €60 million.

The value in use of the Energy – Spain CGU was calculated using the cash flow projections drawn up on the basis of the 2014 budget and 2015-2019 medium-term business plan, as approved by the Group Management Committee and Board of Directors. A terminal value was calculated by projecting the cash flows up to the end of the operating life of the assets concerned.

The discount rates applied to these projections ranged between 6.8% and 8.4%.

Key assumptions used in the impairment test relate to the impact of the energy market reforms underway in Spain, expected trends in the demand for electricity and gas, and expected changes in the price of fuel, CO_2 and electricity beyond the liquidity period.

Results of the impairment test and sensitivity analyses

In view of the difficulties encountered by the thermal power generation assets and by the Spanish electricity market, the Group recognized an impairment loss of €60 million against the full amount of goodwill allocated to the CGU, along with an impairment loss of €78 million against property, plant and equipment relating to a thermal power plant.

A 0.5% increase in the discount rate would lead to the recognition of an additional impairment loss of €18 million against the CGU's property, plant and equipment. A decrease of 5% in the margin captured by thermal power plants would lead to an additional impairment loss of €9 million against property, plant and equipment within the CGU.

5.2.7 Thermal power plants in the UK

In the UK, the Group has around 2,900 MW (Group share) in installed production capacity relating to thermal power generation assets.

The value in use of thermal power generation assets in the UK was calculated on a case-by-case basis using the cash flow forecasts drawn up based on the 2014 budget and 2015-2019 medium-term business plan approved by the Group Management Committee and Board of Directors. Cash flows beyond this period were extrapolated until the end of the operating life of the assets concerned.

The discount rates applied to these forecasts ranged between 8.2% and 8.7%.

Key assumptions used in the impairment test relate to the impacts of the set up of a capacity market, expected trends in the demand for electricity, the needs for baseload and mid merit capacities, and expected changes in the price of fuel and electricity beyond the liquidity period.

Results of the impairment test and sensitivity analyses

In view of the difficulties affecting thermal power plants and in particular the fall in clean spark spreads, the Group recognized an impairment loss totaling €459 million against certain thermal power plants in 2013.

An increase of 0.5% in the discount rate would lead to an additional impairment loss of €11 million against these thermal power generation assets. A decrease of 5% in the margin captured by the thermal power plants would lead to an additional impairment loss totaling €31 million against these assets.

5.2.8 Other impairment losses

Given the impact of changes resulting from the development of shale gas on gas demand and supply in the North-East United States, the Group filed a request to suspend the license to operate its offshore regasification LNG terminal Neptune for a period of five years. This request was approved by the US Maritime Administration in 2013. The Group therefore decided to recognize an impairment loss of €263 million in 2013 against the full carrying amount of the LNG terminal in question.

5.2.9 Impairment losses booked in 2012

In 2012, the Group booked impairment losses totaling €2,474 million. These losses related chiefly to goodwill allocated to the interest in SPP classified as "Assets held for sale" (€176 million) and to power generation facilities in Europe (€1,268 million).

5.3 Restructuring costs

Restructuring costs totaling €305 million in 2013 include costs incurred to adapt to economic conditions, including €173 million for GDF SUEZ Energy Europe and €57 million for GDF SUEZ Energy Services.

In 2012, this item included costs incurred for GDF SUEZ Energy Europe to adapt to economic conditions (€136 million), which primarily consisted of the costs relating to the shutdown of generation units in Europe, 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 as well as the costs of the adaptation programs relating to the slowdown in activity in the Waste Europe segment. It also included the costs incurred for GDF SUEZ Energy Services to adapt to economic conditions (€53 million).

5.4 Changes in scope of consolidation

In 2013, this item includes the €448 million net revaluation gain on the Group's 35.68% interest in SUEZ Environnement Company subsequent to the termination of the shareholders' agreement on July 22, 2013 resulting in the Group's loss of control (see Note 2.1 "Loss of control of SUEZ Environnement").

The other items included in this caption are not material taken individually.

In 2012, this item essentially included capital gains on the disposal of a 60% interest in the Canadian renewable energies business (€136 million), the disposal of 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).

5.5 Other non-recurring items

In 2013, this caption includes the impact of the decrease in the provision for back-end of the nuclear fuel cycle amounting to €499 million (see Note 18.2 "Nuclear dismantling liabilities"). It also includes a €73 million gain on the disposal of Medgaz available-for-sale securities, including €75 million in respect of changes in fair value recognized under "Other comprehensive income" (see Note 15.1.1 "Available-for-sale securities") recycled to the income statement.

In 2012, this item mainly included a €233 million gain corresponding to the decrease in the fine related to the "MEGAL" legal proceedings following the judgment handed down by the General Court of the European Union on June 29, 2012. The other items included in this caption were not material taken individually.

NOTE 6 NET FINANCIAL INCOME/(LOSS)

	Dec. 31, 2013			Dec. 31, 2012 [1]		
In millions of euros	Expense	Income	Total	Expense	Income	Total
Cost of net debt	(1,561)	128	(1,433)	(2,137)	191	(1,945)
Income from debt restructuring transactions and from early unwinding of derivative financial instruments	(256)	103	(153)	(299)	210	(89)
Other financial income and expenses	(670)	279	(391)	(997)	257	(741)
NET FINANCIAL INCOME/LOSS	**(2,487)**	**510**	**(1,977)**	**(3,433)**	**658**	**(2,775)**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

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 Dec. 31, 2013	Dec. 31, 2012
Interest expense on gross debt and hedges	(1,843)	-	(1,843)	(2,464)
Foreign exchange gains/losses on borrowings and hedges	(19)	-	(19)	(38)
Ineffective portion of derivatives qualified as fair value hedges	-	2	2	-
Gains and losses on cash and cash equivalents and financial assets at fair value through income	-	126	126	191
Capitalized borrowing costs	301	-	301	365
COST OF NET DEBT	**(1,561)**	**128**	**(1,433)**	**(1,945)**

Besides the volume effect relating to the loss of control of SUEZ Environnement from July 22, 2013, the decrease in the cost of net debt is mainly due to the impact of lower interest rates on outstanding floating-rate borrowings and to the positive impact of refinancing transactions carried out by the Group.

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, 2013	Dec. 31, 2012
Impact of early unwinding of derivative financial instruments on income statement	**(210)**	**103**	**(107)**	**(24)**
of which cash payments made on the unwinding of swaps	(210)	-	(210)	(234)
of which reversal of the negative fair value of these derivatives that were settled early	-	103	103	210
Impact of debt restructuring transactions on the income statement	**(46)**	**-**	**(46)**	**(65)**
of which early refinancing transactions expenses	(46)	-	(46)	(65)
GAINS AND LOSSES ON DEBT RESTRUCTURING TRANSACTIONS AND ON THE EARLY UNWINDING OF DERIVATIVE FINANCIAL INSTRUMENTS	**(256)**	**103**	**(153)**	**(89)**

During the period, the Group bought back a number of debt securities (see Note 15.3.2 "Financial Instruments – Main events of the period"), including:

- bonds with an aggregate par value of €1,300 million as well as non-voting securities. The net impact of these buybacks, including the impact of hedges, amounted to a negative €200 million at December 31, 2013;
- 52.9% of First Hydro bonds with an aggregate par value of £246 million, generating an expense of €56 million.

The Group also settled interest rate swaps prior to maturity, generating a positive net financial impact of €45 million including compensation payments of €190 million and the reversal of the negative fair value of the related derivative instruments not qualifying for hedge accounting at December 31, 2012 for €235 million.

6.3 Other financial income and expenses

In millions of euros	Dec. 31, 2013	Dec. 31, 2012 (1)
Other financial expenses		
Change in fair value of derivatives not qualified as hedges	-	(214)
Gains and losses on the dequalification and inefficiency of economic hedges on other financial items	-	(16)
Unwinding of discounting adjustments to other longterm provisions	(423)	(442)
Net interest expense on post-employment benefits and other long-term benefits	(171)	(205)
Interest on trade and other payables	(72)	(92)
Other financial expenses	(5)	(29)
TOTAL	**(670)**	**(997)**
Other financial income		
Income from available-for-sale securities	140	123
Change in fair value of derivatives not qualified as hedges	34	-
Gains and losses on the dequalification and inefficiency of economic hedges on other financial items	2	-
Interest income on trade and other receivables	36	58
Interest income on loans and receivables at amortized cost	28	47
Other financial income	39	30
TOTAL	279	257
OTHER FINANCIAL INCOME AND EXPENSES, NET	**(391)**	**(741)**

(1) Following the retrospective application of the IAS 19 Revised, the net interest expense resulting from the application of the discount rate to the net defined benefit plan obligation is now presented on a single line entitled "Net interest expense on post-employment benefits and other long-term benefits". At December 31, 2012, the interest expense on the projected benefit obligation was presented under "Unwinding of discounting adjustments to other long-term provisions" and the financial income under "Expected return on plan assets". The amounts at December 31, 2012 have been adjusted for comparison proposes.

In 2012, "Change in fair value of derivatives not qualified as hedges" included a €160 million expense recognized 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.

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 2013 amounts to €727 million (€2,049 million in 2012), breaking down as:

In millions of euros	Dec. 31, 2013	Dec. 31, 2012 (1)
Current income taxes	(2,273)	(2,530)
Deferred taxes	1,546	481
TOTAL INCOME TAX EXPENSE RECOGNIZED IN INCOME	**(727)**	**(2,049)**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

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, 2013	Dec. 31, 2012 [1]
Net income/(loss)	**(8,909)**	**2,743**
• Share in net income of associates	490	433
• Income tax expenses	(727)	(2,049)
Income/(loss) before income tax expenses and share in net income of associates (A)	**(8,672)**	**4,359**
Of which French companies	*(3,823)*	*1,260*
Of which companies outside France	*(4,849)*	*3,099*
Statutory income tax rate of the parent company (B)	38.0%	36.1%
THEORETICAL INCOME TAX EXPENSE (C) = (A) X (B)	**3,295**	**(1,574)**
Reconciling items between theoretical 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	(813)	(215)
Permanent differences [a]	(2,028)	(255)
Income taxed at a reduced rate or tax-exempt [b]	651	603
Additional tax expense [c]	(847)	(771)
Effect of unrecognized deferred tax assets on tax loss carry-forwards and other tax-deductible temporary differences [d]	(1,553)	(317)
Recognition of utilization of tax income on previously unrecognized tax loss carry-forwards and other tax-deductible temporary differences	137	223
Impact of changes in tax rates [e]	33	(18)
Tax credits and other tax reductions [f]	535	237
Other	(139)	37
ACTUAL INCOME TAX EXPENSE	**(727)**	**(2,049)**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

(a) Includes the increase in tax disallowable impairments on goodwill and the effects relating to the thin cap on borrowings interest in France.

(b) Reflects mainly capital gains on disposals of securities exempt from tax or taxed at a reduced rate in France, Belgium and in other countries, the impact of the specific tax regimes used by some entities in Luxembourg, Belgium, Thailand and in other countries, 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".

(c) 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 3% tax on the dividends paid in cash by the French companies in 2013, the contribution on nuclear activities payable by nuclear-sourced electricity utilities in Belgium (€489 million in 2012 and €422 million in 2013), allocations to provisions for income tax, and regional corporate taxes.

(d) Includes mainly the impact of the non-recognition of deferred tax assets relating to the impairment losses on tangible assets and the cancellation of the net deferred tax asset position for many European tax entities.

(e) Includes mainly the impact of the reduction in the tax rate in the United Kingdom in 2012 and 2013 (decrease from 25% to 23% in 2012, and then from 23% to 21% in 2013 for the reversals foreseen in 2014 and to 20% for the reversals foreseen beyond 2015), as well as the impact of changes in the tax rate in France (increased amount of the exceptional contribution in 2013 for the reversal of timing differences occurring in 2013 and 2014), in Italy (decrease in additional IRES rate from 10.5% to 6.5% recorded in 2013), in Thailand (decrease from 30% to 20% recorded in 2013), in Chile (increase from 17% to 20% recorded in 2012) and in Slovakia (increase from 19% to 23% recorded in 2012).

(f) Includes mainly the impact of deductible notional interest in Belgium and of tax credits in Norway, the United Kingdom, the Netherlands, the United States and France and provisions reversals for income tax.

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 tax rate resulted from the introduction of an exceptional 5% contribution payable in respect of 2011 and 2012. The exceptional contribution has been increased to 10.7%, leading to a 38.00% tax rate for the financial years 2013 and 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, 2013**	**Dec. 31, 2012 (1)**
Deferred tax assets:		
Tax loss carry-forwards and tax credits	(39)	639
Pension obligations	11	48
Non-deductible provisions	187	41
Difference between the carrying amount of PP&E and intangible assets and their tax bases	274	(9)
Measurement of financial instruments at fair value (IAS 32/39)	(24)	(308)
Other	190	64
TOTAL	**599**	**475**
Deferred tax liabilities:		
Difference between the carrying amount of PP&E and intangible assets and their tax bases	859	(28)
Tax driven provisions	(10)	50
Measurement of financial instruments at fair value (IAS 32/39)	(10)	82
Other	108	(98)
TOTAL	**947**	**6**
DEFERRED TAX INCOME/(EXPENSE)	**1,546**	**481**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

The deferred tax income change results mainly from the record of some impairment losses on property, plant and equipment.

7.2 Deferred tax income (expense) recognized in "Other comprehensive income"

Net deferred tax income (expense) recognized in "Other comprehensive income" is broken down by component as follows:

In millions of euros	**Dec. 31, 2013**	**Dec. 31, 2012 (1)**
Available-for-sale financial assets	2	(26)
Actuarial gain and losses	(200)	225
Net investment hedges	(134)	30
Cash flow hedges on other items	(75)	403
Cash flow hedges on net debt	(5)	(130)
TOTAL EXCLUDING SHARE OF ASSOCIATES	**(412)**	**502**
Share of associates	(32)	8
TOTAL	**(444)**	**510**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

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, 2012 (1)	**1,487**	**(11,959)**	**(10,472)**
Impact on net income of the year	599	947	1,546
Impact on other comprehensive income items	(206)	(142)	(348)
Impact of change in scope of consolidation	(1,271)	1,191	(80)
Impact of translation adjustments	(195)	425	230
Transfers to assets and liabilities classified as held to sale	(123)	125	3
Other	(78)	71	(7)
Impact of netting by tax entity	450	(450)	-
AT DECEMBER 31, 2013	**662**	**(9,792)**	**(9,130)**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

The impact of change in scope of consolidation mainly comes from the exit of deferred tax balances borne by the SUEZ Environnement entities.

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, 2013	Dec. 31, 2012 (1)
Deferred tax assets:		
Tax loss carry-forwards and tax credits	1,889	2,464
Pension obligations	1,191	1,609
Non-deductible provisions	503	668
Difference between the carrying amount of PP&E and intangible assets and their tax bases	1,136	1,007
Measurement of financial instruments at fair value (IAS 32/39)	1,099	1,299
Other	831	876
TOTAL	**6,649**	**7,923**
Deferred tax liabilities:		
Difference between the carrying amount of PP&E and intangible assets and their tax bases	(13,635)	(16,388)
Tax driven provisions	(193)	(249)
Measurement of financial instruments at fair value (IAS 32/39)	(1,120)	(1,114)
Other	(831)	(644)
TOTAL	**(15,779)**	**(18,395)**
NET DEFERRED TAX ASSETS/(LIABILITIES)	**(9,130)**	**(10,472)**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

A total of €1,889 million in deferred tax assets were recognized in respect of tax losses and tax credits carried forward at December 31, 2013 (€2,464 million at end-2012). At December 31, 2013, this amount includes all tax loss carry-forwards relating to the GDF SUEZ SA tax consolidation group but no longer includes tax loss-carryforwards borne by the SUEZ Environnement entities resulting from the loss of control on July 22, 2013.

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.

Aside from this tax entity, 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 (2014-2019), as approved by the management.

7.4 Unrecognized deferred taxes

7.4.1 Unrecognized deductible temporary differences

At December 31, 2013, 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 €1,137 million (€1,245 million at December 31, 2012). Most of these unrecognized tax losses relate to companies based in countries which allow losses to be carried forward indefinitely (mainly Belgium, France, Luxembourg, Italy, Germany, the Netherlands 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 €1,436 million at end-December 2013 versus €230 million at end-December 2012. The increase is mainly due to the non-recognition of a deferred tax asset for some impairment losses on tangible assets mostly based in Italy, Germany and the Netherlands.

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/(loss) 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”;
- the following components of net financial income/(loss) 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 income/(loss) with net recurring income Group share is as follows:

In millions of euros	Note	Dec. 31, 2013	Dec. 31, 2012 (1)
NET INCOME/(LOSS) GROUP SHARE		**(9,289)**	**1,544**
Non-controlling interests		380	1,199
NET INCOME/(LOSS)		**(8,909)**	**2,743**
Reconciliation between current operating income and income/(loss) from operating activities		**14,523**	**2,387**
Mark-to-market on commodity contracts other than trading instruments	*5.1*	*226*	*(109)*
Impairment losses	*5.2*	*14,943*	*2,474*
Restructuring costs	*5.3*	*305*	*342*
Changes in scope of consolidation	*5.4*	*(406)*	*(155)*
Other non-recurring items	*5.5*	*(545)*	*(165)*
Other adjusted items (not included in income/(loss) from operating activities)		**(1,234)**	**65**
Ineffective portion of derivatives qualified as fair value hedges	*6.1*	*(2)*	*-*
Gains/(losses) on debt restructuring and anticipated settlement of derivative instruments	*6.2*	*153*	*89*
Change in fair value of derivatives not qualifying for hedge accounting	*6.3*	*(34)*	*214*
Taxes on non-recurring items		*(1,608)*	*(544)*
Net expense relating to the nuclear contribution in Belgium		*271*	*274*
Non-recurring income included in share of net income of associates	*13.1*	*(14)*	*32*
NET RECURRING INCOME		**4,380**	**5,195**
Non-controlling interests recurring income		940	1,370
NET RECURRING INCOME GROUP SHARE		**3,440**	**3,825**

(1) Comparative data as of December 31,2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

NOTE 9 EARNINGS PER SHARE

	Dec. 31, 2013	Dec. 31, 2012 (1)
Numerator *(in millions of euros)*		
Net income/(loss) Group share	(9,289)	1,544
Impact of dilutive instruments:		
• International Power convertible bonds	-	(21)
Diluted net income/(loss) Group share	(9,289)	1,523
Denominator *(in millions of shares)*		
Average number of outstanding shares	2,359	2,271
Impact of dilutive instruments:		
• Bonus share plans reserved for employees	15	12
DILUTED AVERAGE NUMBER OF SHARES OUTSTANDING	**2,374**	**2,284**
Earnings per share *(in euros)*		
Basic earnings per share	(3.94)	0.68
Diluted earnings per share	(3.91)	0.67

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (cf. Note 1.1.1).

The Group's dilutive instruments included in the calculation of diluted earnings per share include 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 €16.4 in 2013 and to €18.3 in 2012). In 2012, the bonds convertible into International Power plc shares were also included in the calculation of diluted earnings per share.

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 2013 financial year is concerned, all stock option plans were excluded from the diluted earnings per share calculation due to their accretive effect. The same stock option plans, and the one awarded in 2005, were also excluded from the 2012 diluted earnings per share calculation due to their accretive effect.

Instruments that were accretive at December 31, 2013 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	Net amount
At December 31, 2011	**31,782**	**(420)**	**31,362**
Impairment losses	-	(118)	
Changes in scope of consolidation	(594)	-	
Other	(336)	-	
Transfers to assets classified as held for sale	(263)	-	
Translation adjustments	(12)	(4)	
At December 31, 2012	**30,577**	**(542)**	**30,035**
Impairment losses	-	(5,775)	
Changes in scope of consolidation	(3,445)	197	
Transfers to assets classified as held for sale	(3)	3	
Translation adjustments	(350)	35	
AT DECEMBER 31, 2013	**26,779**	**(6,082)**	**20,697**

The impact of changes in scope of consolidation in the statement of financial position at December 31, 2013 relates primarily to the derecognition of goodwill following the change in consolidation method for SUEZ Environnement (€3,220 million), the disposal of a 33.2% interest in NOGAT (€53 million), as well as the recognition of a provisional goodwill of €145 million on the acquisition of Balfour Beatty Workplace. These transactions and changes in consolidation method are described in Note 2 "Main changes in Group structure".

As a result of the annual impairment tests performed on the second half of 2013 on the goodwill CGU, the Group recognized impairment losses on goodwill for a total amount of €5,775 million, of which €3,862 million on the Energy – Central Western Europe CGU, €1,250 million on the Storage CGU, €264 million on the Energy – Eastern Europe CGU, €252 million on the Energy – Southern Europe CGU and €60 million on the Energy – Spain CGU. The 2013 impairment tests performed on these CGU are described in Note 5.2 "Impairment losses".

The decrease shown in 2012 was primarily due to the changes in scope of consolidation for €594 million (of which €406 million relating to the change in the consolidation method for Senoko).

The "Transfers to assets classified as held for sale" line included the goodwill allocated to the SPP activities. The latest has been sold on January 23, 2013 (see Note 2.2 "Disposals carried out in 2013").

10.2 Main goodwill CGUs

The table below provides a breakdown of goodwill by CGU:

In millions of euros	Operating segment	Dec. 31, 2013	Dec. 31, 2012
MATERIAL CGUs (1)			
Energy - Central Western Europe	Energy Europe	8,446	12,352
Distribution	Infrastructures	4,009	4,009
Global Gas & LNG	Global Gas & LNG	2,109	2,162
Energy - North America	Energy International	1,329	1,450
Storage	Infrastructures	543	1,794
OTHER SIGNIFICANT CGUs			
Transmission France	Infrastructures	614	614
Energy - United Kingdom & Other Europe	Energy International	583	678
OTHER CGUs *(INDIVIDUALLY LESS THAN €600 MILLION)*		**3,064**	**6,976**
TOTAL		**20,697**	**30,035**

(1) Material CGUs correspond to CGUs that represent over 5% of the Group's total goodwill.

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, completed by a review of events arisen in the second half of the year. In most cases, the recoverable value 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 2014 budget and from the medium-term 2015-2019 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 2013 to measure the value-in-use of the goodwill CGUs ranged between 5.2% and 15.1% compared with a range of between 4.8% and 17% in 2012. The discount rates used for each of the seven 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, 2013.

The impairment testing on the Energy – Central Western Europe (CWE) and Storage CGUs are detailed in Note 5.2 "Impairment losses".

Goodwill allocated to the Distribution CGU

The total amount of goodwill allocated to this CGU amounted to €4,009 million at December 31, 2013. 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 flows drawn up on the basis of the 2014 budget and of the medium-term 2015-2019 business plan, as approved by the Group Management Committee. The discount rate applied to these projections was 5.5%. 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 2019. The RAB is the value assigned by the regulator (CRE) 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 flow 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 value becoming lower than the carrying value.

Goodwill allocated to the Global Gas & LNG CGU

The total amount of goodwill allocated to this CGU amounted to €2,109 million at December 31, 2013. 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 2014 budget and of the medium-term 2015-2019 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 9.2%.

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 proven and probable reserves.

The main assumptions and key estimates primarily include the discount rates, the estimated hydrocarbon prices, changes in the euro/US dollar exchange rate, changes in LNG supply and demand, 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 14.5%, 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 29% impact on the excess of the recoverable amount 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 31% impact on this calculation.

In case of a 10% decrease in the hydrocarbon prices used, the recoverable amount would become equal to the carrying amount. An increase of 10% in the hydrocarbon prices used would have a positive 92% impact on the excess of the recoverable amount over the carrying amount.

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 13% impact 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% in the long term growth rate used would have a positive 15% impact on this calculation.

Goodwill allocated to the Energy – North America CGU

The total amount of goodwill allocated to this CGU was €1,329 million at December 31, 2013. The entities included in this CGU produce electricity and sell electricity and gas in the United States, Mexico and Canada. They are also involved in LNG imports and regasification, as well as LNG cargo sales.

The recoverable amount of this Energy - North America CGU is determined on the basis of the value in use of the group of assets, calculated primarily using the projections of cash flow drawn up on the basis of the 2014 budget and of the medium-term 2015-2019 business plan, as approved by the Group Management Committee.

For electricity production activities, the terminal value was calculated for each asset class by extrapolating the cash flows expected through to the expiry of the license to operate the facilities. For the LNG and retail electricity sales business, the terminal value was calculated by extrapolating cash flows beyond the last year of the medium-term business plan using growth rates of between 0% and 1%.

Key assumptions include long-term trends in electricity and fuel prices, the future market outlook and the discount rates applied. The inputs used for these assumptions reflect best estimates of market prices. The discount rates used in 2013 range from 5.8% to 9%, depending on the business concerned.

An increase of 0.5% in the discount rate used would have a negative 24% impact 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 23% impact on this calculation.

A decrease of 10% in the long-term equilibrium prices for electricity would have a negative 49% impact 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 long-term equilibrium prices would have a positive 58% 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
Transmission France	Infrastructures	DCF	5.8%
Energy - United Kingdom & Other Europe	Energy International	DCF + DDM	6.8% - 11.1%

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, 2013	Dec. 31, 2012
Energy International	3,206	3,653
Energy Europe	8,532	13,030
Global Gas & LNG	2,109	2,162
Infrastructures	5,324	6,574
Energy Services	1,526	1,357
SUEZ Environnement	-	3,257
TOTAL	**20,697**	**30,035**

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, 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
Transfers 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**
Acquisitions	274	-	537	811
Disposals	(20)	-	(66)	(86)
Translation adjustments	(35)	-	(148)	(183)
Changes in scope of consolidation	(3,764)	-	(3,025)	(6,789)
Other	18	66	(31)	53
AT DECEMBER 31, 2013	**2,708**	**2,445**	**9,747**	**14,900**
ACCUMULATED AMORTIZATION AND IMPAIRMENT				
At December 31, 2011	**(2,099)**	**(769)**	**(4,387)**	**(7,254)**
Amortization and impairment	(290)	(88)	(890)	(1,268)
Disposals	27	-	310	338
Translation adjustments	3	-	8	11
Changes in scope of consolidation	-	-	3	3
Transfers to Assets classified as held for sale	-	-	158	158
Other	129	-	(190)	(61)
At December 31, 2012	**(2,229)**	**(857)**	**(4,988)**	**(8,073)**
Amortization	(198)	(91)	(684)	(973)
Impairment	(36)	(638)	(586)	(1,260)
Disposals	15	-	60	75
Translation adjustments	3	-	52	55
Changes in scope of consolidation	1,378	-	1,178	2,556
Other	-	-	7	7
AT DECEMBER 31, 2013	**(1,067)**	**(1,586)**	**(4,961)**	**(7,614)**
CARRYING AMOUNT				
At December 31, 2012	**4,006**	**1,522**	**7,492**	**13,020**
AT DECEMBER 31, 2013	**1,641**	**859**	**4,786**	**7,286**

Changes in the scope of consolidation in 2013 are mainly due to the loss of control of SUEZ Environnement (-€3,975 million), the disposal of a 50% stake in the Group's portfolio of power generation assets in Portugal (-€131 million) and the disposal of 33.2% in NOGAT B.V. (-€82 million). These transactions are described in Note 2 "Main changes in Group structure".

The other movements on capacity entitlements (€66 million) are a consequence of the reconsideration of the nuclear provisions on capacity entitlements of the Chooz B and Tricastin power plants.

Acquisitions relating to intangible rights arising on concession contracts correspond to construction works carried out under concession contracts on infrastructures managed by SUEZ Environnement (until July 22, 2013) and GDF SUEZ Energy Services.

Impairment losses on intangible assets amounted to €1,260 million at December 31, 2013. These impairment losses related mainly to virtual power plant capacities in Italy (€638 million) and in customer portfolios in Europe, notably in Italy (see Note 5.2 "Impairment losses").

At December 31, 2012, as Slovenský Plynárenský Priemysel a.s. (SPP), IP Maestrale and Sohar Power Company SAOG were classified as assets held for sale, the carrying amount of the corresponding intangible assets had been transferred to the "Assets classified as held for sale" line in the statement of financial position.

11.1.1 Intangible rights arising on concession contracts

This item primarily includes the right 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 and Tricastin power plants in France and the virtual power plant (VPP) in Italy.

11.1.3 Other

At end-2013, this caption chiefly relates to 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 €680 million at December 31, 2013 (€1,012 million at December 31, 2012). This caption relates mainly 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. The variation corresponds mainly to the impact of the loss of control of SUEZ Environnement (-€320 million).

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) totaled €161 million at December 31, 2013. Costs that do not meet the criteria for recognition as an intangible asset as defined in IAS 38 totaled €157 million in 2013 (€236 million in 2012).

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, 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)
Transfers 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**
Acquisitions	14	40	777	74	-	5,465	58	6,428
Disposals	(53)	(53)	(581)	(87)	1	-	(44)	(817)
Translation adjustments	(106)	(116)	(2,867)	(24)	(58)	(789)	(14)	(3,974)
Changes in scope of consolidation	(1,828)	(3,335)	(8,336)	(1,504)	(549)	(548)	(430)	(16,530)
Transfers to assets classified as held for sale	-	-	(773)	-	(10)	(3,188)	-	(3,971)
Other	(12)	230	3,897	20	593	(4,209)	54	573
AT DECEMBER 31, 2013	**1,230**	**4,079**	**94,149**	**374**	**1,950**	**8,945**	**996**	**111,724**
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
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	(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
Transfers 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)**
Depreciation	(42)	(278)	(4,174)	(106)	(229)	-	(111)	(4,940)
Impairment	(25)	(80)	(5,304)	-	(18)	(2,411)	(4)	(7,842)
Disposals	10	27	356	75	1	1	40	510
Translation adjustments	37	21	843	14	21	12	10	958
Changes in scope of consolidation	843	1,237	3,498	1,018	541	3	273	7,413
Transfers to assets classified as held for sale	-	-	606	-	2	85	-	693
Other	3	2	(71)	10	(12)	11	(4)	(61)
AT DECEMBER 31, 2013	**(398)**	**(1,865)**	**(40,049)**	**(247)**	**(794)**	**(2,603)**	**(730)**	**(46,687)**
CARRYING AMOUNT								
At December 31, 2012	1,991	4,519	66,230	637	873	11,910	438	86,597
AT DECEMBER 31, 2013	**832**	**2,214**	**54,100**	**127**	**1,156**	**6,342**	**266**	**65,037**

In 2013, changes in scope of consolidation had a net impact of -€9,117 million on property, plant and equipment. They mainly result from the loss of control of SUEZ Environnement (-€8,493 million).

In 2012, changes in scope of consolidation had a net impact of -€1,413 million on property, plant and equipment. They mainly resulted from the loss of control of the renewable energy activities in Canada (-€1,150 million), the disposal of Levanto Breeze II in Germany (-€332 million), the change of consolidation method for Senoko (-€442 million) and the increase of the contribution of Energia Sustentável do Brasil (Jirau) from 50.1% up to 60% (€565 million) in the Group's statement of financial position.

On December 31, 2013, further to the classification of Energia Sustentável do Brasil (Jirau) and Futures Energies Investissements as assets held for sale, the carrying amount of the corresponding property, plant and equipment was transferred to the "Assets classified as held for sale" line.

On December 31, 2012, further to the classification of Slovenský Plynárenský Priemysel a.s. (SPP), IP Maestrale, and Sohar Power Company SAOG as assets held for sale, the carrying amount of the corresponding property, plant and equipment had been transferred to the "Assets classified as held for sale" line in the statements of financial position.

Impairment losses recognized against property, plant and equipment in 2013, as described in Note 5.2 "Impairment losses", amounted to €7,842 million. They mainly relate to thermal power generation assets in Europe (€4,838 million), notably on Central Western Europe thermal power plant portfolio (€3,765 million), as well as thermal power plants in the United Kingdom (€459 million) and in Italy (€375 million). Impairment losses were also recognized on gas underground storage facilities in Europe (€1,896 million).

Impairment losses recognized against property, plant and equipment in 2012 amounted to €1,806 million. They mainly concerned the 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, 2013 (-€3,016 million) chiefly consist of translation losses on the Brazilian real (€1,149 million), the Australian dollar (€536 million), the US dollar (€481 million), the Norwegian krone (€391 million), Chilean peso (€161 million), Thai baht (€141 million) and the British pound (€91 million).

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 €6,875 million at December 2013 versus €6,748 million a year earlier. This variation results primarily from debt refinancing transactions, as well as changes in scope of consolidation that occurred during 2013.

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 €2,917 million at December 31, 2013 versus €6,486 million at December 31, 2012. This decrease results primarily from the progress of large projects (including Cygnus and Gudrun), and from the loss of control of SUEZ Environnement.

12.4 Other information

Borrowing costs for 2013 included in the cost of property, plant and equipment amounted to €301 million at December 31, 2013 and €365 million at December 31, 2012.

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, 2013**	**Dec. 31, 2012**	**Dec. 31, 2013**	**Dec. 31, 2012**
SUEZ Environnement **(subsequent to July 22, 2013)**	1,882	-	62	-
Interests in SUEZ Environnement's equity associates **(prior to July 22, 2013)**	-	490	17	22
SUBTOTAL SUEZ ENVIRONNEMENT	**1,882**	**490**	**80**	**22**
Paiton (BEI, Indonesia)	581	604	64	66
Senoko (BEI, Singapore)	319	311	33	27
GASAG (BEE, Germany)	316	300	21	(14)
ISAB Energy (BEI, Italy)	212	191	29	34
Canadian renewable energy activities (BEI, Canada)	210	225	-	-
Astoria Energy, Phase I (BEI, United States)	171	-	(1)	-
Umm Al Nar (BEI, United Arab Emirates)	104	101	13	17
GTT (B3G, France)	88	86	39	4
Walloon inter-municipal companies (BEE, Belgium)	10	7	17	60
Other	744	647	196	217
TOTAL	**4,636**	**2,961**	**490**	**433**

The net increase in the carrying amount of investments in associates is mainly attributable to changes in the scope of consolidation following the loss of control of SUEZ Environnement. This transaction is described in further detail in Note 2 "Main changes in Group structure".

The share in net income of associates includes net non-recurring income for a total amount of €14 million (compared to a net loss of €32 million in 2012), mainly including changes in the fair value of derivative instruments and disposal gains and losses, 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 the associates concerned) including other comprehensive income, amounted to €123 million at December 31, 2013 (€361 million at December 31, 2012). These unrecognized losses mainly correspond to the negative fair value of financial derivative instruments designated as interest rate hedges ("Other comprehensive income") contracted by associates in the Middle East in connection with the financing for the construction of power and seawater desalination plants.

13.2 SUEZ Environnement Company

On July 22, 2013, the interest in SUEZ Environnement was recognized at fair value for an amount of €1,868 million (see Note 2 "Main changes in Group structure").

At December 31, 2013, the carrying amount of the interest was €1,882 million. Based on the closing share price at December 31, 2013, the market value of this interest was €2,371 million.

At December 31, 2013, the key financial data published by the SUEZ Environnement Group were as follows:

STATEMENT OF FINANCIAL POSITION

In millions of euros	Dec. 31, 2013
Non-current assets	18,550
Current assets	8,158
TOTAL ASSETS	**26,708**
Shareholders' equity	4,963
Non-controlling interests	1,947
Non-current liabilities	10,063
Current liabilities	9,735
TOTAL LIABILITIES	**26,708**

INCOME STATEMENT

In millions of euros	Dec 31, 2013
Revenues	14,644
Current operating income	1,184
NET INCOME	**602**

The table below shows the reconciliation between SUEZ Environnement's published Shareholders' equity and its carrying amount in GDF SUEZ Group's consolidated financial statements as well as the the change in the equity-accounted value between July 22, 2013 and December 31, 2013:

EQUITY

In millions of euros	Dec. 31, 2012	Income	Dividends	Revaluation gain as at July 22, 2013	Translation adjustments and others	Dec. 31, 2013
SUEZ Environnement Shareholders' equity - published	4,864	352	(330)	-	77	4,963
Share in SUEZ Environnement equity	1,740	126	(118)	-	23	1,771
Adjustments at GDF SUEZ level	(289)	(23)	-	476	(53)	111
CARRYING AMOUNT OF SUEZ ENVIRONNEMENT AS INVESTMENT IN ASSOCIATES	**1,451**	**103**	**(118)**	**476**	**(30)**	**1,882**

13.3 Key figures of associates (excluding SUEZ Environnement)

In millions of euros	% Control	% Interest	Total Assets [1]	Total Liabilities [1]	Equity [1]	Revenues [1]	Net income/ (loss) [1]
At December 31, 2013							
Paiton (BEI, Indonesia)	40.5	40.5	3,389	1,955	1,433	706	157
Senoko (BEI, Singapore)	30.0	30.0	3,129	2,066	1,063	2,339	109
GASAG (BEE, Germany)	31.6	31.6	2,602	1,988	615	1,285	65
ISAB Energy (BEI, Italy)	49.0	34.3	675	242	433	593	59
Canadian renewable energy activities (BEI, Canada)	40.0	40.0	1,459	935	524	115	(1)
Astoria Energy, Phase I (BEI, United States)	44.8	44.8	785	404	381	25	(2)
Umm Al Nar (BEI, United Arab Emirates)	20.0	20.0	1,210	691	519	197	66
GTT (B3G, France)	40.0	40.0	352	131	220	219	98
Walloon inter-municipal companies (BEE, Belgium) [2]	25.0	25.0	3,618	2,266	1,352	896	147
At December 31, 2012							
Paiton (BEI, Indonesia)	40.5	40.5	3,928	2,427	1,501	816	161
Senoko (BEI, Singapore) [3]	30.0	30.0	3,515	2,477	1,038	1,366	89
GASAG (BEE, Germany)	31.6	31.6	2,575	1,861	714	1,371	(38)
ISAB Energy (BEI, Italy)	49.0	34.3	763	382	381	608	69
Canadian renewable energy activities (BEI, Canada)	40.0	40.0	1,246	931	315	10	2
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
Walloon inter-municipal companies (BEE, Belgium) [2]	25.0	25.0	3,496	2,167	1,329	926	232

(1) The key figures for associates are presented at a 100% basis.
(2) Based on the combined financial data for the previous financial year, which have been restated in accordance with IFRS.
(3) Senoko's revenues and net income are related to the second half of 2012.

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/ (loss)
At December 31, 2013								
Portfolio of power generation assets in Portugal (BEE, Portugal)	50.0	50.0	76	548	136	272	25	11
WSW Energie und Wasser (BEE, Germany)	33.1	33.1	30	207	55	59	214	(12)
Eco Electrica Project (BEI, Puerto Rico)	50.0	35.0	79	352	34	93	155	35
Other			1,387	2,237	1,793	1,001	1,499	(103)
TOTAL			**1,572**	**3,344**	**2,018**	**1,425**	**1,893**	**(69)**
At December 31, 2012								
Energia Sustentável do Brasil (BEI, Brazil) (1)	60.0	60.0	197	3,036	209	1,717	-	(95)
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			**1,913**	**7,386**	**2,404**	**3,696**	**2,643**	**(241)**

(1) Entity presented on the line items assets and liabilities held for Sale at December 31, 2013.

Since the disposal of a 20% share in Energia Sustentável do Brasil (Jirau) was not completed at December 31, 2013 (see Note 2 "Main changes in Group structure"), the assets and liabilities of this 60% porportionnally integrated entity are classified as held for sale.

The Group sold a 50% stake in its portfolio of power generation assets in Portugal (see Note 2 "Main changes in Group structure"), the contributions of the entities now proportionally consolidated (Eurowind, Turbogas and Elecgas) to the income statement (not material in 2013) and to the statement of financial position are presented in the table above.

Following its change in method of consolidation that occurred on June 29, 2012 (see Note 2 "Main changes in Group structure"), the contribution of Senoko to the income statement has been presented as a "Share in net income of associates" from July 1, 2012 (see Note 13 "Investments in associates"). The revenues and the net income, presented in the table above, are the contribution of Senoko for the first half of 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, 2013			Dec. 31, 2012		
In millions of euros	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Available-for-sale securities	3,015	-	3,015	3,398	-	3,398
Loans and receivables at amortized cost	2,368	22,396	24,764	3,541	26,664	30,206
Loans and receivables at amortized cost (excluding trade and other receivables)	*2,368*	*1,078*	*3,446*	*3,541*	*1,630*	*5,171*
Trade and other receivables	-	*21,318*	*21,318*	-	*25,034*	*25,034*
Other financial assets at fair value	2,351	4,829	7,179	3,108	4,711	7,819
Derivative instruments	*2,351*	*3,825*	*6,175*	*3,108*	*4,280*	*7,387*
Financial assets at fair value through income	-	*1,004*	*1,004*	-	*432*	*432*
Cash and cash equivalents	-	8,691	8,691	-	11,383	11,383
TOTAL	**7,734**	**35,915**	**43,649**	**10,047**	**42,758**	**52,805**

At December 31, 2012, the financial assets of SUEZ Environnement, now accounted for under equity method (see Note 2.1 "Loss of control of SUEZ Environnement"), represent an amount of €7,594 million.

15.1.1 Available-for-sale securities

In millions of euros	
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**
Acquisitions	155
Disposals - carrying amount excluding changes in fair value recorded in "Other comprehensive income"	(51)
Disposals - "Other comprehensive income" derecognized	(104)
Other changes in fair value recorded in equity	53
Changes in fair value recorded in income	(81)
Changes in scope of consolidation, foreign currency translation and other changes	(355)
AT DECEMBER 31, 2013	**3,015**

The Group's available-for-sale securities amounted to €3,015 million at December 31, 2013 breaking down as €1,140 million of listed securities and €1,875 million of unlisted securities (respectively, €1,309 million and €2,089 million at December 31, 2012).

Changes in scope consolidation are mainly due to the impact of the accounting for under equity method of SUEZ Environnement that amounted to -€393 million (see Note 2.1 "Loss of control of SUEZ Environnement").

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 [1]	-	53	14	-	(104)	-
Income	140	-	-	(81)	104	115
TOTAL AT DECEMBER 31, 2013	**140**	**53**	**14**	**(81)**	**-**	**115**
Equity [1]	-	310	-	-	(1)	-
Income	122	-	-	(191)	1	(5)
TOTAL AT DECEMBER 31, 2012	**122**	**310**	**-**	**(191)**	**-**	**(5)**

(1) Excluding tax impact.

In 2013, gains (€104 million) recognized in equity within "Other comprehensive income" and reclassified to income result mainly from the disposal of Medgaz shares (€75 million).

Changes in faire value recognized in equity amounting to €53 million, include the impact of the loss of control of SUEZ Environnement for -€42 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 €81 million at December 31, 2013.

Based on its analyses, the Group did not recognize any other impairment losses on available-for-sale securities at December 31, 2013. Moreover, the Group has not identified any evidence of material unrealized capital losses as at December 31, 2013 on other securities.

In 2012, 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.

15.1.2 Loans and receivables at amortized cost

	Dec. 31, 2013			Dec. 31, 2012		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Loans and receivables at amortized cost (excluding trade and other receivables)	2,368	1,078	3,446	3,541	1,630	5,171
Loans granted to affiliated companies	*490*	*402*	*892*	*805*	*543*	*1,348*
Other receivables at amortized cost	*792*	*51*	*842*	*847*	*297*	*1,144*
Amounts receivable under concession contracts	*20*	*492*	*512*	*421*	*628*	*1,049*
Amounts receivable under finance leases	*1,066*	*133*	*1,199*	*1,468*	*162*	*1,630*
Trade and other receivables	-	21,318	21,318	-	25,034	25,034
TOTAL	**2,368**	**22,396**	**24,764**	**3,541**	**26,664**	**30,206**

The table below shows impairment losses on loans and receivables at amortized cost:

	Dec. 31, 2013			Dec. 31, 2012		
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)	3,710	(264)	3,446	5,556	(385)	5,171
Trade and other receivables	22,238	(919)	21,318	26,079	(1,044)	25,034
TOTAL	**25,948**	**(1,184)**	**24,764**	**31,635**	**(1,430)**	**30,206**

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, 2012	155	(6)	(134)
At December 31, 2013	96	(5)	(152)

Loans and receivables at amortized cost (excluding trade and other receivables)

At December 31, 2013 and December 31, 2012, 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 €919 million at end-2013 and €1,044 million at end-2012.

15.1.3 Other financial assets at fair value through income

	Dec. 31, 2013			Dec. 31, 2012		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Derivative instruments	2,351	3,825	6,175	3,108	4,280	7,387
Derivatives hedging borrowings	*638*	*157*	*795*	*1,363*	*102*	*1,464*
Derivatives hedging commodities	*878*	*3,645*	*4,523*	*737*	*4,155*	*4,893*
Derivatives hedging other items	*834*	*22*	*857*	*1,008*	*23*	*1,030*
Financial assets at fair value through income (excluding margin calls)	-	735	735	-	255	255
Financial assets qualifying as at fair value through income	-	*735*	*735*	-	*255*	*255*
Financial assets designated as at fair value through income	-	-	-	-	-	-
Margin calls on derivatives hedging borrowings - assets	-	269	269	-	177	177
TOTAL	**2,351**	**4,829**	**7,179**	**3,108**	**4,711**	**7,819**

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 €9 million in 2013 versus €7 million in 2012.

Gains and losses on financial assets designated as at fair value through income in 2013 and 2012 were not material.

15.1.4 Cash and cash equivalents

"Cash and cash equivalents totaled" €8,691 million at December 31, 2013 (€11,383 million at December 31, 2012).

At end-2013, this amount included €224 million in cash and cash equivalents subject to restrictions (€270 million at December 31, 2012). Cash and cash equivalents subject to restrictions include chiefly €139 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 €113 million in 2013 compared to €177 million in 2012.

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 third parties entities and other cash investments are shown in the table below:

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Loans to third parties	**688**	**696**
Loan to Eso/Elia	454	454
Loan to Eandis	80	80
Loan to Ores	80	80
Loan to Sibelga	74	82
Other cash investments	**779**	**733**
Bond portfolio	159	213
Money market funds	620	520
TOTAL	**1,467**	**1,429**

Loans to third parties entities 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, 2013, 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 derecognition while retaining a continuing involvement in these financial assets, were not material in terms of the Group's aggregates.

At December 2013, the Group proceeded to a sale without recourse of €480 million of financial assets as part of transactions leading to full derecognition.

15.1.7 Financial assets and equity instruments pledged as collateral for borrowings and debt

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Financial assets and equity instruments pledged as collateral	4,687	5,821

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, broken down into current and non-current items:

	Dec. 31, 2013			Dec. 31, 2012		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt	29,424	10,490	39,914	45,247	11,962	57,209
Derivative instruments	2,101	4,062	6,163	2,751	4,092	6,844
Trade and other payables	-	16,599	16,599	-	19,481	19,481
Other financial liabilities	158	-	158	343	-	343
TOTAL	**31,684**	**31,151**	**62,835**	**48,341**	**35,536**	**83,877**

At December 31, 2012, the financial liabilities of SUEZ Environnement, now accounted for under equity method (see Note 2.1 "Loss of control of SUEZ Environnement"), represent an amount of €12,817 million.

15.2.1 Borrowings and debt

	Dec. 31, 2013			Dec. 31, 2012		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Bond issues	21,265	1,775	23,040	30,309	1,099	31,407
Commercial paper	-	5,187	5,187	-	5,378	5,378
Drawdowns on credit facilities	662	34	696	1,582	319	1,902
Liabilities under finance leases	399	105	503	913	447	1,360
Other bank borrowings	6,568	1,553	8,121	10,595	1,565	12,161
Other borrowings	539	74	613	982	143	1,125
TOTAL BORROWINGS	29,432	8,729	38,160	44,381	8,951	53,332
Bank overdrafts and current accounts	-	573	573	-	1,326	1,326
OUTSTANDING BORROWINGS AND DEBT	29,432	9,302	38,734	44,381	10,277	54,658
Impact of measurement at amortized cost	(115)	575	460	331	692	1,023
Impact of fair value hedges	108	44	152	535	89	624
Margin calls on derivatives hedging borrowings - liabilities	-	569	569	-	904	904
BORROWINGS AND DEBT	**29,424**	**10,490**	**39,914**	**45,247**	**11,962**	**57,209**

The fair value of gross borrowings and debt amounted to €41,580 million at December 31, 2013, compared with a carrying amount of €39,914 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:

	Dec. 31, 2013			Dec. 31, 2012		
In millions of euros	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Derivatives hedging borrowings	339	168	507	225	54	279
Derivatives hedging commodities	1,010	3,704	4,714	724	3,960	4,684
Derivatives hedging other items	752	190	943	1,803	78	1,881
TOTAL	**2,101**	**4,062**	**6,163**	**2,751**	**4,092**	**6,844**

15.2.3 Trade and other payables

In millions of euros	**Dec. 31, 2013**	**Dec. 31, 2012**
Trade payables	15,788	17,981
Payable on fixed assets	811	1,500
TOTAL	**16,599**	**19,481**

The carrying amount of these financial liabilities represents a reasonable estimate of their fair value.

15.2.4 Other financial liabilities

At December 31, 2013, other financial liabilities amounted to €158 million as against €343 million at December 31, 2012. 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 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 28 “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

	Dec 31, 2013			Dec. 31, 2012		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt outstanding	29,432	9,302	38,734	44,381	10,277	54,658
Impact of measurement at amortized cost	(115)	575	460	331	692	1,023
Impact of fair value hedge [1]	108	44	152	535	89	624
Margin calls on derivatives hedging borrowings - liabilities	-	569	569	-	904	904
BORROWINGS AND DEBT	**29,424**	**10,490**	**39,914**	**45,247**	**11,962**	**57,209**
Derivatives hedging borrowings - carried in liabilities [2]	339	168	507	225	54	279
GROSS DEBT	**29,763**	**10,658**	**40,421**	**45,472**	**12,017**	**57,489**
Assets related to financing	(77)	(14)	(91)	(59)	(237)	(295)
ASSETS RELATED TO FINANCING	**(77)**	**(14)**	**(91)**	**(59)**	**(237)**	**(295)**
Financial assets at fair value through income (excluding margin calls)	-	(735)	(735)	-	(255)	(255)
Margin calls on derivatives hedging borrowings - carried in assets	-	(269)	(269)	-	(177)	(177)
Cash and cash equivalents	-	(8,691)	(8,691)	-	(11,383)	(11,383)
Derivatives hedging borrowings - carried in assets [2]	(638)	(157)	(795)	(1,363)	(102)	(1,464)
NET CASH	**(638)**	**(9,852)**	**(10,490)**	**(1,363)**	**(11,916)**	**(13,279)**
NET DEBT	**29,048**	**791**	**29,840**	**44,050**	**(136)**	**43,914**
Borrowings and debt outstanding	29,432	9,302	38,734	44,381	10,277	54,658
Assets related to financing	(77)	(14)	(91)	(59)	(237)	(295)
Financial assets at fair value through income (excluding margin calls)	-	(735)	(735)	-	(255)	(255)
Cash and cash equivalents	-	(8,691)	(8,691)	-	(11,383)	(11,383)
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, CASH COLLATERAL AND AMORTIZED COST	**29,355**	**(138)**	**29,217**	**44,323**	**(1,598)**	**42,725**

(1) This item corresponds to the revaluation of the interest rate component of debt in a qualified fair value hedging relationship.
(2) 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

15.3.2.1 Impact of changes in the scope of consolidation and in the exchange rates on changes in net debt

In 2013, changes in the scope of consolidation and exchange rates led to a €14,498 million decrease in net debt, reflecting:

- SUEZ Environnement's accounting for under the equity method following the termination of the shareholders' agreement which resulted in a €7,799 million decrease in net debt;
- the disposals carried out as part of the "portfolio optimization" program (see Note 2.2 "Disposals carried out during the 2013 year") which reduced net debt by €3,429 million;
- the classification of Energia Sustentável do Brasil (Jirau) and Futures Energies Investissement Holding within "Assets held for sale" (see Note 2.3 "Assets held for sale") which resulted in a €2,146 million decrease in net debt at December 31, 2013;
- changes in exchange rates in 2013 which resulted in a €1,124 million decrease in net debt (including €457 million in relation to the Brazilian real and €245 million in relation to the US dollar).

15.3.2.2 Financing and refinancing transactions

The Group carried out the following transactions in 2013:

Buyback of bond issues

On July 3, 2013, GDF SUEZ SA issued deeply-subordinated perpetual notes enabling the Group to raise the equivalent of €1.7 billion (see Note 17.7 "Hybrid issue of perpetual subordinated notes). This allowed the Group to buy back bonds on July 15, 2013, with an aggregate par value of €1.3 billion, including:

- €101 million in Electrabel bonds with a coupon of 4.75% and maturing on April 10, 2015;

- €159 million in Belgelec Finance bonds with a coupon of 5.125% and maturing on June 24, 2015;
- €295 million in GDF SUEZ SA bonds with a coupon of 5.625% and maturing on January 18, 2016;
- €289 million in GDF SUEZ SA bonds with a coupon of 6.875% and maturing on January 24, 2019;
- €456 million in GDF SUEZ SA bonds with a coupon of 3.125% and maturing on January 21, 2020.

Buyback of irredeemable and non-voting securities

On June 20, 2013, GDF SUEZ launched an offer to buy back listed irredeemable and non-voting securities (titres participatifs) issued in 1985 by GDF SUEZ (formerly Gaz de France). Prior to the transaction, the carrying amount of these instruments recognized in borrowings and debt amounted to €557 million.

The unit price proposed for the offer was €800 i.e., 104.952% of the par value.

As a result of the offer, which closed on July 16, 2013, 56.6% of the 562,402 outstanding securities were bought back for a total of €255 million. The repurchased securities have been canceled.

A further 49,593 securities were subsequently bought back.

Other refinancing transactions

GDF SUEZ redeemed the remaining €968 million of the €1,250 million bond issue paying interest of 4.75% which matured on February 19, 2013. The Group had redeemed €125 million worth of these bonds in 2010 and €157 million in 2011.

GDF SUEZ carried out €485 million in private placements including: a €100 million 20-year bond issue on March 25, 2013 paying interest of 3.38% and a €200 million 7-year bond issue on April 16, 2013 paying 3-month Euribor + 58 bps.

As part of its debt restructuring, the Group bought back during 2013 52.9% of First Hydro (BEI – United Kingdom) bonds, i.e., £212 million out of a total nominal amount of £400 million. These bonds, which had a carrying amount of £246 million at December 31, 2012, were bought back for £292 million (€349 million).

On December 18, 2013, International Power plc agreed a 20-month GBP 400 million credit facility with Lloyds Bank, with an option to extend the facility for a further 16 months, paying 3-month GBP Libor +22.5 bps.

On June 7, 2013 SOLFEA carried out a €165 million three-year bond issue paying interest of 1.5%.

15.4 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, 2013				Dec. 31, 2012			
In millions of euros	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Available-for-sale securities	3,015	1,140	-	1,875	3,398	1,309	-	2,089
Loans and receivables at amortized cost (excluding trade and other receivables) used in designated fair value hedges	497	-	497	-	416	-	416	-
Derivative instruments	6,175	125	5,947	103	7,387	108	7,192	88
Derivatives hedging borrowings	*795*	-	*795*	-	*1,464*	-	*1,464*	-
Derivatives hedging commodities - relating to portfolio management activities	*2,368*	*121*	*2,153*	*94*	*2,282*	*101*	*2,105*	*77*
Derivatives hedging commodities - relating to trading activities	*2,155*	*4*	*2,141*	*9*	*2,610*	*7*	*2,592*	*11*
Derivatives hedging other items	*857*	-	*857*	-	*1,030*	-	*1,030*	-
Financial assets at fair value through income (excluding margin calls)	735	13	722	-	255	125	129	-
Financial assets qualifying as at fair value through income	*735*	*13*	*722*	-	*255*	*125*	*129*	-
Financial assets designated as at fair value through income	-	-	-	-	-	-	-	-
TOTAL	**10,422**	**1,278**	**7,165**	**1,978**	**11,456**	**1,542**	**7,738**	**2,177**

A definition of these three levels is presented 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 date – 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, 2013, changes in level 3 available-for-sale securities can be analyzed as follows:

In millions of euros	Available-for-sale securities
At December 31, 2012	**2,089**
Acquisitions	26
Disposals - carrying amount excluding changes in fair value recorded in "Other comprehensive income"	44
Disposals - "Other comprehensive income" derecognized	(104)
Other changes in fair value recorded in equity	76
Changes in fair value recorded in income	(81)
Changes in scope of consolidation, foreign currency translation and other changes	(176)
At December 31, 2013	**1,875**
Gains/(losses) recorded in income relating to instruments held at the end of the period	50

A 10% gain or loss in the market price of unlisted shares would generate a gain or loss (before tax) of around €187 million on the Group's comprehensive income.

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 allocation of financial instruments carried in liabilities to the different levels in the fair value hierarchy:

	Dec. 31, 2013				Dec. 31, 2012			
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	4,212	-	4,212	-	11,027	-	11,027	-
Borrowings not used in designated fair value hedges	37,368	20,643	16,725	-	51,801	24,729	27,072	-
Derivative instruments	6,163	115	5,945	102	6,844	67	6,600	176
Derivatives hedging borrowings	*507*	*-*	*507*	*-*	*279*	*-*	*279*	*-*
Derivatives hedging commodities - relating to portfolio management activities	*2,811*	*108*	*2,609*	*94*	*2,271*	*48*	*2,115*	*108*
Derivatives hedging commodities - relating to trading activities	*1,902*	*7*	*1,887*	*8*	*2,412*	*19*	*2,385*	*8*
Derivatives hedging other items	*943*	*-*	*943*	*-*	*1,881*	*-*	*1,821*	*60*
TOTAL	**47,743**	**20,759**	**26,882**	**102**	**69,671**	**24,796**	**44,699**	**176**

Borrowings used in designated fair value hedges

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.

Borrowings not used in designated fair value hedges

Listed bond issues are included in level 1.

Other borrowings not used in a designated hedging relationship are presented in level 2 in the above table. The fair value of these borrowings is determined on the basis of futures discounted cash flows and relies on directly or indirectly observable data.

Derivative instruments

The classification of derivative financial instruments in the fair value hierarchy is detailed in Note 15.4.1 “Financial assets”.

15.5 Offsetting of financial derivative instrument assets and liabilities

Net amounts of financial derivative instruments after taking into account enforceable master netting arrangements or similar agreements, whether or not they are set off in accordance with paragraph 42 of IAS 32, are presented presented in the table below:

AT DECEMBER 2013

In millions of euros		Gross amount	Net amount recognized in the statement of financial position [1]	Other offsetting agreements [2]	Total net amount
	Derivatives hedging commodities	4,927	**4,523**	(3,410)	**1,113**
Assets	Derivatives hedging borrowings and other items	1,655	**1,652**	(545)	**1,107**
	Derivatives hedging commodities	(5,117)	**(4,714)**	4,354	**(360)**
Liabilities	Derivatives hedging borrowings and other items	(1,453)	**(1,450)**	265	**(1,185)**

(1) Net amount recognized in the statement of financial position after taking into accounts IAS 32 offsetting impacts that are set off in accordance with IAS 32.42 criteria.

(2) Other offsetting amounts include collateral and other guarantee instruments, as well as other offsetting impacts that do not meet some or all of the offsetting criteria in IAS 32.42.

AT DECEMBER 2012

In millions of euros		Gross amount	Net amount recognized in the statement of financial position [1]	Other offsetting agreements [2]	Total net amount
	Derivatives hedging commodities	5,305	**4,893**	(3,426)	**1,467**
Assets	Derivatives hedging borrowings and other items	2,497	**2,494**	(740)	**1,754**
	Derivatives hedging commodities	(5,096)	**(4,684)**	4,002	**(681)**
Liabilities	Derivatives hedging borrowings and other items	(2,163)	**(2,160)**	164	**(1,996)**

(1) Net amount recognized in the statement of financial position after taking into accounts IAS 32 offsetting impacts that are set off in accordance with IAS 32.42 criteria.
(2) Other offsetting amounts include collateral and other guarantee instruments, as well as other offsetting impacts that do not meet some or all of the offsetting criteria in IAS 32.42.

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, 2013 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, 2013		Dec. 31, 2012	
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	+10 $US/bbl	253	19	200	(6)
Natural gas	+3 €/MWh	(5)	(119)	13	(186)
Electricity	+5 €/MWh	(377)	(61)	(333)	45
Coal	+10 $US/ton	66	39	60	69
Greenhouse gas emission rights	+2 €/ton	164	-	169	(4)
EUR/USD	+10%	(335)	(40)	(315)	(13)
EUR/GBP	+10%	18	(10)	80	22
GBP/USD	+10%	7	-	21	-

(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 and GDF Suez Energy Management Trading. The purpose of these wholly-owned companies 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 €243 million for the year ended December 31, 2013 (€258 million in 2012).

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, 2013	2013 average (1)	2013 maximum (2)	2013 minimum (2)	2012 average (1)
Trading *activities*	2	3	6	1	4

(1) Average daily VaR.
(2) Maximum and minimum daily VAR observed in 2013.

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, 2013 and December 31, 2012 are indicated in the table below:

	Dec. 31, 2013				Dec. 31, 2012			
	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*	878	1,490	(1,010)	(1,801)	737	1,545	(724)	(1,548)
Cash flow hedges	*152*	*348*	*(202)*	*(439)*	*273*	*614*	*(256)*	*(551)*
Other derivative instruments	*726*	*1,142*	*(808)*	*(1,363)*	*464*	*931*	*(467)*	*(996)*
Derivative instruments relating to trading *activities*	-	2,155	-	(1,902)	-	2,610	-	(2,412)
TOTAL	**878**	**3,645**	**(1,010)**	**(3,704)**	**737**	**4,155**	**(724)**	**(3,960)**

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, 2013				Dec. 31, 2012			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Natural gas	23	69	(26)	(100)	33	157	(30)	(144)
Electricity	105	235	(110)	(181)	165	266	(129)	(217)
Coal	-	11	(39)	(89)	6	17	(42)	(75)
Oil	2	30	(3)	(17)	20	158	(19)	(76)
Other	22	3	(24)	(51)	49	16	(36)	(39)
TOTAL	**152**	**348**	**(202)**	**(439)**	**273**	**614**	**(256)**	**(551)**

Notional amounts and maturities of cash flow hedges are as follows:

NOTIONAL AMOUNTS (NET) (1)

	Unit	Total at Dec. 31, 2013	2014	2015	2016	2017	2018	Beyond 5 years
Natural gas	*GWh*	**(51,804)**	(44,593)	(10,641)	3,116	314	-	-
Electricity	*GWh*	**(12,697)**	(15,031)	703	1,301	331	-	-
Coal	*Thousands of tons*	**5,733**	3,935	1,678	120	-	-	-
Oil-based products	*Thousands of barils*	**6,482**	6,279	295	(93)	-	-	-
Greenhouse gas emission rights	*Thousands of tons*	**374**	354	20	-	-	-	-

(1) Long/(short) position.

At December 31, 2013, a loss of €83 million was recognized in equity in respect of cash flow hedges, versus a loss of €127 million at end-2012. A gain of €163 million was reclassified from equity to income in 2013, compared with a gain of €393 million reclassified in 2012.

Gains and losses arising from the ineffective portion of hedges are taken to income. A gain of €2 million was recognized in income in 2013, compared with a loss of €29 million in 2012.

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 subsidiaries in Brazil, Thailand, Norway, the United Kingdom, Australia, United States and 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, 2013		Dec. 31, 2012	
	Before hedging	After hedging	Before hedging	After hedging
EUR	65%	69%	63%	66%
USD	12%	13%	12%	14%
GBP	10%	4%	8%	3%
Other currencies	13%	14%	17%	17%
TOTAL	**100%**	**100%**	**100%**	**100%**

NET DEBT

	Dec. 31, 2013		Dec. 31, 2012	
	Before hedging	After hedging	Before hedging	After hedging
EUR	62%	67%	62%	65%
USD	14%	15%	13%	16%
GBP	12%	5%	8%	3%
Other currencies	12%	13%	17%	16%
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 €24 million.

Impact on equity

For financial instruments (debt and derivatives) designated as net investment hedges, a uniform adverse change of 10% in foreign currencies against the euro would have a positive impact of €619 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, 2013, 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.

In 2013, the Group has contracted 2014, 2016 and 2018 forward interest rate pre-hedges with 5, 10 and 20 years maturities in order to protect refinancing interest rate of a portion of its debt.

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, 2013		Dec. 31, 2012	
	Before hedging	After hedging	Before hedging	After hedging
Floating rate	38%	38%	38%	39%
Fixed rate	62%	62%	62%	61%
TOTAL	**100%**	**100%**	**100%**	**100%**

NET DEBT

	Dec. 31, 2013		Dec. 31, 2012	
	Before hedging	After hedging	Before hedging	After hedging
Floating rate	19%	19%	21%	22%
Fixed rate	81%	81%	79%	78%
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 €57 million. A fall of 1% in short-term interest rates would reduce net interest expense by €57 million.

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 €210 million attributable to changes in the fair value of derivatives. However, a fall of 1% in interest rates would generate a loss of €249 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 €425 million on equity, attributable to changes in the interest rate impact of the fair value of derivative instruments designated 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 €527 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, 2013		Dec. 31, 2012	
In millions of euros	Fair value	Nominal amount	Fair value	Nominal amount
Fair-value hedges	-	-	64	1,953
Cash-flow hedges	(203)	3,933	(36)	4,101
Net investment hedges	101	6,269	65	6,288
Derivative instruments not qualifying for hedge accounting	88	11,167	(38)	13,881
TOTAL	**(14)**	**21,369**	**55**	**26,222**

INTEREST RATE DERIVATIVES

	Dec. 31, 2013		Dec. 31, 2012	
In millions of euros	Fair value	Nominal amount	Fair value	Nominal amount
Fair-value hedges	107	4,579	804	6,546
Cash-flow hedges	(80)	7,219	(460)	4,568
Derivative instruments not qualifying for hedge accounting	190	35,957	(66)	28,239
TOTAL	**217**	**47,755**	**279**	**39,353**

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, 2013, the net impact of fair value hedges recognized in the income statement is a loss of €17 million.

Cash flow hedges

Foreign currency and interest rate derivatives designated as cash flow hedges can be analyzed as follows by maturity:

At December 2013

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Fair value of derivatives by maturity date	(283)	(35)	(61)	(32)	(57)	13	(112)

At December 2012

In millions of euros	Total	2013	2014	2015	2016	2017	Beyond 5 years
Fair value of derivatives by maturity date	(496)	(51)	(74)	(51)	(43)	(28)	(249)

At December 31, 2013, a loss of €363 million was recognized in equity.

The amount reclassified from equity to income in the period was a gain of €5 million.

The ineffective portion of cash flow hedges recognized in income was a gain of €12 million.

Net investment hedges

The ineffective portion of net investment hedges recognized in income represented a loss of €7 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 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 assets not impaired 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, 2013	873	268	266	1,407	1,163	19,668	22,238
At December 31, 2012	1,273	373	335	1,981	1,452	22,646	26,079

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

	Dec. 31, 2013		Dec. 31, 2012	
In millions of euros	Investment Grade [3]	Total	Investment Grade [3]	Total
Gross exposure [1]	4,080	4,523	4,617	4,893
Net exposure [2]	900	1,063	1,418	1,575
% of credit exposure to "Investment Grade" counterparties	84.7%		90.0%	

(1) Corresponds to the maximum exposure, i.e. the value of the derivatives shown under balance sheet assets (positive fair value).
(2) After taking into account the liability positions with the same counterparties (negative fair value), collateral, netting agreements and other credit enhancement techniques.
(3) 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. "Investment Grade" is also determined based on an internal rating tool that is rolled out within the Group, and covers its main counterparties.

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 assets not impaired 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, 2013	20	9	98	128	295	3,221	3,644
At December 31, 2012	10	11	98	119	408	4,982	5,509

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 -€264 million, -€1 million and €68 million, respectively, at December 31, 2013 (compared to -€385 million, -€2 million, and €49 million, respectively, at December 31, 2012). 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. Counterparty risk is taken into account when calculating the fair value of these derivative instruments.

At December 31, 2013, total outstandings exposed to credit risk amounted to €9,542 million.

	Dec. 31, 2013				Dec. 31, 2012			
In millions of euros	Total	Investment Grade [2]	Unrated [3]	Non Investment Grade [3]	Total	Investment Grade [2]	Unrated [3]	Non Investment Grade [3]
Exposure [1]	9,542	93.0%	6.0%	1.0%	12,046	91.0%	8.0%	1.0%

(1) After taking collateralization agreements into account.
(2) Counterparties that are rated at least BBB- by Standard & Poors and Baa3 by Moody's.
(3) 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.

At December 31, 2013, no single counterparty represented more than 27% 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 in 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 (98% of cash pooled at December 31, 2013 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 in the United States.

At December 31, 2013, bank loans accounted for 26% of gross debt (excluding overdrafts and the impact of derivatives and amortized cost), while the remaining debt was raised on capital markets (including €23,040 million in bonds, or 60% of gross debt).

Outstanding short-term commercial paper issues represented 14% of gross debt, or €5,187 million at December 31, 2013. 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 and financial assets qualifying or designated as at fair value through income, totaled €9,426 million at December 31, 2013, of which 80% 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 €14,184 million at December 31, 2013, of which €13,488 million was available and undrawn. 92% of total credit lines and of undrawn facilities are centralized. None of these centralized facilities contains a default clause linked to covenants or minimum credit ratings.

At December 31, 2013, seven entities of the Group whose debt is consolidated do not fulfill a covenant included in their financial disclosures, however no default was referred to by the counterparties; waivers are either currently under discussion or already granted. In January 2014, lenders of one of these entities have raised an event of default with the intention to negotiate a financial standstill. These failures have no impact on lines available to the Group.

16.3.1 Undiscounted contractual payments relating to financial activities

At December 31, 2013, undiscounted contractual payments on net debt (excluding the impact of derivatives and amortized cost) break down as follows by maturity:

AT DECEMBER 31, 2013

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Bond issues	23,040	1,775	1,808	2,396	2,759	2,032	12,269
Commercial paper	5,187	5,187	-	-	-	-	-
Drawdowns on credit facilities	696	34	12	11	19	10	609
Liabilities under finance leases	503	105	75	75	75	66	108
Other bank borrowings	8,121	1,553	1,278	613	991	775	2,913
Other borrowings	613	74	52	56	157	12	263
Bank overdrafts and current accounts	573	573	-	-	-	-	-
OUTSTANDING BORROWINGS AND DEBT	38,734	9,302	3,224	3,152	4,001	2,895	16,160
Assets related to financing	(91)	(14)	(1)	(2)	(1)	-	(73)
Financial assets qualifying or designated as at fair value through income	(735)	(735)	-	-	-	-	-
Cash and cash equivalents	(8,691)	(8,691)	-	-	-	-	-
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, CASH COLLATERAL AND AMORTIZED COST	**29,217**	**(138)**	**3,223**	**3,150**	**4,000**	**2,895**	**16,087**

AT DECEMBER 31, 2012

In millions of euros	Total	2013	2014	2015	2016	2017	Beyond 5 years
OUTSTANDING BORROWINGS AND DEBT	**54,658**	**10,277**	**4,955**	**3,487**	**4,422**	**4,967**	**26,550**
Assets related to financing, Financial assets qualifying or designated as at fair value through income and Cash and cash equivalents	(11,933)	(11,875)	-	-	-	(1)	(58)
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 2012, SUEZ Environnement contribution to outstanding borrowings and debt and net debt excluding the impact of derivative instruments, cash collateral and amortized cost amounted to €9,516 million and €7,254 million respectively.

At December 31, 2013, undiscounted contractual interest payments on outstanding borrowings and debt break down as follows by maturity:

AT DECEMBER 31, 2013

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Undiscounted contractual interest flows on outstanding borrowings and debt	13,140	1,268	1,151	1,058	988	853	7,821

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 2012, SUEZ Environnement contribution to undiscounted contractual interest payments on outstanding borrowings and debt amounted to €3,384 million.

At December 31, 2013, 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, 2013

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Derivatives (excluding commodity instruments)	(783)	(134)	(113)	(83)	-	(51)	(401)

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 2012, SUEZ Environnement contribution to undiscounted contractual payments on outstanding derivatives (excluding commodity instruments) amounted to - €166 million.

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, 2013

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Confirmed undrawn credit facility programs	13,488	2,400	4,899	1,245	152	4,555	237

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

Of these undrawn programs, an amount of €4, 839 million is allocated to covering commercial paper issues.

At December 31, 2013, no single counterparty represented more than 6% of the Group's confirmed undrawn credit lines.

At December 2012, SUEZ Environnement contribution to confirmed undrawn credit facility programs amounted to €1,993 million.

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	2014	2015	2016	2017	2018	Beyond 5 years
Derivative instruments carried in liabilities							
relating to portfolio management activities	*(2,820)*	*(1,792)*	*(730)*	*(220)*	*(23)*	*(10)*	*(45)*
relating to trading activities	*(1,903)*	*(1,903)*	-	-	-	-	-
Derivative instruments carried in assets							
relating to portfolio management activities	*2,391*	*1,489*	*632*	*192*	*31*	*22*	*26*
relating to trading activities	*2,155*	*2,155*	-	-	-	-	-
TOTAL AT DECEMBER 31, 2013	**(177)**	**(51)**	**(98)**	**(28)**	**8**	**11**	**(19)**

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)**

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, 2013	2014	2015-2018	Beyond 5 years	Total at Dec. 31, 2012
Firm purchases	(8,472)	(1,179)	(2,873)	(4,421)	(8,980)
Firm sales	1,578	426	545	607	1,993

16.3.4 Equity risk

At December 31, 2013, available-for-sale securities held by the Group amounted to €3,015 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 €114 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, 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)
Purchases and disposals of treasury stock		2,990,812	2,990,812			97
AT DECEMBER 31, 2013	**2,412,824,089**	**(52,543,021)**	**2,360,281,068**	**2,413**	**32,207**	**(1,109)**

The decrease in the number of shares during 2013 resulted from:

- net acquisitions carried out in connection with the liquidity agreement amounting to 0.3 million of treasury shares;
- the delivery of treasury stock for 3 million as part of the implementation of new stock option purchase or bonus share plans. No repurchase of shares was made in 2013 (see Note 17.3 "Treasury stock").

Changes in the number of shares during 2012 resulted from:

- the exercise of stock subscription options amounting to 4.6 million shares;
- net acquisitions of shares amounting to 16.7 million shares;
- the payment in shares of a portion of the 2011 dividend balance on the one hand and on the other hand a part of the 2012 interim dividend. In total this resulted in a cash payment of €767 million and a share payment with a value of €2,594 million, which caused the issue of 155,583,181 new shares.

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 option plans in force at December 31, 2013 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 amount to 10.1 million at December 31, 2013.

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, 2013. 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 €9.6 billion, and the purchase price must be less than €40 per share, excluding the acquisition costs.

At December 31, 2013, the Group held 52.5 million treasury shares, of which 45.3 million were held to cover the Group's share commitments to employees and corporate officers, and 7.2 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 shares.

17.4 Other disclosures concerning additional paid-in capital and consolidated reserves

Total additional paid-in capital and consolidated reserves (including net income/(loss) for the financial year), amount to €47,857 million at December 31, 2013 and include the GDF SUEZ SA legal reserve, which amounts 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 €1,301 million at December 31, 2013 (losses of €1,991 million at December 31, 2012) and deferred taxes on these actuarial differences, amounting to €432 million at December 31, 2013 (€644 million at December 31, 2012).

GDF SUEZ SA's distributable paid-in capital and reserves totaled €40,747 million at December 31, 2013 (compared with €43,623 million at December 31, 2012).

17.5 Dividends

The table below shows the dividends and interim dividends paid by GDF SUEZ SA in 2012 and 2013.

	Amount distributed *(in millions of euros)*	Net dividend per share *(in euros)*
In respect of 2012		
Interim dividend (paid either in cash or in shares at October 25, 2012)	1,887	0.83
paid in cash	*427*	-
paid in shares	*1,460*	-
Remaining dividend for 2012 (paid at April 30, 2013)	1,580	0.67
In respect of 2013		
Interim dividend (paid at November 20, 2013)	1,959	0.83

Recommended dividend for 2013

Shareholders at the shareholders' Meeting convened to approve the Group's financial statements for the year ended December 31, 2013, will be asked to approve a dividend of €1.50 per share, representing a total payout of €3,540 million based on the number of shares outstanding at December 31, 2013. An interim dividend of €0.83 per share was paid on November 20, 2013, representing a total amount of €1,959 million.

The additional 3% contribution, set up by the Finance Act 2012, payable in accordance with the dividend and interim dividend distributed in April and in November 2013, amount to €106 million.

Subject to approval by the Annual Shareholders' Meeting, this dividend, net of the interim dividend paid, will be distributed on May 6, 2014 and is not recognized as a liability in the financial statements at December 31, 2013, since the financial statements at the end of 2013 are presented before the appropriation of earnings.

17.6 Total gains and losses recognized in equity (Group share)

In millions of euros	Dec. 31, 2013	Dec. 31, 2012 (1)
Available-for-sale financial assets	415	460
Net investment hedges	245	(82)
Cash flow hedges (excl. Commoditiy instruments)	(237)	(690)
Commodity cash flow hedges	(40)	215
Deferred taxes on the items above	(39)	143
Share of associates of recyclable items, net of taxes	(193)	(288)
Translation adjustments	(1,357)	235
TOTAL RECYCLABLE ITEMS	**(1,204)**	**(6)**
Actuarial gains and losses	(1,265)	(1,960)
Deferred taxes on actuarial gains and losses	424	641
Share of associates in non-recyclable items on actuarial gains and losses, net of taxes	(29)	(29)
TOTAL NON-RECYCLABLE ITEMS	**(870)**	**(1,347)**
TOTAL	**(2,074)**	**(1,354)**

(1) The comparative data of December 31, 2012 have been restated in consequence of the application of the standard IAS19 Revised (see Note 1.1.1).

All the items shown in the table above can be classified to income in subsequent periods, except for the actuarial gains and losses which are shown within the consolidated reserves attributable to the Group.

17.7 Hybrid issue of perpetual subordinated notes

Within the framework of its current financing transactions, the Group carried out an hybrid issue of perpetual subordinated notes in euros and pounds sterling in 2013.

On July 3, 2013, GDF SUEZ issued deeply-subordinated perpetual notes enabling the Group to raise the equivalent of €1.7 billion in three tranches with an average coupon of 4.4%:

- a €600 million tranche with a coupon of 3.875% callable annually as from July 2018;
- a €750 million tranche with a coupon of 4.750% callable annually as from July 2021;
- a £300 million tranche with a coupon of 4.625% callable annually as from January 2019.

In accordance with the provisions of IAS 32 – Financial Instruments – Presentation, and in view of their characteristics, these instruments were recognized in equity in the Group's consolidated financial statements for a total amount of €1,657 million.

17.8 Non-controlling interests

In 2013 the non-controlling interests are mainly impacted by the loss of control of SUEZ Environnement (see Note 2 "Main changes in Group structure"). The decrease in book value of the non controlling interests due to this loss of control amounts to €5,152 million.

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.

17.9 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, 2012	Additions	Reversals (utilizations)	Reversals (surplus provisions)	Changes in scope of consolidation	Impact of unwinding discount adjustments	Translation adjustments	Other	Dec. 31, 2013
Post-employment and other long-term benefits [1]	5,600	260	(317)	1	(653)	179	(38)	(620)	4,412
Back-end of the nuclear fuel cycle	4,496	81	(30)	(499)	-	191	-	-	4,239
Dismantling of plant and equipment [2]	3,088	29	(8)	(5)	(16)	171	(10)	523	3,771
Site rehabilitation	1,730	29	(26)	(11)	(571)	36	(64)	104	1,228
Litigations, claims, and tax risks	927	510	(338)	(75)	(142)	8	(26)	9	874
Other contingencies	1,711	917	(407)	(19)	(455)	7	(15)	(82)	1,656
TOTAL PROVISIONS	**17,551**	**1,827**	**(1,126)**	**(608)**	**(1,837)**	**591**	**(153)**	**(66)**	**16,179**

(1) Comparative data as of December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).
(2) Of which €3,364 million in provisions for dismantling nuclear facilities at December 31, 2013, versus €2,681 million at December 31, 2012.

Changes in the scope of consolidation relate mainly to changes in the method of consolidating SUEZ Environnement (see Note 2 "Main changes in Group structure").

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 comprises actuarial gains and losses arising on post-employment benefit obligations in 2013 and recorded in other comprehensive income. It also includes the impact of the revision of provisions for dismantling nuclear power plants (see Note 18.2 below) and 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, 2013 Net allocations
Income/(loss) from operating activities	(52)
Other financial income and expenses	591
Income taxes	145
TOTAL	**684**

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 power generation activities

In the context of its nuclear power generation activities, the Group assumes obligations relating to the dismantling of nuclear facilities and the processing 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.

Synatom submitted its triennial report to the Commission for Nuclear Provisions on September 18, 2013. The Commission issued its opinion on November 18, 2013 based on the favorable opinion given by ONDRAF, the Belgian agency for radioactive waste and enriched fissile materials.

The core inputs for measuring provisions were revised, including management scenarios, implementation program and timetable, detailed technical analyses (physical and radiological inventories), estimation methods and timing of expenditures, and discount rates.

The Group lowered its discount rate to 4.8% (inflation of 2.0% and an actual rate of 2.8%) from 5.0% previously further to the revised past and prospective analyses of the benchmark long-term rates.

The report accepted by the Commission maintains the dismantling strategy described in the 2010 report, i.e., (i) the facilities are dismantled immediately after the reactor is shut down (ii) in phases rather than on an individual basis and (iii) the land is subsequently returned to greenfield status.

The estimated costs involved were revised to take into account changes in ONDRAF's disposal tariffs, the experience of dismantling other power plants, the 10-year extension of the operating life of the Tihange 1 reactor and its impact on the timing of dismantling operations for the nuclear plant as a whole. These changes led to an increase of €445 million in the dismantling provision, for which the matching entry is an adjustment to the corresponding dismantling component carried in assets, which is depreciated over its remaining useful life. The immediate impact on income is therefore limited to the annual depreciation expense.

A "mixed" scenario was adopted for nuclear fuel processing and storage, in which around 25% of the fuel is reprocessed for use in the Group's power plants in Belgium, and around 75% is disposed of directly without being reprocessed. The previous approach used, whereby all spent fuel was reprocessed, is no longer relevant in today's industrial climate, given the uncertainties as to whether adequate reprocessing capacities will be available in the future and whether fuel will be reused after the reactors have been shut down.

The "mixed" scenario approved by the Commission led to a reduction of €499 million in the provision for back-end of the nuclear fuel cycle at December 31, 2013, for which the matching entry is recorded in income/(loss) from operating activities.

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 estimated provision amounts include margins for contingencies and other risks that may arise in connection with dismantling and fuel management procedures. These margins are estimated by the Group for each cost category. The contingency margins relating to the disposal of waste are determined by ONDRAF and built into its tariffs.

The provisions recognized by the Group at December 31, 2013 were measured taking into account the prevailing contractual and legal framework, which sets the operating life of the Tihange 1 reactor at 50 years and the other reactors at 40 years.

The Belgian law of December 18, 2013 published in the Belgian Official Gazette on December 24, 2013 approved a 10-year extension of the operating life of Tihange 1. The operating life of the other reactors remained unchanged at 40 years. The Commission for Nuclear Provisions has accepted the 50-year lifespan for Tihange 1, but has asked for more details to be provided on the dismantling provision before June 30, 2014. The Group does not expect any material change in the dismantling provision as a result.

An extension of the operating lives of one or more of the four second-generation nuclear reactors would give rise to the postponement of the dismantling schedule. This could result in less efficient coordination of tasks compared to dismantling all the facilities at the same time. However, this would be offset by the deferral over time of the related expenditure. The changes to these provisions – subject to certain conditions – would be recognized against the assets concerned.

18.2.2 Provisions for nuclear fuel processing and storage

When spent nuclear fuel is removed from a reactor, it remains radioactive and requires processing. 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 has adopted a “mixed” scenario in which around one-quarter of total fuel is reprocessed for use in Belgian power plants, and the rest disposed of directly without reprocessing.

The Group books provisions to cover all of the costs linked to this “mixed” scenario, including on-site storage, transportation, reprocessing by an accredited facility, conditioning, storage and removal.

Provisions for nuclear fuel processing and storage are calculated based on the following principles and parameters:

- storage costs primarily comprise the costs of building and operating storage pools, along with the costs of purchasing containers. These costs will be incurred mainly between 2013 and 2028;
- between 2015 and 2025, part of the spent fuel is transferred for reprocessing. Reprocessing operations are scheduled to take place between 2016 and 2026. It is assumed that the plutonium resulting from this process will be sold to third parties;
- spent fuel that has not been reprocessed is to be conditioned between 2035 and 2052, which requires conditioning facilities to be built according to ONDRAF’s approved criteria;
- the reprocessing residues and conditioned spent fuel will be transferred to ONDRAF between 2017 and 2053;
- the fuel will be buried in a deep geological repository between 2085 and 2095. The cost of this operation is estimated by ONDRAF;
- the principal cash outflows will be spread over a period until 2058;
- the long-term obligation is calculated using estimated internal and external costs are assessed based on offers received from third parties or fee proposals from independent organizations;
- the 4.8% discount rate used (actual rate of 2.8% versus 3.0% at end-2012 and an inflation rate of 2.0%) is based on an analysis of average, past and prospective changes in benchmark long-term rates;
- allocations to the provision are 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 unwinding the discount on the provision.

The costs effectively incurred in the future may differ from the estimates in terms of their nature and timing of payment. The provisions may be adjusted in line with future changes in the above-mentioned parameters. However, these parameters are based on information and estimates which the Group deems reasonable to date and which have been approved by the Commission for Nuclear Provisions.

Belgium’s current legal framework does not prescribe methods for managing nuclear waste. The reprocessing of spent fuel was suspended following a resolution adopted by the House of Representatives in 1993. The scenario adopted is based on the assumption that the Belgian government will allow Synatom to reprocess uranium and that an agreement will be reached between Belgium and France designating Areva as responsible for these reprocessing operations.

A scenario assuming the direct disposal of waste without reprocessing would lead to a decrease in the provision compared to the provision resulting from the “mixed” scenario approved by the Commission for Nuclear Provisions.

The Belgian government has not yet taken a decision as to whether the waste should be buried in a deep geological repository or stored over the long term. In accordance with the European Directive, the government has to adopt its plan for the management of spent fuel and radioactive waste by 2015. The scenario adopted by the Commission for Nuclear Provisions is based on the assumption that the waste will be buried in a deep geological repository as recommended in ONDRAF’s waste management program. To date, there is no accredited site in Belgium. However, ONDRAF considers that by 2020 it will be able to confirm that Boom’s clay facility can accept nuclear waste.

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 2.0% is applied until the dismantling obligations expire in order to determine the value of the future obligation;
- a discount rate of 4.8% (including 2.0% inflation) is applied to determine the present value (NPV) of the obligation. This rate is the same as the one used to calculate the provision for processing nuclear spent fuel;
- the operating life is 50 years for Tihange 1 and 40 years for the other facilities;
- it generally takes three to four years to shut down a reactor. The start of the technical shut-down procedures depends on the facility concerned and on the timing of operations for the nuclear reactor as a whole. The shutdown procedures are immediately followed by dismantling operations, which last from 9 to 13 years;
- 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 the remaining operating life 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.

The costs effectively incurred in the future may differ from the estimates in terms of their nature and timing of payment. The provisions may be adjusted in line with future changes in the above-mentioned parameters. However, these parameters are based on information and estimates which the Group deems reasonable to date and which have been approved by the Commission for Nuclear Provisions.

The scenario adopted is based on a dismantling program and on timetables that have to be approved by nuclear safety authorities.

Provisions are also recognized at the Group's share of the expected dismantling costs for the nuclear facilities in which it has drawing rights.

18.2.4 Sensitivity to discount rates

Based on currently applicable parameters in terms of estimated costs and the timing of payments, a change of 10 basis points in the discount rate could lead to an adjustment of around €100 million in dismantling and nuclear fuel processing 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.

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 the corresponding assets accordingly.

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 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, 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, 2013, the projected benefit obligation in respect of the special pension scheme for EGI sector companies amounted to €2.5 billion (€2.8 billion at December 31, 2012).

The duration of the pension benefit obligation is 14 years.

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 EMT Corporate 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 11% of total pension obligations and related liabilities at December 31, 2013. The average duration is 8 years.

"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, 2013.

An expense of €20 million was recognized in 2013 in respect of these defined contribution plans (€18 million at December 31, 2012).

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 €94 million was recognized in 2013 in respect of multi-employer pension plans (€87 million at December 31, 2012).

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, Belgium and the Netherlands concern:

- 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. The duration of the obligation is 19 years.

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.

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, 2011	**(5,209)**	**13**	**128**
Impact of IAS19 Revised	128	-	-
AT JANUARY 1, 2012 (1)	**(5,081)**	**13**	**128**
Exchange rate differences	8	-	-
Changes in scope of consolidation and other	(25)	7	-
Actuarial gains and losses	(650)	(2)	15
Periodic pension cost	(546)	1	7
Asset ceiling	1	(4)	-
Contributions/benefits paid	693	4	9
AT DECEMBER 31, 2012 (1)	**(5,600)**	**18**	**159**
Exchange rate differences	38	-	-
Changes in scope of consolidation and other	654	(5)	-
Actuarial gains and losses	622	9	3
Periodic pension cost	(548)	(4)	4
Asset ceiling	(1)	-	-
Contributions/benefits paid	424	54	1
AT DECEMBER 31, 2013	**(4,412)**	**72**	**167**

(1) Comparative data at December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

Plan assets and reimbursement rights are presented in the statement of financial position under "Other non-current assets" or "Other current assets".

Change in scope of consolidation and other mainly corresponds to the loss of control of SUEZ Environnement for an amount of €653 million.

The cost recognized for the period in the income statement amounts to €552 million in 2013 (€546 million in 2012). 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".

The Euro zone represents 93% of the Group's net obligation at December 31, 2013 (compared to 89% at December 31, 2012).

Cumulative actuarial losses recognized in equity amounted to €1,416 million at December 31, 2013, compared to €2,282 million at December 31, 2012.

In millions of euros	Dec. 31, 2013	Dec. 31, 2012 (1)
Opening balance	2,282	1,615
Actuarial (gains)/losses generated during the fiscal year	(866)	667
CLOSING BALANCE	**1,416**	**2,282**

(1) Comparative data at December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

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 €52 million in 2013 and net actuarial losses of €46 million in 2012.

Net actuarial differences arising in the period and presented on a separate line in the statement of comprehensive income represented a net actuarial gain totaling €633 million in 2013 and a net actuarial loss of €656 million in 2012.

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:

		Dec 31, 2013				Dec 31, 2012 [1]			
In millions of euros		Pension benefit obligations [2]	Other post-employment benefit obligations [3]	Long-term benefits obligations [4]	Total	Pension benefit obligations [2]	Other post-employment benefit obligations [3]	Long-term benefits obligations [4]	Total
A - CHANGE IN PROJECTED BENEFIT OBLIGATION									
Projected benefit obligation at January 1		**(7,738)**	**(2,688)**	**(537)**	**(10,963)**	**(6,814)**	**(2,418)**	**(524)**	**(9,756)**
Service cost		(278)	(45)	(42)	(365)	(267)	(38)	(42)	(347)
Interest expense		(252)	(90)	(16)	(358)	(300)	(97)	(21)	(418)
Contributions paid		(15)	-	-	(15)	(15)	-	-	(15)
Amendments		(2)	-	-	(2)	(7)	-	-	(7)
Acquisitions/disposals of subsidiaries		878	252	21	1,151	(9)	(8)	2	(16)
Curtailments/settlements		4	2	-	6	4	8	15	26
Non-recurring items		(4)	(5)	-	(9)	(4)	(1)	-	(5)
Financial actuarial gains and losses		468	67	(9)	527	(760)	(247)	(5)	(1,012)
Demographic actuarial gains and losses		44	8	(2)	51	(20)	17	-	(4)
Benefits paid		358	100	54	512	387	99	48	534
Other (translation adjustments)		157	8	-	164	68	-	(11)	57
Projected benefit obligation at December 31	**A**	**(6,380)**	**(2,391)**	**(531)**	**(9,302)**	**(7,738)**	**(2,688)**	**(537)**	**(10,963)**
B - CHANGE IN FAIR VALUE OF PLAN ASSETS									
Fair value of plan assets at January 1		**5,335**	**51**	**-**	**5,386**	**4,648**	**44**	**-**	**4,691**
Interest income on plan assets		185	2	-	187	212	1	-	213
Financial actuarial gains and losses		42	2	-	44	354	4	-	359
Contributions received		332	26	-	358	531	23	-	554
Acquisitions/disposals of subsidiaries		(449)	(53)	-	(502)	(5)	3	-	(2)
Settlements		(2)	1	-	(1)	(4)	1	-	(4)
Benefits paid		(353)	(24)	-	(377)	(353)	(24)	-	(376)
Other (translation adjustments)		(130)	-	-	(130)	(48)	(1)	-	(49)
Fair value of plan assets at December 31	**B**	**4,959**	**5**	**-**	**4,964**	**5,335**	**51**	**-**	**5,386**
FUNDED STATUS	**A+B**	**(1,421)**	**(2,385)**	**(531)**	**(4,338)**	**(2,403)**	**(2,637)**	**(537)**	**(5,577)**
Asset ceiling		(1)	(1)	-	(2)	(3)	(1)	-	(4)
NET BENEFIT OBLIGATION		**(1,422)**	**(2,386)**	**(531)**	**(4,340)**	**(2,406)**	**(2,638)**	**(537)**	**(5,581)**
ACCRUED BENEFIT LIABILITY		**(1,495)**	**(2,386)**	**(531)**	**(4,412)**	**(2,425)**	**(2,638)**	**(537)**	**(5,600)**
PREPAID BENEFIT COST		**72**	**-**	**-**	**72**	**18**	**-**	**-**	**18**

(1) Comparative data at December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).
(2) Pensions and retirement bonuses.
(3) Reduced energy prices, healthcare, gratuities and other post-employment benefits.
(4) Length-of-service awards and other long-term benefits.

Changes in the scope of consolidation in 2013 mainly concern the loss of control of SUEZ Environnement (€1,156 million on the benefit obligation and €502 million on the plan assets).

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	Dec. 31, 2013	Dec. 31, 2012
Fair value at January 1	159	128
Interest income on plan assets	5	7
Financial actuarial gains and losses	3	15
Actual return	7	22
Employer contributions	22	28
Employee contributions	2	2
Benefits paid	(22)	(21)
FAIR VALUE AT DECEMBER 31	**167**	**159**

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, 2013 and 2012 breaks down as follows:

In millions of euros	Dec. 31, 2013	Dec. 31, 2012 (1)
Current service cost	365	347
Net interest expense	171	205
Actuarial gains and losses (2)	11	5
Plan amendments	2	6
Gains or losses on pension plan curtailments, terminations and settlements	(5)	(23)
Non-recurring items	9	5
TOTAL	**552**	**545**
o/w recorded in current operating income	381	340
o/w recorded in net financial income/(loss)	171	205

(1) Comparative data at December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).
(2) On long-term benefit obligation.

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 at December 31 for each of the periods presented can be analyzed as follows:

In millions of euros	Projected benefit obligation	Fair value of plan assets	Asset ceiling	Total net obligation
Underfunded plans	(5,419)	4,422	(1)	(998)
Overfunded plans	(497)	542	(1)	44
Unfunded plans	(3,386)	-	-	(3,386)
AT DECEMBER 31, 2013	**(9,302)**	**4,964**	**(2)**	**(4,340)**
Underfunded plans	(7,323)	5,157	-	(2,166)
Overfunded plans	(220)	229	(4)	4
Unfunded plans	(3,420)	-	-	(3,420)
AT DECEMBER 31, 2012 [1]	(10,963)	5,386	(4)	(5,582)

(1) Comparative data at December 31, 2012 have been restated due to the retrospective application of IAS 19 Revised (see Note 1.1.1).

The allocation of plan assets by principal asset category can be analyzed as follows:

In %	Dec. 31, 2013	Dec. 31, 2012
Equity investments	30	28
Sovereign Bond investments	19	26
Corporate bond investments	31	27
Money market securities	11	10
Real estate	3	3
Other assets	6	6
TOTAL	**100**	**100**

All plan assets are quoted in an active market at December 31, 2013.

The actual return on assets of EGI sector companies stood at 7% in 2013.

In the Group, the actual return on plan assets of Belgian entities amounted to approximately 4.5% in group insurance and 5% in pension funds.

The allocation of plan assets by geographical area of investment can be analyzed as follows:

In %	Europe	North America	Latin America	Asia - Oceania	Rest of the World	Total
Equity investments	65	19	3	10	3	100
Sovereign Bond investments	68	-	30	2	-	100
Corporate bond investments	90	5	1	2	2	100
Money market securities	87	4	5	3	1	100
Real estate	84	-	4	12	-	100
Other assets	44	24	12	9	11	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	
	2013	2012	2013	2012	2013	2012	2013	2012
Discount rate	4.1%	3.8%	3.5%	3.3%	3.5%	3.1%	3.9%	3.6%
Inflation rate	2.2%	2.3%	2.0%	2.0%	2.0%	2.0%	2.1%	2.1%
Average remaining working years of participatlng employees	15 years	14 years	15 years	15 years	16 years	16 years	15 years	15 years

19.3.6.1 Discount and inflation 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.

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.

According to the Group's estimates, a 1% increase or decrease in the discount rate would result in a change of approximately 14% in the projected benefit obligation.

The inflation rate were determined for each area. A 1% increase or decrease in the inflation rate would result in a change of approximatively 12% in the projected benefit obligation.

19.3.6.2 Other assumptions

The rate of increase in medical costs (including inflation) was estimated at 3%.

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	3	(2)
Impact on pension obligations	41	(31)

19.3.7 Estimated employer contributions payable in 2014 under defined benefit plans

The Group expects to pay around €204 million in contributions into its defined benefit plans in 2014, including €104 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 2013, the Group recorded a €123 million expense in respect of amounts paid into Group defined contribution plans (€153 million in 2012). 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, 2011	**1,149**	**658**	**7,345**	**9,151**
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**
Change in scope of consolidation	(19)	-	-	(19)
Acquisitions	38	596	234	868
Disposals	-	-	-	-
Translation adjustments	(33)	(95)	(454)	(581)
Other	(9)	(183)	224	32
AT DECEMBER 31, 2013	**1,043**	**1,443**	**7,849**	**10,336**
B. ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES				
At December 31, 2011	**(382)**	**(3)**	**(2,522)**	**(2,907)**
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)**
Change in scope of consolidation	19	-	-	19
Disposals	-	-	-	-
Accumulated amortization and impairment losses	(15)	-	(687)	(702)
Translation adjustments	9	1	171	182
Other	5	3	(7)	-
AT DECEMBER 31, 2013	**(361)**	**(35)**	**(4,054)**	**(4,451)**
C. CARRYING AMOUNT				
At December 31, 2012	**686**	**1,085**	**4,315**	**6,086**
AT DECEMBER 31, 2013	**682**	**1,408**	**3,795**	**5,885**

Acquisitions in 2013 mainly include developments performed on the Cygnus field (€166 million) in the United Kingdom and on the Gudrun field (€167 million) in Norway.

Acquisitions in 2012 mainly included developments carried out in the year on the Gudrun field (€169 million) in Norway.

20.2 Capitalized exploration costs

The following table provides a breakdown of the net change in capitalized exploration costs:

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
At January 1	609	400
Capitalized exploration costs for the year	194	331
Amounts recognized in expenses for the period	(142)	(64)
Other	(62)	(58)
AT DECEMBER 31	**599**	**609**

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 €954 million and €700 million, respectively, in 2013 and 2012. 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 GDF SUEZ Energy International power plants (mostly Enersur – Peru) and Cofely's cogeneration plants.

The present values of future minimum lease payments break down as follows:

	Future minimum lease payments at Dec. 31, 2013		Future minimum lease payments at Dec. 31, 2012	
In millions of euros	Undiscounted value	Present value	Undiscounted value	Present value
Year 1	110	107	499	473
Years 2 to 5 included	340	315	620	565
Beyond year 5	112	81	423	322
TOTAL FUTURE MINIMUM LEASE PAYMENTS	**562**	**504**	**1,542**	**1,360**

The decrease in total future minimum lease payments as of December 31, 2013 (present value in the statement of financial position) is mainly linked to the loss of control of SUEZ Environnement (-€420 million, mostly in Novergie's incineration facilities), and to Red Hills power plant disposal (-€ 243 million) (see Note 2 "Main changes in Group structure").

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	504	105	291	108
Impact of discounting future repayments of principal and interest	59	5	49	4
UNDISCOUNTED FUTURE MINIMUM LEASE PAYMENTS	**562**	**110**	**340**	**112**

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, mostly for Saudi Aramco (Tihama - Saudi Arabia), Wapda (Uch - Pakistan), Bowin (Glow - Thailand), Solvay (Electrabel - Belgium) and Lanxess (Electrabel - Belgium).

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Undiscounted future minimum lease payments	1,565	2,399
Unguarateed residual value accruing to the lessor	29	29
TOTAL GROSS INVESTMENT IN THE LEASE	1,594	2,428
Unearned financial income	395	798
NET INVESTMENT IN THE LEASE (STATEMENT OF FINANCIAL POSITION)	**1,199**	**1,630**
o/w present value of future minimum lease payments	*1,179*	*1,608*
o/w present value of unguaranteed residual value	*20*	*22*

The decrease in net investment as of December 31, 2013 (value in the statement of financial position) is mainly linked to the disposal of a 50% stake in the Group's portfolio of power generation assets in Portugal (-€347 million) (see Note 2 "Main changes in Group structure").

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, 2013	Dec. 31, 2012
Year 1	165	183
Years 2 to 5 included	536	619
Beyond year 5	864	1,597
TOTAL	**1,565**	**2,399**

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 2013 and 2012 can be analyzed as follows:

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Minimum lease payments	(1,104)	(1,107)
Contingent lease payments	(25)	(60)
Sub-letting income	84	95
Sub-letting expenses	(55)	(77)
Other operating lease expenses	(248)	(320)
TOTAL	**(1,348)**	**(1,468)**

The loss of control of SUEZ Environnement (see Note 2 "Main changes in Group structure") had an impact of €164 million on operating lease income and expense.

Future minimum lease payments under non-cancelable operating leases can be analyzed as follows:

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Year 1	617	886
Years 2 to 5 included	1,478	1,923
Beyond year 5	1,647	1,868
TOTAL	**3,742**	**4,678**

The decrease in total future minimum lease payments as of December 31, 2013 mainly result from the loss in control of SUEZ Environnement for €900 million (see Note 2 "Main changes in Group structure").

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 2013 and 2012 can be analyzed as follows:

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Minimum lease payments	671	842
Contingent lease payments	89	111
TOTAL	**760**	**953**

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, 2013	Dec. 31, 2012
Year 1	510	895
Years 2 to 5 included	1,529	3,056
Beyond year 5	20	1,647
TOTAL	**2,059**	**5,598**

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").

The common characteristic of all service concession arrangements is that the operator both receives a right and incurs an obligation to provide public services.

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 consideration of these obligations, GDF SUEZ is entitled to bill either the local authority granting the concession or the users for the services provided. This right to bill gives rise to:

- an intangible asset;
- a financial asset, depending on the applicable accounting model for contracts included in IFRIC 12 scope (see Note 1.4.7 "Concession arrangements");
- or a tangible asset.

The tangible asset model is used, for example, in the case of natural gas distribution concessions in France, which fall within the scope of Law No. 46-628 of April 8, 1946.

The Group manages concession arrangements as defined by SIC 29 covering gas and electricity distribution, and heat distribution. The terms of the concession arrangements vary between 10 and 30 years, depending mainly on the level of capital expenditure to be made by the concession operator.

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.

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:

		Expense for the year	
In millions of euros	Note	Dec. 31, 2013	Dec. 31, 2012
Stock option plans	24.1	9	25
Employee share issues	24.2	-	-
Share Appreciation Rights (1)	24.2	1	2
Bonus/Performance Share plans	24.3	83	84
Other Group plans		-	3
TOTAL		**93**	**114**

(1) Set up within the scope of employee share issues in certain countries.

24.1 Stock options plans

No new GDF SUEZ stock option grants were approved by the Group's Board of Directors in either 2013 or 2012.

The terms and conditions of plans set up prior to 2012 are described in previous reference documents prepared by SUEZ and subsequently GDF SUEZ.

24.1.1 Details of stock option plans in force

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, 2012	Options exercised	Options cancelled or expired	Outstanding options at Dec. 31, 2013	Expiration date	Residual life
12/09/2005	04/27/2004	12/09/2009	22.8	2,251	1,352,000	5,664,034	-	5,664,034	-	12/08/2013	-
01/17/2007 (1)	04/27/2004	01/17/2011	36.6	2,173	1,218,000	5,704,906	-	32,873	5,672,033	01/16/2015	1.0
11/14/2007 (1)	05/04/2007	11/14/2011	41.8	2,107	804,000	4,434,260	-	22,588	4,411,672	11/13/2015	1.9
11/12/2008 (1)	07/16/2008	11/12/2012	32.7	3,753	2,615,000	6,119,554	-	43,920	6,075,634	11/11/2016	2.9
11/10/2009 (1)	05/04/2009	11/10/2013	29.4	4,036	-	5,007,175	-	46,830	4,960,345	11/09/2017	3.9
TOTAL					**5,989,000**	**26,929,929**	**-**	**5,810,245**	**21,119,684**		
Of which:											
Stock option purchase plans						11,126,729	-	90,750	11,035,979		
Stock subscription plans						15,803,200	-	5,719,495	10,083,705		

(1) Plans exercisable at December 31, 2013.

The average annual price for GDF SUEZ shares in 2013 was €16.37.

24.1.2 Number of GDF SUEZ stock options

	Number of options	Average exercise price *(in euros)*
Balance at December 31, 2012	**26,929,929**	**32.3**
Options cancelled	(5,810,245)	23.1
Balance at December 31, 2013	**21,119,684**	**34.9**

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** [1] *(in euros)*	**Dec. 31, 2013**	**Dec. 31, 2012**
11/12/2008	GDF SUEZ	9.3	-	13
11/10/2009	GDF SUEZ	6.0	6	8
2009-2010	SUEZ Environnement Company		3	5
TOTAL			**9**	**25**

(1) 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 issue

GDF SUEZ did not issue any new shares to employees in 2013. The only impacts of employee share issues on 2013 income relate to SARs (including shares covered by warrants), but do not have a material impact on the financial statements.

24.3 Bonus shares and Performance shares

24.3.1 New awards in 2013

GDF SUEZ Performance Share plan of December 11, 2013

On December 11, 2013, the Board of Directors approved the allocation of 2.8 million Performance Shares to members of the Group's executive and senior management in two tranches:

- performance Shares vesting on March 14, 2017, subject to a further two-years non-transferability period; and
- performance Shares vesting on March 14, 2018, 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 2013 and January 2017;
- 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 2015 and 2016.

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 2013:

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 27, 2013	March 14, 2015	March 14, 2017	14.4 €	1.5 €	8.0%	1.5 €	no	9.9 €
February 27, 2013	March 14, 2016	March 14, 2018	14.4 €	1.5 €	8.0%	1.2 €	no	8.7 €
February 27, 2013	March 14, 2017	March 14, 2017	14.4 €	1.5 €	8.0%	-	no	8.5 €
Weighted fair value of the February 27, 2013 plan								**9.2 €**
December 11, 2013	March 14, 2017	March 14, 2019	16.5 €	1.5 €	7.9%	0.8 €	yes (1)	6.5 €
December 11, 2013	March 14, 2017	March 14, 2019	16.5 €	1.5 €	7.9%	1.1 €	yes (2)	8.6 €
December 11, 2013	March 14, 2018	March 14, 2018	16.5 €	1.5 €	7.9%	-	yes (1)	6.5 €
December 11, 2013	March 14, 2018	March 14, 2018	16.5 €	1.5 €	7.9%	-	yes (2)	8.6 €
Weighted fair value of the December 11, 2013 plan								**7.6 €**

(1) Single performance condition.
(2) Double performance condition.

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 amended in 2013 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, 2013, and impact on income statement

The expense recorded during the period on plans in effect was as follows:

			Expense for the period *(in millions of euros)*	
Award date	Quantity awarded [1]	Fair value per unit [2] *(in euros)*	Dec. 31, 2013	Dec. 31, 2012
GDF SUEZ share plans				
Bonus share plans				
Spring August 2007 plan	193,686	32.1	-	1
SUEZ June 2008 plan	2,372,941	39.0	-	3
GDF SUEZ July 2009 plan	3,297,014	19.7	2	5
Link August 2010 plan	207,947	19.4	1	1
GDF SUEZ June 2011 plan	4,173,448	20.0	18	31
GDF SUEZ October 2012 plan	6,106,463	11.7	18	3
Performance share plans				
GDF SUEZ November 2008 plan	1,812,548	28.5	-	1
GDF SUEZ November 2009 plan	1,693,840	24.8	2	4
January 2010 EXCOM plan	348,660	18.5	-	1
March 2010 GDF SUEZ Trading plan	51,112	21.5	-	-
GDF SUEZ January 2011 plan	3,426,186	18.1	18	18
March 2011 GDF SUEZ Trading plan	57,337	23.3	-	1
GDF SUEZ December 2011 plan	2,996,920	11.3	10	10
GDF SUEZ Trading February 2012 plan	70,778	15.1	-	-
GDF SUEZ December 2012 plan	3,556,095	8.1	8	1
GDF SUEZ Trading February 2013 plan	94,764	9.2	-	-
GDF SUEZ December 2013 plan	2,801,690	7.6	-	-
SUEZ Environnement Company share plans			6	7
			83	**84**

(1) Quantity awarded, after potential adjustments relating to the merger with Gaz de France in 2008.
(2) Weighted average value where applicable.

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 30 “List of the main companies consolidated at December 31, 2013”. 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

25.3.1 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	-	48	-	1	-	-	-	-
Tirreno Power	118	99	-	9	-	12	-	-
Energy production activity in Portugal	-	-	-	-	32	-	-	-
WSW Energie und Wasser	3	30	-	6	-	16	-	4
Energia Sustentável do Brasil	-	-	-	-	55	-	-	1,894
Energieversorgung Gera GmbH	12	21	-	2	-	1	-	27
Zandvliet Power	17	3	1	1	-	-	3	-
Other	86	57	5	43	63	27	12	135
TOTAL	**236**	**258**	**6**	**62**	**150**	**56**	**15**	**2,060**

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, 2013; 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 €48 million in 2013.

Tirreno Power (Italy)

GDF SUEZ holds a 50% interest in Tirreno Power. The Group controls 50% of the company.

Electricity purchases and sales between the Group and Tirreno Power amounted to €118 million and €99 million respectively in 2013.

Activity of energy production in Portugal

Close of the disposal of a 50% stake in the Group's portfolio of power generation assets in Portugal, the loans granted by the Group to the wind energy activity of this portfolio amounted to €32 million (see Note 2 "Main changes in Group structure").

WSW Energie und Wasser (Germany)

Electricity sales between the Group and WSW Energie und Wasser amounted to €30 million in 2013.

Energia Sustentável do Brasil (Brazil)

GDF SUEZ holds a 60% interest in Energia Sustentável 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, 2013, the assets and liabilities of Energia Sustentável do Brasil were classified as "Assets held for sale" (see Note 2 "Main changes in Group structure").

At December 31, 2012, the amount of loans granted by Banco Nacional de Desenvolvimento Econômico e Social, the Brazilian Development Bank, to Energia Sustentável do Brasil amounted to €3.2 billion. Each partner stands as guarantor for this debt to the extent of its ownership interest in the consortium.

Energieversorgung Gera GmbH (Germany)

Energieversorgung Gera GmbH is hold at 49.9% by GDF SUEZ. The Group controls 49.9% of the company.

Gas sales and purchases between the Group and Energieversorgung Gera GmbH amounted to €21 and €12 million at December 31, 2013.

Zandvliet Power (Belgium)

GDF SUEZ holds 50% interest in Zandvliet Power. The Group controls 50% of the company.

Electricity purchases between the Group and Zandvliet Power amounted to €17 million at December 31, 2013.

25.3.2 Associates

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
Suez Environnement	-	8	-	47	-	24	13	11
Inter-municipal companies	913	101	-	-	-	7	-	339
Contassur	-	-	-	167	-	-	-	-
Business line project management entities in the Middle East	-	240	-	6	140	-	-	580
Paiton	-	-	-	-	291	-	-	-
Gaz de Strasbourg	-	82	-	-	14	-	-	-
Other	39	3	-	1	25	2	-	187
TOTAL	**952**	**434**	**-**	**221**	**470**	**33**	**13**	**1,117**

SUEZ Environnement

As a result of the termination of the SUEZ Environnement shareholders' agreement, the interest held by the Group is from July 22, 2013, accounted for under the equity method in its consolidated financial statements.

Energy sales between the Group and SUEZ Environnement amounted to €8 million at December 31, 2013. Loan receivables and trade payables amounted respectively to €47 million and €24 million at December 31, 2013.

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 in 2011 and 2012, 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.

The transportation costs incurred by Electrabel Customer Solutions (ECS) in connection with the inter-municipal companies' gas and electricity distribution network amounted to €865 million at December 31, 2013 (€830 million at December 31, 2012). Trade payables between the Group and the mixed inter-municipal companies are not material at December 31, 2013.

Electrabel stands as guarantor for €339 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 statements of financial position. These reimbursement rights totaled €167 million at December 31, 2013 (€159 million at December 31, 2012).

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 €240 million at December 31, 2013 (€277 million at December 31, 2012), 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 €140 million at December 31, 2013 (€54 million at December 31, 2012).

The guarantees granted by the Group to these entities amounted to €580 million at December 31, 2013 (€617 million at December 31, 2012).

Paiton (Indonesia)

The Group owns a 40.5% interest in Paiton. The loans granted to Paiton by the Group amounted to €291 million at December 31, 2013 (€268 million at December 31, 2012).

Gaz de Strasbourg (France)

The Group owns a 24.9% interest in Gaz de Strasbourg.

Gas sales to Gaz de Strasbourg amounted to €82 million at December 31, 2013 (€130 million at December 31, 2012).

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 19 members in 2013 instead of 27 in 2012.

Their compensation breaks down as follows:

In milllions of euros	Dec. 31, 2013	Dec. 31, 2012
Short-term benefits	30	37
Post-employment benefits	4	6
Shared-based payments	5	10
Termination benefits	7	5
TOTAL	**46**	**58**

NOTE 27 WORKING CAPITAL REQUIREMENTS, OTHER ASSETS AND OTHER LIABILITIES

27.1 Reconciliation between changes in working capital requirements as from the statement of cash flows and certain items of the statement of financial position.

			Other impacts to the statement of cash flows included in			Other non cash movements in cash flow statement			
In millions of euros	Dec. 31, 2012	Change in working capital requirements - statement of cash flows	Tax paid	Investing activities	Financing activities	Fair value	Scope	Other	Dec. 31, 2013
Items included in non-current assets	(7,610)	198	-	-	296	50	989	635	(5,442)
Items included in current assets	(45,378)	(776)	174	(112)	(70)	180	6,019	444	(39,520)
Items included in non-current liabilities	5,157	(192)	-	(3)	38	(425)	(790)	(340)	3,447
Items included in current liabilities	40,394	584	(320)	(308)	85	329	(6,268)	(228)	34,267
TOTAL	**(7,438)**	**(186)**	**(146)**	**(424)**	**349**	**134**	**(49)**	**512**	**(7,248)**

The items relating to working capital requirements included in the current and non-current assets gather inventories, trade and other receivables, derivative instruments, other assets and loans and receivables at amortized cost.

The items relating to working capital requirements included in the current and non-current liabilities gather trade and other payables, other financial liabilities, other liabilities and derivative instruments.

27.2 Inventories

In million of euros	Dec. 31, 2013	Dec. 31, 2012
Stocks of gas, net	2,491	2,542
GHG emission allowances, green certificates and certificates of energy efficiency commitment, net	331	350
Stocks of commodities other than gas and other stocks, net	2,248	2,531
TOTAL	**5,070**	**5,423**

27.3 Other assets and other liabilities

Other current assets (€8,229 million) and other non-current assets (€723 million) are mostly made of tax receivables.

Other current liabilities (€13,606 million) and other non-current liabilities (€1,345 million) essentially include tax and employee-related liabilities.

NOTE 28 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 €874 million at December 31, 2013 (€927 million at December 31, 2012).

The main legal and arbitration proceedings presented hereafter are recognized as liabilities or give rise to contingent assets or liabilities.

28.1 Legal and arbitration proceedings

28.1.1 Electrabel – Hungarian State

Electrabel, a GDF SUEZ company, filed international arbitration proceedings against the Hungarian State before the International Center for Settlement of Investment Disputes (ICSID), for breach of obligations pursuant to the Energy Charter Treaty. The dispute mainly pertains to the termination 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. 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. The final ruling on this claim has been deferred until 2016, in order to enable the court of arbitration to rule on the basis of a detailed assessment of stranded costs [(1)].

28.1.2 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 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 Court of Appeal dismissed the application on December 1, 2008.

Following the appeal brought by Deminor and others on May 22, 2009, the Court of Cassation overturned the ruling of the Brussels Court of Appeal on June 27, 2011. In a subpoena dated December 28, 2012, Deminor and others launched proceedings against GDF SUEZ before the Brussels Court of Appeal, sitting in a different formation, in order for the Court to rule on their claim for additional consideration. The parties are currently exchanging their pleadings.

A similar demand for additional consideration, submitted to the Brussels Court of Appeal by Messrs. Geenen and others, but without naming Electrabel and the FSMA (*Autorité belge des services et marchés 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 before the Court of 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 Court of Appeal on May 3, 2012.

28.1.3 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 (the "Agreement"), and asked for a review of the contractual price with effect from 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).

After the parties exchanged their pleadings, the hearings took place at the arbitration court from January 27 to 30, 2014. The award is expected to be delivered during the first half of 2014.

28.1.4 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 currently holds a 59% stake in La Compagnie du Vent.

(1) See also Note 28.2.3 "Long-term Power Purchase Agreements in Hungary".

GDF SUEZ has been involved in various disputes with Jean-Michel Germa and SOPER, regarding the latter's dismissal as Chairman and Chief Executive Officer, since 2011. Following the cancellation of La Compagnie du Vent's first General Meeting on May 27, 2011 by the Montpellier Appeal Court, a second General Meeting on November 3, 2011 finally appointed a new Chief Executive, who was put forward by GDF SUEZ.

However, the main proceedings still pending are: (i) the legal proceedings launched against SOPER by La Compagnie du Vent before the Montpellier Commercial Court 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 relating to contractual responsibility and negligence launched against GDF SUEZ by Jean-Michel Germa, at the time when the latter was dismissed as Chairman and Chief Executive Officer of La Compagnie du Vent, before 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 before the Montpellier Commercial Court on May 21, 2012, which request a legal review of certain management decisions, in order to obtain compensation, (iv) the proceedings launched by SOPER before 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 partners' agreement signed in 2007, and (v) the proceedings launched by SOPER before the Paris Commercial Court on May 16, 2013 with the aim that GDF SUEZ be forbidden from exercising the share subscription warrants under the terms and conditions set out in the partners' agreement, claiming that GDF SUEZ prevented La Compagnie du Vent from attaining the performance targets to be met to exercise these warrants.

Regarding the put 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 agreed procedure. The shares were transferred on February 18, 2013. On April 26, 2013, SOPER brought another action before the Paris Commercial Court seeking the cancellation of the expert's report and the appointment of a new expert to set the price of the shares. The case has been brought before the Créteil Commercial Court.

28.1.5 Freeze of regulated natural gas tariffs in France

Legal proceedings regarding the freeze of regulated tariffs

The ministerial decree of July 18, 2012 set the increase in the regulated natural gas tariff in France at 2% as from July 20, 2012. The Group considered that this price change did 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'État* on August 24, 2012, on the grounds of abuse of authority.

The ministerial decree of September 26, 2012 set the increase in the regulated natural gas tariff in France at 2% for the period from September 29, 2012 to December 31, 2012. The Group also considered that this price change did 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'État* on November 15, 2012, on the grounds of abuse of authority. The *Conseil d'État* suspended the decree of September 26, 2012 via an order issued on November 29, 2012, and also instructed the Ministries 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'État*, ruling on the merits, canceled the decrees of June 27, 2011, July 18, 2012 and September 26, 2012, via three decisions dated January 30, 2013 on the grounds that they did not set the increase in regulated natural gas tariffs at the level necessary to cover GDF SUEZ's average full costs. The *Conseil d'État* instructed the French State to issue new decrees to correct this unlawful position within one month. The financial consequences of these decisions by the *Conseil d'État* and the new pricing decrees were recognized in the consolidated financial statements for the year ended December 31, 2013. In view of the decision of January 30, 2013 canceling the decree of September 26, 2012 following the claim filed by ANODE, the *Conseil d'État* held that there was no need to adjudicate on the appeal of GDF SUEZ which was considered to be devoid of purpose.

Legal proceedings regarding the differences in regulated tariffs for residential premises and non-residential premises

By a decree dated October 2, 2013, the *Conseil d'État* canceled Articles 3 and 4 of the December 22, 2011 pricing decree, which set the regulated tariffs for gas supplied via public distribution networks, and in particular different tariffs for residential premises and non-residential premises. This decision affects the tariffs that were applicable between January 1, 2012 and July 20, 2012, when the subsequent decree of July 18, 2012 came into force.

The *Conseil d'État* considered that residential and non-residential customers should not be treated differently in respect of regulated gas tariffs since there was no intrinsic difference between the cost of supplying gas to either category of user. Therefore, the only possible justification would have to be based on public interest. However, the *Conseil d'État* was of the view that the French State had not provided sufficient justification that this differentiation was based on public interest and ordered the French State to issue another decree, within one month, that "set the tariffs in accordance with the principles set out in this decision". In other words, the calculation of the new tariffs must take account of both the lack of any differentiation and the changes in price levels that should have occurred in April 2012. The decree of December 26, 2013 accordingly established the new tariffs that were applicable between January 1 and July 19, 2012.

By two decisions delivered on December 30, 2013, the *Conseil d'État* canceled, on the same grounds, Article 3 of the December 21, 2012 pricing decree and the April 15, 2013 decrees which set the regulated tariffs for gas supplied via public distribution networks, and in particular different tariffs for residential premises and non-residential premises. This decision affects the tariffs that were applicable between July 20, 2012 and December 31, 2012 and from the first half of 2013.

The *Conseil d'État* ordered the French State to issue another decree within two months that "set the tariffs in accordance with the principles set out in these decisions". The decree has not yet been issued.

Legal proceedings regarding decree No. 2013-400 of May 16, 2013 amending decree No. 2009-1603 of December 18, 2009 relating to regulated natural gas tariffs

In July 2013, ANODE launched an appeal with the *Conseil d'État* requesting the annulment of decree No. 2013-400 of May 16, 2013 amending decree No. 2009-1603 of December 18, 2009 relating to regulated natural gas tariffs.

ANODE contends that the regulated natural gas tariff framework is inconsistent with the objectives of Directive 2009/73/EC concerning common rules for the internal market in natural gas, and Article 106.1 of the Treaty on the Functioning of the European Union.

28.1.6 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) 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 overturned the CREG's decision of December 22, 2011 in its entirety (*ex tunc* and with *erga omnes* effect). On May 24, 2013, the CREG appealed the decision handed down by the Brussels Court of Appeal on February 6, 2013 before the Court of Cassation.

Consequently, and in the absence of regulated tariffs, Elia submitted another tariff proposal (covering the period between 2012 and 2015) which was approved by the CREG on May 16, 2013. However, proceedings to overturn this decision by the CREG were again launched before the Brussels Court of Appeal on June 14, 2013, this time by the Federation of Belgian Industrial Energy Consumers (Febeliec). Electrabel intervened in these proceedings in order to defend the tariffs that were approved on May 16, 2013 and submitted its pleadings on October 30, 2013.

28.1.7 NAM (Nederlandse Aardolie Maatschappij)

In June 2011, NAM filed a claim against GDF SUEZ E&P Nederland BV (a GDF SUEZ company) 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 always been contested by GDF SUEZ as being 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 appealed the decision on August 1, 2012. The Court of Appeal delivered its decision on December 17, 2013 and upheld the District Court's decision.

28.1.8 Argentina

In Argentina, the Public Emergency and Exchange Regime Reform Act (Emergency Act), enacted in January 2002, froze concession contract tariff 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 in 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, approved by creditors and confirmed by the bankruptcy court on April 11, 2008 enabled the settlement of some of these liabilities. The proposal provides for an initial payment of 20% of these liabilities [2] (upon confirmation), 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. The amount of damages to be paid in compensation for the losses sustained is to be set by experts.

An initial expert report regarding the concession in Buenos Aires was submitted to the ICSID in September 2013. The expert report on the concession in Santa Fe is expected in 2014. The proceedings are ongoing.

(1) Similar to the French bankruptcy procedure.

(2) Approximately USD 40 million.

28.1.9 Fos Cavaou – Construction

On January 17, 2012, Fosmax LNG [1], 72.5%-owned by Elengy and 27.5%-owned by Total, submitted a request for arbitration to the ICC International Court 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. STS (a consortium consisting of Sofregaz, Tecnimont SpA and Saipem SA) filed its statement of defense and counterclaims on January 28, 2013. After the parties exchanged their pleadings in accordance with the procedure, the hearings took place at the arbitration court from November 18 to 22, 2013. The award is expected to be delivered at the end of 2014.

28.1.10 Objection to Belgian nuclear contributions

The December 22, 2008 program act (*loi-programme*) provisions imposed a €250 million tax on nuclear power generators. Electrabel, a GDF SUEZ Group company, 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 [2], 2010 [3] and 2011 [4]. 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 Belgian State and the Group, this tax should not have been renewed but should have been replaced by a contribution related to the extension of the period over which certain nuclear power facilities are operated.

On June 11, 2013, Electrabel filed an appeal with the Belgian Constitutional Court seeking the partial annulment of the law of December 27, 2012 amending the law of April 11, 2003 governing the provisions for dismantling nuclear power plants and the management of irradiated fissile materials, and in particular, the articles establishing a €550 million contribution payable by operators of nuclear plants for 2012, of which €479 million to be borne by Electrabel.

On September 9, 2011, Electrabel brought an action to recover the amounts paid. The proceedings are ongoing before the Brussels Court of First Instance. On February 11, 2014, the case was brought before the court, which reserved its judgment. However, the judgment is expected in the first half of 2014.

28.1.11 Claims by the Belgian tax and energy authorities

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 ten years, an appeal was lodged with the Brussels Court of First Instance in December 2009, and it ruled in favor of SUEZ-Tractebel in May 2013. The Special Tax Inspectorate accepted the ruling and waived its right of appeal. The dispute is therefore closed.

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 for the period 2005 to 2007. A judgment on the merits ruled in favor of Electrabel and SUEZ-Tractebel in April 2013. The Special Tax Inspectorate accepted the ruling and waived its right of appeal. The dispute is therefore closed. The reduction and repayment of the unduly assessed tax is in progress.

The Belgian Energy Authority has claimed a total amount in 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 in its favor, Electrabel has filed a return 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 assessed tax for seven facilities (including the facility declared) for each of those years. Electrabel initially opposed these taxes via an administrative claim, and then by submitting an appeal to the Brussels Court of First Instance. Electrabel has not paid the tax for 2009 and 2010, as it considered that it was assessed late. However, 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 either 2012 or 2013, as the only facility likely to be subject to the tax for unused sites no longer has an electricity generation operating license. The Belgian Energy Authority has upheld its previous position and has assessed tax for seven facilities in respect of 2012 and 2013, totaling €67.5 million for each year. Electrabel is disputing these taxes via an administrative claim, and by appealing to the Brussels Court of First Instance.

(1) Formerly Société du Terminal Méthanier de Fos Cavaou.

(2) Law of December 23, 2009.

(3) Law of December 29, 2010.

(4) Law of January 8, 2012.

28.1.12 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 decisions of the *Conseil d'État*, dated December 10, 2012, in the Rhodia and Accor cases, related to the "*précompte*" could potentially affect GDF SUEZ's arguments, without modifying its position however, given the status of the ongoing procedures in which it is involved.

28.1.13 Claim by the Brazilian tax authorities

Tractebel Energia, a GDF SUEZ Group company, contested the tax assessment notice of 382 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 by the Administrative Court of Florianopolis in favor of Tractebel Energia, which was upheld by the administrative court with jurisdiction for tax matters in Brazil on June 11, 2013. In September 2013, the tax authorities confirmed that they did not plan to appeal this decision and the dispute is therefore closed.

28.1.14 Claim by the Dutch tax authorities

Based on a disputable interpretation of a statutory modification that came into force in 2007, the Dutch tax authorities refuse the deductibility of a portion of the interest paid on financing contracted for the acquisition of investments made in the Netherlands in 2000. The amount of tax and default interest claimed amounts to €127 million. An appeal has been filed against these tax claims.

28.2 Competition and concentration

28.2.1 "Accès France" proceedings

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. On December 3, 2009, the Commission adopted 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.

28.2.2 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 Compagnie Nationale du Rhône (CNR) at the end of 2003, without notifying the Commission (ii) and for having carried out this 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 against the European Commission's decision in its entirety. Electrabel has appealed the Court's decision before the Court of Justice of the European Union.

28.2.3 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, in particular the agreement between DUNAMENTI Erőmű (a group subsidiary) and MVM, constituted illegal State aid, incompatible with the Treaty on the Functioning of the European Union. It asked the Hungarian State to terminate these agreements, 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 set-off mechanism was approved by the European Commission on April 27, 2010. 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 Erőmű brought an action before the General Court of the European Union on April 28, 2009 for annulment of the Commission's decision of June 4, 2008. The hearing took place on May 15, 2013 and the Court has not yet announced when it will deliver its decision. 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 set-off mechanism exempted DUNAMENTI Erőmű 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 Erőmű having to reimburse aid at that time [(2)].

(1) Around €134 million.

(2) Refer also to Note 28.1.1 "Legal and arbitration proceedings/Electrabel – Hungarian State".

Furthermore, on January 10, 2014, DUNAMENTI Erőmű and its main shareholder Electrabel filed an action before the General Court of the European Union seeking damages from the European Commission in the event that the decision of June 4, 2008 should be annulled.

28.2.4 Inquiry into the Belgian electricity wholesale market

In September 2009 and June 2010, the Belgian Competition Authority organized raids on several companies operating in Belgium's electricity wholesale market, including Electrabel, a GDF SUEZ company.

On November 29, 2013 Auditorat (the prosecuting body of the Belgian competition authority) submitted a draft decision to the President of the Belgian competition authority [1] as well as to Electrabel. The draft decision, which confirms the Auditorat's report filed on February 7, 2013, alleges that Electrabel may have abused its dominant position. This case will now be investigated by the College of Competition Prosecutors [2]. Electrabel formally contests these allegations and will submit its written observations to the College. A hearing will be held for Electrabel to defend its position before the College.

NOTE 29 SUBSEQUENT EVENTS

No significant subsequent event has occurred since the closing of the accounts at December 31, 2013.

NOTE 30 LIST OF THE MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2013

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 (accounted under 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.

The NC abbreviation is used to indicate not consolidated subsidiary.

Entities marked with an asterisk (*) form part of the legal entity GDF SUEZ SA.

Energy International

		% interest		% control		Consolidation method	
Company name	Corporate headquarters	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
Norh America Region							
GDF SUEZ ENERGY GENERATION NORTH AMERICA Group	1990 Post Oak Boulevard, Suite 1900 Houston, TX 77056-4499 – United States	100.0	100.0	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	100.0	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	100.0	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	100.0	100.0	100.0	FC	FC

(1) Further to the entry into force on September 6, 2013 of the law of April 3, 2013, inserting additional clauses into Books IV and V of the Belgian Code of Economic Law (Code de droit économique), the Belgian Competition Authority has replaced the previous competition authority.

(2) The Authority's new decision-making body.

Company name	Corporate headquarters	% interest		% control		Consolidation method	
		Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
Latin America Region							
E-CL SA Group	Avda. El Bosque Norte 500, of. 902, Santiago - Chile	52.8	52.8	52.8	52.8	FC	FC
TRACTEBEL ENERGIA Group	Rua Paschoal Apóstolo Pítsica, 5064, Agronômica Florianopolis, Santa Catarina – Brazil	68.7	68.7	68.7	68.7	FC	FC
ENERSUR	Av. República de Panamá 3490, San Isidro, Lima 27 - Peru	61.8	61.8	61.8	61.8	FC	FC

Company name	Corporate headquarters	% interest		% control		Consolidation method	
		Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
Asia-Pacific Region							
GLOW ENERGY PUBLIC CO. Ltd.	195 Empire Tower, 38th Floor - Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 - Thailand	69.1	69.1	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	44.9	65.0	65.0	FC	FC
HAZELWOOD POWER PARTNERSHIP	PO Box 195, Brodribb Road - Morwell Victoria 3840 - Australia	72.0	91.8	100.0	91.8	FC	FC
Loy Yang B Consolidated	Level 33, Rialto South Tower, 525 Collins Street - Melbourne Vic 3000 - Australia	70.0	70.0	100.0	100.0	FC	FC

Company name	Corporate headquarters	% interest		% control		Consolidation method	
		Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
United Kingdom & Other Europe Region							
GDF SUEZ ENERGY UK RETAIL	No.1 Leeds 26 Whitehall Road-Leeds LS12 1BE - United Kingdom	100.0	100.0	100.0	100.0	FC	FC
FHH (Guernsey) Ltd.	Glategny Court, Glategny Esplanade, St Peter Port - GY1 1 WR - Guernsey	75.0	75.0	100.0	100.0	FC	FC
SALTEND	Senator House - 85 Queen Victoria Street - London - United Kingdom	75.0	75.0	100.0	100.0	FC	FC
BAYMINA ENERJI A.S.	Ankara Dogal Gaz Santrali, Ankara Eskisehir Yolu 40.Km, Maliköy Mevkii, 06900 Polatki / Ankara - Turkey	95.0	95.0	95.0	95.0	FC	FC

Company name	Corporate headquarters	% interest		% control		Consolidation method	
		Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
Corporate Region							
INTERNATIONAL POWER plc (IPR)	Senator House, 85 Queen Victoria Street - London - EC4V 4DP - United Kingdom	100.0	100.0	100.0	100.0	FC	FC
International Power CONSOLIDATED HOLDINGS Ltd.	Senator House, 85 Queen Victoria Street - London - EC4V 4DP - United Kingdom	100.0	100.0	100.0	100.0	FC	FC
International Power Brussels	Boulevard Simon Bolivar, 34, 1000 Brussels - Belgium	100.0	100.0	100.0	100.0	FC	FC

Energy Europe

Company name	Corporate headquarters	% interest		% control		Consolidation method	
		Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec 2012
Central Western Europe							
COMPAGNIE NATIONALE DU RHONE (CNR)	2, rue André Bonin 69004 Lyon - France	49.9	49.9	49.9	49.9	FC	FC
GDF SUEZ SA - Énergie Europe (*)	1, Place Samuel de Champlain - 92400 Courbevoie - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ Thermique France	2, Place Samuel de Champlain - 92400 Courbevoie - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ SA - Amo Gas (*)	1, Place Samuel de Champlain - 92400 Courbevoie - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ Kraftwerk Wilhelmshaven GmbH & Co. KG	Niedersachsendamm10 - 26386 Wilhelmshaven - 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
GDF SUEZ Energie Deutschland AG	Friedrichstraße 200 - D-10117 Berlin - Germany	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.

		% interest		% control		Consolidation method	
Company name	Corporate headquarters	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
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° 6,57013 Rosignano Solvay - Italy	99.5	99.5	99.5	99.5	FC	FC
GDF SUEZ PRODUZIONE SpA	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 - 040254 Bucharest - Roumania	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 SpA	Via Spadolini, 7 - 20141 Milan - Italy	100.0	100.0	100.0	100.0	FC	FC

Gas & LNG

		% interest		% control		Consolidation method	
Company name	Corporate headquarters	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
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 SUEZ E&P 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 Lingen - Germany	70.0	70.0	100.0	100.0	FC	FC
GDF SUEZ SA - B3G (*)	1, Place Samuel de Champlain - 92400 Courbevoie - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ 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

Company name	Corporate headquarters	% interest		% control		Consolidation method	
		Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
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

Company name	Corporate headquarters	% interest		% control		Consolidation method	
		Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
COFELY ITALIA SpA	Via Ostiense, 333 - 00146 Roma - Italy	100.0	100.0	100.0	100.0	FC	FC
AXIMA CONCEPT	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 Zürich - 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
Pôle COFELY Réseaux	Immeuble le Wilson II, 80 Avenue du Général de Gaulle CS 90021 - 92031 Paris la Défense Cedex - France	100.0	100.0	100.0	100.0	FC	FC
COFELY FABRICOM SA	Rue Gatti de Gamond, 254 - 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
BALFOUR BEATTY WORKPLACE (**)	Fourth Floor West - Block 1 Angel Square - 1 Torrens Street - London - EC1V 1NY - United Kingdom	100.0	0.0	100.0	0.0	FC	NC
INEO Group	1, Place des Degrés 92059 Paris La Défense - France	100.0	100.0	100.0	100.0	FC	FC

(**)Cofely Workplace Limited is the new name of Balfour Beatty Workplace acquired by the Group at the end 2013.

Other

Company name	Corporate headquarters	% interest		% control		Consolidation method	
		Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
GDF SUEZ SA (*)	1, Place Samuel de Champlain - 92400 Courbevoie - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ EMT Corporate	Boulevard Simon Bolivar 34 - 1000 - Brussels - Belgium	100.0	100.0	100.0	100.0	FC	FC
GIE - GDF SUEZ ALLIANCE	1, Place Samuel de Champlain - 92400 - Courbevoie - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ FINANCE SA	1, Place Samuel de Champlain - 92400 - Courbevoie - France	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ CC	Boulevard Simon Bolivar 34 - 1000 Brussels - Belgium	100.0	100.0	100.0	100.0	FC	FC
GENFINA	Boulevard Simon Bolivar 34 - 1000 Brussels - Belgium	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ TREASURY Management	65, Avenue de la Gare - 1611 Luxembourg - Grand Duchy of Luxembourg	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

Until July 22, 2013, the Group included a “SUEZ Environnement” business line that included the fully consolidated SUEZ Environnement Group (see Note 3 “Segment information”). Since the date of the loss of control, the share owned is consolidated under the equity method in the “Other” business line.

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 31 FEES PAID TO THE STATUTORY AUDITORS AND TO MEMBERS OF THEIR NETWORKS

The GDF SUEZ Group's auditors were Deloitte, EY 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.

	EY				Deloitte				Mazars			
	Amount		%		Amount		%		Amount		%	
In millions of euros	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Audit												
Statutory audit, attest engagements and review of consolidated and parent company financial statements (1)												
• GDF SUEZ SA	1.9	2.3	16.3%	11.7%	1.1	1.4	6.2%	7.2%	1.1	1.3	25.2%	15.3%
• Fully and proportionately consolidated subsidiaries	7.8	13.7	68.8%	71.0%	14.3	14.9	76.9%	77.3%	2.6	5.9	59.7%	71.5%
Other audit-related procedures and services												
• GDF SUEZ SA	0.3	0.5	2.7%	2.5%	0.8	0.6	4.3%	3.3%	0.1	0.3	3.3%	3.6%
• Fully and proportionately consolidated subsidiaries	0.6	1.6	5.1%	8.4%	1.1	1.3	6.2%	6.5%	0.5	0.6	11.5%	7.4%
SUB-TOTAL	**10.6**	**18.1**	**92.9%**	**93.7%**	**17.3**	**18.2**	**93.5%**	**94.3%**	**4.4**	**8.0**	**99.7%**	**97.8%**
Other services												
• Tax	0.7	1.1	6.0%	5.5%	0.8	1.1	4.5%	5.6%	-	-	-	0.4%
• Other	0.1	0.2	1.0%	0.9%	0.4	-	2.0%	0.1%	-	0.1	0.3%	1.8%
SUB-TOTAL	**0.8**	**1.2**	**7.1%**	**6.3%**	**1.2**	**1.1**	**6.5%**	**5.7%**	**-**	**0.2**	**0.3%**	**2.2%**
TOTAL	**11.4**	**19.3**	**100%**	**100%**	**18.5**	**19.3**	**100%**	**100%**	**4.4**	**8.2**	**100%**	**100%**

(1) Fees incurred in 2013 in respect of proportionately consolidated entities, essentially as a result of statutory audit engagements, amounted to €0.1 million for Deloitte (€0.2 million in 2012), €0.1 million for EY (€0.5 million in 2012) and €0.1 million for Mazars (€0.1 million in 2012).

Fees related to SUEZ Environnement business line related to 2013 were cut off as at July 22, 2013 (date from which SUEZ Environnement Company was accounted for under the equity method instead of full consolidation in GDF SUEZ financial statements), which affected almost exclusively EY and Mazars' fees.

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, 2013, 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, 2013 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 described in note 1.3 "Use of estimates and judgment" to the consolidated financial statements, your Group is required to make estimates and assumptions in preparing its consolidated financial statements and the actual future results of the related transactions may differ from these estimates. Moreover the Group took into account at the end of 2013 a structural change in the medium- and long-term energy equilibrium models in Europe, thereby acknowledging a major shift that is affecting several of its businesses. These estimates have been prepared in a context of economic and financial crisis and of high markets volatility 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 recoverable amount of goodwills, and of tangible and intangible assets;

  We have examined the methods used to perform impairment tests, that lead notably your Group to account for an impairment loss of 14 878 million euros as disclosed in note 5.2, of which respectively 8 081 million euros and 3 146 million euros for goodwills and assets of the "CGU Energy – Central Western Europe" and "CGU Storage".

  We have examined the data and key assumptions used for the determination of recoverable amounts, assessed the sensitivity of the measurements to these assumptions as well as the procedure for approving these estimates by management. We have also 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.

- 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.

- 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.

- Evaluation of the provisions for litigation;

  We have assessed the bases on which these provisions have been recorded and verified that notes 18 and 28 to the consolidated financial statements provide 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,

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 7, 2014

The Statutory Auditors

Deloitte & Associés	Ernst & Young et Autres	Mazars
Véronique Laurent	Charles-Emmanuel Chosson	Thierry Blanchetier
Pascal Pincemin	Pascal Macioce	Isabelle Sapet

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N.B. : 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, 2013 Gross	Depreciation, amortization and impairment	Net	Dec. 31, 2012 Net
NON-CURRENT ASSETS					
Intangible assets	C 1-2-8	1,364	687	677	732
Property, plant and equipment	C 1-2-8	1,008	571	437	462
Financial fixed assets	C 4				
Equity investments		66,976	2,454	64,522	64,660
Other financial fixed assets		1,649	388	1,261	1,286
	I	**70,997**	**4,100**	**66,897**	**67,140**
CURRENT ASSETS					
Inventories	C 5-8				
Gas reserves		1,843		1,843	2,010
Other		1		1	1
Advances and down payments received on orders		1		1	1
Operating receivables	C 6-8				
Trade and other receivables		4,369	267	4,102	5,113
Other operating receivables		818		818	695
Miscellaneous receivables					
Current accounts with subsidiaries		3,654		3,654	7,343
Other miscellaneous receivables		1,162	21	1,141	805
Marketable securities	C 9	2,671	25	2,646	1,648
Cash and cash equivalents		20		20	127
	II	**14,539**	**313**	**14,226**	**17,743**
ACCRUALS	III C 7	**369**		**369**	**520**
UNREALIZED FOREIGN EXCHANGE LOSSES	IV	**389**		**389**	**318**
TOTAL ASSETS	**(I TO IV)**	**86,294**	**4,413**	**81,881**	**85,721**

Balance sheet - equity and liabilities

In millions of euros		Note	Dec. 31, 2013	Dec. 31, 2012
EQUITY				
SHAREHOLDERS' EQUITY		C 10		
Share capital			2,413	2,413
Additional paid-in capital			32,207	32,207
Revaluation adjustments			42	42
Legal reserve			241	241
Other reserves			220	183
Retained earnings			9,617	12,230
Net income			663	890
Interim dividend			(1,960)	(1,887)
Tax-driven provisions and investment subsidies		C 12	541	657
	I		**43,984**	**46,976**
OTHER EQUITY	II	C 11	**175**	**454**
	I + II		**44,159**	**47,430**
PROVISIONS FOR CONTINGENCIES AND LOSSES	III	C 12	**2,814**	**3,021**
LIABILITIES				
Borrowings and debt		C 13-14-15		
Borrowings			26,115	26,537
Debt with subsidiaries			480	
Current accounts with subsidiaries			54	117
Other borrowings and debt			656	936
			27,305	**27,590**
Advances and down payments received on orders			**1**	**2**
Trade and other payables			**4,657**	**4,855**
Tax and employee-related liabilities			**1,104**	**1,113**
Other liabilities			**1,128**	**1,243**
	IV		**34,195**	**34,803**
ACCRUALS	V	C 7	**335**	**138**
UNREALIZED FOREIGN EXCHANGE GAINS	VI		**378**	**329**
TOTAL EQUITY AND LIABILITIES	**(I TO VI)**		**81,881**	**85,721**

Income statement

In millions of euros	Note	Dec. 31, 2013	Dec. 31, 2012
Energy sales		26,773	25,878
Other production sold		1,835	2,037
REVENUES	**C 16**	**28,608**	**27,915**
Production taken to inventory		0	0
Production for own use		26	74
TOTAL PRODUCTION		**28,634**	**27,989**
Energy purchases and change in gas reserves		(21,019)	(20,324)
Other purchases		(27)	(81)
Other external charges		(6,753)	(6,895)
VALUE ADDED		**835**	**689**
Taxes and duties net of subsidies received		(86)	(68)
Personnel costs		(773)	(737)
GROSS OPERATING INCOME/(LOSS)		**(24)**	**(116)**
Net additions to depreciation, amortization and impairment	C 17	(206)	(202)
Net additions to provisions	C 17	(301)	165
Other operating income and expenses		(145)	(114)
NET OPERATING LOSS		**(676)**	**(267)**
NET FINANCIAL INCOME	**C 18**	**1,054**	**749**
NET RECURRING INCOME		**378**	**482**
NON-RECURRING ITEMS	**C 19**	**(483)**	**(134)**
INCOME TAX	**C 20**	**768**	**542**
NET INCOME		**663**	**890**

Cash flow statement

In millions of euros		Dec. 31, 2013	Dec. 31, 2012
1. Cash flows from operations	1	798	1,041
Change in inventories	2a	(168)	46
Change in trade receivables (net of trade receivables with a credit balance)	2b	(930)	849
Change in trade payables	2c	111	45
Change in other items	2d	490	(660)
2. Change in working capital requirements (2a+2b+2c+2d)	2	(497)	(280)
CASH FLOW FROM OPERATING ACTIVITIES	(1 - 2) I	1,295	761
II - Investing activities			
1. Cash flow used in investing activities			
Property, plant and equipment and intangible assets		138	150
Financial fixed assets		190	3,621
Change in amounts payable on investments		-	-
	1	328	3,771
2. Cash flow from investing activities			
Net proceeds from asset disposals		94	184
Decrease in financial fixed assets		33	303
	2	127	487
CASH FLOW FROM INVESTING ACTIVITIES	(1- 2) II	201	3,284
III - CASH FLOW AFTER OPERATING AND INVESTING ACTIVITIES	(I - II) III	1,094	(2,523)
IV – Financing activities			
1. Capital decreases [1]	1	(281)	2,669
2. Dividends and interim dividends paid to shareholders [2]	2	(3,539)	(3,360)
3. Financing raised on capital markets			
Bond issues		2,149	6,487
Short- and medium-term credit facilities [3]		476	1,378
	3	2,625	7,865
4. Repayments			
Bond issues and short- and medium-term credit facilities [3]		2,279	1,788
	4	2,279	1,788
CASH FLOW USED IN FINANCING ACTIVITIES	(1 + 2 + 3 – 4) IV	(3,474)	5,386
V - CHANGE IN CASH AND CASH EQUIVALENTS	(III + IV) V	(2,380)	2,863

(1) In 2013, the capital decrease corresponds to share-base payment of the €1,579 million balance of the 2012 dividend and the €1,960 million interim dividend 2013, together with the €280 million repurchase of profit participation certificates.

(2) The €3,539 million correspond to €1,579 million 2012 dividend paid net of interim dividend and to the €1,960 million interim dividend 2013.

(3) Since 2011, the issuance and redemption of Treasury bills and US commercial paper has been shown net basis.

6.4.2 Notes to the parent company financial statements

A. Summary of significant accounting policies

The 2013 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 listed on an active market, provisions for risks, the valuation of equity investments, delivered unbilled natural gas related revenue (gas in the meter), provisons and off-balance sheet commitments relating to employee benefits.

The economic and financial crisis has led the Group to reinforce its risk monitoring procedures and to factor in a risk assessment process when pricing its financial instruments and its equity investments. 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 in 1959, and of non-amortizable assets not operated under concessions carried out in 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 technical 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 value.

Provisions for risks 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 write down 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 write down 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).

Article 66 of Amending Finance Law No. 2012-1510 December 29, 2012 introduced a tax credit to improve the competitive position and job creation (*Crédit d'Impôt pour la compétitivité et l'emploi* CICE). This credit is accounted for as a reduction of the income taxes.

Statutory training entitlement

Rights vested under the statutory training entitlement at December 31, 2013 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 2013 financial statements, as employee rights are included in the Company training plan.

B. Comparability of accounting periods

The financial statements for the year ended December 31, 2013 are comparable with the financial statements for the year ended December 31, 2012.

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, 2012	Increases	Decreases	Reclassifications	Dec. 31, 2013
INTANGIBLE ASSETS	**1,416**	**99**	**(148)**	**(3)**	**1,364**
Software	630	-	(86)	114	658
Technical losses	285	-	-	-	285
Other	377	-	(55)	1	323
Intangible assets in progress	124	99	(7)	(118)	98
PROPERTY, PLANT AND EQUIPMENT	**1,016**	**41**	**(52)**	**3**	**1,008**
Land	39	-	(1)	-	38
Buildings	507	-	(5)	14	516
Technical facilities	165	1	(1)	10	175
Other	259	1	(43)	10	227
Property, plant and equipment in progress	46	39	(2)	(31)	52
ADVANCES AND DOWN PAYMENTS	**-**	**-**	**-**	**-**	**-**
	2,432	**140**	**(200)**	**-**	**2,372**

The conversion of the group wide IT services into subsidiaries resulted in a decrease of intangible assets for €139 million and a decrease for corporate assets for €14 million.

The intangible assets in progress are essentially IT projects.

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, 2012	Additions taken through the income statement	Reversals taken through the income statement	Dec. 31, 2013
INTANGIBLE ASSETS	**684**	**103**	**(100)**	**687**
Software	392	94	(64)	422
Technical losses	-	-	-	-
Other intangible assets	292	9	(36)	265
PROPERTY, PLANT AND EQUIPMENT	**554**	**57**	**(40)**	**571**
Land	-	-	-	-
Buildings	349	17	(4)	362
Technical facilities	83	8	(1)	90
Other	121	32	(34)	119
Property, plant and equipment in progress	1	-	(1)	-
	1,238	**160**	**(140)**	**1,258**

Movements in depreciation, amortization and impairment can be broken down as follows:

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Depreciation, amortization and impairment	**160**	**168**
Straight-line method	157	165
Declining-balance method	2	2
Impairment	1	1
Exceptional depreciation and amortization	**13**	**10**
Reversals	**-**	**-**

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	Accumulated depreciations
Property	92	(6)	63	(29)
Other property, plant and equipment	-	-	-	-

Contractual commitments are as follows:

	Lease payments					
In millions of euros	Paid in 2013	Outstanding	Due in 1 year or less	Due in 1 to 5 years	Due in more than 5 years	Purchase option price
Property	7	12	5	7	-	-
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, 2012	Increases	Decreases	Other	Dec. 31, 2013
Equity investments	**67,700**	**157**	**(13)**	**(868)**	**66,976**
Consolidated equity investments	67,308	139	-	(892)	66,555
Non-consolidated equity investments	392	18	(13)	24	421
Other financial fixed assets	**1,680**	**77**	**(108)**	**-**	**1,649**
Other long-term investments [1]	154	-	(13)	-	141
Amounts receivable from equity investments	1,450	26	(27)	-	1,449
Loans	22	9	(12)	-	19
Other financial fixed assets	54	42	(56)	-	40
	69,380	**234**	**(121)**	**(868)**	**68,625**

(1) Within the framework of the liquidity agreement, GDF SUEZ SA held 7 175,000 company shares at December 31, 2013 for a total acquisition value of €136 million and a market value of €120 million. These shares are subject to a provision for impairment of €16 million at December 31, 2013 (see Note 4B - chapter Others). Movements on treasury stock are detailed in Note 10A.

Equity investments and amounts due from these investments are detailed in Note 27.

The financial fixed assets declined compared to 2012 mainly as a result of:

- the conversion into a subsidiary of GDF SUEZ IT for €78 million;
- the €60 million capital increase of GDF SUEZ Management Company;
- €887 million due to the merger with transfer of all assets and liabilities ("TUP") of GDF SUEZ Communication.

Note 4 B. Impairment

In millions of euros	Dec. 31, 2012	Additions	Reversals	Other	Dec. 31, 2013
Consolidated equity investments	2,744	280	-	(866)	2,158
Non-consolidated equity investments	295	8	(8)	1	296
Amounts receivable from equity investments	353	19	-	-	372
Other	41	-	(25)	-	16
	3,433	**307**	**(33)**	**(865)**	**2,842**

The main variations on impairment are:

- provisions for impairment on COGAC for an amount of €160 million, GENFINA for an amount of €52 million, Compagnie du Vent for an amount of €28 million;
- the merger with transfer of all assets and liabilities ("TUP") of GDF SUEZ Communication for €866 million;
- the reversal of a provision for impairment on the liquidity agreement for €25 million.

NOTE 5 INVENTORIES

In millions of euros	Gross value at Dec. 31, 2012	Increases	Decreases	Gross value at Dec. 31, 2013
Gas reserves	2,010	2,311	(2,478)	1,843
Other	1	-	-	1
	2,011	**2,311**	**(2,478)**	**1,844**

NOTE 6 MATURITY OF RECEIVABLES

In millions of euros	Gross amount at Dec. 31, 2013	Due		
		End-2014	2015-2018	2019 and beyond
Non-current assets	**1,644**	**336**	**698**	**610**
Amounts receivable from equity investments	1,449	191	687	571
Loans	19	3	6	10
Liquidity agreement	136	136	-	-
Other	40	6	5	29
Current assets	**10,004**	**9,927**	**67**	**10**
Trade and other receivables	4,369	4,309	60	-
Current accounts with subsidiaries	3,654	3,654	-	-
Other operating receivables	818	818	-	-
Other receivables	1,162	1,145	7	10
Advances and down payments made on orders	1	1	-	-
	11,648	**10,263**	**765**	**620**

NOTE 7 ACCRUALS

Assets

In millions of euros	Dec. 31, 2012	Increases	Decreases	Dec. 31, 2013
Loan redemption premiums	118	35	(16)	137
Deferred loan issuance costs	86	9	(16)	79
Financial instruments	316	127	(290)	153
	520	**171**	**(322)**	**369**

Liabilities

In millions of euros	Dec. 31, 2012	Increases	Decreases	Dec. 31, 2013
Options contracts	59	374	(363)	70
Financial instruments	79	265	(79)	265
	138	**639**	**(442)**	**335**

NOTE 8 IMPAIRMENT OF ASSETS (EXCLUDING FINANCIAL FIXED ASSETS)

In millions of euros	Dec. 31, 2012	Additions	Reversals	Dec. 31, 2013
Intangible assets	213	-	(13)	200
Property, plant and equipment	1	-	(1)	-
Receivables	241	148	(101)	288
Marketable securities	47	25	(47)	25
	502	**173**	**(162)**	**513**

NOTE 9 MARKETABLE SECURITIES

Marketable securities shown on the balance sheet for a net amount of €2,646 million had a market value of €2,458 million at December 31, 2013.

The unrealized capital loss concerns the GDF SUEZ shares purchased in connection with employee share grants.

The treasury shares that were not allocated to future employee bonus share plans at December 31, 2013 have been impaired for €25 million on the basis of their market value. The value of the own shares non allocated to future plans amounts to €268 million.

The treasury shares allocated to existing plans were the subject to provisions recorded under liabilities (see Note 12 B2). The other marketable securities have a market value higher than their acquisition value.

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, 2013	2,412,824,089
Shares issued during the period following employee share subscriptions	-
Shares issued as a result of the payment of dividends	-
Total number of shares comprising the share capital	**2,412,824,089**

In 2013, a total of 2,685,000 shares were purchased and 2,385,000 shares were sold under the liquidity agreements, generating a net capital loss of €17 million. At December 31, 2013, GDF SUEZ SA held 7,175,000 treasury shares under the liquidity agreement, compared with 6,875,000 at December 31, 2012.

GDF SUEZ SA held 45,368,021 shares in connection with bonus share awards at December 31, 2013 (see Note 10 C).

Note 10 B. Change in shareholders' equity

In millions of euros

Shareholders' equity at December 31, 2012	**46,976**
Employee share subscriptions (capital plus additional paid-in capital)	-
Capital increase relating to share-based dividend payments	-
Dividends and interim dividends paid	(3,538)
Tax-driven provisions	(117)
Income	663
Shareholders' equity at December 31, 2013	**43,984**

In 2013, GDF SUEZ SA paid:

- a recurring dividend net of the interim dividend paid in 2012 for €0.67 per share, representing a total amount of €1,580 million. The total 2012 dividend was €1.50 per share, representing a total payout of €3,467 million;
- an interim 2013 dividend of €0.83 per share, i.e. €1,960 million, payable in cash.

No shares were issued to Group employees in 2013.

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 2013, GDF SUEZ SA granted 2,665,558 bonus shares to certain GDF SUEZ Group employees. No stock options were granted during the year.

In 2013, GDF SUEZ SA awarded 3,266,861 shares to Group employees.

Based on all existing share plans, the number of beneficiaries and staff turnover assumptions, at December 31, 2013 GDF SUEZ SA considered that it had an obligation to deliver 30,827,390 shares, including 11,063,529 shares on the exercise of stock options.

In view of the shares delivered in 2013, the Company holds 45,368,021 shares to cover its bonus share obligations at December 31, 2013, representing a total amount of €949 million.

The market value of these shares at the end of 2013 was €774 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 2013	Expense in 2012
GDF SUEZ plan of November 12, 2008[1]	-	128,755	25.34	0.1	0.5
GDF SUEZ plan of July 8, 2009[1]	-	947,764	25.34	3.5	6.9
GDF SUEZ plan of November 10, 2009	309,626	-	24.53	1.7	4.5
GDF SUEZ plan of March 3, 2010[1]	-	31,853	25.34	-	0.3
GDF SUEZ plan of August 24, 2010	182,980	-	19.93	0.7	0.7
GDF SUEZ plan of January 13, 2011	3,169,318	-	24.53	23.5	22.8
GDF SUEZ plan of March 2, 2011[1]	26,554	22,367	24.94	0.3	0.5
GDF SUEZ plan of June 22, 2011[1]	1,883,110	2,136,122	22.90	23.1	37.3
GDF SUEZ plan of December 6, 2011	2,707,618	-	23.40	19.4	18.5
GDF SUEZ plan of February 29, 2012	66,399	-	22.26	0.6	0.5
GDF SUEZ plan of October 30, 2012	5,486,014	-	19.93	32.0	6.1
GDF SUEZ plan of December 6, 2012	3,266,684	-	19.93	18.6	1.3
GDF SUEZ plan of February 27, 2013	89,236	-	19.93	0.6	-
GDF SUEZ plan of December 11, 2013	2,576,322	-	19.93	0.8	-
Delivered plans in 2012	-	-	-	-	6.4
	19,763,861	**3,266,861**		**124.9**	**106.3**

(1) plans for which shares have been partially or totally delivered.

Stock options granted	Number of stock options granted	Exercise value	Expense in 2013	Expense in 2012
GDF SUEZ plan of November 12, 2008	6,089,684	32.74	-	-
GDF SUEZ plan of November 10, 2009	4,973,845	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 21,119,684 shares at December 31, 2013.

NOTE 11 OTHER EQUITY

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Irredeemable and non-voting securities	148	429
Value of concession assets - Concession grantors' rights	27	25
	175	**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.

During the fiscal year 2013, GDF SUEZ re-purchased 367 962 shares for a nominal amount of €281 million corresponding to a disbursement of €291 million.

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 2013, the corresponding financial expense amounted to €3 million.

NOTE 12 PROVISIONS

Note 12 A. Tax-driven provisions and investment subsidies

In millions of euros	Dec. 31, 2012	Additions taken through the income statement	Reversals taken through the income statement	Dec. 31, 2013
Tax-driven provisions	**657**	**143**	**(259)**	**541**
Accelerated depreciation and amortization	446	120	(232)	334
Provision for price increases	210	23	(26)	207
Provision for investments	1	-	(1)	-
Investment subsidies	**-**	**-**	**-**	**-**
	657	**143**	**(259)**	**541**

Note 12 B. Provisions for contingencies and losses

In millions of euros	Dec. 31, 2012	Additions	Reversals (used provisions)	Reversals (surplus provisions)	Other	Dec. 31, 2013
Provisions for site rehabilitation (Note 12 B1)	30	4	(6)	-	-	28
Provisions relating to employees (Note 12 B2)	295	127	(100)	-	-	322
Provisions for taxes (Note 12 B3)	339	5	(87)	-	-	257
Provisions for tax consolidation (Note 12 B4)	1,892	55	(372)	-	-	1,575
Vendor warranties (Note 12 B5)	70	-	(22)	-	-	48
Risks arising on subsidiaries (Note 12 B6)	25	-	(2)	-	-	23
Other provisions for contingencies and losses (Note 12 B7)	370	499	(304)	(4)	-	561
	3,021	**690**	**(893)**	**(4)**	**-**	**2,814**

Note 12 B1. Provisions for site rehabilitation

Provisions for site rehabilitation totaled €28 million at December 31, 2013 versus €30 million at end-2012, and chiefly relate to the rehabilitation of land on which gas production plants were located. In 2013, €6 million of the provision was utilized, reflecting rehabilitation work completed. An additional charge of €4 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 €8 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 (€75 million), end-of-career vacation (€15 million) and long-service awards (€7 million) and asbestos (€2 million).

The provisions for pensions and other employee benefit obligations carried by SUEZ SA at the time of the 2008 merger have reversed 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, 2013, the corresponding provisions amounted to €8 million for pensions and €12 million for other post-employment benefits.

The full amount of end-of-career indemnities is partially covered by insurance funds; the shortfall amounted to €20 million at December 31, 2013.

The total of these provisions amounts to €117 million at December 31, 2013. The Note 22 D includes details on the variation of these provisions.

Provisions for employee bonus share awards and stock option plans (see Note 10 C)

At December 31, 2013, the provision for employee bonus share awards and stock option plans amounted to €203 million (end-2012: €168 million).

In 2013, GDF SUEZ SA set aside a further €125 million to this provision to cover rights vested by employees. It also reversed €90 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 €257 million at December 31, 2013 and €339 million at December 31, 2012, and chiefly relate to the acquisition of the transportation network in 2002. The provisions will be written back over a period of 14 years. The amount written back in 2013 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, 2013, the Company wrote back an amount of €109 million (€112 million at end-2012), corresponding to the neutralization of the excess amortization on the amortizable component arising in the year.

Provisions for tax consolidation amounted to €1,575 million at end-2013, including €1,316 million relating to the amortizable component of GrDF's intangible assets.

Note 12 B5. Provisions for vendor warranties

At December 31, 2013, provisions for vendor warranties totaled €47.1 million compared to €69.3 million at December 31, 2012.

Because the risk incurred by EPI is revised downwards as the result of a tax assessment, the guarantee that CIC is entitled to request has been adjusted to €18.4 million.

On the other hand, on the Bell Group operation included in the liability guarantee of the sale of Banque INDOSUEZ to the Crédit Agricole, a provision reversal of €19 million was recognized. Independently of exchange rate variations, related to two settlements occurred during the year, an agreement has been signed, including some suspensive conditions that were not fulfilled at December 31, 2013. Given the strong probability that these conditions will be fulfilled, an accrued expense of €15 million has been recognized and a provision reversal of the same amount.

Note 12 B6. Provisions for risks arising on subsidiaries

Risks arising on subsidiaries totaled €23 million at December 31, 2013 versus €25 million at end-2012.

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 provisions for other contingencies and losses amount to €561 million December 31, 2013 compared to €370 million for the year 2012.

This item mainly includes provisions for contract loss € 300 million, financial instruments €92 million, legal disputes €54 million and exchange rate risk €46 million.

NOTE 13 BORROWINGS AND DEBT

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Borrowings	**26,649**	**26,654**
Hybrid bonds[1]	1,710	-
Bonds	19,135	21,002
Other loans	5,270	5,535
Debt with subsidiaries	480	-
Current accounts and loans with subsidiaries	54	117
Other borrowings and debt	**656**	**936**
Deposits received from customers	38	39
Current portion of interest due	545	580
Bank overdrafts	40	85
Miscellaneous	33	237
	27,305	**27,590**

(1) GDF SUEZ issued July 3, 2013 deeply subordinated notes with unlimited duration. This transaction, which raised €1,7 billion, was realized in three tranches with an average coupon of 4.4%:

- *a tranche of €600 million with a 3.875% coupon and an annual option for reimbursement as from July 2018;*
- *a tranche of €750 million with a 4.750% coupon and an annual option for reimbursement as from July 2021;*
- *a tranche of £300 million with a 4.625% coupon and an annual for reimbursement as from July 2019.*

The analysis of the contractual conditions led to the presentation in borrowings of those hybrid emissions.

The decrease in financial debt in 2013 reflects mainly:

- a €1,867 million net reduction of bonds due to an early redemption of €1,040 million and a redemption at maturity for €968 million;
- the decrease in treasury bills for €261 million;
- the reimbursement of a debt related to with-holding tax to Société Générale de €136 million;
- the variation of the current account for tax consolidation for €62 million;
- the decrease of bank overdrafts for €45 million;

offset by:

- issues of hybrid bonds for €1,710 million;
- the subscription of a borrowing from International Power for £400 million or €480 million.

NOTE 14 MATURITIES OF BORROWINGS, DEBT AND PAYABLES

		Due		
In millions of euros	Dec. 31, 2013	End-2014	Between 2015 and 2018	2019 and beyond
Borrowings and debt	**27,305**	**6,763**	**8,499**	**12,043**
Hybrid bonds	1,710	-	600	1,110
Bonds	19,135	1,419	7,393	10,323
Other loans	5,270	4,660	-	610
Debt with subsidiaries	480	-	480	-
Current accounts and loans with subsidiaries	54	54	-	-
Other borrowings and debt	656	630	26	-
Trade and other payables	**4,657**	**4,657**	**-**	**-**
Tax and employee-related liabilities	**1,104**	**1,104**	**-**	**-**
Other liabilities	**1,128**	**1,128**	**-**	**-**
Advances from customers	303	303	-	-
Other	825	825	-	-
Advances and down payments received on orders	**1**	**1**	**-**	**-**
	34,195	**13,653**	**8,499**	**12,043**

Note 14 A. Detail of hybrid bonds

	Dec. 31, 2013	Issue date	Expiration date	Interest	Listing
Public issues					
• in millions of euros	600	07/2013	07/2018	3.875%	Paris
• in millions of euros	750	07/2013	07/2021	4.750%	Paris
• in millions of pounds sterling	300	07/2013	01/2019	4.625%	Paris

Note 14 B. Breakdown of bond debt

	Dec. 31, 2013	Issue date	Expiration date	Interest	Listing
Public issues					
• 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	11	12/2008	01/2019	6.875%	Luxembourg
• in millions of euros	1,205	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	543	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 euros	600	07/2013	07/2018	3.875%	Paris
• in millions of euros	750	07/2013	07/2021	4.750%	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 pounds sterling	300	07/2013	01/2019	4.625%	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
• in millions of euros	100	03/2013	03/2033	3.375%	None
• in millions of euros	200	04/2013	04/2020	Euribor3M+0.58%	Paris
• in millions of euros	81	04/2013	04/2038	3.703%	None
• in millions of US dollars	50	04/2013	04/2033	3.750%	Paris
• in millions of Norwegian Kroner	500	04/2013	04/2024	4.020%	Paris

Note 14 C. Other loans debt associated to subsidiaries

At December 31, 2013, other loans comprised mainly commercial paper in euros (€3,713 million, including €1,940 million at variable rates and €1,773 million at fixed rates) and US Commercial Paper in US dollars (equivalent value of €946 million at fixed rates). These loans fall due in less than one year. In 2013, GDF SUEZ SA has drawn €610 million on its credit facility. A loan has been subscribed with International Power for £400 million or €480 million with maturity in 2015.

Note 14 D. 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, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Floating rate				
Bonds	4,100	4,442	424	259
Debt with subisidiaries	-	-	480	-
Other loans	2,000	5,414	2,440	2,943
Current accounts with subsidiaries	54	117	54	117
Other borrowings and debt	656	936	656	936
Fixed rate				
Hybrid bonds	1,710	-	1,710	-
Bonds	15,035	16,560	18,711	20,743
Debt with subisidiaries	480	-	-	-
Other loans	3,270	121	2,830	2,592
	27,305	**27,590**	**27,305**	**27,590**

Note 15 B. Analysis by currency

	After hedging		Before hedging	
In millions of euros	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
In euros				
Hybrid bonds	1,350	-	1,350	-
Bonds	19,135	21,002	13,835	15,475
Debt with subisidiaries	480	-	-	-
Other loans	5,270	5,535	4,323	4,594
Current accounts with subsidiaries	54	117	54	117
Other borrowings and debt	653	848	653	848
In foreign currency				
Hybrid bonds	360	-	360	5,527
Bonds	-	-	5,300	-
Debt with subisidiaries	-	-	480	-
Other loans	-	-	947	941
Other borrowings and debt	3	88	3	88
	27,305	**27,590**	**27,305**	**27,590**

NOTE 16 BREAKDOWN OF REVENUES

In millions of euros	Dec. 31, 2013	Dec. 31, 2012
Energy sales		
• France	17,020	16,372
• International	9,753	9,506
Works, research and services provided	1,151	1,205
Revenues from non-core activities and other	684	832
	28,608	**27,915**

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, 2013	Dec. 31, 2012
Provision for capital renewal and replacement liabilities regarding concessions	1	1
Provision for site rehabilitation	(2)	(2)
Provisions relating to employees	(39)	(8)
Other contingency and loss provisions for operating items [1]	341	(156)
	301	**(165)**

(1) Of which €300 million provisions for loss on onerous contracts.

Note 17 D. Operating expense transfers

Expense transfers are included in other operating income, and amounted to €3 million in 2013 and €2 million in 2012.

NOTE 18 FINANCIAL INCOME AND EXPENSE

In millions of euros	Dec. 31, 2013 Expenses	Dec. 31, 2013 Income	Dec. 31, 2013 Net	Dec. 31, 2012 Net
Other interest income and expenses	(1,832)	853	(979)	(1,049)
Interest on current accounts and amounts receivable from equity investments	-	52	52	47
Foreign exchange gains/(losses)	(422)	475	53	43
Dividends received	-	1,778	1,778	1,734
Movements in provisions for financial items	(103)	253	150	(26)
	(2,357)	**3,411**	**1,054**	**749**

The increase in net financial result mainly comes from a €167 million provision reversal for exchange rate risks.

NOTE 19 NON-RECURRING ITEMS

In millions of euros	Dec. 31, 2013 Expenses	Dec. 31, 2013 Income	Dec. 31, 2013 Net	Dec. 31, 2012 Net
Disposals of property, plant and equipment and intangible assets	(7)	11	4	8
Disposals of financial fixed assets	(113)	85	(28)	(6)
Provision for price increases	(23)	26	3	41
Accelerated depreciation and amortization	(120)	231	111	15
Movements in provisions relating to equity investments	(308)	9	(299)	(344)
Other	(388)	114	(274)	152
	(959)	**476**	**(483)**	**(134)**

The line “Other” includes the €165 million cash balance paid in relation to the early redemption of bonds, the waiver with GDF Investissement 29 for an amount of €60 million, the costs related to the Perform 2015 Plan including special end of career measures for €60 million.

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 2013 was 38%. This rate includes the 3.3% contribution as well as the exceptional 10.7% contribution (initially 5% in 2011-2012) act to the extent that these contributions are applicable on an individual or group tax basis.

	2013			2012		
In millions of euros	Income before tax	Tax*	Net income	Income before tax	Tax*	Net income
Income tax due by GDF SUEZ SA for the period (excluding tax consolidation group) [(a)]		-			-	
• of which tax on current income	378	-	378	482	-	482
• of which tax on exceptional income	(483)	-	(483)	(134)	-	(134)
Income tax (tax payable by subsidiaries/provision for reclaim of tax benefit by tax group subsidiaries) [(b)]		**768**	**768**		**542**	**542**
• of which corporate income tax for tax group subsidiaries		441			381	
• of which net adjustment of the outstanding amount of corporate income tax		408			248	
• of which others		(81)			(87)	
	(105)	**768**	**663**	**348**	**542**	**890**

* *A positive sign represents a tax gain.*

(a) In 2013 and in 2012, the individual tax result of GDF SUEZ SA generated a net loss. The dividends received from subsidiaries adopt the Parent - Subsidiary directives and are therefore exempt.

(b) The corporate tax income amounts to €768 million compared to an income of €542 million in 2012 and is explained mainly by:

- *An income from the tax group of €441 million at December 31, compared to €381 million at December 31, 2012 can be explained by the the difference between:*
  - *the tax payable for the tax group amounts to €3.7 million at December 31, against a tax receivable of €1.1 million at December 31, 2012;*
  - *the contribution to the group income tax payable by the profitable subsidiaries to GDF SUEZ SA for an amount of €445 million compared to an amount of €380 million at December 31, 2012.*
- *A net variation of the income tax provisions €408 million in 2013 compared to €248 million in 2012 including:*
  - *€213 million net reversal in relation to usage of tax losses by tax group subsidiaries compared to €17 million tax provisions at December 31, 2012;*
  - *€104 million net reversal in relation to the excess depreciation of the gain realized in 2007 on the sale of the gas distribution activities. This amount is taking into account the provision adjustment induced by the increase of the exceptional contribution from 5% to 10.7% for the years 2013 and 2014;*
  - *€82 million net provision reversal of income tax in relation to gain on the purchase of the transport network realized in 2002 spread over 14 years. This amount is taking into account the provision adjustment induced by the increase of the exceptional contribution from 5% to 10.7% for the years 2013 and 2014;*
  - *€8.9 million reversals as a result of 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	2013	2012
Deferred tax liabilities		
• Unrecognized deductible expenses	390	319
• Untaxed income recognized	381	423
Deferred tax assets		
• Temporary non-deductible expenses recognized	885	735
• Unrecognized taxable income	447	430
Net deferred tax (asset in 2013)		
• Tax base	560	423
• Amount	193	146

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 of a tax receivable in 2005 for an amount of €995 million. On July 7, 2009, the tax authorities informed GDF SUEZ SA that they would uphold their position. This was confirmed on December 7, 2011. The follow-up of this legal dispute prompted GDF SUEZ SA to bring their case before the European Commission during the 2nd half of 2013.

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 €11,810 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, 2013, GDF SUEZ had drawn €610 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 1,305 million had been drawn at end-2013), and euro commercial paper for €5,000 million (€3,713 million drawn at end-2013);
- 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, 2013						
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. 31,2012
INTEREST RATE SWAP							
Fixed-rate borrower/floating-rate lender	3,350	4,275	5,153	2,465	15,243	(226)	9,578
Floating-rate borrower/fixed-rate lender	610	4,275	5,574	1,058	11,517	835	12,953
SALE OF SWAPTION							
Fixed-rate borrower/floating-rate lender	-	581	-	-	581	(33)	917
CAP PURCHASE							
Fixed-rate borrower/floating-rate lender	-	1,000	-	-	1,000	17	1,350
FRA PURCHASE							
Fixed-rate borrower/floating-rate lender	5,376	1,699	-	-	7,075	(2)	-
TOTAL EUR	**9,336**	**11,830**	**10,727**	**3,523**	**35,416**	**591**	**24,798**
INTEREST RATE SWAP							
Fixed-rate borrower/floating-rate lender	-	507	-	-	507	(19)	834
TOTAL NOK	**0**	**507**	**0**	**0**	**507**	**(19)**	**834**
INTEREST RATE SWAP	-						
Fixed-rate borrower/floating-rate lender		57	809	145	1,011	(4)	985
TOTAL USD	**0**	**57**	**809**	**145**	**1,011**	**(4)**	**985**
INTEREST RATE SWAP							
Fixed-rate borrower/floating-rate lender	-	-	-	-	-	-	166
Floating-rate borrower/fixed-rate lender	-	-	-	-	-	-	166
TOTAL CAD	**0**	**0**	**0**	**0**	**0**	**0**	**332**
	9,336	**12,394**	**11,536**	**3,668**	**36,934**	**568**	**26,949**

In millions of euros	Notional amount at Dec. 31, 2013						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	
CURRENCY SWAP							
Fixed-rate borrower/fixed-rate lender	-	-	840	1,919	2,759	(148)	2,818
Fixed-rate borrower/floating-rate lender	-	960	-	-	960	(4)	-
TOTAL GBP	**0**	**960**	**840**	**1,919**	**3,719**	**(152)**	**2,818**
CURRENCY SWAP							
Floating-rate borrower/fixed-rate lender	449	-	173	-	622	(92)	792
Floating-rate borrower/floating-rate lender	124	-	-	-	124	(33)	158
TOTAL JPY	**573**	0	**173**	**0**	**746**	**(125)**	**950**
CURRENCY SWAP							
Fixed-rate borrower/fixed-rate lender	-	244	-	-	244	(10)	248
Floating-rate borrower/fixed-rate lender	-	-	224	142	366	(22)	373
TOTAL CHF	**0**	**244**	**224**	**142**	**610**	**(32)**	**621**
CURRENCY SWAP							
Fixed-rate borrower/fixed-rate lender	-	544	-	36	580	(50)	568
Floating-rate borrower/fixed-rate lender	-	-	544	-	544	(81)	568
TOTAL USD	0	**544**	**544**	**36**	**1,124**	**(131)**	**1,136**
CURRENCY SWAP							
Fixed-rate borrower/fixed-rate lender	-	-	-	60	**60**	**(4)**	-
TOTAL NOK	**0**	**0**	**0**	**60**	**60**	**(4)**	**0**
	573	**1,748**	**1,781**	**2,157**	**6,259**	**(444)**	**5,525**

Interest rate hedges in force at December 31, 2013 are as follows:

- 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). It means floating-rate borrower (Eonia)/fixed-rate lender swaps for a notional amount of €60 million at year-end on 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 €943 million and €507 million, respectively;
- to protect the budget for costs of net debt for the years 2013 and 2014 GDF SUEZ SA entered into Forward Rate Agreement (FRA's). The usage of FRA's protects the cost of net debt but does not allow to benefit from a potential decrease of interest rates.

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, 2013, commitments under these contracts were as follows:

In millions of euros **Forward contracts**	Fixed portion of commitments at Dec. 31, 2013 Maturity 2014	2015	2016 and beyond	Euro equivalent at Dec. 31, 2013	Exchange rate fluctuations at Dec. 31, 2013	Fixed portion of commitments at Dec. 31, 2012
LONG POSITIONS						
AUD	5	-	-	5	-	2
EUR	-	-	-	-	-	1
GBP	34	6	-	40	-	25
NOK	336	-	-	336	-	23
MXN	28	-	-	28	-	-
USD	2,000	259	11	2,206	64	2,507
SHORT POSITIONS						
AUD	5	-	-	5	-	2
CHF	268	-	-	268	-	60
EUR	-	-	-	-	-	1
GBP	413	-	-	415	(2)	183
HUF	107	-	-	107	-	181
MXN	58	-	-	57	1	145
NOK	424	-	-	418	6	343
RON	77	-	-	77	-	19
USD	702	-	-	690	12	730

5. Other financial commitments given

In millions of euros	Total at Dec. 31, 2013	Maturity End-2014	Between 2015 and 2018	2019 and beyond
MARKET-RELATED COMMITMENTS				
Performance and other guarantees	2,234	930	950	354
Performance and other guarantees given on behalf of subsidiaries	3,313	328	627	2,358
FINANCING COMMITMENTS				
Personal sureties given	2,398	308	1,067	1,023
Guarantees and endorsements given to subsidiaries	3,627	1,817	1,176	634
Collateral given	-	-	-	-
Credit lines	258	-	193	65
OTHER COMMITMENTS GIVEN				
Contractual guarantees for sales of businesses	4,422	445	590	3,387
Operating lease commitments	448	70	258	120
Finance lease commitments	12	5	7	-
Commitments relating to LNG tankers	449	55	204	190
	17,161	**3,958**	**5,072**	**8,131**

Personal sureties totaling €2,398 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 €3,627 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. Draw downs on these credit lines amounted to €125 million at December 31, 2013 compared with an initial amount of €383 million, which means that €258 million is still to be drawn down.

Contractual guarantees for sales of businesses totaling €4,422 million relate mainly to commitments given on the disposals of Nalco, GDF SUEZ Exploration & Production (EPI) and EFOG:

- for Nalco, GDF SUEZ SA is the counter-guarantor in the event that the vendors, Léo Holding and Nalco International SAS, default;
- for EPI, the sale of the 30% minority interest by CIC and the 10% participation in the train 1 of the Atlantic LNG liquefaction plant at Trinity and Tobago for a maximal amount of €2,900 million;
- After the sale of its 22.5% share in EFOG December 2011, GDF SUEZ acts as guarantor towards ELF Exploration UK Limited, for a period of 7 years against tax disputes and for a period of 2 years against other disputes up to a maximum cap of €590 million.

Operating lease commitments totaling €448 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 €449 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 (€90 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 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;
- 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 236 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.

6. Other financial commitments received

In millions of euros	Total at Dec. 31, 2013	Maturity End-2014	Between 2015 and 2018	2019 and beyond
MARKET-RELATED COMMITMENTS				
Guarantees received	495	495	-	-
FINANCING COMMITMENTS				
Undrawn credit facilities	11,200	1,050	10,150	-
Other financing commitments received	-	-	-	-
Other financing commitments received in relation to subsidiaries	-	-	-	-
OTHER COMMITMENTS RECEIVED				
Counter-guarantees for personal sureties	2,315	308	1,007	1,000
Counter-guarantees for trading commitments	-	-	-	-
Operating lease commitments	232	55	155	22
Finance lease commitments	12	5	7	-
Commitments relating to LNG tankers	449	55	204	190
	14,703	**1,968**	**11,523**	**1,212**

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, 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.

See also the Note 21 E with details on the different legal and arbitration proceedings.

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, 2013, GDF SUEZ SA had commitments to purchase a minimum of 511 TWh the first year, 2,125 TWh between two and five years, and 3,569 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, 2013, commitments given by GDF SUEZ SA totaled 50 TWh under forward purchase contracts and 193 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, 2013, commitments given by GDF SUEZ SA totaled 62 TWh under forward electricity purchase contracts and 81 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, 2013					
	In GWh by maturity			In millions of euros		
	x < 1 year	1 year < x < 2 years	x > 2 years		Fair value at Dec. 31, 2013 in millions of euros	Notional amount at Dec. 31, 2012 In GWh
SWAPS (LONG POSITIONS)						
Natural gas	208,550	25,441	3,776	6,360	32,034	54,684
Oil-based products	156,256	47,169	9,710	7,032	24,770	128,765
CER EUA – CO_2	-	-	-	-	-	-
SWAPS (SHORT POSITIONS)						
Natural gas	(162,115)	(52,573)	(8,282)	(5,597)	(70,398)	89,619
Oil-based products	(104,406)	(4,515)	(869)	(3,946)	(31,053)	81,531
CER EUA – CO_2	-	-	-	-	-	-
OPTIONS (LONG POSITIONS)						
Natural gas	-	-	-	-	-	-
Oil-based products	-	-	-	-	-	-
OPTIONS (SHORT POSITIONS)						
Oil-based products	-	-	-	-	-	-
Electricity	-	-	-	-	-	-
FORWARDS (LONG POSITIONS)						
Oil-based products	-	-	-	-	-	-
Electricity	38	-	-	-	2	36,777
CO_2	-	-	-	-	-	38
FORWARDS (SHORT POSITIONS)						
Electricity	(1,094)	(401)	(182)	(94)	12	24,925
CO_2	-	-	-	-	-	-

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.

This second period of targets has been extended until the end of 2014.

Each energy supplier's annual target however remains unchanged and 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. Insurance policies offer extensive coverage in order to limit the financial impact of any claims on the Group's accounts in the event of a disaster.

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. Situation in Argentina

In Argentina, the Public Emergency and Exchange Regime Reform Act (Emergency Act), enacted in January 2002, froze concession contract tariff 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 in 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, approved by creditors and confirmed by the bankruptcy court on April 11, 2008 enabled the settlement of some of these liabilities. The proposal provides for an initial payment of 20% of these liabilities[2] (upon confirmation), 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. The amount of damages to be paid in compensation for the losses sustained is to be set by experts.

An initial expert report regarding the concession in Buenos Aires was submitted to the ICSID in September 2013. The expert report on the concession in Santa Fe is expected in 2014. The proceedings are ongoing.

(1) *Similar to the French bankruptcy procedure.*

(2) *Approximately USD 40 million.*

2. 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 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 Court of Appeal dismissed the application on December 1, 2008.

Following the appeal brought by Deminor and others on May 22, 2009, the Court of Cassation overturned the ruling of the Brussels Court of Appeal on June 27, 2011. In a subpoena dated December 28, 2012, Deminor and others launched proceedings against GDF SUEZ before the Brussels Court of Appeal, sitting in a different formation, in order for the Court to rule on their claim for additional consideration. The parties are currently exchanging their pleadings.

A similar demand for additional consideration, submitted to the Brussels Court of Appeal by Messrs. Geenen and others, but without naming Electrabel and the FSMA (*Autorité belge des services et marchés 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 before the Court of 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 Court of Appeal on May 3, 2012.

3. Freeze of regulated natural gas tariffs in France

Legal proceedings regarding the freeze of regulated tariffs

The ministerial decree of July 18, 2012 set the increase in the regulated natural gas tariff in France at 2% as from July 20, 2012. The Group considered that this price change did 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'État* on August 24, 2012, on the grounds of abuse of authority.

The ministerial decree of September 26, 2012 set the increase in the regulated natural gas tariff in France at 2% for the period from September 29, 2012 to December 31, 2012. The Group also considered that this price change did 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'État* on November 15, 2012, on the grounds of abuse of authority. The *Conseil d'État* suspended the decree of September 26, 2012 via an order issued on November 29, 2012, and also instructed the Ministries 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'État*, ruling on the merits, canceled the decrees of June 27, 2011, July 18, 2012 and September 26, 2012, via three decisions dated January 30, 2013 on the grounds that they did not set the increase in regulated natural gas tariffs at the level necessary to cover GDF SUEZ's average full costs. The *Conseil d'État* instructed the French State to issue new decrees to correct this unlawful position within one month. The financial consequences of these decisions by the *Conseil d'État* and the new pricing decrees were recognized in the consolidated financial statements for the year ended December 31, 2013. In view of the decision of January 30, 2013 canceling the decree of September 26, 2012 following the claim filed by ANODE, the *Conseil d'État* held that there was no need to adjudicate on the appeal of GDF SUEZ which was considered to be devoid of purpose.

Legal proceedings regarding the differences in regulated tariffs for residential premises and non-residential premises

By a decree dated October 2, 2013, the *Conseil d'État* canceled Articles 3 and 4 of the December 22, 2011 pricing decree, which set the regulated tariffs for gas supplied via public distribution networks, and in particular different tariffs for residential premises and non-residential premises. This decision affects the tariffs that were applicable between January 1, 2012 and July 20, 2012, when the subsequent decree of July 18, 2012 came into force.

The *Conseil d'État* considered that residential and non-residential customers should not be treated differently in respect of regulated gas tariffs since there was no intrinsic difference between the cost of supplying gas to either category of user. Therefore, the only possible justification would have to be based on public interest. However, the *Conseil d'État* was of the view that the French State had not provided sufficient justification that this differentiation was based on public interest and ordered the French State to issue another decree, within one month, that "set the tariffs in accordance with the principles set out in this decision". In other words, the calculation of the new tariffs must take account of both the lack of any differentiation and the changes in price levels that should have occurred in April 2012. The decree of December 26, 2013 accordingly established the new tariffs that were applicable between January 1 and July 19, 2012.

By two decisions delivered on December 30, 2013, the *Conseil d'État* canceled, on the same grounds, Article 3 of the December 21, 2012 pricing decree and the April 15, 2013 decrees which set the regulated tariffs for gas supplied via public distribution networks, and in particular different tariffs for residential premises and non-residential premises. This decision affects the tariffs that were applicable between July 20, 2012 and December 31, 2012 and from the first half of 2013.

The *Conseil d'État* ordered the French State to issue another decree within two months that "set the tariffs in accordance with the principles set out in these decisions". The decree has not yet been issued.

Legal proceedings regarding decree No. 2013-400 of May 16, 2013 amending decree No. 2009-1603 of December 18, 2009 relating to regulated natural gas tariffs

In July 2013, ANODE launched an appeal with the *Conseil d'État* requesting the annulment of decree No. 2013-400 of May 16, 2013 amending decree No. 2009-1603 of December 18, 2009 relating to regulated natural gas tariffs.

ANODE contends that the regulated natural gas tariff framework is inconsistent with the objectives of Directive 2009/73/EC concerning common rules for the internal market in natural gas, and Article 106.1 of the Treaty on the Functioning of the European Union.

4. 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 currently holds a 59% stake in La Compagnie du Vent.

GDF SUEZ has been involved in various disputes with Jean-Michel Germa and SOPER, regarding the latter's dismissal as Chairman and Chief Executive Officer, since 2011. Following the cancellation of La Compagnie du Vent's first General Meeting on May 27, 2011 by the Montpellier Appeal Court, a second General Meeting on November 3, 2011 finally appointed a new Chief Executive, who was put forward by GDF SUEZ.

However, the main proceedings still pending are: (i) the legal proceedings launched against SOPER by La Compagnie du Vent before the Montpellier Commercial Court 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 relating to contractual responsibility and negligence launched against GDF SUEZ by Jean-Michel Germa, at the time when the latter was dismissed as Chairman and Chief Executive Officer of La Compagnie du Vent, before 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 before the Montpellier Commercial Court on May 21, 2012, which request a legal review of certain management decisions, in order to obtain compensation, (iv) the proceedings launched by SOPER before 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 partners' agreement signed in 2007, and (v) the proceedings launched by SOPER before the Paris Commercial Court on May 16, 2013 with the aim that GDF SUEZ be forbidden from exercising the share subscription warrants under the terms and conditions set out in the partners' agreement, claiming that GDF SUEZ prevented La Compagnie du Vent from attaining the performance targets to be met to exercise these warrants.

Regarding the put 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 agreed procedure. The shares were transferred on February 18, 2013. On April 26, 2013, SOPER brought another action before the Paris Commercial Court seeking the cancellation of the expert's report and the appointment of a new expert to set the price of the shares. The case has been brought before the Créteil Commercial Court.

5. 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 (the "Agreement"), and asked for a review of the contractual price with effect from 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). After the parties exchanged their pleadings, the hearings took place at the arbitration court from January 27 to 30, 2014. The award is expected to be delivered during the first half of 2014.

6. Competition and industry concentration

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. On December 3, 2009, the Commission adopted 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.

NOTE 22 PENSIONS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

OVERVIEW OF OBLIGATIONS

In millions of euros	Dec. 31, 2013[1]	Dec. 31, 2012
PENSIONS	2,071	2,202
• EGI sector plan	1,772	1,928
• Other plans	299	274
OTHER RETIREMENT AND POST-EMPLOYMENT BENEFITS	414	426
• Reduced energy and water prices	283	281
• End-of-career allowances	52	61
• Immediate bereavement benefits	41	47
• Other*	38	37
OTHER EMPLOYEE BENEFIT OBLIGATIONS	89	95
• Disability benefits and other	82	88
• Long-service awards	7	7
	2,574	2,723

* *Indemnities for partial reimbursement of educational expenses, exceptional end-of-career vacation and the former SUEZ supplementary healthcare plan).*

(1) Including €117 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.

The specific rights of the specific "old age" insurance scheme in the EGI sector entities not covered by common law schemes and created as of January 1, 2005 are completely financed by the EGI entities proportionate to their respective weight in terms of total salary costs in the division of the EGI's.

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.

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. 2008 and 2010 reforms of public sector pensions

The Decree n° 2008-69 of January 22, 2008 and the Decree n°2011-290 of March 18, 2011 changed the specific pension plans of the Electric and Gas industry. The impacts of these decrees are essentially:

- an extension of the period during which employees pay in contributions;
- introduction of a discount/premium mechanism;
- the methodology for recalculating pensions.

The duration of the contribution to benefit from a full pension has been set at 41.5 years. This progressive extension will be applied to the special EGI plans as from 2017. The legal retirement age and the age of the cancellation of pension discount will be gradually deferred to reach respectively 62 and 67 years in 2024.

Pensions and disability annuities are recalculated as of January 1, 2009 on the basis of the retail price index (excluding tobacco).

Highlights of 2013 changes to the obligations

The CNIEG changed its actuarial calculation model in order to integrate:

- the recommendation of the "*Autorité des Normes Comptables*" (ANC) 2013 R2 addressing the management costs in the context of the adoption of the IAS 19 revised by the European Commission in June 2012.

  The CNIEG management costs, previously accounted for in the evaluation of the pension obligations have been excluded generating a decrease of €49 million applying the calculation method for the obligations presented in option 2 of the recommendation ANC 2013 R02;

- the reform of the supplementary retirement benefit plans AGIRC and ARCCO.

  A national interprofessional agreement has been signed with supplementary retirement benefit plans AGIRC and ARCCO on March 13, 2013. This agreement includes a yearly increase of the premium rate with 0.10 point in 2014 and 2015 and a lower increase of the pensions paid by AGIRC and ARRCO during three years as of 2013. The affiliation of the EGI pension schemes to the ordinary pension schemes including the supplementary schemes, generates a net increase of the pension obligations of €24 million;

- the reform of the general pension scheme.

  The law reforming the general pension scheme was adopted by the National Assembly December 18, 2013 and validated by the Constitutional Council January 16, 2014.

  Until the promulgation of the law and the publication of the enforcement decrees for the general pension schemes and the special EGI schemes, the impacts of this new reform have been anticipated in the context of the evaluation of social obligations ending 2013, based on the hypotheses foreseen by the Bill. They will be revised during the year 2014 in line with the law and the application decrees.

  The changes foreseen include in particular:

  - the progressive prolongation of contribution period as of 2018 to reach 172 quarters in 2033, leading to a decrease of obligations;
  - the increase of employers social contributions to the CNAV between 2014 and 2017 generating an increase in the obligation to finance pre-retirement contributions;
  - the delay of the annual pension increase from April 1 to October 1 each year reducing the obligations.

  The impact due to this reform is a decrease of obligations of €33 million on the global employee benefits. These impacts have been registered on actuarial gain.

- update of the actuarial hypotheses.

  The CNIEG integrated in its calculation basis, the demographic and financial evolution according to the legal tables.

The cumulative impact of the changed actuarial hypotheses is a decrease of obligations of €21 million.

3. Calculation of pension obligations

The GDF SUEZ SA determines its pension obligations according to an actuarial method in line with the recommendation of the ANC November 7, 2013 (2013-02) which amends the recommendation of the Commission for Accounting Standards (Commission des Normes Comptables "CNC") April 1, 2003 (2003 R 01).

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 (length of 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 calculation method presented in the recommendation ANC of November 7, 2013 (2013-02) resulted in a reduction of obligation of €49 million, amount corresponding to the CNIEG management costs not included anymore in the actuarial projection.

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;
- actuarial gains and losses are recognized immediately.

The discount rate used at December 31, 2013 was 3.65% (3.3% at December 31, 2012).

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 3.65% at December 31, 2013 and 3.3% at December 31, 2012. The discount rate used to calculate other commitments was 3.3% at end-2013 and 3% at end-2012.

According to our estimations, a 1% variation of the discount rate generates a variation of the actuarial debt by 14%.

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	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Present value of benefit obligation at January 1	1,928	1,658	274	270	426	373	95	99	2,723	2,400
Service cost	46	43	2	3	8	7	9	9	65	62
Interest cost	62	68	9	10	14	13	3	4	88	95
Actuarial gains and losses on the obligation	(144)	227	28	8	(14)	49	(9)	(8)	(139)	276
Benefits paid under all plans (funded and unfunded) [1]	(71)	(68)	(14)	(17)	(20)	(16)	(9)	(9)	(114)	(110)
Other [2]	(49)	-	-	-	-	-	-	-	(49)	-
Present value of benefit obligation at December 31	1,772	1,928	299	274	414	426	89	95	2,574	2,723

(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 €123 million in 2013 versus €113 million in 2012.

(2) The calculation method presented in the recommendation ANC of November 7, 2013 (2013-02) resulted in an obligation reduction of €49 million, amount corresponding to the CNIEG management costs not included anymore in the actuarial projection.

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, 2013, GDF SUEZ SA had recorded a provision of €117 million, compared with €126 million at December 31, 2012.

Changes in provisions for employee benefit obligations

	Pensions [1]		Other post-employment benefit obligations [2]		Long-term benefits [3]		Total	
In millions of euros	2013	2012	2013	2012	2013	2012	2013	2012
Provision at January 1	9	13	30	31	87	89	126	133
Pension cost (benefit) for the period	-	-	2	2	4	7	6	9
o/w Service cost	-	-	*1*	*1*	*9*	*9*	*10*	*10*
o/w Interest cost	-	-	*1*	-	*3*	*3*	*4*	*3*
o/w Actuarial gains and losses on the obligation	-	-	-	*1*	*(8)*	*(5)*	*(8)*	*(4)*
o/w Other	-	-	-	-	-	-	-	-
Benefits paid under all plans (funded and unfunded)	(1)	(4)	(5)	(3)	(9)	(9)	(15)	(16)
Provision at December 31	**8**	**9**	**27**	**30**	**82**	**87**	**117**	**126**

(1) In 2013, as in 2012, these involved only non-EGI pension obligations.
(2) Exceptional end-of-career leave (€15 million), complementary healthcare insurance to retirees of the former SUEZ Group (€9 million) and water bonus (€3 million).
(3) Allowances for occupational accidents and illness, (€58 million), temporary and permanent disability allowances (€15 million), asbestos (€2 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 €15 million was paid to these insurance firms in 2013.

The value of these contracts stood at €1,856 million at December 31, 2013 (€1,822 million at December 31, 2012).

Note 22 F. Change in the fair value of plan assets

	Pensions				Other post-employment benefits	
	2013		2012		2013	2012
In millions of euros	EGI sector plan	Other plans	EGI sector plan	Other plans		
Fair value of plan assets at January 1	1,600	190	1,507	156	32	30
Expected return on plan assets	52	5	52	6	1	1
Premiums net of handling fees [1]	-	15	-	35	-	-
Actuarial gains and losses on plan assets	54	(6)	103	6	2	2
Benefits paid out of plan assets[1]	(73)	(14)	(62)	(13)	(3)	(1)
Fair value of plan assets at December 31	**1,633**	**190**	**1,600**	**190**	**32**	**32**

(1) Only insurance premiums and benefits reimbursed out of plan assets were recognized in income. The net balance reflects net income of €75 million in 2013 and €41 million in 2012.

Return on plan assets

	Pensions				Other post-employment benefits	
	2013		2012		2013	2012
	EGI sector plan	Other plans	EGI sector plan	Other plans		
Actual return on plan assets	6.7%	3.21%	10.6%	3.4%	8.4%	12.9%

The expected return on plan assets for 2013 is 3.61% in respect of pensions and 3.25% in respect of other obligations.

The allocation of plan assets by principal asset category can be analyzed as follows:

	Dec. 31, 2013		Dec. 31, 2012	
	EGI sector plan	Other plans	EGI sector plan	Other plans
Equities	34%	10%	31%	11%
Bonds	47%	82%	50%	81%
Other (including money-market securities)	19%	8%	19%	8%
	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 €15 million at December 31, 2013, 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 2013 and 2012.

NOTE 23 HEADCOUNT

At December 31, 2013, the breakdown for each category of employees was as follows:

	Dec. 31, 2012	Change	Dec. 31, 2013
Operating staff	512	(2)	510
Senior technicians and supervisory staff	2,521	(197)	2,324
Managerial staff	3,574	(263)	3,311
	6,607	**(462)**	**6,145**

The average number of employees was 6,367 in 2013 and 6,641 in 2012.

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, 2013 in respect of this obligation. At that date, GDF SUEZ SA employees had accrued a total of 578,366 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'Épargne Groupe* – PEG) or the Company savings plan (*Plan d'Épargne 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'Épargne 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	62,182	2,341
Amounts receivable from equity investments	1,077	-
Deposits and guarantees	28	-
Trade and other receivables	1,584	36
Current accounts with subsidiaries showing a credit balance	85	-
Other intangible fixed assets	-	250
Other receivables	489	-
Current accounts with subsidiaries showing a debit balance	3,643	3
Trade and other payables	1,324	24
Liabilities relating to fixed assets	1,150	-
Other liabilities	52	-
Revenues	10,614	-
Energy purchases and change in gas reserves	6,249	-
Other external charges	4,387	-
Other operating expenses	373	-
Other operating income	466	9
Other financial expense	64	-
Other financial income	1,651	155

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 Électriques 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, 2013
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)	7	(134)	64.19
Celizan	-	-	98.69
Cogac	1,433	(656)	100.00
Electrabel	4,623	17,590	99.13
Elengy	109	450	100.00
GDF International	3,972	865	100.00
GDF SUEZ Energie Services	699	1,101	100.00
GDF SUEZ Finance	5,460	716	100.00
GDF SUEZ IT	45	41	100.00
GDF SUEZ Management Company	60	(27)	100.00
Genfina	1,750	(500)	100.00
GIE GDF SUEZ Alliance	100	(48)	64.00
GrDF	1,800	4,520	100.00
GRTgaz	537	2,957	75.00
La Compagnie du Vent	14	91	59.00
NNB Development Company	28	(28)	50.00
SFIG	55	8	96.51
SI Finance	27	6	99.99
Sopranor	-	5	99.90
Storengy	1,044	(418)	100.00
2. EQUITY INVESTMENTS (BETWEEN 10%- AND 50%-OWNED BY GDF SUEZ SA)			
Aguas Argentinas	18	(401)	48.20
SUEZ Environnement Company	2,041	4,674	37.18
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)	-	-	-
3. OTHER LONG-TERM INVESTMENTS NOT INCLUDED IN SECTION A			
French companies	5	-	-
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.

Note: certain information judged sensible have not been provided in the table of subsidiaries and investments.

Book value of shares held at Dec. 31, 2013		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	depreciation						
39	(39)	-	-	-	(42)	-	12/2013
31	(31)	-	-	-	-	-	12/2013
1,434	(160)	2	-	-	(374)	-	12/2013
34,100	-	-	-	13,772	(49)	-	12/2012
516	-	125	-	220	106	162	12/2013
3,972	-	328	-	-	586	380	12/2013
2,931	-	-	-	2,208	188	185	12/2013
5,567	-	4,166	-	685	244	-	12/2013
78	-	-	-	232	5	-	12/2013
60	(27)	-	-	187	(27)	-	12/2013
2,627	(1,387)	-	-	-	7	-	12/2013
62	-	-	-	-	(48)	-	12/2013
8,400	-	-	2	3,436	198	504	12/2013
1,850	-	-	1	1,807	140	182	12/2013
428	(330)	-	-	50	6	-	12/2013
32	-	-	-	-	(15)	-	09/2013
57	-	-	-	57	(7)	17	12/2013
83	(52)	-	-	-	3	4	12/2013
245	(239)	-	-	-	-	-	12/2013
1,904	(12)	-	-	1,177	(1,538)	181	12/2013
145	(145)	-			(150)		12/2013
2,293	-	-	-	5	165	118	12/2012
74	(21)	-	-	-	-	4	
13	(2)	-	-	-	-	-	
33	(9)	13	-	-	-	36	
-	-	-	-	-	-	-	
5	-	-	-	-	-	-	
-	-	-	-	-	-	-	

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 million for 2013.

On the other hand, the post employment benefits for these persons, amounted to €91.2 million at December 31, 2013.

Members of the Board of Directors elected by the Shareholders' Meeting received €0.9 million in attendance fees for 2013.

NOTE 29 SUBSEQUENT EVENTS

No significant events occurred between December 31, 2013 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, 2012	% at Dec. 31, 2013	Reclassification within the Group	Sale outside the Group	Net book value of shares held	Business sector
SUBSIDIARIES[1]						
CLEOMIND	99.76	0.00	X		0.00	Others
FINABEL	99.85	0.00	X		0.00	Others
GDF SUEZ COMMUNICATION	100.00	0.00	X		0.00	Others
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, 2012	% at Dec. 31, 2013	Reclassification within the Group	Acquisition outside the Group	Net book value of shares held	Business sector
SUBSIDIARIES[1]						
BLOMHOF	0.00	100.00	X		9,031,067	Others
GDF SUEZ IT	0.00	100.00	X		78,401,500	IT
EQUITY INVESTMENTS[2]						
CAP VERT BIOENERGIE	0.00	49.00		X	49,000	Energy

(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

	2013	2012	2011	2010	2009
CAPITAL AT YEAR-END					
Share capital *(in euros)*	2,412,824,089	2,412,824,089	2,252,636,208	2,250,295,757	2,260,976,267
Number of ordinary shares issued and outstanding	2,412,824,089	2,412,824,089	2,252,636,208	2,250,295,757	2,260,976,267
Maximum number of shares to be issued:					
• by converting bonds	-	-	-	-	-
• by exercising stock options	10,083,705	15,803,200	22,584,740	30,841,031	36,619,478
RESULT OF OPERATIONS FOR THE YEAR *(in millions of euros)*					
Revenues, excluding VAT	28,608	27,915	24,126	25,373	24,894
Income before tax, employee profit-sharing, depreciation, amortization, provisions and transfer of concession termination amortization	424	749	1,460	1,592	1,184
Income tax (negative figures = benefit)	(768)	(542)	(295)	(356)	(200)
Employee profit-sharing and incentive payments for the year	-	-	-	-	-
Income after tax, employee profit-sharing, depreciation, amortization, provisions and transfer of concession termination amortization	663	890	2,389	857	2,261
Total dividends paid (including on treasury shares in 2013)[1]	3,576	3,503	3,347	3,336	3,257
EARNINGS PER SHARE *(IN EUROS)*					
Income after tax and employee profit-sharing but before depreciation, amortization, provisions and transfer of concession termination amortization	0.49	0.54	0.78	0.87	0.61
Income after tax, employee profit-sharing, depreciation, amortization, provisions and transfer of concession termination amortization	0.27	0.37	1.06	0.38	1.00
Dividend per share[1]	1.50	1.50	1.50	1.50	1.47
HEADCOUNT					
Average number of employees during the year	6,367	6,641	6,952	7,511	7,456
Total payroll	377	374	445	471	498
Total employee benefit obligations paid (social security taxes and contributions to pension plans, welfare plans, etc.)	396	363	324	234	309

(1) To the general shareholders annual meeting approving the annual accounts of the year ending December 31, 2013 will be proposed to distribute a dividend of €1.50 by share, being a total amount of €3,576 million based on the number of outstanding shares December 31, 2013.

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, 2013, 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 31 December, 2013 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 have examined the data and key assumptions used for the determination of the values in use, assessed the sensitivity of the measurements to these assumptions as well as the procedure for approving these estimates by management. We have also reviewed the calculations made by your Company 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, your 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 7, 2014

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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7.1 SPECIFIC STATUTORY PROVISIONS AND BYLAWS

The main provisions of the Company's bylaws and the Board's 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 to all 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 its operating procedures.

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-time basis or on every occasion.

Appointment of Directors

The Company is managed by a Board of Directors comprising no more than 22 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 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.

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 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.

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, which is carried out 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.

The rights and responsibilities of the Directors are described in detail in the Directors' Charter appended to the Internal Regulations of the Board of Directors and published in full on the Group's website.

Term of office of Directors

All Directors serve a four-year term of office, except for Directors representing employees elected after the merger between Gaz de France and SUEZ, 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 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 Directors' 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 terms of office of Directors appointed by employees expire either at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the previous year and held after the announcement of the results of the election organized by the Company under the conditions set out in Article 13.3.1 of 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 Shareholders' Meeting.

In the event of a vacancy of a seat of a Director elected by the employees, the vacant seat is filled pursuant to the provisions of Article L. 225-34 of the French Commercial Code.

With the exception of the rules relating to co-option, which do not apply to him/her, 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 Shareholders' Meeting or, if it is held less than four months after the position has become vacant, prior to the next 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's Board of Directors, 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 may be called upon by the Chairman of the Board to attend meetings of the Board of Directors. They participate in meetings of the Board of Directors in an advisory capacity.

Government Commissionner

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.

General Management

Chairman and Chief Executive Officer

Subject to the powers expressly granted by law to 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 Articles 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.

The Chief Executive Officer is vested with the broadest powers to act in the Company's name in all circumstances. He/she exercises his/her powers within the scope of the Company's corporate purpose and subject to the powers expressly granted by law to 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 Chairman and Chief Executive Officer.

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.

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 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 and by Article 2.2 of the Internal Regulations. These matters are described in detail in Section 4.1.4.1 "Powers of the Board of Directors".

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

The Board meets when it is convened by the Chairman of the Board of Directors, who sets the meeting's venue and agenda. Any Director who wishes to discuss any matter with the Board that is not on the agenda must notify the Chairman prior to the meeting; the Chairman is then responsible for informing the Board.

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 Internal Regulations.

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, 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.

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.

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 Appointments and

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)

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 the law and regulations in all Meetings. The owners of securities mentioned in the seventh paragraph of Article L. 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 the law and regulations. The shareholders may, in accordance with the terms and conditions provided for by the 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 sections 5.2.4 "Golden share" and 5.1.1.3 "Voting rights").

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 are 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 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 Légales 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, 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 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 28 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 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 in the Corporate headquarters for as long as this Registration Document remains valid. These documents may also be obtained in electronic format from the GDF SUEZ website and some of them may be obtained from the AMF website (www.amf-france.org).

7.3.1 Corporate information policy

Valérie Bernis

Executive Vice-President, Communications, Marketing and Sustainable Development

Telephone: +33 (0)1 44 22 00 00

Address: 1 Place Samuel de Champlain – Faubourg de l'Arche – 92400 Courbevoie – France

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 a management report annually.

7.3.2 Financial reporting schedule

Publication of annual earnings 2013	February 27, 2014
Annual Shareholders' Meeting	April 28, 2014
Publication of Q1 results 2014	April 28, 2014
Publication of the 2014 half-year results	July 31, 2014

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 Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2013 presented in Section 6.2 of this Registration Document is set out in Section 6.3 and contains no comments.

The Statutory Auditors' Report on the parent company financial statements for the year ended December 31, 2013 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, 2012, which contains no comments, is presented in Section 6.3 of the 2012 GDF SUEZ Registration Document, which was filed with the AMF on March 22, 2013 under number D. 13-0206.

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 pro forma financial statements for the year ended December 31, 2013 presented in Section 6.1.1.7 of this Registration Document is set out in Section 6.1.2 and contains no comments.

The Statutory Auditors' report on the pro forma financial statements for the year ended December 31, 2012 presented in Section 6.1.1.6 of the GDF SUEZ 2012 Registration Document, which contains no comments, is presented in Section 6.1.2 of the GDF SUEZ 2012 Registration Document, which was filed with the AMF on March 22, 2013 under number D. 13-0206."

Courbevoie, March 20, 2014

Vice-Chairman and President
Jean-François Cirelli

Chairman and Chief Executive Officer
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

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

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

Deloitte & Associés was appointed Statutory Auditor for the Company for the first time at the Combined Shareholders' Meeting of July 16, 2008 for a period of six years 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 (for Mazars)

Tour Exaltis, 61, Rue Henri Regnault, 92400 Paris la Défense Cedex

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 (for Ernst & Young et Autres)

1/2, place des Saisons, 92400 Courbevoie – Paris La Défense 1

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 (for Deloitte & Associés)

195 avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine

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

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UNITS OF ENERGY MEASUREMENT

Conversion Table

1 kWh	0.09 m^3 of natural gas (i.e. 1 m^3 of gas = 11 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)
Gm³	Giga m³ (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
m²	Square meter
m³	Cubic meter
M	Mega (one million)
Mboe	Million barrels 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)
B2B	Business to Business
B2C	Business to Consumer
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)
CO2	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
ISP	Investment Services Provider – 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'Épargne Groupe*, Group Employee Savings Plan
PPA	Power Purchase Agreement (often long-term)
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 7 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: estimate 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.
Branch	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.
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 CO2 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'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.
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.
Compression station	Industrial facility that compresses natural gas to optimize the flow of fluids in the pipes.
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 (ISP)	Investment services provider approved by the Committee of European Bank Supervisors to transmit and process market orders (modern equivalent of stockbrokers).
ISO	International Organization for Standardization, the 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.
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 tanker	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 crude oil, natural and liquid gas quantities 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.
Pumping station	Power plant or facility that operates by 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.

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.

Appendix A - Lexicon

B

Appendix B – Comparison tables

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COMPARISON TABLE WITH REGULATION (EC) 809/2004

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	Section 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. Group Financial Data
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 positioning 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 positioning
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 30 (List of the main consolidated companies as at December 31, 2013)
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 shareholder's equity
10.1. Shareholders' equity	6.1.1.5. Other items in the statement of financial position

Information required under Appendix 1 of regulation (EC) 809/2004	Section of the Registration Document
10.2. Cash flows	6.1.1.4. Changes in net debt
10.3. Borrowing requirements and funding structure	6.1.3.1. 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	6.1.3.2. Restrictions on the use of capital
10.5. Expected sources on financing to honor commitments relative to investment decisions	6.1.3.3. 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	6.1.1.9. 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 in office
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
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, 2013 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 Shareholding
18. Major shareholders	
18.1. Statutory disclosure thresholds	5.2.3. 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	Section of the Registration Document
19. Related party transactions	4.4. Statutory Auditors' special report on regulated agreements and commitments, transactions with related parties, service contracts
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	6.1.1.7. Pro forma financial statements including SUEZ Environnement Company Group as an associate 6.1.2. Statutory Auditors' report on the pro forma financial information for fiscal 2013
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 28 (Legal and anti-trust proceedings) 2.3.3. Legal risks 7.2. Legal and arbitration proceedings - Competition and industry concentration
20.9. Significant change in the issuer's financial or trading position	6.2. Consolidated Financial Statements – Note 29 (Subsequent Events)

Information required under Appendix 1 of regulation (EC) 809/2004	Section 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 and their utilization related to share capital and share equivalents
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. Specific statutory provisions 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 shareholder's equity 6.2. Consolidated Financial Statements – Note 2 (Main changes in Group structure) 6.2. Consolidated Financial Statements – Note 29 (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 30 (List of the main consolidated companies as at December 31, 2013)

CORPORATE, ENVIRONMENTAL AND SOCIAL INFORMATION

This Registration Document includes all items required under Article R. 225-105-1 of the French Commercial Code, as presented in the following table:

Items required		Section of the Registration Document
Social information		
Employment	The total number and distribution of employees by sex, age and geographic area	3.2.8 Social data
	Recruitment and dismissals	3.2.1.1 Recruiting for development 3.2.8 Social data
	Compensation and changes in compensation	3.2 Social Information 3.2.4 Employee savings plans 3.2.8 Social data 6.2. Consolidated Financial Statements - Note 4-4.2
Work organization	Work time organization	3.2.8 Social data
	Absenteeism	3.2.8 Social data
Social relations	The organization of social dialogue, including procedures for informing and consulting staff, and negotiating therewith.	3.2.3 Social relations
	Summary of collective bargaining agreements	3.2.3 Social relations
Health and Safety	Occupational health and safety conditions	3.2.7 Health and Safety policy
	Summary of collective bargaining agreements with trade unions or staff representatives on matters of occupational health and safety	3.2.7 Health and Safety policy
	Occupational accidents, including their frequency and severity, and occupational illnesses	3.2.8 Social data
Training	Policies implemented for training	3.2.1.4 Learning for Development
	Total number of training hours	3.2.8 Social data
Equal treatment	Measures taken to promote gender equality	3.2.1 The Group's human resources development policies
	Measures taken to promote the employment and integration of persons with disabilities	3.2.2 Social commitment: Building a company committed to corporate citizenship, diversity and solidarity
	Anti-discrimination policy	3.2.8 Social data
Promotion and compliance with the fundamental conventions of the International Labor Organization regarding	Respect for freedom of association and the right to collective bargaining	3.2.3.2 Group collective bargaining agreements 3.1 Ethics and compliance
	Elimination of discrimination in matters of employment and occupation	3.2.3.2 Group collective bargaining agreements 3.1 Ethics and compliance
	Elimination of forced or compulsory labor	3.2.3.2 Group collective bargaining agreements 3.1 Ethics and compliance
	Effective abolition of child labor	3.2.3.2 Group collective bargaining agreements 3.1 Ethics and compliance
Environmental information		
General environmental policy	The organization of the Company to take into account environmental issues and, where appropriate, environmental evaluation or certification procedures	3.3.2 The environmental management system
	Training and information for employees on environmental protection	Apart from training in the use of technical tools in the field, the environment is not the subject of specific training but is rather integrated into other training courses such as those in the health and safety area.
	Resources allocated to the prevention of environmental risks and pollution	3.3.4.9 Active prevention of environmental risks

Items required		Section of the Registration Document
	Amount of provisions and guarantees for environmental risks, provided that such information is not likely to cause serious prejudice to the Company in an ongoing dispute	6.2 Consolidated Financial Statements – Note 18 (Provisions) 3.3.4.4. Nuclear energy 3.4.4.9. Active prevention of environmental risks 3.3.4.11. Land use
Pollution and Waste Management	Measures for the prevention, reduction or repair of discharges into air, water and soil seriously affecting the environment	3.3.4.6 Waste
	Measures for the prevention, recycling and disposal of waste	An audit was conducted and recommendations are being implemented by the environmental organization
	Consideration of noise and all other forms of pollution specific to an activity	3.3.4.10 Noise
Sustainable use of resources	Water consumption and supply based on local restrictions	3.3.4.5 Water
	Consumption of raw materials and measures taken to improve efficiency in their use	3.3.4.3 Energy efficiency
	Energy consumption, measures take to improve energy efficiency and the use of renewable energy	3.3.4 3 Energy efficiency
	Land use	3.3.4.11 Land use
Climate change	Greenhouse gas emissions	3.3.4.1 Climate change
	Adapting to the consequences of climate change	3.3.4.1 Climate change
Protection of biodiversity	Measures taken to conserve or enhance biodiversity	3.3.4.8 Management of biodiversity
Corporate social commitments		
Territorial, economic and social impact of the Company's business:	In terms of employment and regional development	3.4.1 Socio-economic development in local communities
	On neighboring or local populations	3.4.1 Socio-economic development in local communities
Relations with people or organizations affected by the Company's activity, including associations for social integration, educational institutions, environmental protection associations, consumer associations and local residents	Conditions for dialogue with these people or organizations	3.4.2 Stakeholders dialogue and partnerships
	Partnership or philanthropy actions	3.4.3 Community philanthropy, solidarity and combating energy poverty
Subcontracting and suppliers	Consideration given in the purchasing policy to social and environmental issues.	3.4.4 Purchases, subcontracting and suppliers
	The importance of subcontracting and consideration given to suppliers and subcontractors' social and environmental responsibility policies	3.4.4 Purchases, subcontracting and suppliers
Fairness of commercial practices	Actions taken to prevent corruption	3.1.1 Ethics policy 3.1.3 Ethics compliance
	Measures taken to promote the health and safety of consumers	3.1.1 Ethics policy
	Other actions taken as part of this Item 3 to promote human rights	3.1.1 Ethics policy

INFORMATION RELATING TO THE 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, 2013:

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	6.1.1. Management report 6.2. Consolidated Financial Statements
	Foreseeable developments and future outlook	6.1.1.9. Outlook
	Significant events, which have occurred between the date the fiscal year ended and the date on which the Management Report was drawn up	6.2. Consolidated Financial Statements – Note 29 (Subsequent events)
	Research and development activities	1.5. Innovation, research and development policy 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	1.1.1. General presentation 1.1.3. Organization 1.2. Key figures 1.1.4. Strategic priorities 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	6.1.1.1. Revenue and earnings trends 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)	6.1.1. Management report 6.1.3.1. Borrowing conditions and financial structure applicable to the Issuer
L. 225-100 para. 4 and 6 of the French Commercial Code L. 225-100-2 para. 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	2 Risk factors 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	6.1.1.8. Parent Company Financial Statements

Legislative or regulatory reference	Items required	Section of the Registration Document
II – Financial information		
L. 233-13 of the French Commercial Code	Breakdown and changes in shareholding structure	5.2.2. Breakdown of share capital – Changes in shareholding 5.2.4. Golden share 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. 233-6, para. 1 of the French Commercial Code	Significant equity stakes over the fiscal year in companies with their head office in France	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	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	5.1.5. Stock repurchase 6.2. Consolidated financial statements - Note 17 (Equity)
L. 225-102 para. 1 L. 225-180 of the French Commercial Code	Employee's stake in share capital	5.2.2. Breakdown of share capital – Changes in shareholding 3.2.5. 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	5.1.3. Authorizations and their utilization related to share capital and share equivalents
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	5.2.5. Dividend distribution policy
L. 464-2, para. 5 of the French Commercial Code	Injunctions or financial sanctions for anti-trust practices	6.2. Consolidated financial statements - Note 28.2 (Competition and concentration) 2.3.3. Legal risks 7.2. Legal and arbitration proceedings - Competition and industry concentration
L. 225-100-3 of the French Commercial Code	Information potentially impacting a tender offer	4.1.1. Board of Directors: Composition – Terms of office – Information – Independence 4.5. Compensation and benefits paid to members of corporate governance and management bodies 5.1.3. Authorizations and their utilization related to share capital and share equivalents 5.2.2. Breakdown of share capital – Changes in shareholding 5.2.4. Golden share 5.2.3. Disclosure thresholds 7.1. Specific statutory provisions and bylaws 3.2.5. Employee profit sharing – Employee shareholding
R. 225-104 of the French Commercial Code	Social information	3.2. Social Information

Legislative or regulatory reference	Items required	Section of the Registration Document
IV – Information relating to corporate officers		
L. 225-102-1 para. 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	4.1.1.3. Information about the Directors in office at December 31, 2013
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	4.5. Compensation and benefits paid to members of corporate governance and management bodies 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	4.5.5.1 Availability of shares resulting from the exercise of stock options and of performance shares
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	4.5.10. Summary of transactions disclosed by executive management and corporate officers in the fiscal year 2013
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	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	2.4. Industrial risks 2.2.3 Impact of Climate 3.3. Environmental information
L. 225-102-2 of the French Commercial Code	Specific information for companies operating at least one site classified as "high threshold" Seveso	2.4.3. Seveso and equivalent sites 3.3. Environmental information
L. 225-102-1 para. 4 and R. 225-104 of the French Commercial Code	Social information	3.2. Social Information

INFORMATION RELATING TO THE 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	6.4. Parent Company Financial Statements
Group Consolidated Financial Statements	6.2. Consolidated Financial Statements
Management report	See specific comparison table above
Declaration by the Party Responsible for the Annual Financial Report	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	6.5. Statutory Auditor's report on the Financial Statements
Statutory Auditor's Report on the Consolidated Financial Statements	6.3. Statutory Auditor's Report on the Consolidated Financial Statements
Statutory Auditors' Fees	6.2. Consolidated financial statements – Note 31 (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	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	4.2. Statutory Auditors' Report, prepared in compliance 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

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Our values
drive
commitment
daring
cohesion

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