Acquisition of the minority stake in International Power

Analyst Meeting

16 April 2012

Gérard Mestrallet

Good morning, everybody. I am pleased to be here with Isabelle Kocher, Dirk Beeuwsaert and Phil Cox (on the line from London). Thank you for tuning into this conference call on such short notice. I will be glad to talk to you today about the opportunity that the buyout of the 30% IP minority interest represents to us.

As a general introduction to my presentation, I want to stress that this transaction represents a new ambition for GDF SUEZ. This operation makes a lot of industrial and strategic sense for us. GDF SUEZ wants to become the energy group that sets the pace in emerging markets.

This transaction indeed means several important things:

- It means shifting to high-growth areas

- It means enhancing the Group's growth profile

- It means gaining full control over our global portfolio mix

- It also means capturing the full earnings contribution of a large project pipeline

- And it means simplifying the Group's structure, eliminating minority interests, holding 100% of Group's five energy branches, and thereby consolidating a compact and industrial organisation

Now, in our view, this transaction is really the logical second step for the IPR integration, which has been a clear success thus far.

This next slide (4) shows that our global footprint has grown substantially due to IPR integration. We increased our gross generation capacity by 50% in 2011, following the completion of the first transaction in February last year.

Following that first IPR transaction, GDF SUEZ boasts a truly global footprint with 117 GW of gross capacity worldwide, of which 53% is outside Europe. We have a strong presence notably in the Middle East, North America, Latin America, Asia and Australia.

Following that transaction last year, GDF SUEZ became the world's number-two power-generation company – and the world's number-one independent power-generation company.

It is also worth noting that additional capacity of close to 15 GW is still under construction. The Group has clearly set its sights on fast-growing markets: 87% of its gross capacity under construction is located outside Europe. Once those plants come on-stream, power-generation capacity will reach 132 GW, which has to be compared to the overall capacity existing in France of 120 GW.

The second phase of IPR integration will allow us to capture growth in fast-growing markets, which is one of our strategic objectives.

Before moving on to the rationale underlying this transaction, I want to remind you that our strategy is clear. The GDF SUEZ Board has approved and reasserted it. It relies on three strategic objectives (slide 5):

1. We strive to accelerate our development in fast-growing markets

2. We want to optimise and integrate our operations in mature markets, especially in Europe

3. We aim at strengthening our recurring business lines

This transaction with IP is a beautiful fit for all three objectives, and will allow us to simplify the Group's structure by reducing the weight of minority interests, which will afford us more flexibility in our international development.

Let us now see how this transaction is highly attractive for both GDF SUEZ and IPR shareholders (slide 6).

The current offer is well balanced between IPR shareholders' and GDF SUEZ shareholders' interests. It is a fair transaction.

First of all, the contemplated transaction is value-accretive for GDF SUEZ shareholders, with an immediate accretive impact of 9% on GDF SUEZ' 2011 EPS pro-forma on a full-year basis. It will reinforce its growth and value profile, boost its presence in fast-growing markets, and preserve its A rating thanks to a balanced financing structure following recent encouraging comments from both S&P (no change expected) and Moody's (potential downgrade limited to one notch).

This transaction is also attractive for IPR shareholders with a full cash offer at 418 pence, i.e. a 19% premium over IPR's undisturbed share price, in line with similar transactions, and internal rates of return above 30% for IP shareholders since the merger announcement in July 2010.

As a result, this highly attractive transaction has been recommended by both GDF SUEZ and IPR Boards.

Moving on to slide 7, this transaction was unanimously approved yesterday by the GDF SUEZ Board and by the IPR independent Board members. The transaction is structured as a scheme of arrangement and should be approved by IPR shareholders at the AGM expected to take place in June 2012. Closing is expected by mid-July or August 2012.

In our view, the scheme of arrangement was more appealing than a classic offer. One key advantage is clarity.

Let us now look at the next steps in the transaction timeline (slide 8). After formally launching the offer on 16 April, the main steps to come are:

- We will be posting the scheme document within 28 days following the announcement, i.e. by 14 May at the latest

- The IPR General Meeting to approve the scheme of arrangement will be held in June

- IPR's final 2011 dividend – €6.6 cents per share – will paid on the scheduled date

- Lastly, we expect to close the transaction and delist IPR by mid-July

After this general introduction to the transaction, let us now take a closer look at the strategic implications for the Group (slide 10).

We strongly believe that IP integration so far has been highly beneficial to GDF SUEZ and to IPR for at least three reasons:

1. IP has stood out as the preferred bidder on new contracts and developments since its integration in our Group's scope. I have a few examples. Its success on the 1.5-GW Az Zour gas-fired plant project in Kuwait is one of them. IP has been chosen as the preferred bidder on that project. It has signed other contracts and developments. One of them is for a large 660-MW geothermal project in Indonesia. It is also working on projects in Morocco, including Tarfaya (a 300-MW wind farm) and Safi (a 1.2-GW coal-fired plant). It has also been selected as the preferred bidder on a 1,000-MW plant in South Africa (to become that country's first independent power producer). I could also add a 200-MW wind farm in Canada. In other words, since the operation, we have already more than 4GW of additional projects. So it is fair to say that the integration of former IP with GDF SUEZ' international arm has been very fruitful.

2. Synergies at IP level have been completed faster than expected. In August 2010, we had set an initial target of €90 m by the end of 2011 and, in February 2012, IPR announced that it had achieved €135 m worth of synergies by the end of last year. This is 50% more than the original target.

3. Last but not least, IPR's credit rating has been upgraded. It has reached investment grade. This has increased its financial strength. It reflects both its significantly enhanced growth profile (within GDF SUEZ) and will significantly increase the resources it can harness to develop. As a result, within the scope of GDF SUEZ, International Power has been able to step up its financial muscle.

Let me remind you that, in 2010, GDF SUEZ could not buy the entire IPR Group for rating-related reasons (to preserve its financial structure). But, since then, GDF SUEZ has recovered its financial flexibility while pursuing significant investments. I will explain this on slide 11.

The main message, here, is that GDF has recovered its financial flexibility while rolling out a powerful industrial investment programme.

First, the 2011-2013 portfolio optimisation programme appears to be well on track: we have achieved two-thirds of this programme's €10 bn the first year.

There has been a healthy balance so far between strategic partnerships on the one hand, such as the one we struck in E&P with the Chinese sovereign fund CIC, the capital opening of GRTGaz, and non-core asset disposals on the other hand.

There are also other results: GDF SUEZ' current net debt level is almost back to its pre-IP-integration level. That put its Net Debt/EBITDA ratio at 2.3 x at end-2011, versus 2.2 x at end-2010.

So we managed to close the IP transaction in February and offset most of its impact on our balance sheet within the same year (2011). Rating agencies have welcomed this fast deleveraging.

At the same time, the Group has been able to keep its development at a strong pace, with CapEx close to €11 bn last year, two-thirds of which qualify as growth CapEx. All Group business lines have pushed ahead with this powerful investment drive, with a particular focus on Energy Europe and International (especially in emerging countries), Infrastructures and Environment.

So the improvement in financial flexibility allowed us to complete the IPR integration and reach a compelling step in the implementation of GDF SUEZ' successful strategy.

Moving on to slide 12, as we said at our latest Investor Day in December 2011, the major projects in IPR pipeline are expected to deliver its full earnings contribution between 2014 and 2017. The chart shows the very important developments we have in that pipeline. GDF SUEZ will therefore reap the full benefits, i.e. around 13 GW of gross capacity as of end-December 2011, with a clear focus on fast-growing markets (close to 95% of IP's project pipeline).

The platform we are currently building in Asia-Pacific is a nice example of efforts to increase our presence in fast-growing markets (slide 13). We want to reach new frontiers and build a beautiful development platform in that part of the world.

GDF SUEZ has set ambitious targets there. For example, we are aiming for a 25% increase in electricity capacity production by 2013 versus June 2011. We are planning to achieve that in two ways:

1. Accelerating our developments in the countries where we are already present: in Singapore (where we are number-one), in Thailand (where we are number-two), in Indonesia (where we are number-two), in Australia (where we are number-one)

2. And in new countries such as Vietnam, Laos, the Philippines and Mongolia, for example

We will also be pursuing our commercial development in the LNG value chain, in Australia and Indonesia. These developments, of course, are focused on the Asia Pacific natural-gas market. This is

also a good example of how we can cross-fertilise with other GDF SUEZ operations – in Natural Gas and also with Suez Environnement in Australia (where the Group is number-one in Power Generation, number-one in Water and number-two in Waste).

We will also try to leverage our E&P partnership with CIC to seize new opportunities in that region, especially in countries seeing economic growth, rising demand for energy and increasing per-capita consumption, focusing on activities backed by long-term contracts. All in all, we believe that a fully integrated IP is in a good position to harness growth in emerging markets.

Once again (slide 14), IP boasts 12.8-GW of gross-capacity under construction in its pipeline. All that capacity is outside Europe and it is almost entirely in fast-growing markets, with a healthy balance between Latin America, the Middle East, Turkey, Africa and Asia. When you look at energy demand growth forecasts in those regions, remember that 2% to 4% annual growth rates mean 15% to 30% increases over 7 years. This contrasts sharply with the relative stabilisation that is expected in mature markets such as Europe.

GDF SUEZ has a unique competitive advantage over its peers in Europe. That is why our medium-term CapEx targets will increase. Today, 30% of our growth CapEx is going to fast-growing markets. Over the medium term, that figure will grow to between 40 and 50%.

That was what I wanted to say about the details of the strategic rationale behind this transaction. I will now hand over to Isabelle Kocher, who will tell you about the financial rationale for GDF SUEZ shareholders.

Isabelle Kocher

Thank you Gérard and good morning everybody. In this brief presentation, I will be covering the following points.

1. The transaction has a clear accretive impact on earnings. There are two things I would like to say here. Firstly, before any impact from share dividends and additional disposals linked to the transaction, the accretive impact stands at +9% on our 2011 EPS pro-forma. Secondly, looking ahead, after disposals, after share dividends, we will see significant EPS accretion.

2. With this transaction, we will be able to capture 100% of integration synergies, which have recently been upgraded from €197 m to €225 m at IPR level, with an additional €70 m synergy layer at GDF SUEZ level. Of course, we will also gain full access to IPR cash.

3. We will benefit from an increased presence in fast-growing markets. If you look at the Group's 2011 earnings, you will see that the portion of net recurring income we generated in fast-growing markets will grow from 22 to 30%. In the future, we will also accelerate our development in fast-growing markets. I will come back to this.

4. Last but not least, you will see that we have chosen a very balanced financing structure, which preserves GDF SUEZ' attractive share fundamentals.

The accretive impact from the transaction on our 2011 pro-forma earnings

The details are on slide 16. You can see the key impacts from the transaction on our 2011 accounts. First, as you know, we have already been fully consolidating IPR since February 2011. So, of course, there will be no impact on our EBITDA. However, there is a very strong positive pro-forma impact of +9% on the Group's share in net recurring income and on the related EPS, naturally as a result of the reduction in non-controlling interests. We also would have seen the Group's net debt increase by €8.4 bn.

Our ambitions in fast-growing markets

This next slide (slide 17) shows that the transaction will reinforce GDF SUEZ' weight in fast-growing markets immediately. These areas account for 30% of the Group's share in net recurring income (pro-forma 2011), instead of 22% (as I said). But it will be even more in the future, since we have significantly enhanced our guidance with a share of 40 to 50% of growth CapEx in fast-growing markets instead of 30% before.

The financing structure

As you can see on this next slide (slide 18), the financing structure is well balanced across three levers:

1. Additional disposals

2. Equity sources

3. Financial flexibility

In other words, at least one-third of the financing will come from disposals, with €3 bn of additional disposals specifically linked to this transaction.

Another third will come from equity financing, with a share-dividend option implemented for the final dividend for 2011 and any 2012 interim dividend, leading to cash savings of €2 bn to €3 bn. It is worth noting that this is not a structural change in our attractive dividend policy.

Finally, our ultimate net debt increase (the third lever) should be limited to €2 bn to €3 bn maximum, which will be absorbed by our financial flexibility. As you remember, increasing the Group's financial flexibility is one of our key priorities for the years to come.

This structure allows the company to reaffirm its continuous commitment to financial discipline and attractive shareholder remuneration, with the following key targets (which you know about):

1. €9 bn to €11 bn annual gross CapEx for the years to come

2. Naturally, maintain our A rating. As Gérard Mestrallet mentioned and you have seen, S&P has posted a stable outlook for the Group

3. Net Debt/EBITDA ratio below 2.5 x in the future, exceptionally around 2.5 x at end-2012

4. Dividends at least stable year-on-year

Moving on to disposals (slide 19), as you know, we launched a €10-bn disposal programme in early 2011 for 2011, 2012 and 2013. This programme is well on track. As regards the timeline, we have

already completed two-thirds of our initial target in only one year, leading to a €6.6 bn net reduction and €1.5-bn capital gains. Of course, we will continue to roll out the outstanding part of this programme in due course. We are planning to run this additional €3 bn disposal programme on top of that in order to back up the IPR non-controlling-interest buyout.

We are naturally also looking to limit dilutive impact on the Group's share in recurring income. That is to say that, on top of the strategic criteria we will apply, we will choose assets with limited contributions to the bottom line.

Moving on to our dividend policy (slide 20), we are first of all confirming our guidance for 2012, with dividends per share next year equal to or higher than this year. This, I would like to remind you, is a sustainable dividend policy. Secondly, we are confirming that no changes in our dividend policy are to be expected. The share dividend option used for the final dividend for 2011, and any 2012 interim dividends, is designed to optimise financing of the transaction but is not expected to become a new dividend policy.

Back to Gérard Mestrallet.

Gérard Mestrallet

Thank you, Isabelle. This transaction provides me with the opportunity to confirm and even enhance our 2012 financial targets.

The accretion in the Group's share in net income allows us to upgrade our guidance to a bracket ranging from €3.7 bn to €4.2 bn, versus the previous €3.5 bn to €4.0 bn.

We are also confirming the other figures in our 2012 guidance, which are not impacted by the transaction:

- Indicative EBITDA around €17 bn

- Gross CapEx at €11 bn excluding this transaction

Lastly, the transaction's financing structure allows us to reinforce the following targets:

- Net debt/EBITDA around 2.5 x

- An A rating on our debt

- 2012 dividends equal to or higher than 2011 dividends

Finally, the full IP integration – the first and second steps – perfectly embraces GDF SUEZ' long-term strategy. As you can see on this slide (23), this transaction meets all the key criteria:

- It simplifies the Group's structure

- It increases our presence in fast-growing markets

- It increases electricity generation capacity outside Europe

- It enables us to maintain our financial flexibility

- It tallies with our focus on the bottom line

Before leaving the floor to your questions, I would like to tell you about the next steps for our Group: Faster industrial development in fast-growing markets, leading to a 40% to 50% share in our gross CapEx over the medium term, up from 30% before. This is why we consider that GDF SUEZ is the benchmark energy group for growth in emerging markets.

Thank you for listening. We are now ready to answer your questions.

Q&A

Nomura

Good morning, everybody.

1. As regards the CapEx you intend to invest in fast-growing markets over the medium term, you haven't increased the figure from between €9 bn and €11 bn, but you are suggesting that those fast-growing markets will account for a larger proportion. Where are you stepping down your CapEx aspirations to make that work?

2. Can you shed a little more light on what you might consider to reshape the Group and what disposals might be on the agenda with particular reference to the future of Suez Environnement within what is becoming an increasingly energy-focused group?

3. As regards the guidance that you have set out for 2012, I think the mechanical aspects of the transaction are easy to understand but maybe you could give is your thoughts on where we stand in terms of climatic conditions and regulatory issues. Thank you.

Gérard Mestrallet

1. Our idea for our CapEx programme, as you have no doubt understood, is to work within the constraints we have set ourselves – meaning an A rating on one hand and capping CapEx at €9 bn to €11 bn on the other – using our flexibilities and giving preference to emerging markets. This will clearly lead to an increase in a portion of the CapEx that we funnel towards those rapidly growing countries from its current level of 30% to 40% over the near term and 50% over the medium term. We will keep our CapEx range at €9 bn to €11 bn. But we will of course adapt the level within that range. If the economic environment improves in 2013 or 2014, we will naturally be much closer to the top end (€11 bn) than the bottom (€9 bn). The integration of IP with a better cash flow circulation within the group will facilitate the way we finance those CapEx. So we will stick to that €9 bn to €11 bn range. But opportunities to grow in emerging markets will take precedence among all the various growth opportunities that will arise around the world.

2. We said we would be selecting disposals consistently with Group strategy, to limit dilution, and to optimise the impact on our rating. Optimising our portfolio in line with our strategy means that –

given our preference for emerging countries – we will also be selecting assets for disposal in mature markets. This is important. The relative weight of emerging markets in our business portfolio will stem from three kinds of operations. Firstly – and simply – by increasing our holding in IP from 70% to 100%. Secondly, the assets to be sold will be selected in priority in mature markets. Thirdly, by increasing gross development CapEx from 30% today to between 40% and 50% over the medium term. This is absolutely consistent with the priority that we have chosen with our Board.

3. At this stage, we have simply measured the mechanical impact of this transaction on our guidance and, at this stage, are not changing any other elements.

J.P. Morgan

1. You spoke about net income attrition in the press release – €400 m in 2013 – but, as you said, the pipeline will kick in with substantial contributions to earnings from 2014 to 2017. Can you give us a feel of what the attrition could be later on in the future?

2. Given the way IPR projects are financed, will you be fully able to circulate cash flow from IPR around the Group or will some of the financing or holding structures constrain you?

Gérard Mestrallet

1. Yes, the operations will by themselves increase net-income contribution over the full year by around €400 m. That is the direct impact from the fact that we will have 30% more of IPR's net income, minus the interest on the debt. That is €400 m before asset sales and scrip dividends. In the future, you are right, accelerating our investments in emerging markets will contribute later on. At this stage, we have not given a precise figure. But you are right about the direction of the impact.

2. It is true that owning 100% of IPR shares will facilitate cash flow circulation without any restrictions.

Crédit Suisse

1. One goal for this IPR deal is to reduce expenses on minority shares of income. In your 2011 appendix, you said that IPR had an €800 m debt out of which a little more than half came from Tractebel and E.CL. Do you have any plans to do the same with Tractebel and E.CL?

2. As regards development in Asia, can you tell us a little more about the synergies you can harness CIC and its backing behind your E&P business, and International Power? You have left Japan off the map, even though it's a big gas customer. Do you have any plans there?

Gérard Mestrallet

1. You are absolutely right: within IPR, we have a series of listed companies. We have Tractebel Energia in Brazil, E.CL and other listed companies in Chile and Peru, Glow in Thailand... But we have no plans to change the existing situation.

2. As you may remember, in the gas (Natural Gas and LNG) business, in 2011, considering that US LNG imports were dropping (due to shale gas expansion), we decided to shift a sizeable portion of our operations from the Atlantic basin to the Asia-Pacific basin. We have signed agreements in China (with CNOOC), Korea (Kogas), Malaysia (Petronas) and India (Petronet). We have not yet signed agreements with Japanese companies but we are talking to them. They are very good partners and we know them very well (in our gas and power businesses). GDF SUEZ used to partner with Japanese companies in the Middle East (including Marubeni, Mitsui and Mitsubishi). And former International Power had a close partnership with Mitsui. We have also been working with Marubeni in Singapore. So we are very used to partnering big Japanese groups in the Middle East and Asia. We are also intending to sign LNG supply agreements with Japanese consumers. At this point, however, discussions are underway but have not been signed. As regards synergies with CIC, remember that the agreement we signed with them was for the long term. It is a cooperation agreement covering all our businesses and, in theory, all countries – but focusing in particular on Asia-Pacific. Some agreements have already been signed. Last year, as you remember, we sold CIC our 10% stake in Atlantic LNG, in Trinidad and Tobago. CIC also bought a 30% stake in our subsidiary EPI (through a capital increase) for €2.4 bn. We have also signed an agreement with ICBC, China's largest bank, thanks to their introduction. Our cooperation agreement has a financial dimension, an industrial dimension and a commercial dimension. And, also thanks to them, we have been on principle selected to take part in the construction of an LNG terminal on the eastern coast of China. In the future, in the Power Generation business – I would like to be clear about this – we do not intend to invest at this point in mainland China because we consider that the present regulatory framework is not clear enough for us, for independent power producers. But, outside China, we are interested in cooperating with large Chinese groups (power producers keen on expanding outside China and equipment suppliers working outside China). We have already been working on cooperation outside China with companies such as Shanghai Electric and Dongfeng, for example. So, again, it's a long-term agreement. But it has already been very fruitful over a very short period of time. We are talking about projects in several fields. I have mentioned a few of them, and could have mentioned natural gas storage and other fields too. But I am personally very confident in this exceptional agreement. They have publicised it extensively and want to apply it on the ground with more cooperation.

UBS

1. My first question is about synergies. I see about €120 m a year of headquarters costs at International Power. Do you think you can reduce any of that over time? You have already done a lot of refinancing with International Power. Can you do any more or is it all locked into the first deal?

2. Your income target for 2015 is €5 bn. Have you looked at this target in light of this deal?

3. What is the rationale behind the scrip dividend? In this market, with really depressed share prices but not particularly depressed M&A prices, I would have said it would make much more sense to sell assets.

Gérard Mestrallet

1. I want to be very clear about the fact that there will be no significant additional synergies, as regards cost synergies at IP headquarters. Let me say it very simply. When we combined the 4,000 people at IP around the world with the 6,000 people working on the International operations that we contributed to IP, we completely reengineered the industrial organisation of the new IP, and reengineered the new headquarters (which remain in London with small presence in Brussels – and no direct presence in Paris). We did that to maximise synergies and optimise this branch's industrial efficiency. That is done now. We have overshot our initial targets – by a wide margin: as I mentioned, at the end of 2011 (Year 1), we were 50% above the announced target. But this organisation is now in place and the fact that we will own 100% instead of 70% of it will not change the industrial organisation. In the future, it will help to increase CapEx in emerging countries under the GDF SUEZ umbrella and in line with our priorities in emerging countries. But, we are already harnessing all the value that we have secured in the headquarters and business-line organisation. The only difference is that we will be harnessing 100% of the synergies instead of 70%.

2. The figure we gave for 2015 is not guidance: it is simply an indication. It is too early to change this figure. It is obvious that this figure will be positively affected by the transaction, but we are not providing a new figure yet.

3. As you know, we are intent on keeping our strong A rating. In all our simulations on our financial profile, we have figured that financing with equity will prove useful if not necessary. So we have preferred to use more balanced financing (1/3 equity, 1/3 sales, 1/3 debt, rather than 2/3 sales and 1/3 debt). That's what we chose to do and we believe it will lead to a sounder financial profile over the medium term, shield GDF SUEZ for any adverse financial environment and allow us to push ahead with our strong growth via our investment programme.

Espirito Santo

1. What limitations, if any, are there on purchasing more Suez Environnement shares should you decide to do so?

2. You say that IPR will add €200 m to net income in 2012 based on 6-month consolidation and €400 m over 12 months. Given growth in Jirau and so forth, why are we not seeing a bigger increase in 2013?

Gérard Mestrallet

1. We have a deal with public authorities. We signed it when Suez and Gaz de France merged. It stated that Suez would retain 35% of Suez Environnement and control over the Board, and that the remaining 65% would be distributed to Suez shareholders and traded on the market. That is the deal and we have decided to stick to it during this period. We have no legal constraints as regards increasing our stake other than the fact that, if we increase it by over 2% in 1 year, we will have to launch a full bid. So I can tell you that we have absolutely no intention to do that.

2. As regards the Group's share in net recurring income in 2013, we have given you the mechanical impact from the transaction – close to €200 m for the half year and close to €400 m on a full-year basis. This does not take into account the potential impact of asset sales. Of course, we will try to

select the assets for sale in such a way as to limit the impact on net recurring income. We will be selecting the ones that are contributing the least today to limit the negative impact. In the coming years, of course, IPR's growing profitability – fuelled by additional CapEx – will have a positive impact on GDF SUEZ' net recurring income. We have not been more precise so far but the direction you mentioned is correct.

Deutsche Bank

1. As regards disposals, am I correct to assume that the €3 bn from the current disposal plan will grow to €6 bn by the end of 2012? And where will it go in 2013? I understand the bulk of these disposals will be in mature markets but will they include financial stakes, assets in the European energy business, or net worth? Can you give us more colour on all that?

2. Will you be reviewing PPA accounting surrounding IPR takeover?

Gérard Mestrallet

1. We will not be making the disposals over one year. It should take two years (2012 and 2013). As you remember, the first programme (€10 bn), spanned 2011, 2012 and 2013. We booked 2/3 of that (€6.7 bn) the first year (2011), and were planning to complete the rest over the second and third year. That is also the case for the additional €3 bn. You want colours on the kind of asset sales. I would like to let you imagine beautiful colours, but it will be like an impressionist painting. We don't want to be too specific. I will nevertheless tell you that we do not intend to increase the dimension of the partnerships. We entered into two big partnerships last year. One was in gas transport with GRTgaz. That was an interesting move by itself to secure a second shield in our negotiations with the French regulator (to stop negotiating alone). Now, we have CDC and CNP on board too. The second partnership was the E&P deal with CIC in China. Last year, we clearly stated that we do not intend to go beyond that in terms of partnerships at significant division level. As for the rest, we will prefer to locate asset sales in mature markets, naturally – I guess – including Europe.

Isabelle Kocher

2. There is no additional PPA exercise to be performed, since we already consolidate IPR globally. For the same reasons, there is no additional goodwill to be booked in our accounts. Remember that we took the full goodwill option at the start of the operation.

Credit Sight

1. I just wanted to ask you about Suez Environnement. It's not clear to me why you want to keep Suez Environment in a group that, as Martin said right at the beginning, is becoming increasingly energy-focused. Could you please explain to me the rationale behind maintaining Suez Environnement within the GDF SUEZ Group?

2. I also wanted to be clear on the rating expectations. I know you continually talk about maintaining a strong A rating. But are you actually saying you want to maintain your current A1 rating or do you

expect it to go down, bearing in mind the fact that the increasing focus on faster-growing markets will probably increase the business risk within the Group?

3. You talked about the scrip dividend as a means of financing by equity. I just wonder if you would also consider something such as issuing hybrid debt, particularly considering the amount of hybrid debt that RWE has issued – which would be quite a significant equity component.

Gérard Mestrallet

1. Suez Environnement clearly has a special status within the Group. This is especially so after the transaction. After this transaction, we will really have a compact structure with 100% of our energy branches. So it is clear that GDF SUEZ will be an energy group with full control over all of its energy activities (Energy Europe, Energy International), gas business, gas infrastructure and energy services. So 100% of all that. Suez Environnement, again, has a special status. And we want to keep this relationship because of all the synergies that exist between our energy activities, and water or waste activities. I would like to mention one commercial synergy. We have been active in China's water business for 20 years. As a result of that, I have a seat on the Shanghai International Board meeting and Chongqing International Board meeting. So far, we have no power generation operations there. But we have very solid ties with the Chinese, including Mr Lou Jiwei and Mr Gao Xiqing. And it is thanks to the Water activity that we have been able to build such strong cooperation ties with CIC covering all the sectors, including gas and potentially power. I would also like to add the synergies that we have in the Middle East, where all international RFPs require bids concurrently encompassing power generation (usually using natural gas) and water desalination. As you know, with Degrémont, Suez Environment is the world leader for reverse osmosis desalination. So we probably would not have been so successful in the Middle East if we had not had water desalination know-how and technology in-house. I would like to add one last reason. Today, the connections between energy and the environment are becoming stronger. In the Waste business, for example, the connections are obvious (you can use waste as fuel to produce heat or power). But there are also connections with the water cycle. You can extract heat from wastewater. We have special technology – called "Blue Degrees" – to transfer heat from wastewater to municipalities (to heat public buildings). Secondly, we filter wastewater to extract sludge, which we dry and can transform into fuel (to generate heat) or gas (to feed the gas network). So there are many links. Those are the reasons why, beyond its special status, we consider that having Suez Environnement in the Group's scope, where it is today, is satisfying and comfortable.

2. I would simply like to mention that developments in emerging countries do not increase the Group's business risk as you might imagine. Why? We started developing in the Middle East 15 years ago. We decided to keep our 'upstream' power generation operations where we can reach power purchasing agreements. When we started this activity, we thought there was a country risk (this applies to Latin America, the Middle East and Asia). But we set out to reduce that risk by focusing entirely on activities where we had visibility from long-term power-purchasing agreements (20 years in all Middle-East countries, up to 35 years on hydro projects in Latin America). In those cases, we have no market risk. We have no volume risks or price risks. Practically all the output is sold at a preset price. Now, 15 years down the line, I would like to stress that those power purchasing

agreements have never been amended in any of the emerging countries where we have signed them. And, to be honest, I would have liked to see the same thing in Europe, but that is not the case.

Isabelle Kocher

2. Especially in mature markets, we have substantial merchant activities. As you have seen, the bulk of the disposals will be in these markets. That is one of the reasons why S&P, as you have also seen, has confirmed the Group's A rating.

3. As regards the opportunity for the Group to issue hybrid products, I would just like to say that we can keep our rating where it is without doing so. Hybrids, as you know, are relatively expensive. So we have chosen not to.

Exane

1. I would like to come back to the Tarfaya, Safi and South African projects. Can you confirm that they have been finalised or are you still in exclusive negotiations?

2. Is your €9 bn to €11 bn CapEx over the medium term current scope or after disposals?

3. Can you please tell us how confident you are about increasing recurring net income in 2013 given that spark spread prices in Europe have dropped fairly massively?

Dirk Beeuwsaert

1. We are clearly the preferred bidders on those three projects. Closing is progressing. It is ongoing for Tarfaya. We are at the end of the process to secure financial close. In South Africa, we now have almost all the agreements, so we have made a lot of progress towards the overall close. Safi will take some more time (probably the end of this year or beginning of next year), but we are also clearly the preferred bidder, even though there are still several things to do.

Gérard Mestrallet

2. The €9 bn to €11 bn CapEx is for growth and I would say it is independent of disposals. There is development CapEx, industrial CapEx and so forth. It will be in that range regardless of disposals, which are a separate item.

3. We have given you a few pointers, namely moderate recurrent net income growth in 2013. Like everyone else, we are looking and acting in the market, and watching spark spreads in Europe. We are also watching spark spreads in other markets we are active in (Texas, for example). At this point, we will not be changing our pointers. When we present our H1 results, we will give you a more precise review of all that.

Natixis

1. What will happen to IPR 2015 convertible bonds?

Isabelle Kocher

1. As you probably know, three convertible plans have been issued by IP. An appropriate offer will be made and explained in the scheme document that will be sent to IP shareholders in a few weeks' time. You will have all the details then. Just bear in mind that the assumption we make is that all the convertible bonds will be converted.

Merrill Lynch

1. Why are you going through Electrabel? Does it make sense from a tax-related point of view?

2. A couple of weeks ago, a release stated that there were a few difficulties in Jirau. Have you factored that into the guidance that you just gave us? Can you tell us a little more about the process, how Jirau will switch to Tractebel Energia, and the timeline?

Gérard Mestrallet

1. The answer is very simple: Electrabel is a very strong platform for investment. As you know, Electrabel already owns the 70% stake in IP. So far, placing the 100% in the same hands has allowed administrative and financial optimisation. That is the reason why we prefer Electrabel to buy the outstanding 30%. That way, it will hold 100% at the end of the process.

Phil Cox

2. The plan to transfer Jirau to Tractebel Energia remains unchanged. The plan has always been and remains to transfer the project to Tractebel Energia at a time around commercial operation. As regards the wider context, we have announced that there has been some disruption at the site. Workers have started to get back into operation. It is a little too early to comment on what impact that has on the overall schedule but we'll update the market as soon as we can. As I said, construction is underway and transfer will be around commercial operation.

Dirk Beeuwsaert

2. Perhaps I will briefly add that, in the meantime, spot prices in the Brazilian market are a lot higher than they were at the end of last year. That means that the perception of the value of electricity is changing dramatically on that market.

Bank of America

1. I note that you need regulatory approval in New York. I was just wondering if that is merely mechanical of if you expect to have to do anything in order to gain that approval.

2. When you're looking at disposals, will you include existing International Power assets in the list of transactions that you may consider?

Gérard Mestrallet

1. As far as I understand, the operation in New York is absolutely mechanical. The same authorities have already green-lighted the first transaction (for GDF SUEZ to climb from 0 to 70%). Now we want to up that from 70% to 100% so we are not expecting any difficulties.

2. I will simply mention that, in order to stay in line with GDF SUEZ' strategy, which is to give emerging markets priority, we will look at assets in mature markets first. In other words, we are not excluding any particular part of the Group – so far.

Thank you very much. That was the last question. I'm sorry if any of you had any further questions but we unfortunately have to stop. Thank you again for being here on this phone call. Have a very pleasant day.