



Transcription for GDF SUEZ

March 29th, 2012



CONFERENCE CALL

G rard MESTRALLET, Chairman and Chief Executive Officer, GDF SUEZ

Good afternoon everyone. You have seen probably the press release issued by International Power this morning, and also the following press release we issued a few hours ago. I confirm that GDF SUEZ have made an approach to the independent directors of International Power regarding a possible indicative cash offer of 390 pence per share for the remaining International Power shares not already held by GDF SUEZ. As you may know, the rules of the Takeover Panel in the UK are very strict in such a situation. Therefore I will not be in a position to answer your questions, I regret. But I wanted rapidly to comment and to give you some background to this transaction.

First what is the transaction rational. As you know, last year in 2011, we, GDF SUEZ have successfully combined our International Power generation activities with International Power. Therefore we have created a unique group offering an attractive growth profile with an unparalleled and balanced portfolio of assets, ideally positioned in the emerging countries, where 80% of tomorrow's new production capacity needs will occur. International Power is today the global leader in terms of IPP with more than 75 Gigawatt in terms of growth capacities. We have a number one position in Brazil, we have a strong position in Chile, in Peru, in Panama – this is for all Latin America. We are also, and by far, the most successful developer in the Middle East, three or four times larger than our newest competitor. We have very



strong positions in Australia, in Singapore, in Indonesia, in Thailand, and we do believe that we will benefit in Asia from our very strong partnership signed with the CIC, the Chinese Sovereign Fund. We signed this agreement in August 2011. As you have probably noticed, the development of IP in these regions has been very strong. The most recent success announced were in Kuwait. IP have won an international bid for a combined cycle gas turbine, 1500 Megawatt, and also with desalination equipment. In Indonesia it was a big geothermal project with local partners and Japanese partners. We have also good prospects in South Africa. Clearly, emerging markets have become crucial for our growth strategy. They represent a significant growth potential.

So I would like to remind you that the electricity demand in countries excluding OECD countries should grow at 4.4% a year over the next 8 to 10 years. So the needs are very important and we want to capture a part of this potential.

This new step would enable GDF SUEZ to better integrate one of the most powerful vehicles to develop IPP around the world. In addition, it will enable the group to accelerate its CAPEX program in these highly promising areas. It will also enable GDF SUEZ to provide its large balance sheet to provide a sufficient financial feasibility for International Power to pursue an accelerated growth.

As you know, there is an increasing number of large projects requiring strong financial commitment.

Finally, the transaction will also simplify the GDF SUEZ group structure, and reduce the importance of the minority interest in our balance sheet. In terms of price, of financing, the first message I want to clearly deliver, is that the group will maintain its

strict financial discipline in terms of value creation and financial flexibility, as reflected today in its strong balance sheet. I also want to insist on the fact that since the first transaction with International Power, the group has significantly reduced its indebtedness and has now regained some financial flexibility. You have to keep in mind that we had announced an asset optimization program of 10 billion Euros, announced in 2011, and by the end of the year 2011, we were able to make two-thirds of this program and therefore we have more or less recouped at the end of the year the financial ratio that we had at the beginning of the year.

We believe that the cash offer of 390 pence per share for the remaining International Power shares not already had by GDF SUEZ is a fair price. In terms of balance sheet, if the proposed transactions were to complete, GDF SUEZ will intend to maintain its category A Rating. If the transactions were to be completed, the group will revise upwards its target in terms of asset disposal, as a reminder the group is engaged into 10 billion euro asset disposal program, of which as I mentioned already, more than two-thirds is achieved, with 6,6 billion euro of assets disposal already announced.

Now these are the elements I wanted to give to you. I will not be in a position to comment further, as previously indicated. I just want to indicate that the potential transaction would represent a new major step in terms of development of the group. And the group GDF SUEZ is committed to comply with its strict financial discipline, both in terms of value creation and in terms of balance sheet flexibility and robustness.



Thank you, thank you very much. This is the end of the conference call. Thank you very much all of you for having been connected with us for this conference. Thank you.