GDF SUEZ

Société Anonyme

22 rue du Docteur Lancereaux
75008 Paris

Audit report on the historical combined interim financial information of GDF Suez Energy International Division for the six month period ended June 30, 2010

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To the Chief Executive Officer and the President of GDF SUEZ,

In our capacity as statutory auditor of GDF SUEZ and in accordance with your request, we have audited the combined interim financial information of GDF Suez Energy International Business Areas and the combined entities as described in note 28 to the combined interim financial information (together **"GDF SUEZ Energy International Division"** or the "**Group**") for the six month period ended June 30, 2010. This combined interim financial information has been prepared in the context of the envisaged carve-out from GDF SUEZ for the purposes of the proposed combination of the Group and International Power ("the proposed combination") as agreed between the parties in the merger deed signed on October 13, 2010, and on the basis of the accounting policies set out in note 1.1 to the combined interim financial information.

Responsibilities

The Chief Executive Officer and the President of GDF SUEZ are responsible for preparing the combined interim financial information on the basis of preparation set out in note 1.1 to the combined interim financial information. Our responsibility is to express an opinion on this combined financial information, based on our audit.

Basis of opinion

We conducted our work 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 combined interim financial information is free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the combined interim financial information. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, the combined interim financial information gives, for the purposes of the transaction described above, a true and fair view of the assets and liabilities and of the financial position of the Group as at June 30, 2010 and of the results of its operations for the six month period ended June 30, 2010 in accordance with the basis of preparation set out in note 1.1 to the combined interim financial information which explains how International Financial Reporting Standards as adopted by the European Union have been applied for the purposes of preparing the combined interim financial information.

We express no opinion on the profits, cash flows and changes in equity for the six month period ended June 30, 2009 which is marked 'unaudited'.

Declaration
This report is addressed to your attention in the context described above and is not to be used, circulated, quoted or otherwise referred to for any other purpose.

This report shall be governed by, and construed in accordance with, French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter or this report, and any matter arising from them. Each party irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

Neuilly sur Seine, October 13, 2010

Deloitte & Associés

Jean-Paul Picard

Pascal Pincemin

INTERIM COMBINED STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS PERIOD ENDED JUNE 30 2010[(1)]

In millions of euros	Notes	June 30, 2010	Dec. 31, 2009
NON-CURRENT ASSETS			
Intangible assets, net	8	863.4	428.2
Goodwill	7	1,336.5	1,258.2
Property, plant and equipment, net	9	16,544.9	12,241.7
Available-for-sale securities	14	54.2	68.8
Loans and receivables carried at amortized cost	14	694.4	516.4
Derivative instruments	14	297.5	269.9
Investments in associates	12	292.9	290.3
Other non-current assets	14	138.1	121.9
Deferred tax assets	7	139.0	347.7
TOTAL NON-CURRENT ASSETS		**20,360.9**	**15,543.0**
CURRENT ASSETS			
Loans and receivables carried at amortized cost	14	244.5	320.9
Derivative instruments	14	296.6	339.6
Trade and other receivables	14	1,496.4	1,290.3
Inventories		327.1	272.4
Other current assets	14	576.9	407.0
Financial assets at fair value through income	14	18.1	2.5
Cash and cash equivalents	14	3,444.7	2,948.5
TOTAL CURRENT ASSETS		**6,404.1**	**5,581.3**
TOTAL ASSETS		**26,765.0**	**21,124.3**
Shareholders' equity		5,355.7	4,208.0
Non controlling interests		1,803.9	896.7
TOTAL EQUITY	16	**7,159.6**	**5,104.7**
NON-CURRENT LIABILITIES			
Provisions	17	246.6	219.0
Long-term borrowings	14	9,198.5	7,726.7
Derivative instruments	14	841.0	498.9
Other financial liabilities	14	1.6	1.4
Other non-current liabilities		711.7	588.1
Deferred tax liabilities	7	545.2	608.5
TOTAL NON-CURRENT LIABILITIES		**11,544.6**	**9,642.6**
CURRENT LIABILITIES			
Provisions	17	124.4	125.0
Short-term borrowings	14	5,433.1	4,144.0
Derivative instruments	14	512.8	460.0
Trade and other payables	14	1,386.0	1,013.0
Other current liabilities		604.5	635.0
TOTAL CURRENT LIABILITIES		**8,060.8**	**6,377.0**
TOTAL EQUITY AND LIABILITIES		**26,765.0**	**21,124.3**

(1) The present Interim Combined Financial Information comprises the combination of GDF SUEZ Energy International Business Areas together with entities in the United Kingdom and in Turkey (together "GDF SUEZ Energy International Division" or "the Group"). The scope of combination is presented in note 28.

Amounts in tables are generally expressed in millions of euros. In certain cases, rounding may cause slight discrepancies in the lines and columns showing totals and changes.

INTERIM COMBINED INCOME STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30 2010[(1)]

In millions of euros	Notes	June 2010	June 2009 Unaudited
Revenues		5,377.1	4,909.5
Purchases		(3,725.7)	(3,562.0)
Personnel costs		(218.1)	(197.8)
Depreciation, amortization and provisions		(368.3)	(270.8)
Other operating income and expenses, net		(247.6)	(156.7)
CURRENT OPERATING INCOME	**4**	**817.4**	**722.1**
Mark-to-market on commodity contracts other than trading instruments		(23.8)	(75.8)
Impairment of property, plant and equipment, intangible assets and financial assets		(133.5)	(3.2)
Restructuring costs		(0.5)	0.0
Changes in scope of combination		184.0	0.9
Other disposal gains and losses and non recurring items		(0.9)	1.9
INCOME FROM OPERATING ACTIVITIES	**5**	**842.6**	**646.0**
Financial expenses		(356.3)	(315.7)
Financial income		139.7	158.3
NET FINANCIAL LOSS	**6**	**(216.6)**	**(157.4)**
Income tax expense	7	(153.1)	(183.4)
Share in net income of associates	12	23.7	14.7
NET INCOME		**496.5**	**319.8**
Net income Group share		395.6	238.3
Non-Controlling interests		100.9	81.5
Earnings per share (euros)		0.19	0.12
Diluted earnings per share (euros)		0.19	0.12

(1) The present Interim Financial Information comprises the combination of GDF SUEZ Energy International Business Areas together with entities in the United Kingdom and in Turkey (together "GDF SUEZ Energy International Division" or "the Group"). The scope of combination is presented in note 28.

The financial information above may not be representative of future results, for example the historical capital structure does not reflect the future capital structure. Future interest income and expense, certain operating costs, tax charges and dividends may be significantly different from those that arose from being wholly owned by GDF SUEZ.

INTERIM COMBINED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2010[(1)]

In millions of euros	30 June 2010	30 June 2009 Unaudited
NET INCOME	**496.5**	**319.8**
Available-for-sale financial assets	0.0	(0.0)
Net investment hedges	(202.2)	17.8
Cash flow hedges (excl. Commodity instruments)	(115.7)	178.5
Commodity cash flow hedges	28.3	(190.3)
Actuarial gains and losses	0.9	0.7
Translation adjustments	1,186.7	251.1
Deferred Taxes	10.1	42.0
Share in other comprehensive income (expense) of associates	6.5	44.0
OTHER COMPREHENSIVE INCOME (EXPENSE)	**914.5**	**343.8**
TOTAL COMPREHENSIVE INCOME	**1,411.0**	**663.6**
Net income Group share	1,142.7	477.6
Non-controlling interests	268.4	186.0

(1) The present Interim Financial Information comprises the combination of GDF SUEZ Energy International Business Areas together with entities in the United Kingdom and in Turkey (together "GDF SUEZ Energy International Division" or "the Group"). The scope of combination is presented in note 28.

INTERIM COMBINED CASH FLOW STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2010[(1)]

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
Net income	**496.5**	**319.8**
- Share in net income of associates	(23.7)	(14.7)
+ Dividends received from associates	8.6	7.3
- Net depreciation, amortization and provisions	478.4	262.0
- Net capital gains on disposals (incl. reversals of provisions)	(183.0)	(2.8)
- Mark-to-market on commodity contracts other than trading instruments	23.8	75.8
- Other items with no cash impact	1.4	4.6
- Income tax expense	153.1	183.4
- Net financial loss	216.6	157.4
CASH GENERATED FROM OPERATIONS BEFORE INCOME TAX AND WORKING CAPITAL REQUIREMENTS	**1,171.7**	**992.8**
+ Tax paid	(248.1)	(195.4)
Change in working capital requirements	64.1	(374.5)
CASH FLOW FROM OPERATING ACTIVITIES	**987.6**	**422.9**
Acquisitions of property, plant and equipment and intangible assets	(1,083.7)	(921.9)
Gain of control of subsidiaries net of cash and cash equivalents acquired [(2)]	(157.6)	(122.8)
Acquisitions of investments in associates and joint ventures[(2)]	0.0	(7.4)
Acquisitions of available-for-sale securities	(1.9)	(3.2)
Disposals of property, plant and equipment and intangible assets	4.5	16.3
Loss of control of subsidiaries net of cash and cash equivalents acquired[(2)]	(0.3)	21.6
Disposals of investments in associates and joint ventures[(2)]	0.0	1.2
Disposals of available-for-sale securities	5.1	7.0
Interest received on non-current financial assets	25.4	27.2
Dividends received on non-current financial assets	1.7	1.6
Change in loans and receivables	25.8	(190.8)
CASH FLOW USED IN INVESTING ACTIVITIES	**(1,181.1)**	**(1,171.4)**
Distribution	(133.5)	(174.7)
Repayment of borrowings and debt	(1,059.5)	(770.5)
Change in financial assets at fair value through income	(15.1)	(0.0)
Interest paid	(177.7)	(169.3)
Interest received on cash and cash equivalents	25.6	27.5
Increase in borrowings and debt	1,711.9	1,651.4
Contribution	66.4	(4.0)
Changes in ownership interests in controlled entities[(2)]	30.7	7.6
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**448.7**	**567.9**
Effect of changes in exchange rates and other	240.9	(35.4)
TOTAL CASH FLOW FOR THE PERIOD	**496.2**	**(215.9)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**2,948.5**	**2,315.5**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**3,444.7**	**2,099.6**

(1) The present Interim Combined Financial Information comprises the combination of GDF SUEZ Energy International Business Areas together with entities in the United Kingdom and in Turkey (together "GDF SUEZ Energy International Division" or "the Group"). The scope of combination is presented in note 28.

(2) In accordance with revised IAS 27, cash flows resulting from changes in ownership interests in controlled entities are now accounted for in "Cash flow from (used in) financing activities" in the statement of cash flows. In this context, the Group has reviewed the presentation of acquisitions and disposals of consolidated entities in the statement of cash flows. Up to December 31, 2009, the items "Acquisitions of entities net of cash and cash equivalents acquired" and "Disposals of entities net of cash and cash equivalents sold" included the cash impacts resulting from acquisitions/disposals of controlled entities or entities over which the Group has joint control, acquisitions/disposals of associates and changes in ownership interest in controlled entities or entities over which the Group has joint control. As of January 1, 2010, changes in ownership interest in controlled entities are shown under "Changes in ownership interests in controlled entities" within "Cash flow from (used in) financing activities". Acquisitions and disposals of associates and joint ventures are presented separately from cash flows resulting from acquisitions/disposals of subsidiaries. Cash flows resulting from acquisitions and disposals of subsidiaries are shown under "Gain of control net of cash and cash equivalents acquired" and "Loss of control of subsidiaries net of cash and cash equivalents sold" respectively. Comparative data for first-half 2009 have been restated in order to present the cash flows concerned in accordance with this new presentation.

INTERIM COMBINED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS PERIOD ENDED JUNE 30 2009[1]

	Paid-in Capital and Consolidated Reserves[2]	Fair Value Adjustments and Other	Treasury Stock	Cumulative Translation Adjustment	Shareholders' Equity	Non Controlling Interests	Total
EQUITY UNDER IFRS AT DECEMBER 31, 2008	**3,751.0**	**(328.4)**	**0.0**	**(372.0)**	**3,050.6**	**686.0**	**3,736.6**
Income and expense recognized directly in equity		52.7		186.6	239.3	104.5	343.8
Net income	238.3				238.3	81.5	319.8
TOTAL RECOGNIZED INCOME AND EXPENSE	**238.3**	**52.7**		**186.6**	**477.6**	**186.0**	**663.6**
Employee share issues and share-based payment	4.6				4.6		4.6
Distribution	(137.0)				(137.0)	(37.7)	(174.7)
Contribution	0.6				0.6	(5.6)	(5.0)
EQUITY UNDER IFRS AT JUNE 30, 2009 - UNAUDITED	**3,857.6**	**(275.7)**	**0.0**	**(185.4)**	**3,396.5**	**828.7**	**4,225.2**

(1) The present Interim Financial Information comprises the combination of GDF SUEZ Energy International Business Areas together with entities in the United Kingdom and in Turkey (together "GDF SUEZ Energy International Division" or "the Group"). The scope of combination is presented in note 28.

(2) Refer to note 1.1.1 Basis of combination for a description of its content.

INTERIM COMBINED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS PERIOD ENDED JUNE 30 2010[1]

	Paid-in Capital and Consolidated Reserves[2]	Fair Value Adjustments and Other	Treasury Stock	Cumulative Translation Adjustment	Shareholders' Equity	Non Controlling Interests	Total
EQUITY AT DECEMBER 31, 2009	**4,362.9**	**(83.8)**	**0.0**	**(71.1)**	**4,208.0**	**896.7**	**5,104.7**
Income and expense recognized directly in equity		(235.7)		982.9	747.2	167.5	914.7
Net income	395.6				395.6	100.9	496.5
TOTAL RECOGNIZED INCOME AND EXPENSE	**395.6**	**(235.7)**		**982.9**	**1,142.8**	**268.3**	**1,411.2**
Employee share issues and share-based payment	1.4				1.4		1.4
Distribution	(65.4)				(65.4)	(68.0)	(133.5)
Contribution	40.4				40.4	26.1	66.4
Operations with NCI	28.6				28.6	680.8	709.5
EQUITY AT JUNE 30, 2010	**4,763.5**	**(319.6)**	**0.0**	**911.8**	**5,355.8**	**1,803.9**	**7,159.7**

(1) The present Interim Financial Information comprises the combination of GDF SUEZ Energy International Business Areas together with entities in the United Kingdom and in Turkey (together "GDF SUEZ Energy International Division" or "the Group"). The scope of combination is presented in note 28.

(2) Refer to note 1.1.1 Basis of combination for a description of its content.

The Interim Combined Financial Information presented here has been prepared under the responsibility of the Chief Executive Officer and the President of GDF SUEZ on October 13, 2010 in the context of the envisaged carve-out from GDF SUEZ for the proposed combination of "GDF SUEZ Energy International Division" (as defined below) and International Power Plc.

International Power announced that it had signed on August 10, 2010 a memorandum of understanding with GDF SUEZ in relation to a proposed combination of International Power and GDF SUEZ Energy International Division and a definitive Merger Agreement in respect of the combination on October 13, 2010.

The combination will take the form of a contribution by Electrabel, a wholly-owned subsidiary of GDF SUEZ, of GDF SUEZ Energy International Division to International Power in exchange for the issue of new ordinary shares in International Power in order to create an Enlarged International Power (hereafter "the Transaction"). Following the closing of the Transaction, GDF SUEZ Group will hold the majority of the capital of Enlarged International Power.

GDF SUEZ Energy International Division comprises GDF SUEZ Energy North America, Energy Latin America and Energy Middle East, Asia & Africa entities ("Energy International Business Areas") together with entities in the United Kingdom and in the distribution activities in Turkey part of GDF SUEZ Energy Europe (together "the Group" ; see note 3). The Group has not in the past formed a separate legal group.

Since July 20, 2009, the Energy International business areas, together with Energy Benelux & Germany and Energy Europe business areas, form the Energy Europe & International Division ("Energy Europe & International Division"), These five Business Areas of Energy Europe & International Division are operating segments of GDF SUEZ Group as of December 31, 2009.

Before this date, the Energy International Business areas were managed within GDF SUEZ International Division which was an operating segment of GDF SUEZ. These business areas were managed by the GDF SUEZ Energy International General Management Committee. After the 2009, reorganization, the above mentioned five business areas – including Energy International business areas - are managed by Energy Europe and International Division General Management Committee.

The Energy International Business Areas of GDF SUEZ are responsible for the Group's activities outside Europe and Russia, in particular the electricity and energy supply activities. Its mission is to develop and to manage electricity and gas projects and to offer tailor-made energy solutions to industry and commercial customers.

Electricity and natural gas are the core businesses of these business areas with activities in electricity production, trading, marketing and sales, and on the gas side, transport, distribution, marketing and sales, including LNG regasification terminals.

The main activities of GDF SUEZ entities in the UK included in the combination are the production of electricity and the sale of energy, whereas GDF SUEZ entities in Turkey distribute and market natural gas.

The Interim Combined Financial Information presented here reflects the entities, assets and liabilities that will be carved out from GDF SUEZ and has been prepared in accordance with the basis of preparation set out below.

Because of the conventions used to prepare the Interim Combined Financial Information as described below, these Interim Combined Financial Information are not necessarily identical to interim consolidated financial statements that would have been issued if the carve-out had taken place in the past.

Further, they do not take into account potential consequences of the Transaction, such as any potential tax consequences of any future financial transaction or potential parent company equity contribution.

Energy Europe & International Division's headquarters are located in Belgium at 1 Place du Trône - 1000 Brussels.

The ultimate parent company of the Group is GDF SUEZ, a listed company on the Paris, Brussels and Luxembourg stock exchanges.

NOTE - 1 Summary of significant accounting policies

1.1. Basis of preparation

The Interim Combined Financial Information presented is for six-month periods ended June 30, 2010 of those businesses that will form the Group. The Interim Combined Financial Information therefore incorporates financial information previously included in the financial statements of GDF SUEZ.

The present basis of preparation describes how International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) have been applied in preparing the Combined Financial Information. The Group's Interim Combined Financial Information for the six months ended June 30, 2010 were prepared in accordance with the provisions of IAS 34 – Interim Financial reporting.

As IFRSs as adopted by the EU do not provide for specific requirements regarding the preparation of Combined Financial Information, the following basis of combination have been applied.

The Group has not previously been required to prepare standalone consolidated Financial Information and hence no such Financial Information has previously been presented. Therefore, the Combined Financial Information for the years ended December 31, 2009, 2008 and 2007 prepared was the first IFRS financial information issued by the Group and IFRS 1 *First-time Adoption International Financial Reporting Standards* applied. As the Group was adopting IFRS after its parent GDF SUEZ, the Group decided to measure its assets and liabilities according to the option in IFRS 1.D16(a) at the carrying amounts that were included in GDF SUEZ's consolidated financial statements, based on GDF SUEZ's date of transition to IFRSs (namely 1st January 2004). As a result, the Combined Financial Information has been prepared by aggregating the applicable financial information that was prepared for the purposes of the GDF SUEZ consolidation. Internal transactions within the Group have been eliminated in preparing the combination.

The principal accounting policies of GDF SUEZ have been applied to the Interim Combined Financial Information and are described below.

The accounting standards applied in the Interim Combined Financial Information for the six-month period ended June 30, 2010 are consistent with those used to prepare the Combined Financial Information for the years ended December 31, 2009, 2008 and 2007 except for those described in section 1.1.2 below.

1.1.1. Basis of combination

The following summarizes the principles applied in preparing the Interim Combined Financial Information:

- The legal parent company of the main entities of Energy International Business Areas, Suez Tractebel SA, was for management and Group reporting purposes divided into three reporting units :
  - — Suez Tractebel Energy International
  - — Suez Tractebel Head Quarters and Finance
  - — Suez Tractebel Engineering

During the first semester 2009, Suez Tractebel Engineering was carved out into a legal separate entity and is no longer part of Suez Tractebel SA.

As part of the Transaction GDF SUEZ will launch Suez Tractebel SA spin off and accordingly Suez Tractebel Energy International reporting unit will form a separate legal entity that will be immediately contributed to International Power.

Therefore, for the purposes of the Interim Combined Financial Information it is assumed that Suez Tractebel Energy International reporting unit as it was historically managed by GDF SUEZ is the reporting entity (hereafter "STSA SEI") of the Group.

STSA SEI equity represents the historical allocation of Suez Tractebel SA net assets by GDF SUEZ management. Accordingly the capital structure presented in the Combined Financial Information does not reflect the capital structure that would have been reported had the Group been an independent group nor the situation that may prevail in the future.

- As the Group has not in the past formed a separate legal group, it is not possible to show share capital or an analysis of reserves for the Group. The net assets of the Group are represented by the cumulative investment of GDF SUEZ in the Group (shown as "paid-in capital and consolidated reserves"). All cash and other movements in capital amounts, being shares cancelled, dividends and other distributions made from the Group companies to GDF SUEZ and other GDF SUEZ companies have been reflected in the Interim Combined Statement of Cash Flows and in the Interim Combined Statement of Changes in Equity as "Distributions". All cash and other movements in capital amounts, being shares issues or GDF SUEZ contributions have been reflected in the Interim Combined Statement of Cash Flows and in the Interim Combined Statement of Changes in Equity as "Contributions".

- As described above, STSA SEI, the Group reporting entity, had no statutory capital; therefore, the computation of earnings per share could not be based on an actual number of issued shares. Instead, the group determined the number of shares by analogy to the guidance in paragraphs B26 and B27 of IFRS 3 relating to the computation of earnings per share in the context of a reverse acquisition. In this respect, the number of shares of the group is derived from the exchange ratio and corresponds to the number of ordinary shares that will be issued by International Power in exchange to contribution by GDF SUEZ of the Group assets and liabilities excluding additional cash contributions. This number is adjusted for each comparative period presented to reflect the Group equity contributions movements in each period. All computations are prepared based on the exchange ratio as determined on August 9, 2010, date of approval by GDF SUEZ and International Power respective Board of directors of the terms of the Transaction.

- Subsidiary undertakings and associates that are part of the Group and were acquired directly or indirectly by the Group have been included in the Interim Combined Financial Information from the date control was obtained. Subsidiaries that are part of the Group and were acquired by GDF SUEZ through entities other than STSA SEI and its subsidiaries, have been included in the Interim Combined Financial Information from the date control was obtained by GDF SUEZ and as if the acquisition has been performed by the Group and funded by capital contribution from GDF SUEZ

  Subsidiaries of the Group scope that were disposed of by the Group during the periods presented have been included in the Interim Combined Financial Information up to the date control was lost

  Legal subsidiaries of the Group entities that do not form part of the Group scope have been excluded from the Interim Combined Financial Information since the beginning of the period presented. All cash movements relating to the disposal of those entities by the Group and/or equity contributions to those entities during the periods presented have been classified as contributions/distributions from/to GDF SUEZ.

- For disclosures purposes, it is assumed that GDF SUEZ Energy International General Management Committee and Energy Europe & International Division General Management Committee constitute the management of the Group for the period ended June 30, 2010,

- STSA SEI employees are part of the carved out businesses and the related expenses are included in the Interim Combined Financial Information. GDF SUEZ had historically recharged corporate head office costs comprising administration and other services including, but not limited to, management information, accounting and financial reporting, treasury, taxation, cash management, employee benefit administration, investor relations and professional services to its underlying businesses.

  Therefore for the purposes of the preparation of the Combined Financial Information as of December 31. 2009, 2008 and 2007 no additional allocation has been made.

  Following the above-mentioned reorganization of Energy International Business areas, corporate costs, including employee costs, for the six months period ending June 30, 20010 have been adjusted to reflect the prior year costs structure attributable to Energy International Business areas.

- The costs recharged by GDF SUEZ were affected by the arrangements that existed in GDF SUEZ and are not necessarily representative of the position that may prevail in the future.

- GDF SUEZ has historically assessed the financial requirements for the future and managed the hedging arrangements at the level of the business areas or entities and documented also at this level its assessments and arrangements, both at hedge inception and on an ongoing basis, whether the derivative instruments are hedged items. The derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. Therefore, the hedging relationships have been maintained as in the GDF SUEZ financial statements. Starting 2009, GDF SUEZ manages and hedges centrally a part of GDF SUEZ Group's currency and interest rate risks exposure. Therefore, the related hedging transactions were not taken into account in the Interim Combined Financial Statements.

- GDF SUEZ has historically managed its financing needs and cash flow surpluses for GDF SUEZ Group through its financing vehicles (long term and short term) and its cash pooling vehicles. For the purposes of preparation of the Interim Combined Financial Information, such centrally managed financing and cash pooling has been allocated to the Group and reflected in the Interim Combined Financial Information in line with existing balances within GDF SUEZ consolidated financial statements at the end of each period presented. The interest income and expense recorded in the Interim Combined Income Statement have been affected by the financing arrangements within GDF SUEZ and are not necessarily representative of the interest charges that would have been reported had the Group been an independent group. They are not necessarily representative of the interest charges that may arise in the future.

- Tax charges in this Interim Combined Financial Information have been determined based on the tax charges recorded by the Group companies in their local statutory accounts as well as certain adjustments made for GDF SUEZ consolidation purposes. The tax charges recorded in the Interim Combined Income Statement have been affected by the taxation arrangements within GDF SUEZ and are not necessarily representative of the tax charges that would have been reported had the Group been an independent group. Also, they are not necessarily representative of the tax charges that may arise in the future.
  For the purposes of reconciliation between the theoretical and actual income tax expenses, the statutory income tax rate applicable in France has been used in the absence of legal parent company.

- All trade balances between the Group and other GDF SUEZ companies have been presented as either trade receivables or trade payables.
  All loans and debt balances between the Group and other GDF SUEZ companies have been presented as financial assets or liabilities in the Interim Combined Statement of Financial Position.

1.1.2. IFRS standards, amendments and IFRIC interpretations applicable in 2010

- Revised IFRS 3 – Business Combinations, which applies to acquisitions of controlling interests (within the meaning of the revised IAS 27) that take place after January 1, 2010, and revised IAS 27 – Consolidated and Separate Financial Statements.

- Improvements to IFRS 2009

- Amendment to IAS 39 – Eligible Hedged Items

- Amendment to IFRS 2 – Group Cash-settled Share-based Payment Transactions

- Amendment to IFRS 5 – (Improvements to IFRS 2008) – Non-current Assets Held for Sale and Discontinued Operations

- IFRIC 17 – Distributions of Non-cash Assets to Owners

These amendments and interpretations do not have a material impact on the Group's Interim Combined Financial Information for the six months ended June 30, 2010 except for the revised IFRS 3 and IAS 27.

IFRS 3 revised introduces changes to the Group's accounting policies applicable to business combinations occurring after January 1, 2010.

The main changes that have an impact on the Group's Interim Combined Financial Information compared to the accounting policies explained in note 1.4.3, "Business Combinations" and note 1.4.4.1, "Recognition of Goodwill" and applied for the preparation of the Combined Financial Information for 2009, 2008 and 2007 are as follows:

- Costs related to acquisitions of controlling interests are expensed as incurred.
- In the event of a business combination achieved in stages, previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss.
- For each business combination, any non-controlling interest in the acquiree is measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. Previously, only the latter option was authorized. The Group will determine on a case by case basis which option it will apply to recognize non-controlling interests.
- Transactions (purchases or sales) of non-controlling interests that do not result in a change of control are recognized as transactions between shareholders. Consequently, any difference between the fair value of consideration paid or received and the carrying amount corresponding to the non-controlling interest is recognized directly in equity.
- In accordance with the revision of IAS 7 in light of the revision of IAS 27, the comparative statement of cash flows has been restated.

The changes introduced by these new standards led the Group to create a "Changes in scope of combination" line in the Interim Combined Income statement which is presented as a non-current item in income from operating activities. The following impacts are recognized under "Changes in scope of combination":

- Costs related to acquisitions of controlling interests;
- In the event of a business combination achieved in stages, impacts of the re-measurement of previously held equity interests in the acquiree at its acquisition-date fair value;
- Subsequent changes in fair value of contingent considerations;
- Gains or losses from disposals of investments which result in a change in combination method, as well as any impact of the re-measurement of retained interests.

The line-item "Other disposal gains or losses and non-recurring items"[1] presented in income from operating activities includes, in particular, capital gains or losses on disposals of non-current assets and available-for-sale securities.

As of January 1, 2010, disposals of non-current assets no longer include the disposal of investments resulting in a change in combination method, which are now presented under "Changes in scope of combination".

1.1.3. IFRS standards and IFRIC interpretations effective after 2010 that the Group has elected not to early adopt in 2010

- IFRS 9 – Financial Instruments[2]: Classification and Measurement
- Amendment to IAS 32 – Classification of Rights Issues
- Revised IAS 24 – Related Party Disclosures[1]
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments[1]
- Amendment to IFRIC 14 – Prepayments of a Minimum Funding Requirement[1]
- Improvements to IFRS 2010[1]

The impact resulting from the application of these standards and interpretations is currently being assessed.

(1) Formerly "Disposals of assets and other".

(2) These standards and interpretations have not yet been endorsed by the European Union

1.1.4. Reminder of GDF SUEZ and the Group IFRS 1 transition options

GDF SUEZ and 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 Combined Financial Information are:

- translation adjustments: GDF SUEZ and the Group elected to reclassify cumulative translation adjustments within consolidated equity at January 1, 2004;
- business combinations: GDF SUEZ and the Group elected not to restate business combinations that took place prior to January 1, 2004 in accordance with IFRS 3.

1.2. Measurement basis

The Interim Combined Financial Information 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.

1.3. Use of judgments and estimates

The crisis which has been raging across financial markets has prompted GDF SUEZ and the Group to step up its risk oversight procedures and include an assessment of risk – particularly counterparty risk – in measuring its financial instruments. The Group's estimates used in business plans and determination of discount rates used for impairment tests and for calculating provisions take into account the crisis situation and the resulting extreme market volatility.

1.3.1. Estimates

The preparation of Interim Combined Financial Information requires the use of estimates and assumptions to determine the value of assets and liabilities, and contingent assets and liabilities at the statement of financial position 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 main estimates used in preparing the Group's Interim Combined Financial Information relate mainly to:
  - measurement of the fair value of assets acquired and liabilities assumed as part of business combinations;
  - measurement of the recoverable amount of goodwill, property, plant and equipment and intangible assets;
  - measurement of provisions such as provision for disputes;
  - financial instruments;
  - measurement of recognized tax loss carry-forwards.

1.3.1.1. Measurement of the fair value of assets acquired and liabilities assumed as part of business combinations

The key assumptions used to measure the fair value of assets acquired and liabilities assumed as part of business combinations notably include estimated future electricity and gas prices, replacement costs for property plant and equipment, the market outlook for the measurement of future cash flows, and the applicable discount rate.

These assumptions reflect Management's best estimates.

1.3.1.2. Recoverable amount of goodwill, property, plant and equipment and intangible assets

The recoverable amount of goodwill, intangible assets and property, plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the assets. 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 expenses already booked.

1.3.1.3. Estimates of provisions

Parameters having a significant influence on the amount of provisions include the timing of expenditure and the discount rate applied to cash flows, as well as the actual level of expenditure. These parameters are based on information and estimates deemed to be appropriate by the Group at the current time.
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. Financial instruments

To determine the fair value of financial instruments that are not actively listed on a 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.

1.3.1.5. 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. Estimates of taxable profits 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.

1.3.2. Judgments

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 related accounting issues.
In particular, the Group exercised judgment in determining the accounting treatment applicable to concession contracts, the classification of arrangements which contain a lease, and the identification of "own use" commodity purchase and sale 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 Interim Combined 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 statement of financial position date are classified as current, while all other items are classified as non-current.

1.4. Interim financial reporting

Seasonality of operations

Although the Group's operations are intrinsically subject to seasonal fluctuations, key performance indicators and income from operating activities are more heavily influenced by changes in climate conditions than by seasonality. Consequently, the interim results for the six months ended June 30, 2010 are not necessarily indicative of those that may be expected for full-year 2010.

Income tax expense

Current and deferred income tax expense for interim periods is computed at the level of each tax entity by applying the average estimated annual effective tax rate for the current year to income for the period.

Pension benefit obligations

Pension costs for interim periods are calculated on the basis of the actuarial valuations performed at the end of the prior year. If necessary, these valuations are adjusted to take account of curtailments, settlements or other major non-recurring events during the period. Furthermore, amounts recognized in the statement of position in respect of defined benefit plans are adjusted, if necessary, in order to reflect material changes impacting the yield on investment-grade corporate bonds in the geographic area concerned (the benchmark used to determine the discount rate) and the actual return on plan assets.

1.5. Significant accounting policies

1.5.1. Scope and methods of combination

The combination methods used by the Group consist of the following:

- subsidiaries (companies over which the Group exercises exclusive control) are fully combined ;
- companies over which the Group exercises joint control are combined 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 Combined 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 revised, 28 and 31.
All intra-group balances and transactions are eliminated on combination.
A list of the main fully and proportionately combined companies, together with investments accounted for by the equity method, is presented in the notes to the Combined Financial Information.

1.5.2. Foreign currency translation methods

1.5.2.1. Presentation currency of the Combined Financial Information

The Group's Combined Financial Information is presented in Euros (€), which is its reporting currency.

1.5.2.2. 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.

1.5.2.3. 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 statement of financial position 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 combined 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.

1.5.2.4. 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.

Translation differences previously recorded as Other Comprehensive Income are taken to the Combined Income Statement on the disposal of a foreign entity.

1.5.3. Business combinations

For business combinations carried out since January 1, 2004 and prior to January 1, 2010, the Group applies the purchase method as defined in IFRS 3 (issued March 2004), which consists in recognizing the acquiree's identifiable assets, liabilities and contingent liabilities at their fair values at the acquisition date.

The cost of a business combination is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree; plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

The Group may recognize any adjustments to provisional values as a result of completing the initial accounting of a business combination within 12 months of the acquisition date.

1.5.4. Intangible assets

Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

1.5.4.1. Goodwill

Recognition of goodwill

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 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 prior to January 1, 2010 – 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. Any difference arising from the application of these fair values to the Group's existing interest and to minority interests is a revaluation and is therefore recognized in equity.

In the absence of specific IFRS guidance addressing acquisitions of minority interests before January 1, 2010, the Group continues not to recognize any additional fair value adjustments to identifiable assets and liabilities when it acquires additional shares in a subsidiary that is already fully combined. In such a case, the additional goodwill corresponds to the excess of the acquisition price of the additional shares purchased over the Group's additional interest in the net assets of the company concerned.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of the business combination, the excess is recognized immediately in the combined income statement.

Goodwill relating to 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 group 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 1.4.7 "Impairment of property, plant and equipment and intangible assets".

Impairment losses in relation to goodwill cannot be reversed and are shown under "Impairment" in the Combined Income Statement. Impairment losses on goodwill relating to associate companies are reported under "Share in net income of associates".

1.5.4.2. 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 intangible assets

Other intangible assets include mainly commodity contracts acquired as part of business combinations and amounts paid or payable as consideration for rights relating to concession contracts.

The Group's intangible assets are amortized on a straight line basis with a range from 5 to 30 years, or are matched with the related expected units of production.

1.5.5. Property, plant and equipment

1.5.5.1. 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 Combined 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 as amended, whereby borrowing costs that are directly attributable to the construction of the qualifying asset are capitalized as part of the cost of that asset.

1.5.5.2. 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 using the straight-line method over the following useful lives:

Main Depreciation Periods (years)	Minimum	Maximum
Plant and equipment		
Generating plants and equipments		
Coal, gas, power plants	4	50
Hydraulic plans and equipments	28	40
Wind farms	20	25
LNG equipments	20	50
Transports – distributions	20	35
Other property, plant and equipment	2	30

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.

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.

1.5.6. Concession Arrangements

SIC 29, Disclosure – Service Concession Arrangements 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 a concession operator.

Treatment of concessions under IFRIC 12

On November 30, 2006, the IFRIC published IFRIC 12 – Service Concession Arrangements, which deals with the accounting treatment to be applied by the concession operator in respect of certain concession arrangements.

- These interpretations set out the common features of concession arrangements:
  - concession arrangements involve the provision of a public service and the management of associated infrastructure, together with specific capital renewal and replacement obligations;
  - the grantor is contractually obliged to offer these services to the public (this criteria must be met for the arrangement to qualify as a concession);
  - the operator is responsible for at least some of the management of the infrastructure and does not merely act as an agent on behalf of the grantor;
  - the contract sets the initial prices to be levied by the operator and regulates price revisions over the concession period.
- For a concession arrangement to fall within the scope of IFRIC 12, usage of the infrastructure must be controlled by the concession grantor. This requirement is met when:
  - the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
  - the grantor controls the infrastructure, i.e., retains the right to take back the infrastructure at the end of the concession.
- Under IFRIC 12, the operator's rights over infrastructure operated under concession arrangements should be accounted for based on the party responsible for payment; Accordingly:
  - the "intangible asset" model is applied when the concession operator has the right to charge for use of the public sector asset, and when users have primary responsibility to pay the operator for the services;
  - and the "financial asset" model is applied when the concession operator has an unconditional right to receive cash or another financial asset, either directly from the grantor or indirectly by means of a guarantee provided by the grantor for amounts receivable from users of the public sector asset (for example, via a contractually guaranteed internal rate of return), or in other words, when the grantor is primarily responsible for payment. "Primary responsibility" signifies that while the identity of the payer of the services is not an essential criterion, the person ultimately responsible for payment should be identified. In cases where the local authority pays the Group but merely acts as an intermediary fee collector and does not guarantee the amounts receivable ("pass through arrangement"), the intangible asset model should be used to account for the concession since the users are, in substance, primarily responsible for payment.

However, where the users pay the Group, but the local authority guarantees the amounts that will be paid over the term of the contract (e.g., via a guaranteed internal rate of return), the financial asset model should be used to account for the concession infrastructure, since the local authority is, in substance, primarily responsible for payment.

Pursuant to these principles:

- Infrastructure to which the operator is given access by the grantor of the concession at no consideration is not recognized in the Combined Statement of Financial Position.

- Start-up capital expenditure is recognized as follows:
  - — under the intangible asset model, the fair value of construction and other work on the infrastructure represents the cost of the intangible asset and should be recognized when the infrastructure is built provided that this work is expected to generate future economic benefits (e.g., the case of work carried out to extend the network). Where no such economic benefits are expected, the present value of commitments in respect of construction and other work on the infrastructure is recognized from the outset, with a corresponding adjustment to concession liabilities;
  - — under the financial asset model, the amount receivable from the grantor is recognized at the time the infrastructure is built, at the fair value of the construction and other work carried out;
  - — when the grantor has a payment obligation for only part of the investment, the cost is recognized in financial assets for the amount guaranteed by the grantor, with the balance included in intangible assets ("mixed model").

Renewal costs consist of obligations under concession arrangements with potentially different terms and conditions (obligation to restore the site, renewal plan, tracking account, etc.).
Renewal costs are recognized as either (i) intangible or financial assets depending on the applicable model when the costs are expected to generate future economic benefits (i.e., they bring about an improvement); or (ii) expenses, where no such benefits are expected to be generated (i.e., the infrastructure is restored to its original condition).
Costs incurred to restore the asset to its original condition are recognized as a renewal asset or liability when there is a timing difference between the contractual obligation calculated on a time proportion basis, and its realization.
The costs are calculated on a case-by-case basis based on the obligations associated with each arrangement.

Other concessions

Concession infrastructures that does not meet the requirements of IFRIC 12 are presented as property, plant and equipment.

1.5.7. 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.

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 statement of financial position date.

In the event of a decline in value, the impairment loss is recorded in the Combined Income Statement under "Impairment".

1.5.8. 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.

1.5.8.1. 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.

1.5.8.2. Accounting for operating leases

Payments made under operating leases are recognized as an expense on a straight-line basis over the lease term.

1.5.8.3. 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.

1.5.9. 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.
An impairment loss is recognized when the net realizable value of inventories is lower than their weighted average cost.

1.5.10. Financial instruments

Financial instruments are recognized and measured in accordance with IAS 32 and IAS 39.

1.5.10.1. 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.

Available-for-sale securities

"Available-for-sale securities" include the Group's investments in non-combined companies and equity or debt instruments that do not satisfy the criteria for classification in another category (see below).
These items are measured at fair value on initial recognition, which generally corresponds to the acquisition cost plus transaction costs.
At each statement of financial position date, available-for-sale securities are measured at fair value. For listed companies, fair value is determined based on the quoted market price at the statement of financial position date. For unlisted companies, fair value is measured based on standard valuation techniques (reference to similar recent transactions, discounted future cash flows, etc.).
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 if needed. In this case, the loss is recognized in income under "Impairment". Only impairment losses recognized on debt instruments (debt securities/ bonds) may be reversed through income.

Loans and receivables at amortized cost

This item primarily includes loans and advances to associates or non-combined companies, and guarantee deposits.
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.

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 1.4.11). The financial assets are measured at fair value at the statement of financial position date and changes in fair value are recorded in the Combined Income Statement.

1.5.10.2. Financial liabilities

Financial liabilities include borrowings, trade and other payables, derivative financial instruments, capital renewal and replacement obligations and other financial liabilities.
Financial liabilities are broken down into current and non-current liabilities in the Combined Statement of Financial Position. Current financial liabilities primarily comprise:

- financial liabilities with a settlement or maturity date within 12 months of the statement of financial position 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 statement of financial position 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 combined 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.

1.5.10.3. 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. 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 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 Combined 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 Combined 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 Combined 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 the Combined Income Statement. The gains or losses accumulated in Other Comprehensive Income are reclassified to the Combined 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 probable, 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 the Combined Income Statement. The gains or losses accumulated in Other Comprehensive Income are transferred to the Combined 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.

1.5.10.4. 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 Combined 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 that 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 exists 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 valuation is based mainly on data that are not observable; in that case they are presented in level 3 of the fair value hierarchy. Most often, this is the case for derivatives which maturity exceeds the time of observable market data of the underlying or when some underlying data are not observable.

1.5.11. 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".

1.5.12. Share-based payment

Under IFRS 2, share-based payments made in consideration for services provided are recognized as personnel costs. These services are measured at the fair value of the instruments awarded.
Share-based payments may involve equity-settled or cash-settled instruments.

These share based arrangements have been concluded by GDF Suez. However as the Group receive services from employees who are beneficiaries of these arrangements, an employee benefit expense is recognized in the combined financial statements in accordance with IFRS 2 requirement.

Equity-settled instruments

1.5.12.1. Stock option plans

Options granted by GDF SUEZ to its employees are measured at the grant date using a binomial pricing model for options with no performance conditions or using a Monte Carlo pricing model for options with performance conditions. These models take into account the characteristics of the plan concerned (exercise price, exercise period, performance conditions if any), market data at the time of grant (risk-free rate, share price, volatility, expected dividends), and a behavioral assumption in relation to beneficiaries. The value determined is recorded in personnel costs over the vesting period, offset through equity.

1.5.12.2. Shares granted to employees

The fair value of shares granted by GDF SUEZ to employees plans is estimated by reference to the GDF SUEZ 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 GDF SUEZ 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.

1.5.12.3. Employee share purchase plans

The GDF SUEZ corporate savings plans enable employees to subscribe to shares at a lower-than-market price. The fair value of instruments awarded under employee share purchase plans is estimated at the grant date based on this discount awarded to employees and non-transferability period applicable to the shares subscribed. The cost of employee share purchase plans is recognized in full and offset against equity.

1.5.13. Provisions

1.5.13.1. Provisions for post-employment benefit obligations and other long-term employee benefits

Depending on the laws and practices in force in the countries where the Group operates, Group companies have obligations in terms of pensions, early retirement payments, retirement bonuses and other benefit plans. Such obligations generally apply to all of the employees within the companies concerned.
The Group's obligations in relation to pensions and other employee benefits are recognized and measured in compliance with IAS 19. Accordingly:

- the cost of defined contribution plans is expensed based on the amount of contributions payable in the period;

- the Group's obligations concerning pensions and other employee benefits payable under defined benefit plans are assessed on an actuarial basis using the projected unit credit method. These calculations are based on assumptions relating to mortality, staff turnover and estimated future salary increases, as well as the economic conditions specific to each country or subsidiary of the Group. Discount rates are determined by reference to the yield, at the measurement date, on high-quality corporate bonds in the related geographical area (or on government bonds in countries where no representative market for such corporate bonds exists).

Provisions are recorded when commitments under these plans less the unrecognized past service cost exceed the fair value of plan assets. Where the value of plan assets (capped where appropriate) is greater than the related commitments, the surplus is recorded as an asset under "Other current assets" or "Other non-current assets".
As regards post-employment benefit obligations, the Group has elected in 2006 to use the option available under IAS 19 and to discontinue the corridor method.
Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are henceforth recognized directly 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 the Combined Income Statement.
The interest cost in respect of pensions and other employee benefit obligations and the expected return on related plan assets are presented as a financial expense.

1.5.13.2. 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 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.

1.5.14. Revenues

Group revenues (as defined by IAS 18), are mainly generated from the following:

- energy sales;
- lease 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.

1.5.14.1. Energy sales

These revenues primarily include sales of electricity and gas, operating and maintenance fees, transport and distribution fees relating to services such as gas distribution network maintenance.
They are recognized when a formal contract is signed with the other party to the transaction.

Part of the price received by the Group under certain long-term energy sales contracts is fixed, rather than being based on volumes. The fixed amount changes over the term of the contract. In accordance with IAS 18, revenues from these contracts 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.

1.5.14.2. Lease contracts

Revenues also include revenues from financial concession assets (IFRIC 12) and lease receivables (IFRIC 4).

1.5.15. Current operating income

Current operating income is an indicator used by the Group to present "a level of operational performance that can be used as part of an approach to forecast recurring performance". (This complies with CNC (National French Accounting Committee) Recommendation 2009-R03 on the format of financial statements of entities applying IFRSs). Current operating income is a sub-total which helps management to better understand the Group's performance because it excludes elements which are inherently difficult to predict due to their unusual, irregular or non-recurring nature. For the Group, such elements relate to asset impairments and disposals, restructuring costs and mark-to-market on commodity contracts other than trading instruments, which are defined as follows:

- impairment includes impairment losses on non-current assets;
- disposals of assets include capital gains and losses on disposals of non-current assets, combined 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;
- mark-to-market on commodity contracts other than trading instruments corresponds to changes in the fair value (mark-to-market) of financial instruments relating to commodities, gas and electricity, which do not qualify as either trading or hedging instruments. These contracts are used in economic hedges of operating transactions in the energy sector. Since changes in the fair value of these instruments – which must be recognized through income in IAS 39 – can be material and difficult to predict, they are presented on a separate line of the Combined Income Statement.

1.5.16. Combined cash flow statement

The Combined Cash Flow Statement is prepared using the indirect method starting from net income.
"Interest received on non-current financial assets" is classified within investing activities because it represents a return on investments. "Interest received on cash and cash equivalents" is shown as a component of financing activities because the interest can be used to reduce borrowing costs. This classification is consistent with the GDF SUEZ internal organization, where debt and cash are managed centrally by the treasury department.
As impairment losses of current assets are considered to be definitive losses, changes in current assets are presented net of impairment.
Cash flows relating to the payment of taxes are presented on a separate line of the Combined Cash Flow Statement.

1.5.17. 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 Combined Financial Statements and their tax bases, using tax rates that have been enacted or substantively enacted by the statement of financial position 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 combined tax group, and are presented in assets or liabilities for their net amount per tax entity.
Deferred taxes are reviewed at each statement of financial position 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

NOTE - 2 Main changes in Group structure and impact of exchange fluctuations

2.1. Main Changes in Group structure

2.1.1. Significant events in 2010

2.1.1.1. Acquisition of Astoria

On January 7, 2010 the Group increased its economic interest up to 65.4% in the 575 MW Astoria Energy I natural gas-fired power plant located in Queens, New York. Following the purchase of these interests the Group obtained effective control of the power plant, which consequently is fully combined in the Combined Financial Information of the Group as of the date of acquisition. Prior to this acquisition, and since May 16, 2008, the Group's interest in the power plant (14.8%) was accounted for under the equity method in its Combined Financial Information.

The Group paid the seller's €147.6 million in cash and committed to pay up an additional contingent consideration in the future dependent upon the performance of Astoria Energy I; the fair value of this additional contingent consideration at the date of acquisition is estimated at €8.3 million.

The provisional fair values of the identifiable assets and liabilities at the date of acquisition are as follows (in millions of euros):

In millions of euros	Fair Value
NON-CURRENT ASSETS	
Intangible assets, net	1
Property, plant and equipment, net	750
CURRENT ASSETS	
Trade and receivables, net	19
Inventories	7
Other current assets	5
Cash and cash equivalents	13
NON-CURRENT LIABILITIES	
Provisions	2
Long-term borrowings	444
CURRENT LIABILITIES	
Short-term borrowings	28
Trade and other payables	25
TOTAL NET ASSETS (100%)	**297**
Purchase consideration transferred in cash	148
Contingent purchase consideration	8
Re-measurement of previously held equity interest	38
Non-controlling interests	109
PROVISIONAL GOODWILL	**6**

As of June 30, 2010, the fair values of the acquired identifiable assets and liabilities are preliminary and will be finalized in the second half 2010. As at the reporting date, the Group chiefly recognized certain items of property, plant and equipment at their fair value. Fair values were primarily determined by applying the method of discounted cash flows.

A provisional goodwill of €6 million has been recognized. None of the goodwill recognized is expected to be deductible for income tax purposes.

The impact of re-measuring the previously held equity interest to fair value is not significant. Transaction costs in the amount of €3 million have been expensed and included in the line-item "Changes in scope of combination" within Combined Income from operating activities (see note 5.3).

The Group decided to measure non-controlling interest at their interest's proportionate share of the Astoria's identifiable net assets.

The increased contribution of Astoria to net combined income group share since the date of acquisition is €-3 million and €86 million to combined revenues.

2.1.1.2. Merger of Chilean activities

On November 6, 2009, the Group GDF SUEZ through its subsidiary SUEZ Energy Andino S.A. ("SEA") and Corporación Nacional del Cobre de Chile ("Codelco") decided to reorganize their respective shareholding participations in certain companies operating in the Chilean Northern Interconnected System ("SING") by signing a Merger Agreement. The main purposes of the merger operation were to simplify the corporate structure and for GDF SUEZ to secure long term control and to improve the decision-making processes in terms of efficiency and quality.

Following the closing of the merger on January 29, 2010, the entities Gasoducto NorAndino S.A. ("GNAC") and Gasoducto NorAndino Argentina S.A ("GNAA"), previously controlled by the Group, and the entities Electroandina S.A. ("Electroandina), Distrinor S.A. ("Distrinor") and Central Termoeléctrica Andina S.A. ("CTA") previously jointly controlled with Codelco, became all subsidiaries of Edelnor S.A. ("Edelnor"). The participation of the Group in Inversiones Hornitos S.A. ("CTH"), jointly controlled with Amsa Holding, has also been transferred to Edelnor.

All previous existing shareholders' agreements with Codelco were terminated. The Group through its subsidiary SEA obtained a 52.4% controlling stake in Edelnor formerly combined under the proportionate method (Codelco 40.0% and a free float in the Santiago stock exchange of 7.6%).

As of the business combination date, Edelnor and its subsidiaries are fully combined with the exception of CTH which continues to be combined under the proportionate method.

The valuation for the different companies used in order to calculate the terms of exchange for the Merger were based on discounted cash flows. As a result of acquiring control of Electroandina, Distrinor, CTA and Edelnor and in accordance with guidance provided in IFRS 3 revised, the Group re-measured its previously held equity interest in the aforementioned companies to fair value and recognized the dilution of CTH. As a result of these operations a gain of €164 million was recognized in the Combined Income statement (line-item "Changes in scope of combination" within Combined Income from operating activities; see note 5.3).

The Group decided to measure non-controlling interest at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The provisional fair values of the identifiable assets and liabilities of Electroandina, Distrinor, Edelnor and CTA as at the date of acquisition (in millions of euros) are as follows:

In millions of euros	Fair Value
NON-CURRENT ASSETS	
Intangible assets, net	322
Property, plant and equipment, net	884
Other non-current assets	70
CURRENT ASSETS	
Other current assets	175
Cash and cash equivalents	144
NON-CURRENT LIABILITIES	
Other non-current liabilities	150
Deferred tax liabilities	124
CURRENT LIABILITIES	
Other current liabilities	405
TOTAL NET ASSETS (100%)	**915**
Purchase consideration transferred in cash	173
Re-measurement of previously held equity interest	307
Non-controlling interests	435
PROVISIONAL GOODWILL	**0**

As of June 30, 2010, the fair value of the acquired identifiable assets and liabilities, and notably the distinction between intangible assets and goodwill, is provisional. As of the reporting date, the Group recognized intangible assets in respect of customer relationships. The amortization charge over the expected life of the related contracts amounted to €4.6 million as of June 30, 2010. These values could be modified in the second half of 2010 based on final valuations.

The total consideration transferred consists of the fair value of the equity interests exchanged of €80 million and an amount of €93 million paid in cash.

Acquisition-related costs amounting to €2 million have been recognized as an expense in the period (line-item "Changes in the scope of combination" within Combined Income from operating activities).

The increased contribution of the former co-controlled entities to combined revenues and net combined income group share since acquisition date amounts to respectively €221 million and €10.8 million.

If the merger had taken place on January 1st 2010 the contribution of the former co-controlled entities to combined revenues and net combined income group share would have been increased by respectively €34.2 million and €2.6 million.

2.1.2. Significant events in 2009

2.1.2.1. Acquisition of Izgaz in Turkey

On January 21, 2009 the Group closed the acquisition of 90% of Izgaz from the municipality of Izmir. Izgaz is the third gas distributor of Turkey, which owns and manages a 2,900-km network in the Kocaeli region, one of the most heavily industrialized in the country. In 2008, Izgaz supplied 1.5 Gm3 of natural gas to industry mainly, but also to nearly 200,000 individual clients.

The cost of the business combination amounted to €126.9 million. The purchase price allocation to the assets acquired and liabilities assumed at the acquisition date has been finalized and is presented below.

In millions of euros	Carrying Amount in the Acquiree's Balance Sheet	Fair Value
Intangible assets	146.5	135.8
Property, plant and equipment	131.4	1.3
Deferred tax asset	(0.2)	27.9
Other assets	26.7	26.3
Cash	2.6	2.6
TOTAL ASSETS ACQUIRED	**307.1**	**193.8**
Provisions	1.3	26.8
Short-term borrowings	140.5	139.9
Other liabilities	85.8	85.2
TOTAL LIABILITIES ACQUIRED	**227.6**	**251.9**
MINORITY INTERESTS	**8.0**	**(5.8)**
NET ASSETS ACQUIRED	**71.6**	**(52.3)**
COST OF THE BUSINESS COMBINATION		**126.9**
GOODWILL		**179.2**

The contribution of Izgaz to combined net income group share during the six months period ended June 30, 2009 was a loss of €11.0 million and €91.9 million to revenues.

2.2. Impact of exchange rate fluctuations

As at June 30, 2010 the main impacts of exchange rate fluctuations on the different captions of the Combined Statement of Financial Position chiefly consist of translation gains on the US dollar, the Brazilian real and the Thai baht.

In millions of euros	USD	BRL	THB
Intangible assets, net	54.0	3.8	2.2
Goodwill	99.0	3.2	15.1
Property, plant and equipment, net	1,308.1	569.4	218.0
Available-for-sale securities	4.0	3.0	0.0
Loans and receivables carried at amortized cost	67.1	27.2	0.5
Derivative instruments	44.3	0.0	0.0
Investments in associates	7.4	0.0	3.8
Deferred tax assets	24.0	20.4	4.9
Trade and other receivables	127.3	26.0	11.3
Inventories	38.0	2.3	6.3
Other assets	44.2	16.1	6.0
Financial assets at fair value through income	0.3	0.1	0.0
Cash and cash equivalents	37.4	78.8	38.7
TOTAL ASSETS	**1,855.2**	**750.4**	**307.0**
Shareholders' equity	485.5	210.6	87.2
Non controlling interests	129.3	70.5	30.0
TOTAL EQUITY	***614.9***	***281.1***	***117.2***
Provisions	12.3	26.5	0.5
Borrowings	923.0	319.1	133.7
Derivative instruments	95.9	0.0	17.7
Deferred tax liabilities	50.9	21.9	14.2
Trade and other payables	80.3	18.6	13.4
Other liabilities	77.9	83.3	10.4
TOTAL LIABILITIES	***1,240.3***	***469.3***	***189.8***
TOTAL EQUITY AND LIABILITIES	**1.855.2**	**750.4**	**307.0**

NOTE - 3 Segment information

3.1. Operating segments

Operating segments have been identified primarily on the basis of internal reports used by the Group's "chief operating decision maker" to allocate resources to the segments and assess their performance.

The segment information below takes into consideration the new organization effective since July 20, 2009 and described in note 1. As of this date, all businesses which are part of the Group are under GDF SUEZ Energy Europe & International management. The "Chief operating decision maker" within the meaning of IFRS 8 is the GDF SUEZ Energy Europe & International General Management Committee.

The information presented below for first-half 2009 is restated to reflect the segments corresponding to the Group's organization at June 30, 2010.

The Group has identified 4 segments:

- Latin America – subsidiaries in this business segment produce electricity, sell electricity and/or natural gas and/or provide electricity transmission and distribution services in Latin America mainly in Brazil, Chile and Peru.
- Middle East, Asia – subsidiaries in this business segment produce and sell electricity and/or provide electricity transmission in Asia (Thailand, Laos and Singapore), in the Arabic peninsula and in Turkey.
- North America – subsidiaries in this business segment produce electricity and sell electricity, natural gas and services to private individuals and business customers and/or provide electricity transmission and distribution services in North America (United States, Canada and Mexico).
- United Kingdom & Turkey gas distribution – these subsidiaries produce and sell electricity, natural gas and/or provide electricity transmission and distribution services in the UK and provide gas distribution services in Turkey.

The "Other" line presented in the table below includes contributions from corporate holding companies and entities centralizing the Group's financing requirements. It does not include holding companies acting as business line heads, which are allocated to the segment concerned.

The methods used to recognize and measure these segments for internal reporting purposes are the same as those used to prepare the Interim Combined Financial Information. EBITDA and industrial capital employed are reconciled with the Interim Combined Financial Information.

3.2. Key indicators by operating segment

Revenues	June 30, 2010			June 30, 2009 Unaudited		
In millions of euros	External Revenues	Intra-group Revenues	TOTAL	External Revenues	Intra-group Revenues	TOTAL
Latin America	1,425.9		1,425.9	961.1		961.1
Middle east, Asia	940.9		940.9	809.6		809.6
North America	2,092.5		2,092.5	2,132.9		2,132.9
United Kingdom & Turkey gas distribution	917.8		917.8	1,005.9		1,005.9
Other eliminations	0.0		0.0	0.0		0.0
TOTAL REVENUES	**5,377.1**	**0.0**	**5,377.1**	**4,909.5**	**0.0**	**4,909.5**

EBITDA

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
Latin America	648.7	465.5
Middle east, Asia	211.0	138.6
North America	300.8	386.8
United Kingdom & Turkey gas distribution	64.1	41.8
Other	(37.5)	(35.2)
TOTAL EBITDA	**1,187.1**	**997.5**

Current operating income

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
Latin America	503.0	377.5
Middle east, Asia	161.2	96.1
North America	144.4	264.3
United Kingdom & Turkey gas distribution	48.0	24.3
Other	(39.2)	(40.0)
TOTAL CURRENT OPERATING INCOME	**817.4**	**722.0**

Depreciation and amortization

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
Latin America	(142.4)	(86.5)
Middle east, Asia	(48.4)	(42.5)
North America	(143.3)	(118.0)
United Kingdom & Turkey gas distribution	(18.8)	(17.2)
Other	(0.2)	(0.2)
TOTAL DEPRECIATION AND AMORTIZATION	**(353.1)**	**(264.4)**

Industrial capital employed

In millions of euros	June 30, 2010	December 31, 2009
Latin America	7,555.4	5,223.8
Middle east, Asia	3,414.9	2,658.6
North America	6,554.5	4,869.3
United Kingdom & Turkey gas distribution	378.5	513.8
Other	60.6	31.5
TOTAL INDUSTRIAL CAPITAL EMPLOYED	**17,964.0**	**13,297.0**

Capital expenditure (CAPEX)

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
Latin America	785.2	576.9
Middle east, Asia	327.7	229.1
North America	205.0	186.0
United Kingdom & Turkey gas distribution	10.4	147.2
Other	(9.1)	103.7
TOTAL CAPITAL EXPENDITURE	**1,319.1**	**1,242.9**

Financial investments included above do not take into consideration the cash and cash equivalents acquired, but include the additional acquisitions of interests in controlled entities which are accounted for in cash flows from financing activities.

3.3. Reconciliation of EBITDA

Reconciliation of EBITDA with current operating income

	June 30, 2010	June 30, 2009 Unaudited
Current operating income	**817.4**	**722.0**
- Depreciation, amortization and provisions	(368.3)	(270.9)
- Share-based payment (IFRS 2)	(1.4)	(4.6)
- Net disbursements under concession contracts	0.0	0.0
EBITDA	**1,187.1**	**997.5**

3.4. Reconciliation with items in the Statement of financial position

Industrial capital employed	June 30, 2010	December 31, 2009
(+) Property, plant and equipment and intangible assets	17,408.3	12,669.9
(+) Goodwill, net	1,336.5	1,258.2
(+) Investments in associates	292.9	290.3
(+) Trade and other receivables	1,496.4	1,290.3
(-) Cash collateral commodities assets	20.8	57.1
(+) Inventories	327.1	272.4
(+) Other current and non-current assets	714.9	528.9
(+) Deferred taxes assets	139.0	347.7
(-) Deferred taxes liabilities	545.3	608.5
(-) Deferred taxes on changes in fair value	82.0	51.0
(-) Provisions	371.0	344.0
(-) Provisions - Actuarial gain and losses	49.3	72.3
(-) Trade and other payables	1,386.0	1,013.0
(+) Cash collateral commodities liabilities	21.1	9.7
(-) Other current and non-current liabilities	1,316.2	1,223.1
(-) Other financial liabilities	1.6	1.4
INDUSTRIAL CAPITAL EMPLOYED	**17,964.0**	**13,297.0**

NOTE - 4 Current operating income

4.1. Revenues

Group revenues break down as follows:

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
Energy sales	4,870.2	4,404.3
Rendering of services	118.3	101.6
Leasing and construction contracts	388.7	403.5
REVENUES	**5,377.1**	**4,909.5**

Combined revenues came in at €5,377.1 million, up €467.6 million compared to June 30, 2009, benefitting from positive exchange rate fluctuations (Brazilian real and the pound sterling essentially) and changes in the Group structure following the acquisition of a controlling interest in the electricity business in Chile and the Astoria 1 power plant in North America (see note 2.1). In addition, the increase in combined revenues was driven by significant sales growth in Latin America and the Middle East Asia regions, partly off-set by a decrease in revenues in North America attributable to the drop in performance of the LNG business and in the UK & Turkey gas segment.

4.2. Personnel costs

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
Salaries and payroll costs/pension expenses	(216.4)	(193.2)
Share-based payment	(1.7)	(4.7)
TOTAL	**(218.1)**	**(197.8)**

Personnel costs came in at €218.1 million compared to €197.8 million in first-half 2009; up €20.3 million on a reported basis. Changes in personnel costs are mainly attributable to the entities acquired by the Group in first-half 2010 (see note 2.1) and exchange rate fluctuations (notably the rise of the Brazilian real).

The net costs relating to defined benefit and defined contribution pension plans are presented in note 18.

Net reversals of provisions for pensions at June 30, 2010 and June 30, 2009 amounted to €7.9 million and €6.6 million, respectively.

Share-based payments are disclosed in note 22.

4.3. Depreciation, amortization and provisions

Amounts are shown below net of reversals.

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
Depreciation and amortization	(353.1)	(264.4)
Write-down of inventories and trade receivables	(15.4)	(5.3)
Provisions	0.3	(1.1)
TOTAL	**(368.3)**	**(270.8)**

At June 30, 2010, depreciation and amortization stood at €353.1 million, up €88.7 million on a reported basis compared to the same period last year. The increase is mainly due to the commissioning of the Brazilian hydro power plant San Salvador in August 2009 and of the Neptune LNG terminal in the North America (2010), and due to the Group acquiring control of the Astoria I power plant and of the Chilean electricity business in first-half 2010.

A breakdown of the depreciation and amortization by asset is provided in notes 10 and 11.

NOTE - 5 Income from operating activities

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
CURRENT OPERATING INCOME	**817.4**	**722.1**
Market-to-market on commodity contracts other than trading instruments	(23.8)	(75.8)
Impairment of property, plant and equipment, intangible assets and financial assets	(133.5)	(3.2)
Restructuring costs	(0.5)	0.0
Changes in scope of combination	184.0	0.9
Other disposal gains and losses and non recurring items	(0.9)	1.9
INCOME FROM OPERATING ACTIVITIES	**842.6**	**646.0**

5.1. Mark-to-market on commodity contracts other than trading instruments

The contribution of commodity contracts other than trading instruments to combined income from operating activities can be explained as follows:

- Certain Group companies have implemented economic hedging strategies using forward contracts with the aim of reducing the sensitivity of margins to fluctuations in commodity prices. However, as these contracts cover the entities' net exposure to price risk or because of their complexity from an operational standpoint, they are not eligible for hedge accounting and are not designated as hedges under IAS 39. Changes in the fair value of these positions over the period resulted in a net loss of €10 million at June 30, 2010 and in a net gain of €1 million at June 30, 2009.

- Favorable changes in the fair value of derivatives embedded in commodity contracts, which are required to be accounted for separately under IAS 39, resulted in a negative impact of €5 million at June 30, 2010 and in a negative impact of €2 million at June 30, 2009.

- The impact of the ineffective portion of cash flows hedges contracted in respect of non-financial assets, and the discontinuance of hedge accounting for certain instruments hedging commodity risk, resulting in a gain of €2 million at June 30, 2010 and a loss of €71 million at June 30, 2009.

- Some Group entities have implemented economic hedging strategies in order to reduce their exposure to foreign currency risk relating primarily to purchases of equipment which could not be designated as hedges under IAS 39 resulting in a loss of €10 million at June 30, 2010 (a loss of €4 million at June 30, 2009).

5.2. Impairment of property, plant and equipment, intangible assets and financial assets

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
Impairment of assets:		
Goodwill	(133.0)	0.0
Property, plant and equipment and other intangible assets	(1.2)	(2.3)
Financial assets	(1.0)	(0.8)
Total	**(135.2)**	**(3.2)**
Reversals of impairment losses:		
Property, plant and equipment and other intangible assets	0.0	0.0
Financial assets	1.7	0.0
Total	**1.7**	**0.0**
TOTAL	**(133.5)**	**(3.2)**

Impairment of goodwill

As at June 30, 2010, the on-going difficulties of an industrial client and various signals regarding potential changes in the tariff regulation in Turkey constituted trigger events and as such a valuation of the cash-generating unit (CGU) Turkey gas distribution was carried out. The recoverable amount of the CGU was estimated using a value-in-use approach. The calculation used cash flow projections based on the latest view of the management on the business plan covering a period up to 2016 and a terminal value taking into account the expected future regulatory regime as of 2017. The discount rate used was 9.68%.

Key assumptions used in the calculation include the expected growth of gas demand, the impact of the regulatory regime as of 2017, and the applicable discount rate. The values assigned to these assumptions reflect management's best estimate. The discount rate applied is consistent with available external sources of information. The results indicated that the recoverable amount was below the carrying amount of the CGU Turkey gas distribution. Consequently, the Group recorded a goodwill impairment of €133 million at the reporting date.

5.3. Changes in the scope of combination

At June 30, 2010, this line-item includes mainly the impact of re-measuring the interests previously held in the Chilean entities Electroandina, Distrinor, CTA and Edelnor as a result of the Group acquiring control over those entities as well as the recognition of the dilution gain on CTH (€164 million). These transactions are described in further detail in note 2.1 "Significant events".

NOTE - 6 Net financial income/(loss)

	June 2010			June 2009 Unaudited		
In millions of euros	Expenses	Income	Net	Expenses	Income	Net
Net finance costs	(267.0)	27.3	(239.7)	(200.7)	66.4	(134.3)
Other financial income and expenses	(89.3)	112.4	23.1	(115.0)	91.9	(23.1)
NET FINANCIAL INCOME (LOSS)	**(356.3)**	**139.7**	**(216.6)**	**(315.7)**	**158.3**	**(157.4)**

(1) The impact of the "Return on plan assets" was previously included in "Other financial expenses". As of June 30, 2010 the impact is presented in "Other financial income". Comparative data for first-half 2009 have been restated in order to present other financial expenses and income in accordance with this new presentation

6.1. Net finance costs

Net finance costs include mainly interest expenses (calculated using the effective interest rate) on gross borrowings, foreign exchange gains/losses on borrowings and gains/losses on interest rate and currency hedges of gross borrowings, as well as interest income on cash and cash equivalents and changes in the fair value of financial assets at fair value through income.

	June 2010			June 2009 Unaudited		
In millions of euros	Expenses	Income	Net	Expenses	Income	Net
Interest on gross borrowings	(318.8)	-	(318.8)	(263.3)	-	(263.3)
Capitalized borrowing cost	83.8		83.8	62.6		62.6
Foreign exchange gains/losses on borrowings and hedges	-	1.7	1.7	-	23.6	23.6
Gains and losses on hedges of borrowings	(32.0)	-	(32.0)	-	15.3	15.3
Gains and losses on cash and cash equivalents and financial assets at fair value through income	-	25.6	25.6	-	27.5	27.5
NET FINANCE COSTS	**(267.0)**	**27.3**	**(239.7)**	**(200.7)**	**66.4**	**(134.3)**

The change in net finance costs is essentially attributable to the increase in outstanding borrowings and changes in the fair value of economic hedges of borrowings not eligible for hedge accounting resulting in a loss of €32.0 million compared to a gain of €15.3 million as at June 30, 2009, impact partially off-set by the effect of interest rate fluctuations on gross borrowings.

6.2. Other financial income and expenses

In millions of euros	June 2010	June 2009(1) Unaudited
Other financial expenses		
Unwinding of discounting adjustments to provisions	(26.4)	(11.7)
Interest on trade and other payables	(10.6)	(31.7)
Exchange losses	(12.1)	(50.0)
Other financial experts	(40.2)	(21.7)
TOTAL	**(89.3)**	**(115.0)**
Other financial income		
Return on plan assets	19.9	10.4
Income from available-for-sale securities	1.7	1.6
Interest income on trade and other receivables	7.2	14.8
Interest income on loans and receivables carried at amortized cost	13.5	14.3
Exchange gains	53.7	0.0
Other financial income	16.4	50.8
TOTAL	**112.4**	**91.9**
OTHER FINANCIAL INCOME AND EXPENSES, NET	**23.1**	**(23.1)**

(1) Return on plan assets was previously included in the line-item "Unwinding of discounting adjustments to provisions". As of June 30, 2010 the impact is presented in "Other financial income". Comparative data for first-half 2009 have been restated in order to present other financial expenses and income in accordance with this new presentation

NOTE - 7 Income tax expense

7.1. Analysis of income tax expense recognized in the Combined Income Statement

7.1.1. Breakdown of income tax expense

In millions of euros	June 2010	June 2009 Unaudited
Current income taxes	(162.3)	(146.2)
Deferred taxes	9.2	(37.2)
TOTAL INCOME TAX EXPENSE RECOGNIZED IN INCOME FOR THE YEAR	**(153.1)**	**(183.4)**

7.1.2. Reconciliation between theoretical income tax expense and actual income tax expense

A reconciliation between the theoretical income tax expense and the Group's actual income tax expense is presented below:

In millions of euros	June 2010	June 2009 Unaudited
Net income	**496.5**	**319.8**
Share in net income of associates	23.7	14.7
Income tax	(153.1)	(183.4)
Income before income tax and share in net income of associates[(1)]	**625.9**	**488.6**
Income tax expense	**153.1**	**183.4**
EFFECTIVE TAX RATE	**24.5%**	**37.5%**
Statutory income tax rate in France[(2)]	34.43%	34.43%
THEORETICAL INCOME TAX EXPENSE (C) = (A) X (B)	**(215.5)**	**(168.2)**
Actual income tax expense		
Difference between normal tax rate applicable in France and normal tax rate in force in jurisdictions outside France	50.1	13.8
Permanent differences	(28.7)	(27.7)
Income taxed at a reduced rate or tax-exempt[(3)]	57.5	31.0
Additional tax expense	(6.9)	(31.4)
Effect of unrecognized deferred tax assets on tax loss carry-forwards and other tax-deductible temporary differences	(28.1)	(5.9)
Recognition or utilization of tax income on previously unrecognized tax loss carry-forwards and other tax-deductible temporary differences	1.2	5.7
Impact of changes in tax rates	0.9	1.2
Tax credits	23.0	7.6
Other	(6.8)	(9.6)
Actual income tax expense	**(153.1)**	**(183.4)**
EFFECTIVE TAX RATE (ACTUAL INCOME TAX EXPENSE DIVIDED BY INCOME BEFORE INCOME TAX AND SHARE IN NET INCOME OF ASSOCIATES)	**24.5%**	**37.5%**

(3) Includes mainly the impact of the special tax regimes used for the coordination centers in Belgium and the impact of tax holiday in Thailand.

7.2. Income tax recorded directly in equity

At June 30, 2010, deferred taxes recognized directly in equity resulting from actuarial gains and losses calculated over the period and the fair value of financial instruments recorded through equity, amount to €62.3 million, and can be analyzed as follows:

In millions of euros	June 30, 2010	Dec 31, 2009
Available-for-sale financial assets	7.7	3.5
Actuarial gains and losses	(23.9)	(23.9)
Net investment hedges	1.4	1.4
Cash flow hedges	72.9	69.9
TOTAL (EXCLUDING TRANSLATION ADJUSTMENTS)	**58.1**	**51.0**
Translation adjustments	4.2	3.3
TOTAL	**62.3**	**54.3**

7.3. Deferred tax assets and liabilities

7.3.1. Analysis of the net deferred tax position recognized in the statement of financial position (before netting off deferred tax assets and liabilities by tax entity), by type of temporary difference

	Impact on the combined statement of financial position at	
In millions of euros	June 30, 2010	Dec 31, 2009
Deferred tax assets		
Net operating loss carry-forwards and tax credits	125.3	87.8
Pension obligations	36.6	35.1
Non-deductible provisions	66.6	49.9
Measurement of financial instruments at fair value (IAS 32/39)	243.5	199.8
Difference between the carrying amount of PPE and their tax bases	255.2	267.3
Other	151.8	127.3
TOTAL	**879.0**	**767.2**
Deferred tax liabilities		
Difference between the carrying amount of PPE and their tax bases	(1,054.1)	(785.8)
Tax-driven provisions	(0.2)	(0.2)
Measurement of financial assets and liabilities at fair value (IAS 32/39)	(73.3)	(87.3)
Other	(157.8)	(154.8)
TOTAL	**(1,285.5)**	**(1,028.1)**
NET DEFERRED TAX ASSETS / (LIABILITIES)	**(406.5)**	**(260.8)**

In millions of euros	Impact in the combined income statement at June 30, 2010	June 30, 2009 Unaudited
Deferred tax assets		
Net operating loss carry-forwards and tax credits	39.9	(0.3)
Pension obligations	(3.3)	2.0
Non-deductible provisions	8.0	(2.5)
Difference between the carrying amount of PPE and their tax bases	(127.7)	(80.6)
Measurement of financial instruments at fair value (IAS 32/39)	39.3	38.6
Other	15.9	(23.3)
TOTAL	**(27.8)**	**(66.1)**
Deferred tax liabilities		
Difference between the carrying amount of PPE and their tax bases	70.0	62.7
Tax-driven provisions	(0.1)	(0.1)
Measurement of financial assets and liabilities at fair value (IAS 32/39)	(13.5)	(17.6)
Other	(19.6)	(16.1)
TOTAL	**36.9**	**28.9**
NET DEFERRED TAX ASSETS/(LIABILITIES)	**9.0**	**(37.2)**

Movements in deferred taxes recorded in the combined statement of financial position, after netting off deferred tax assets and liabilities by tax entity, break down as follows:

In millions of euros	Assets	Liabilities	Net Position
At December 31, 2009	347.7	608.6	(260.8)
Impact on net income for the year	(27.6)	(36.8)	9.2
Impact of netting by tax entity	(250.5)	(250.5)	-
Other[1]	69.4	224.0	(154.6)
AT JUNE 30, 2010	**139.0**	**545.3**	**(406.3)**

(1) The line item "other"" includes deferred taxes on amounts recorded directly in equity, the impact of currency translation adjustments and changes in the scope of combination.

7.3.2. Deductible temporary differences not recognized in the combined statement of financial position

At June 30, 2010 unused tax loss carry-forwards not recognized by the Group amounted to €172.9 million (€140.7 million at end-2009) in respect of ordinary tax losses (unrecognized deferred tax asset effect of €54.0 million at June 30, 2010 (€35.6 million at end-2009)). The expiration dates for these unrecognized ordinary tax loss carry-forwards are presented below:

	Ordinary Tax Losses	
In millions of euros	June 30, 2010	Dec 31, 2009
2009	-	-
2010	0.1	4.0
2011	27.5	26.2
2012 and beyond	24.5	22.9
2013 and beyond	15.5	15.1
2014 and beyond	27.4	25.9
2015 and beyond	78.0	46.6
TOTAL	**172.9**	**140.7**

Following a decision issued by the European Court of Justice on February 12, 2009 in the Cobelfret case, Belgium was sanctioned for its dividends received deduction (DRD) regime. Dividends received from subsidiaries are now required to be carried forward. As some Group entities are not expected to have sufficient taxable profits over the medium-term to be able to use the DRD, they did not recognize deferred tax assets on these tax loss carry-forwards. Due to a lack of clarity in existing legal and administrative provisions in this area, particularly regarding the fate of tax loss carry-forwards in the event of a merger or spin-off for example, the Group was unable to determine the exact amount of these carry-forwards at the end of the reporting period.

Furthermore the Group has unrecognized State tax loss carry-forwards at reduced rate in the USA. The corresponding tax effect was €46.5 million as at June 30, 2010 (€36.4 million in 2009).

7.3.3. Unrecognized deferred taxes on taxable temporary differences relating to investments in subsidiaries, joint ventures and associates

No 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. Likewise, no deferred tax liabilities are recognized on temporary differences that do not result in any payment of tax when they reverse (in particular as regards tax-exempt capital gains on disposals of investments in Belgium).

NOTE - 8 Earnings per share

The basis of computation of the earnings per share is presented in note 1.1.1.

Earnings per share is presented both before exceptional items and after exceptional items and specific IAS 39 mark-to-market movements in order to allow a better understanding of GDF SUEZ Energy International Division's underlying business performance.

Those items that GDF SUEZ Energy International Division presents as exceptional and specific IAS 39 mark-to-market movements are items which are inherently difficult to predict due to their unusual, irregular or non-recurring nature. For GDF SUEZ Energy International Division such items relate to the asset impairments and disposals, items presented on the line "Changes in the scope of combination" (refer to note 1.1.2), restructuring costs and mark-to-market on commodity contracts other than trading instruments presented in Income from operating activities as well as to mark-to-market movements on derivative contracts used in economic hedges of financing transactions and presented in Financial expenses and Financial income and the tax effect on these items if any. To the extent that such items are comprised in Share in net income of associates, those items have been isolated for purpose of this calculation.

In absence of any dilutive instruments, the average number of shares outstanding and the diluted average number of shares outstanding are the same.

	June 30, 2010	June 30, 2009 Unaudited
Numerator (In millions of euros)		
Net income Group share	395.6	238.3
Impact of exceptional items and specific IAS 39 mark-to-market movements	16.9	(43.2)
Net income Group share excluding exceptional items and specific IAS 39 mark-to-market movements	378.7	281.5
Denominator (In millions of shares)		
Average number of shares outstanding	2,028.9	2,028.9
Impact of dilutive instruments	-	-
Diluted average number of shares outstanding	2,028.9	2,028.9
Earnings per share (in euros)		
Earnings per share – Net income Group share	0.19	0.12
Diluted earnings per share – Net income Group share	0.19	0.12
Earnings per share - Net income Group share excluding exceptional items and specific IAS 39 mark-to-market movements	0.19	0;14
Diluted earnings per share - Net income Group share excluding exceptional items and specific IAS 39 mark-to-market movements	0.19	0.14

The table below presents the items of reconciliation between Net income Group share before and after exceptional items and specific IAS 39 mark-to-market movements:

	June 30, 2010	June 30, 2009 Unaudited
Mark-to-market on commodity contracts other than trading instruments	(23.8)	(75.8)
Impairment of property, plant and equipment, intangible assets and financial assets	(133.5)	(3.2)
Restructuring costs	(0.5)	0.0
Changes in the scope of combination	184.0	0.9
Other disposal gains and losses and non recurring items	(0.9)	1.9
Income from operating activities	**25.2**	**(76.1)**
Financial expenses [1]	(32.0)	-
Financial income [1]	-	15.3
Net financial loss	**(32.0)**	**15.3**
Income tax effect on the above items	16.0	12.6
Share in net income of associates	-	-
Total impact of exceptional items and specific IAS 39 mark-to-market movements recognised in net income	**9.2**	**(48.1)**
Group share	16.9	(43.2)
Non-controlling interests	(7.7)	(4.9)

(1) Refer to note 6.1 Net finance costs

NOTE - 9 Goodwill

9.1. Movements in the carrying amount of goodwill

In millions of euros

A. Gross amount	
AT DECEMBER 31, 2009	**1,316.1**
Acquisitions	5.7
Disposals	(0.8)
Translation adjustments[1]	221.5
Other	0.0
AT JUNE 30, 2010	**1,542.5**
B. Impairment	
AT DECEMBER 31, 2009	**(57.9)**
Impairment losses	(133.0)
Disposals	0.0
Translation adjustments[1]	(15.2)
Other	0.0
AT JUNE 30, 2010	**(206.1)**
C. Carrying amount = A + B	
AT DECEMBER 31, 2009	**1,258.2**
AT JUNE 30, 2010	**1,336.5**

(1) In addition to the impact of exchange rate fluctuations disclosed in note 2.2, this line-item includes a translation gain on the Singapore dollar of €57 million.

As at June 30, 2010 additions to goodwill relate mainly to the acquisition of Astoria (see note 2.1).

The impairment loss recognized during the period relates to Izgaz (see note 5.2).

9.2. Goodwill segment information

The carrying amount of goodwill can be analyzed as follows by business segment:

In millions of euros	June 30, 2010	Dec. 31, 2009
Latin America	33.9	30.5
Middle East, Asia	468.2	396.0
North America	748.7	630.7
United Kingdom & Turkey - Gas Distribution	85.7	201.0
TOTAL	**1,336.5**	**1,258.2**

The analysis above is based on the business segments of the acquired entity rather than that of the acquirer.

NOTE - 10 Intangible assets, net

10.1. Movements in intangible assets

In millions of euros	Intangible Rights Arising on Concession Contracts	Other Intangible	Total
A. Gross amount			
AT DECEMBER 31, 2009	**141.0**	**612.7**	**753.7**
Acquisitions	0.5	6.6	7.2
Disposals	0.0	(10.0)	(10.0)
Translation adjustments	15.6	139.9	155.5
Changes in scope of combination	0.0	370.9	370.9
Other	0.0	(2.6)	(2.6)
AT JUNE 30, 2010	**157.1**	**1,117.5**	**1,274.6**
B. Accumulated amortization and impairment			
AT DECEMBER 31, 2009	**(3.0)**	**(322.5)**	**(325.5)**
Amortization / impairment	(1.7)	(26.1)	(27.9)
Disposals	0.0	4.3	4.3
Translation adjustments	(0.4)	(58.8)	(59.2)
Changes in scope of combination	0.0	(0.6)	(0.6)
Other	0.0	(2.4)	(2.4)
AT JUNE 30, 2010	**(5.1)**	**(406.1)**	**(411.2)**
C. Carrying amount = A + B			
AT DECEMBER 31, 2009	**138.0**	**290.2**	**428.2**
AT JUNE 30, 2010	**152.0**	**711.4**	**863.4**

10.1.1. Intangible rights arising on concession contracts

Since the acquisition of Izgaz realized in 2009 (see note 2.1.2.1), the Group manages concessions as defined by IFRIC 12 covering gas distribution. The rights granted to concession operators are accounted for as intangibles.

10.1.2. Other Intangibles

This caption mainly relates to power and gas purchase and sale agreements, capacity contracts and customer relationships recognized at fair value following a business combination. Changes in the scope of combination mainly reflect the preliminary fair values of identified assets acquired in Edelnor and Central Termoeléctrica Andina as part of the Chilean merger (see note 2.1.1.2).

NOTE - 11 Property, plant and equipment, net

11.1. Movements in property, plant and equipment

In millions of euros	Land	Buildings	Plant and Equipment	Assets in Progress	Other	Total
A. Gross amount						
AT DECEMBER 31, 2009	**125.4**	**139.4**	**12,731.3**	**2,933.9**	**132.8**	**16,062.9**
Acquisitions	3.7	0.4	40.4	1,054.6	3.4	1,102.5
Disposals	(0.1)	0.0	(23.7)	0.0	(1.1)	(25.0)
Translation adjustments	27.1	23.5	2,335.2	522.1	20.0	2,927.9
Changes in scope of combination	40.7	2.4	1,333.6	21.4	2.7	1,400.8
Other	3.4	(17.4)	560.9	(507.8)	1.2	40.3
AT JUNE 30, 2010	**200.3**	**148.3**	**16,977.8**	**4,024.2**	**159.0**	**21,509.5**
B. Accumulated depreciation and impairment						
AT DECEMBER 31, 2009	**(12.8)**	**(31.9)**	**(3,684.6)**	**(28.3)**	**(63.6)**	**(3,821.2)**
Depreciation	(1.2)	(3.1)	(307.9)	0.0	(5.8)	(318.0)
Impairment losses	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	19.2	0.0	0.7	19.9
Translation adjustments	(1.9)	(5.2)	(664.6)	(4.9)	(10.0)	(686.6)
Changes in scope of combination	0.0	(0.4)	(157.3)	0.0	(1.0)	(158.7)
Other	0.0	8.9	(8.8)	0.0	(0.1)	0.0
AT JUNE 30, 2010	**(15.9)**	**(31.7)**	**(4,803.9)**	**(33.2)**	**(79.8)**	**(4,964.6)**
C. Carrying amount						
AT DECEMBER 31, 2009	**112.6**	**107.5**	**9,046.7**	**2,905.6**	**69.3**	**12,241.7**
AT JUNE 30, 2010	**184.4**	**116.6**	**12,173.8**	**3,990.9**	**79.1**	**16,544.9**

In first-half 2010, the acquisitions of property, plant and equipment relate notably to the construction in progress of different power plants in Brazil (€453.1 million), Thailand (€333.3 million) and Panama (€86.9 million). The movements in the line-item 'Other' relate mainly to the commissioning in 2010 of a LNG terminal in the USA (Neptune).

Net changes in the scope of combination mainly reflect the acquisition of Astoria (€751.0 million) and the fact that Group acquired control over the Chilean entities (€516.8 million) (see note 2).

11.2. Pledged and mortgaged assets

Items of property, plant and equipment pledged by the Group to guarantee borrowings and debt amount to €2,800.4 million at June 30, 2010 (€2,139.9 million at December 31, 2009).

11.3. Contractual commitments to purchase property, plant and equipment

In the ordinary course of their operations, some Group companies have also entered into commitments to purchase, and the related third parties to deliver, property, plant and equipment. These commitments relate mainly to orders of equipment, vehicles and material required for the construction of energy production units (power and co-generation plants). The Group also entered into long term maintenance contracts with third parties.

Firm commitments made by the Group in this respect amount to €2,903.8 million at June 30, 2010 compared with €2,348.8 million at December 31, 2009.

The increase in first-half 2010 results mainly from firm commitments in connection with the construction of the combined cycle power plant Chilca One in Peru and from firm purchase commitments in connection with several merchant plants in North America.

11.4. Other information

Borrowing costs included in the cost of property, plant and equipment amount to €83.8 million at June 30, 2010 (€62.6 million at June 30, 2009).

NOTE - 12 Investments in associates

12.1. Breakdown of investments in associates

	Carrying Amount of Investments in Associates		Share in Net Income of Associates	
In millions of euros	June 30, 2010	Dec 31, 2009	June 30, 2010	June 30, 2009 Unaudited
PTT Natural Gas Distribution	25.1	16.4	4.8	(0.2)
United Power Company	0.0	0.0	0.0	0.2
Group Noverco	220.5	157.0	11.6	10.0
Astoria Energy LLC[1]	22.0	70.6	(0.5)	0.7
Total Tractebel Emirates	34.8	34.9	5.7	4.7
SMN Power	(22.1)	(17.4)	0.3	0.1
HIDD Power Company	0.1	15.6	1.7	(0.1)
Other	12.7	13.2	0.1	(0.7)
TOTAL	**292.9**	**290.3**	**23.7**	**14.7**

(1) The line item "Astoria Energy LLC" includes as at December 31, 2009 Astoria Energy LLC and Astoria Energy II LLC. On January 7, 2010, the Group acquired the control of Astoria Energy LLC which is fully combined as of this date (see note 2.1.1.1.).

In first-half 2010, the Group increased its interest in the Astoria Energy I power plant. After purchasing these interests, the Group obtained control of Astoria Energy LLC which consequently is fully combined in the Combined Financial Information of the Group as of the acquisition date.

The Group sold its stake in United Power Company in first-half 2009.

Dividends received by the Group from its associates amounted to €8.6 million in first-half 2010 (€7.1 million in first-half 2009).

Goodwill recognized by the Group on acquisitions of associates is also included in this item for a net amount of 20.6 million at June 30, 2010 (€17.4 million at end-2009).

The total unrecognized share of losses in associates, including other comprehensive expenses, amounted to €71.7 million as at June 30, 2010.

12.2. Key financial data of associates

In millions of euros	Latest % Interest	Total Assets	Liabilities	Equity	Revenues	Net Income
At 30 June, 2010						
Astoria Energy, II LLC	30.00%	656.2	732.1	75.8	0.0	(6.7)
Group Noverco	17.56%	3,820.8	2,701.1	1,119.6	979.1	66.3
PTT Natural Gas Distribution	40.00%	78.1	27.3	51.5	57.1	12.0
Gulf Total Tractebel Company	20.00%	1,117.0	1,082.4	36.4	96.7	30.1
Rusail Power Company	47.50%	120.6	120.2	0.4	32.4	0.7
SMN Barka Power	47.50%	637.7	676.1	(38.4)	41.9	0.8
Hidd Power Company	30.00%	976.5	976.3	0.2	93.9	5.5

In millions of euros	Latest % Interest	Total Assets	Liabilities	Equity	Revenues	Net Income
Statement of Financial Position as at Dec. 31, 2009						
Income Statement as at June 30, 2009 (Unaudited)						
Astoria Energy, LLC	14.80%	912.1	908.0	4.1	90.3	(4.0)
Group Noverco	17.56%	3,615.8	2,722.0	893.8	978.9	56.7
PTT Natural Gas Distribution	40.00%	57.7	26.5	31.2	38.1	(0.4)
Gulf Total Tractebel Company	20.00%	958.8	902.0	56.8	81.3	20.9
Rusail Power Company	47.50%	97.6	95.1	2.5	29.5	0.9
SMN Barka Power	47.50%	515.9	507.8	8.1	0.0	(0.2)
Hidd Power Company	30.00%	839.0	787.1	51.9	82.5	(0.4)

The Group accounts for its interest in Group Noverco under the equity method because it has determined that it has significant influence over the entity.

NOTE - 13 Investments in joint ventures

Contributions of the main joint ventures to the Group's Combined Interim Financial Information are as follows:

In millions of euros	Country	Combination Percentage	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Revenues	Net Income
At 30 June, 2010								
Energia Sustentavel do Brasil	Brazil	50.1	177.1	862.9	60.7	649.5	0.0	1.0
Sociedad GNL Mejillones	Chile	50.0	65.5	253.3	248.1	82.0	4.9	(5.8)
North East Energy LP	USA	50.0	60.4	215.6	11.5	101.4	50.2	14.6
Senoko	Singapore	30.0	122.6	770.4	80.4	542.3	263.2	4.6
Statement of Financial Position as at December 31, 2009								
Income Statement as at June 30, 2009 - Unaudited								
Energia Sustentavel do Brasil	Brazil	50.1	120.9	471.9	21.7	363.2	0.0	1.3
Sociedad GNL Mejillones	Chile	50.0	20.0	170.7	143.4	51.2	0.0	(32.3)
North East Energy LP	USA	50.0	43.8	202.1	75.9	100.4	46.8	14.3
Senoko	Singapore	30.0	76.9	653.0	34.4	130.7	183.6	2.5
Electroandina	Chile	33.3	45.4	115.5	28.9	6.3	76.4	12.9

NOTE - 14 Financial instruments

14.1. Financial assets

The Group's financial assets are broken down into the following categories:

In millions of euros	June 30, 2010			Dec. 31, 2009		
	Non-current	Current	Total	Non-current	Current	Total
Available-for-sale securities	54.2		54.2	68.8		68.8
Loans and receivables carried at amortized cost	832.4	2,317.8	3,150.2	638.2	2,018.2	2,656.5
Loans and receivables carried at amortized cost (excluding trade and other receivables)	*694.4*	*244.5*	*938.8*	*516.4*	*320.9*	*837.3*
Trade and other receivables, net		*1,496.4*	*1,496.4*		*1,290.3*	*1,290.3*
Other assets	*138.1*	*576.9*	*714.9*	*121.9*	*407.0*	*528.9*
Financial assets at fair value through income	297.5	314.6	612.2	269.9	342.1	612.0
Derivative instruments	*297.5*	*296.6*	*594.1*	*269.9*	*339.6*	*609.5*
Financial assets at fair value through income (excluding derivatives)		*18.1*	*18.1*		*2.5*	*2.5*
Cash and cash equivalents		3,444.7	3,444.7		2,948.5	2,948.5
TOTAL	**1,184.2**	**6,077.1**	**7,261.3**	**976.9**	**5,308.8**	**6,285.7**

14.1.1. Available-for-sale securities

AT DECEMBER 31, 2009	**68.8**
Acquisitions	1.9
Disposals	0.0
Changes in fair value recorded in equity	0.0
Changes in fair value recorded in income	4.2
Changes in scope of consolidation, foreign currency translation and other changes	(20.7)
AT JUNE 30, 2010	**54.2**

The Group's available-for-sale assets include only unlisted securities. The Group determines their fair value based on standard valuation techniques including:

- Reference to similar recent market transactions;
- Discounted dividends and/or cash flows, or;
- The net assets value.

The Group reviewed the value of its available-for-sale securities on a case-by-case basis, in order to determine whether, based on all available information and in light of the current market environment, any impairment losses should be recognized.

Gains and losses on available-for-sale securities recognized in equity or income are immaterial for the period presented.

14.1.2. Loans and receivables at amortized cost

	June 30, 2010			Dec. 31, 2009		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Loans and receivables carried at amortized cost (excluding trade and other receivables)	694.4	244.5	938.8	516.4	320.9	837.3
Loans granted to affiliated companies	*224.6*	*10.6*	*235.3*	*165.8*	*35.4*	*201.2*
Other receivables carried at amortized cost	*264.9*	*156.0*	*420.8*	*150.8*	*225.4*	*376.2*
Amounts receivable under finance leases	*204.8*	*77.9*	*282.7*	*199.8*	*60.2*	*259.9*
Trade and other receivables, net		1,496.4	1,496.4		1,290.3	1,290.3
Other assets	138.1	576.9	714.9	121.9	407.0	528.9
Tax receivables		*303.8*	*303.8*		*222.1*	*222.1*
Other receivables	*138.1*	*273.1*	*411.2*	*121.9*	*184.9*	*306.8*
TOTAL	**832.4**	**2,317.8**	**3,150.2**	**638.2**	**2,018.2**	**2,656.5**

In millions of euros	June 30, 2010 Gross	June 30, 2010 Allowance and Impairment	June 30, 2010 Net	Dec. 31, 2009 Gross	Dec. 31, 2009 Allowance and Impairment	Dec. 31, 2009 Net
Loans and receivables carried at amortized cost (excluding trade and other receivables)	945.9	(7.1)	938.8	843.6	(6.2)	837.3
Trade and other receivables	1,604.9	(108.5)	1,496.4	1,368.6	(78.3)	1,290.3
Other assets	716.3	(1.3)	714.9	530.1	(1.2)	528.9
TOTAL	**3,267.1**	**(116.9)**	**3,150.2**	**2,742.2**	**(85.8)**	**2,656.5**

Income and expenses recognized in the Interim Combined Income Statement with regard to loans and receivables carried at amortized cost break down as follows:

In millions of euros	Interest Income	Remeasurement: Foreign Currency Translation	Remeasurement: Impairment
JUNE 30, 2010	**(19.6)**	**39.5**	**(15.9)**
JUNE 30, 2009 – Unaudited	29.1	(49.8)	(5.1)

Loans granted to affiliated companies

This caption notably includes the loan granted by RLC Power Holding, a holding company established by the Group together with other partners, to its affiliated investment Ras Girtas Power Company for a total of €89 million at June 30, 2010 (€76 million at December 31, 2009). It also includes a long term loan granted by Laurentides Investissements to the affiliated investment Noverco for a total of €77 million at June 30, 2010 (€67 million at December 31, 2009).

Other receivables carried at amortized cost

The Group deposited cash as collateral for the financing of the group's Brazilian activities as well as the US Astoria transaction (€355 million at June 30, 2010 and €283 million at December 31st 2009).

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 represents a reasonable estimate of fair value.

14.1.3. Financial assets at fair value through income

	June 30, 2010			Dec. 31, 2009		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Derivative instruments	297.5	296.6	594.1	269.9	339.6	609.5
Derivatives hedging borrowings	*140.8*	*6.2*	*147.0*	*129.4*	*33.5*	*162.9*
Derivatives hedging commodities	*156.7*	*288.7*	*445.4*	*140.3*	*302.7*	*443.0*
Other derivatives	*0.0*	*1.7*	*1.7*	*0.1*	*3.4*	*3.6*
Financial assets at fair value through income (excluding derivatives)	0.0	18.1	18.1	0.0	2.5	2.5
Financial assets qualifying as at fair value through income		*0.5*	*0.5*		*0.7*	*0.7*
Financial assets designated as at fair value through income		*2.1*	*2.1*		*1.8*	*1.8*
Cash collateral on derivatives hedging borrowings		*15.5*	*15.5*		*0.0*	
TOTAL	**297.5**	**314.6**	**612.2**	**269.9**	**342.1**	**612.0**

Commodity derivatives and derivatives hedging borrowings and other items are set up as part of the Group's risk management policy and are analyzed in note 15.

As of June 30, 2010 and December 31, 2009, financial assets qualifying as at fair value through income are mainly money market funds held for trading purposes and intended to be sold in the near term. They are included in the calculation of the Group's net debt (see note 14.3).

Gains on financial assets held for trading purposes were not material at June 30, 2010 and nil at June 30, 2009.

14.1.4. Cash and cash equivalents

The Group's financial risk management policy is described in note 15.

At June 30, 2010, except GDF SUEZ, no counterparty represented a significant part of cash and cash equivalents.

Cash and cash equivalents totalled €3,444.7 million at June 30, 2010 (€2,948.5 million at December 31, 2009).

This caption includes restricted cash of €214.7 million at June 30, 2010 (€67.4 million at December 31, 2009).

Income recognized in respect of cash and cash equivalents amounted to € 25.6 million at June 30, 2010 (€27.5 million at June 30, 2009).

Financial assets pledged as collateral

In millions of euros	June 30, 2010	Dec. 31, 2009
Financial assets pledged as collateral	1,817.0	1,848.2

This item includes equity instruments and, to a lesser extent, trade receivables pledged to guarantee borrowings and debt.

14.2. Financial liabilities

Financial liabilities are recognized in:

— "Other liabilities carried at amortized cost" (borrowings and debt, trade and other payables);

— "Financial liabilities at fair value through income or equity" (derivative instruments).

The Group's financial liabilities are classified under the following categories:

	June 30, 2010			Dec. 31, 2009		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt	9,198.5	5,433.1	14,631.6	7,726.7	4,144.0	11,870.7
Derivative instruments	841.0	512.8	1,353.8	498.9	460.0	959.0
Trade and other payables	-	1,386.0	1,386.0	-	1,013.0	1,013.0
Other financial liabilities	1.6	-	1.6	1.4	-	1.4
TOTAL	**10,041.1**	**7,331.9**	**17,373.0**	**8,227.0**	**5,617.0**	**13,844.0**

14.2.1. Borrowings and debt

	June 30, 2010			Dec. 31, 2009		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Bond issues	*1,143.5*	*504.2*	*1,647.7*	*1,168.8*	*258.6*	*1,427.4*
Drawdowns on credit facilities	*561.6*	*0.8*	*562.4*	*162.3*	*(0.0)*	*162.3*
Liabilities under finance leases	*358.3*	*8.3*	*366.6*	*292.3*	*36.2*	*328.4*
Other bank borrowings	*5,536.1*	*544.9*	*6,081.0*	*4,151.5*	*304.0*	*4,455.5*
Other borrowings (a)	*1,598.8*	*4,285.0*	*5,883.8*	*1,948.0*	*3,472.1*	*5,420.2*
Total borrowings	9,198.4	5,343.2	14,541.6	7,722.9	4,070.9	11,793.7
Bank overdrafts and current accounts		*10.7*	*10.7*		*29.2*	*29.2*
Outstanding borrowings	9,198.4	5,353.9	14,552.2	7,722.9	4,100.1	11,823.0
Impact of measurement at amortized cost	*0.1*	*77.5*	*77.6*	*3.8*	*43.9*	*47.7*
Impact of fair value hedge	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.1*
Cash collateral		*1.8*	*1.8*		*0.0*	*0.1*
BORROWINGS AND DEBT	**9,198.5**	**5,433.1**	**14,631.6**	**7,726.7**	**4,144.0**	**11,870.7**

(a) Other borrowings comprise borrowings towards GDF SUEZ, which amounted to €5,717.4 million at June 30, 2010 and €5,064.4 million at December 31, 2009.

The fair value of borrowings and debt amounted to €15,034.0 million at June 30, 2010 compared with a carrying amount of €14,631.6 (€11,843.0 million at December 31, 2009 compared with a carrying amount of 11,870.7 million).

Gains and losses on borrowings and debt recognized in income (mainly comprising interest) are detailed in note 6.

Borrowings and debt are analyzed in note 14.3.

14.2.2. Derivative instruments

Derivative instruments recorded in liabilities are measured at fair value and break down as follows:

	June 30, 2010			Dec. 31, 2009		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Derivatives hedging borrowings	462.3	95.8	558.1	214.3	52.0	266.4
Derivatives hedging commodities	335.5	415.1	750.6	267.4	407.3	674.7
Other derivatives	43.2	1.9	45.1	17.2	0.7	17.9
TOTAL	**841.0**	**512.8**	**1,353.8**	**498.9**	**460.0**	**959.0**

These instruments are put in place as part of the Group's risk management policy and are analyzed in note 15.

14.2.3. Trade and other payables

In millions of euros	June 30, 2010	Dec. 31, 2009
Trade payables and Advances and downpayments received	1,166.6	898.2
Payables on fixed assets	219.4	114.8
TOTAL	1,386.0	1,013.0

The carrying amount of trade and other payables represents a reasonable estimate of fair value.

14.3. Net debt

In millions of euros	June 30, 2010 Non-current	June 30, 2010 Current	June 30, 2010 Total	Dec. 31, 2009 Non-current	Dec. 31, 2009 Current	Dec. 31, 2009 Total
Outstanding borrowings and debt	9,198.4	5,353.9	14,552.2	7,722.9	4,100.6	11,823.4
Impact of measurement at amortized cost	0.1	77.5	77.6	3.8	43.5	47.2
Impact of fair value hedge(1)	0.0	0.0	0.0	0.0	0.0	0.1
Cash collateral		1.8	1.8			
BORROWINGS AND DEBT	**9,198.5**	**5,433.1**	**14,631.6**	**7,726.7**	**4,144.0**	**11,870.7**
Derivative instruments hedging borrowings under liabilities(2)	462.3	95.8	558.1	214.3	52.0	266.4
GROSS DEBT	**9,660.8**	**5,528.8**	**15,189.7**	**7,941.0**	**4,196.0**	**12,137.0**
Financial assets at fair value through income	0.0	(18.1)	(18.1)	0.0	(2.5)	(2.5)
Cash and cash equivalents	0.0	(3,444.7)	(3,444.7)	0.0	(2,948.5)	(2,948.5)
Derivative instruments hedging borrowings under assets(2)	(140.8)	(6.2)	(147.0)	(129.4)	(33.5)	(162.9)
NET CASH	**(140.8)**	**(3,468.9)**	**(3,609.8)**	**(129.4)**	**(2,984.5)**	**(3,113.9)**
NET DEBT	**9,520.0**	**2,059.9**	**11,579.9**	**7,811.6**	**1,211.5**	**9,023.2**
Outstanding borrowings and debt	9,198.4	5,353.9	14,552.2	7,722.9	4,100.6	11,823.4
Financial assets at fair value through income	0.0	(18.1)	(18.1)	0.0	(2.5)	(2.5)
Cash and cash equivalents	0.0	(3,444.7)	(3,444.7)	0.0	(2,948.5)	(2,948.5)
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS AND AMORTIZED COST	**9,198.4**	**1,891.1**	**11,089.4**	**7,722.9**	**1,149.5**	**8,872.4**

(1) This item corresponds to the revaluation of the interest rate component of debt in a designated fair value hedging relationship.

(2) This item represents the fair value of debt-related derivatives irrespective of whether or not they are designated as hedges. It also includes instruments designated as net investment hedges (see notes 14.1.3 and 14.2.2).

14.3.1. Change in gross debt

At June 30, 2010 changes in the scope of combination led to an increase of €495.6 million (€140.6 million at December 31, 2009) in gross debt, while foreign currency translation increased gross debt by €1,550.2 million (€269.8 million at December 31, 2009).

14.3.2. Debt / equity ratio

In millions of euros	June 30, 2010	Dec. 31, 2009
Net debt	11,579.9	9,023.2
Total equity	7,159.6	5,104.7
Debt / equity ratio	161.7%	176.8%

NOTE - 15 Management of risks arising from financial instruments

The Group mainly uses derivative instruments to manage its exposure to counterparty and market risks.

15.1. Management of risks arising from financial instruments (excluding commodity instruments)

15.1.1. Fair value of financial instruments (excluding commodity instruments)

15.1.1.1. Financial assets

The table below presents the allocation of financial instruments (excluding commodity derivatives) carried in assets by level of fair value. A definition of the various levels in the fair value hierarchy is provided in note 1.

	June 30, 2010				Dec. 31, 2009			
In millions of euros	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Available-for-sale securities	54.2			54.2	68.8			68.8
Derivative instruments	148.7	0.0	148.7	0.0	166.4	0.0	166.4	0.0
Derivatives hedging borrowings	*147.0*		*147.0*		*162.9*		*162.9*	
Derivatives hedging other items	*1.7*		*1.7*		*3.6*		*3.6*	
Financial assets at fair value through income	2.6	0.0	2.6	0.0	2.5	0.0	2.5	0.0
Financial assets qualifying as at fair value through income	*0.5*		*0.5*		*0.7*		*0.7*	
Financial assets designated as at fair value through income	*2.1*		*2.1*		*1.8*		*1.8*	
TOTAL	**205.5**	**0.0**	**151.3**	**54.2**	**237.7**	**0.0**	**169.0**	**68.8**

Available-for-sale securities

Unlisted securities as they are measured using valuation models based primarily on recent market transactions, the present value of dividends and/or cash flows or net asset value, are included in level 3 of the fair value hierarchy.

Derivative instruments

The derivative instruments used by the Group to manage its risk exposure mainly include interest rate and currency swaps and options, cross currency swaps and credit default swaps. The fair value of virtually all of these instruments is determined using internal valuation models based on observable market data. They are therefore included in level 2 of the fair value hierarchy.

Financial assets qualifying and designated as at fair value through income.

Financial assets qualifying as at fair value through income for which the Group does not have regular liquid values are included in level 2 of the fair value hierarchy.

Financial assets designated as at fair value through income are included in level 2 of the fair value hierarchy.

The change in level 3 financial assets (excluding commodity derivatives) at June 30, 2010, is presented in Note 14.1.1.

15.1.1.2. Financial liabilities

The table below presents the allocation of financial instruments (excluding commodity derivatives) carried in liabilities. A definition of the various levels in the fair value hierarchy is provided in Note 1.

	June 30, 2010				Dec. 31, 2009			
In millions of euros	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Derivative instruments	603.1	0.0	603.1	0.0	284.3	0.0	284.3	0.0
Derivatives hedging borrowings	*558.1*		*558.1*		*266.4*		*266.4*	
Derivatives hedging other items	*45.1*		*45.1*		*17.9*		*17.9*	
TOTAL	**603.1**	**0.0**	**603.1**	**0.0**	**284.3**	**0.0**	**284.3**	**0.0**

See Note 15.1.1.1 for disclosures on derivative instruments.

15.1.2. Counterparty risk

The Group is exposed to counterparty risk on its operating activities, cash investing activities and interest rate, foreign exchange and commodity derivative instruments.

Counterparty risk is managed according to GDF SUEZ counterparty risk policy.

Operating activities

Counterparty risk is governed by the hedging policies approved by the executive management team of GDF SUEZ Energy Europe & International. These policies were fleshed out and aligned with the GDF SUEZ' counterparty risk management policy as approved by its executive management in April 2009, which requires each of the GDF SUEZ group's main energy counterparties to be assigned a credit rating.

The executive management team of GDF SUEZ Energy Europe & International appoints risk control committees per geographical area which are independent from the front office. These committees supervise and control the risks and the strategies in place to reduce the business line's exposure to counterparty risk. Compliance with the GDF SUEZ Energy Europe & International's hedging policies is verified on a regular basis. Counterparty risk management is reinforced by second-tier controls carried out by the GDF SUEZ' Finance division. The Group's exposure to its main energy counterparties is consolidated and monitored on a quarterly basis within the scope of the GDF SUEZ Energy Market Risk Committee (EMRC), which also ensures that the exposure limits set for these counterparties are respected.

Counterparty risk arising on trading and portfolio management activities and industrial customers consuming large quantities of energy (more than 150 GWh/year for gas and 100 GWh/year for electricity), is consolidated by the Group and broken down into two main sources of risk:

- payment risk, corresponding to unpaid physical deliveries of energy (energy delivered but unbilled, energy billed but unpaid, and energy delivered before cut-off);
- replacement risk, corresponding to the cost of replacing a contract in default (mark-to-market).

The credit quality of this portfolio is assessed by analyzing the concentration of counterparties by rating category.

Counterparty risk arising from trade receivables

Past-due trade and other receivables are analyzed below:

In millions of euros	Past due Assets not Impaired at Reporting Date				Impaired Assets	Assets Neither Impaired nor Past Due	
Trade and other receivables	**0-6 Months**	**6-12 Months**	More Than 1 Year	**Total**	**Total**	**Total**	**Total**
At June 30, 2010	133.2	14.1	37.0	184.3	116.2	1,304.4	1,604.9
At December 31, 2009	114.0	55.5	10.0	179.4	82.3	1,106.8	1,368.5

The balance of outstanding trade and other receivables presented hereabove, does not include allowances which amounted to €(108.5) million at June 30, 2010 (versus €(78.3) million at December 31, 2009). Changes in these items are presented in Note 14.1.1 "Loans and receivables carried at amortized cost".

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 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.

Financing activities

For its financing activities, GDF SUEZ 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 also draws 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 GDF SUEZ group's Treasury department and reports to the GDF SUEZ Finance division.

The Group's maximum exposure to counterparty risk should be assessed based on the carrying amount of financial assets (excluding available-for-sale securities) and on the fair value of derivatives recognized within assets in its Condensed Interim Combined Statement of Financial Position.

Counterparty risk arising from loans and receivables carried at amortized cost (excluding trade and other receivables)

The balance of outstanding past-due loans and receivables carried at amortized cost (excluding trade and other receivables) is analyzed below:

In millions of euros	Past due Assets not Impaired at Reporting Date				Impaired Assets	Assets Neither Impaired nor Past Due	
Loans and receivables carried at amortized cost (excluding trade and other receivables)	**0-6 Months**	**6-12 Months**	**More Than 1 Year**	**Total**	**Total**	**Total**	**Total**
At June 30, 2010	7.8	5.5	20.3	33.6	7.1	903.1	943.8
At December 31, 2009	4.9	1.6	7.2	13.7	6.2	823.2	843.2

The balance of outstanding loans and receivables carried at amortized cost (excluding trade and other receivables) presented here above, does not include impairment losses and changes in fair value and in amortized cost, which amounted to €(7.1) million, €0 million and €2.1 million at June 30, 2010 (versus €(6.2)million, €0 million and €0.4 million at December 31, 2009). Changes in these items are presented in Note 14.1.1 "Loans and receivables carried at amortized cost".

The balance of outstanding loans and receivables carried at amortized cost includes loans granted to affiliated companies and other receivables carried at amortized cost amounting to €616.8 million and €542.7 million for June 30, 2010 and December 31, 2009 respectively (see Note 14.1.1).

Counterparty risk arising from investing activities

The Group is exposed to credit risk arising from investments of surplus cash (excluding loans to non-combined companies) and from its use of derivative financial instruments. Credit risk reflects the risk that one party to a transaction will cause a financial loss for the other party by failing to discharge a contractual obligation. In the case of financial instruments, counterparty risk arises on instruments with a positive fair value.

Additionally, the cash surplus of the combined entities are managed whenever possible with the cash pooling process organized through the GDF SUEZ financial vehicles. The related cash deposits with entities of GDF SUEZ as of June 30, 2010 amounted to €1,474 million (€1,517 million for December 31, 2009).

At June 30, 2010, total outstandings exposed to credit risk amounted to €3,594 million (€3,114 million at December 31, 2009). Investment grade counterparties (rated at least BBB- by Standard & Poor's or Baa3 by Moody's) represent 93% (91% at December 31, 2009) of the exposure. The remaining exposure arises on either unrated (5% at June 30, 2010 and 7% at December 31, 2009) or non-investment grade counterparties (2% at June 30, 2010 and December 31, 2009). The bulk of exposure to unrated or non-investment grade counterparties arises within combined companies comprising non-controlling interests, or within Group companies operating in emerging countries, where cash cannot be pooled and is therefore invested locally.

At June 30, 2010, no counterparty (excluding GDF SUEZ) represented more than 12% of cash investments (16% at December 31, 2009).

Counterparty risk arising from other assets

Other assets, including tax receivables, are neither past due nor impaired. The Group does not consider that it is exposed to any counterparty risk on these assets that mainly include tax receivables and prepaid expenses (see Note 14.1.2).

15.1.3. Liquidity risk

GDF SUEZ liquidity is based on maintaining cash and cash equivalents and access to confirmed credit facilities. These facilities are appropriate for the scale of its operations and for the timing of contractual debt repayments.

The Group's activities are financed through the central financial vehicles owned by GDF SUEZ, according to GDF SUEZ financing policy. This policy is based on:

- Centralizing external financing;
- Diversifying sources of financing between credit institutions and capital markets;
- Achieving a balanced debt repayment profile.

At June 30, 2010, bank loans accounted for 48% of gross debt (excluding overdrafts and the impact of derivatives and amortized cost) (compared to 42% at December 31, 2009), borrowings towards GDF SUEZ amounted to €5,717.4 million or 39% of gross debt (€5,064.4 million or 43% in 2009), while the remaining debt was raised on capital markets, that is €1,647.7 million in bonds, or 11% of gross debt (compared to 12% at December 31, 2009).

Available cash, comprising cash and cash equivalents, financial assets qualifying and designated as at fair value through income, net of overdrafts, amounted to €3,452.1 million at June 30, 2010 (€2,921.8 million at December 31, 2009). Cash surpluses managed by special-purpose vehicles are pooled as part of GDF SUEZ cash pooling process.

15.1.3.1. Undiscounted contractual payments

Undiscounted contractual payments on outstanding borrowings break down as follows by maturity:

At June 30, 2010 In millions of euros	Total	2010	2011	2012	2013	2014	Beyond 5 Years
Bond issues	**1,647.7**	113.1	391.1	199.8	114.1	132.0	697.6
Drawdowns on credit facilities	**562.4**	0.8	0.0	75.5	75.5	37.7	372.9
Liabilities under finance leases	**366.6**	1.2	7.1	23.6	20.1	15.1	299.6
Other bank borrowings	**6 081.0**	84.0	460.9	512.5	973.8	469.9	3,580.0
Other borrowings	**5,883.8**	4,189.1	95.9	0.0	0.0	(0.0)	1,598.8
Bank overdrafts and current accounts	**10.7**	10.7	0.0	0.0	0.0	0.0	0.0
OUTSTANDING BORROWINGS	**14,552.2**	**4 398.9**	**955.0**	**811.3**	**1,183.4**	**654.8**	**6,548.8**
Contractual undiscounted cash flows on interest payments	**5,240.6**	248.9	496.9	463.3	456.6	418.8	3,156.1
TOTAL	**19.792,8**	**4.647,8**	**1.451,8**	**1.274,6**	**1.640,0**	**1.073,5**	**9.705,0**

At December 31, 2009 In millions of euros	Total	2010	2011	2012	2013	2014	Beyond 5 Years
Bond issues	**1,427.4**	258.6	432.4	102.5	96.3	108.8	428.8
Drawdowns on credit facilities	**162.3**	(0.0)	0.0	33.8	0.0	63.1	65.4
Liabilities under finance leases	**328.4**	36.2	37.2	10.8	8.0	8.4	227.8
Other bank borrowings	**4,455.5**	304.0	382.7	391.0	804.6	361.1	2,212.1
Other borrowings	**5,420.5**	3,472.5	9.7	0.0	0.0	437.2	1,501.0
Bank overdrafts and current accounts	**29.2**	29.2	0.0	0.0	0.0	0.0	0.0
OUTSTANDING BORROWINGS	**11,823.4**	**4,100.6**	**862.0**	**538.1**	**909.0**	**978.7**	**4,435.1**
Contractual undiscounted cash flows on interest payments	**4,085.5**	414.9	405.5	402.1	382.9	335.9	2,144.2
TOTAL	**15,908.9**	**4,515.4**	**1,267.5**	**940.2**	**1,291.9**	**1,314.5**	**6,579.3**

The maturities of the Group's undrawn credit facility programs are analyzed in the table below:

At June 30, 2010 In millions of euros	Total	2010	2011	2012	2013	2014	Beyond 5 Years
Confirmed undrawn credit facility programs	**394.6**	78.0	12.5	244.5	28.5	26.2	4.9

At December 31, 2009 In millions of euros	Total	2010	2011	2012	2013	2014	Beyond 5 Years
Confirmed undrawn credit facility programs	**167.8**	94.4	0.0	0.0	46.5	18.0	8.9

The undrawn credit facility programs mentioned above correspond to those managed locally by the entities or business units. GDF SUEZ manages cash requirements and cash surpluses for the Group through financing vehicles as described under note 15.1.2.

15.1.4. Market risk

15.1.4.1. Currency risk

The Group is exposed to financial statement translation risk due to the geographical spread of its activities: its Condensed Interim Combined Statement of Financial Position and Condensed Interim Combined Income Statement are impacted by changes in exchange rates upon combination of the financial statements of its foreign subsidiaries outside the euro zone. Exposure to translation risk results essentially from net assets held by the Group in the United States, Brazil, Thailand and the United Kingdom (see note 3.2).

The Group's hedging policy for translation risk with regard to investments in non-euro zone currencies consists of contracting liabilities denominated in the same currency as the cash flows expected to flow from the hedged assets.

Contracting a liability in the same currency is the most natural form of hedging, although the Group also enters into foreign currency derivatives which allow it to synthetically recreate foreign currency debt. These include cross-currency swaps, currency swaps and currency options.

This policy is not applied, however, when the cost of the hedge (corresponding basically to the interest rate of the foreign currency concerned) is too high. This is the case in Brazil where the Group has opted for a type of insurance against a collapse in the value of the Brazilian real (risk of an abrupt temporary decline in the currency value) because of (i) the excessively high interest rate spread, and (ii) the indexation of local revenues. Since 2005, the Group has purchased protection against sovereign risk in the form of credit default swaps.

An analysis of market conditions is performed on a monthly basis for the US dollar and the pound sterling, and reviewed as appropriate for emerging countries so that any sudden sharp fall in the value of a currency can be anticipated. The hedging ratio of the assets is periodically reviewed in light of market conditions and whenever assets have been acquired or sold. Management must approve in advance any transaction that may cause this ratio to change significantly.

The Group also uses derivative instruments to hedge its exposure to transaction risk arising on its operating and financial activities (foreign currency loans, borrowings, interest and dividend payments, and foreign currency inflows and disbursements arising from operating activities).

The following tables present a breakdown by currency of gross debt and net debt, before and after hedging:

Analysis of financial instruments by currency

Gross debt	June 30, 2010		Dec. 31, 2009	
	Before Hedging	After Hedging	Before Hedging	After Hedging
EUR zone	35%	8%	37%	20%
USD zone	28%	58%	23%	44%
BRL zone	16%	16%	17%	17%
THB zone	8%	7%	6%	7%
GBP zone	1%	1%	2%	2%
Other currencies	12%	10%	15%	11%
TOTAL	**100%**	**100%**	**100%**	**100%**

Net debt	June 30, 2010		Dec. 31, 2009	
	Before Hedging	After Hedging	Before Hedging	After Hedging
EUR zone	37%	1%	36%	13%
USD zone	29%	69%	25%	52%
BRL zone	16%	16%	15%	15%
THB zone	6%	5%	6%	7%
GBP zone	0%	0%	0%	0%
Other currencies	12%	9%	18%	12%
TOTAL	**100%**	**100%**	**100%**	**100%**

Foreign currency derivatives

Derivatives used to hedge currency risk are presented below.

	June 30, 2010		Dec. 31, 2009	
In millions of euros	Market Value	Nominal Amount	Market Value	Nominal Amount
Fair value hedges	0.0	0.0	0.2	102.3
Cash flow hedges	56.7	917.0	103.1	915.3
Net investment hedges	0.8	2,051.9	(7.6)	1,516.9
Derivative instruments not qualifying for hedge accounting	(62.6)	2,141.8	(18.1)	1,250.9
TOTAL	**(5.2)**	**5,110.7**	**77.6**	**3,785.3**

The table presented above does not take into account the foreign currency derivatives with GDF SUEZ. At June 30, 2010 the fair value of these derivatives represented a liability of €143 million (compared to a liability of €48 million at December 31, 2009).

The market values shown in the table above are positive for an asset and negative for a liability.

Cash flow hedges are mainly used to hedge future foreign currency cash flows.

Net investment hedging instruments are mainly cross-currency swaps and dedicated to hedge net assets held by the Group in US dollar and Thai Baht.

Non-qualifying derivatives consist of structured instruments which are not eligible for hedge accounting, either because of their nature or because they do not meet the hedge effectiveness criteria set out in IAS 39. These instruments are used as economic hedges of foreign currency commitments. The impact on foreign currency derivatives is almost entirely offset by gains and losses on the hedged items.

The methods used to measure the fair value of derivative instruments are described in the financial instruments section of note 1.4.10 "Summary of significant accounting policies" to the Combined Financial Information for the year ended December 31, 2009.

15.1.4.2. Interest rate risk

Interest rate risk is managed according to GDF SUEZ Interest rate risk policy.

The Group seeks to reduce financing costs by minimizing the impact of interest rate fluctuations on its Condensed Interim Combined Income Statement.

The following tables present a breakdown by type of interest rate of gross debt, net debt and loans granted to affiliated companies, before and after hedging:

Analysis of financial instruments by type of interest rate

Gross debt	June 30, 2010		Dec. 31, 2009	
	Before Hedging	After Hedging	Before Hedging	After Hedging
Floating rate	77%	43%	82%	66%
Fixed rate	23%	57%	18%	34%
TOTAL	100%	100%	100%	100%

Net debt	June 30, 2010		Dec. 31, 2009	
	Before Hedging	After Hedging	Before Hedging	After Hedging
Floating rate	71%	44%	77%	54%
Fixed rate	29%	56%	23%	46%
TOTAL	100%	100%	100%	100%

Interest rate derivatives

Derivatives used to hedge interest rate risk are presented below.

	June 30, 2010		Dec. 31, 2009	
In millions of euros	Market Value	Nominal Amount	Market Value	Nominal Amount
Cash flow hedges	(210.7)	2,626.4	(81.1)	1,814.9
Derivative instruments not qualifying for hedge accounting	(34.3)	489.0	(31.1)	423.6
TOTAL	(245.0)	3,115.3	(112.2)	2,238.5

The table presented above does not take into account the interest rate derivatives with GDF SUEZ. At June 30, 2010, the fair value of these derivatives represented a liability of €56 million (compared to a liability of €35 million at December 31, 2009).

The market values shown in the table above are positive for an asset and negative for a liability.

Cash flow hedges correspond mainly to hedges of floating-rate debt.

Non-qualifying derivatives represent complex instruments which, although used as economic hedges of borrowings, are not eligible for hedge accounting because of their nature or because they fail to meet the hedge effectiveness criteria set out in IAS 39.

The methods used to measure the fair value of derivative instruments are described in the financial instruments section of note 1.4.10 "Summary of significant accounting policies" to the Combined Financial Information for the year ended December 31, 2009.

15.1.4.3. Specific impact of currency and interest rate hedges

Fair value hedges

The net impact of fair value hedges recognized in the Condensed Interim Combined Income Statement was nil as at June 30, 2010 and not material as at June 30, 2009.

Cash flow hedges

Foreign currency and interest rate derivatives designated as cash flow hedges can be analyzed as follows by maturity:

	June 30, 2010
In millions of euros	Market Value by Maturity
2010	(40.9)
2011	(70.9)
2012	(12.7)
2013	17.2
2014	(18.4)
Beyond 5 years	(28.4)
TOTAL	**(154.0)**

	Dec. 31, 2009
In millions of euros	Market Value by Maturity
2010	(21.9)
2011	(32.8)
2012	13.0
2013	37.7
2014	2.8
Beyond 5 years	23.2
TOTAL	**22.0**

Gains and losses taken to equity in the period totalled €(145.2) million at June 30, 2010 and €248.4 million at December 31, 2009 (these amounts include the impacts before tax recorded on equity-accounted associates and translation adjustments).

The amount reclassified from equity to income for the period was not material.

The ineffective portion of cash flow hedges recognized in income represented €(10.5) million at June 30, 2010 and €(3.0) million at December 31, 2009.

Net investment hedges

The ineffective portion of net investment hedges recognized in income represented €(10.1) million at June 30, 2010 and €1.6 million at December 31, 2009.

15.1.5. Sensitivity analysis: foreign currency and interest rate instruments

Sensitivity was analyzed based on the Group's debt position (including the impact of interest rate and foreign currency derivatives) at the balance sheet date.

For currency risk, sensitivity corresponds to a +/- 10% change in exchange rates compared to closing rates.

Impact on income

Changes in exchange rates against the euro only affect income via gains and losses on liabilities denominated in a currency other than the reporting currency of companies carrying the liabilities on their statement 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 be a net gain (or loss) of €17 million.

Impact on equity

For financial liabilities (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 €198 million on equity. This impact is countered by the offsetting change in the net investment hedged item.

For interest rate risk, sensitivity corresponds to a +/- 1% change in the yield curve compared with year-end interest rates.

Impact on income

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 component of derivatives, would have an impact of €20 million on net interest expense. A fall of 1% in short-term interest rates would reduce net interest expense by €41 million.

In the Condensed Interim Combined Income Statement, a uniform change of 1% in interest rates (across all currencies) would result in a gain or a loss of €48 million attributable to changes in the fair value of derivatives not documented or designated as net investment hedges.

Impact on equity

A uniform change of +/- 1% in interest rates (across all currencies) would have a positive or negative impact of €86 million on equity, attributable to changes in the fair value of derivative instruments designated as cash flow hedges.

15.2. Management of risks arising from commodity instruments

15.2.1. Strategy and objectives

To guarantee its short- and long-term supplies and optimize its production and sales structure, the Group carries out transactions on natural gas, electricity, oil and coal markets. The Group is also active on the European greenhouse gas emission trading rights market. These transactions expose the Group to the risk of changes in commodity prices and could create significant volatility in earnings, equity and cash flows from one period to the next. The Group therefore uses commodity derivatives in line with a variety of strategies in order to eliminate or mitigate these risks.

The use of these derivatives is governed by hedging and trading policies approved by the executive management team of GDF SUEZ Energy Europe & International, while any key policy decisions are validated by the GDF SUEZ Energy Market Risk Committee (EMRC). Trading and portfolio management teams manage market and counterparty risks in accordance with the objectives and exposure limits set by the executive management teams. These policies were fleshed out and aligned with the GDF SUEZ' market and counterparty risk management strategy as approved by its executive management in April 2009.

The executive management of GDF SUEZ Energy Europe & International appoints risks control committees per geographical area which are independent from trading and portfolio management teams. These committees supervise and control risks and strategies in place in order to reduce exposure to changes in commodity prices and to counterparty risk. They verify that positions taken comply with hedging policies on a regular basis. For trading activities, these departments verify compliance on a daily basis. The departments are also responsible for calculating fair value and, market and counterparty risk exposure. The risks control departments produce daily reports on the performance and exposure resulting from hedging and trading activities. To ensure that market risks are being managed and monitored appropriately by GDF SUEZ Energy Europe & International, a second-tier control has been set up by the GDF SUEZ' Finance division.

Trading activities

A US subsidiary of the Group engages in trading activities. These transactions are carried out in compliance with strict risk policies. In this context, the spot or forward transactions concern natural gas and electricity and are contracted either over-the-counter or on organized markets. They may also offer their clients risk management services. These transactions are executed in the United States using various instruments, including (a) futures contracts involving physical delivery of an energy commodity; (b) swaps providing for payments to or by counterparties of an amount corresponding to the difference between a fixed and variable price for the commodity; and (c) options and other contracts.

Revenues from trading activities amounted to €(4.9) million in June 2010 (€12.6 million in June 2009).

Portfolio management activities

Portfolio management seeks to optimize the market value of assets (power plants, gas supply contracts, energy sales and gas storage) 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);
- Unlocking optimum value from portfolios within a specific risk framework;
- Where appropriate, structuring products designed for companies engaged in selling activities.

Risk management framework aims to smooth out and safeguard the Group's financial resources over periods of one month to three or five years, depending on the maturity of each market. As a consequence portfolio managers often take out economic hedges which can lead to volatility in earnings when the derivatives used do not qualify for hedge accounting as defined by IAS 39.

15.2.2. Hedging transactions

The Group enters into cash flow hedges and fair value hedges as defined by IAS 39, using derivative instruments (futures and options) contracted over-the-counter or on organized markets. These instruments may be settled net or involve physical delivery of the underlying. Cash flow hedges are used to protect the Group against unfavorable changes in market prices affecting procurement costs or margins on highly probable future sale transactions. Fair value hedges are used to protect the Group against adverse changes in market prices that may affect the fair value of firm procurement or sale commitments.

Other commodity derivatives

Other commodity derivatives relate mainly to contracts used by the US entities that are (i) used to manage their overall exposure to certain market risks; (ii) entered into for the purpose of taking advantage of differences in market prices in order to increase Group margins; (iii) contracts qualified as written options under IAS 39; or (iv) contracts that the Group has the practice of settling net.

The Group also holds certain purchase and sale contracts providing for the physical delivery of the underlying, which are documented as being purchases and sales taking place in the ordinary course of business but which include clauses qualifying as embedded derivatives under IAS 39. For some of the contracts, these clauses are recognized and measured separately from the host contract, with changes in fair value taken to income. Specifically, certain embedded derivatives have been recognized separately from host contracts containing (i) price clauses that link the contract price to changes in an index or the price of a different commodity from the one that is being delivered; (ii) indexation clauses based on foreign exchange rates that are not considered as being closely linked to the host contract; or (iii) other clauses.

15.2.3. Fair value of commodity derivatives

The fair values of commodity derivatives at June 30, 2010 and December 31, 2009 are presented in the table below:

	June 30, 2010				Dec. 31, 2009			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Cash flow hedges	76.3	41.0	188.1	82.3	59.7	35.4	205.6	86.2
Derivative instruments at fair value through income	212.4	115.7	227.0	253.2	243.0	104.9	201.7	181.2
TOTAL	**288.7**	**156.7**	**415.1**	**335.5**	**302.7**	**140.3**	**407.3**	**267.4**

The fair value of cash flow hedges by type of commodity are as follows:

	June 30, 2010				Dec. 31, 2009			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Natural gas	65.3	35.7	24.0	3.3	30.7	25.5	67.4	10.9
Electricity	7.5	4.9	161.2	77.7	27.3	7.5	129.9	71.0
Other	3.5	0.4	2.9	1.3	1.8	2.4	8.3	4.4
TOTAL	**76.3**	**41.0**	**188.1**	**82.3**	**59.7**	**35.4**	**205.6**	**86.2**

The fair values shown in the table above reflect the amounts for which assets could be exchanged, or liabilities settled, at the reporting date. 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.

Notional amounts and maturities of cash flow hedges are as follows:

	Notional Amounts (net)(1)						
In GWh at June 30, 2010	2010	2011	2012	2013	2014	Beyond 2015	Total
Natural gas, electricity and coal	7,631	6,350	(761)	(1,543)	(752)		10,925
TOTAL	**7,631**	**6,350**	**(761)**	**(1,543)**	**(752)**		**10,925**

(1) Long position / (short position).

	Notional Amounts (net)(1)						
In thousands of tons at June 30, 2010	2010	2011	2012	2013	2014	Beyond 2015	Total
Greenhouse gas emission rights		600	900				1,500
TOTAL		**600**	**900**				**1,500**

(1) Long position / (short position).

In GWh at Dec 31, 2009	Notional Amounts (net)[1] 2010	2011	2012	2013	2014	Beyond 2015	Total
Natural gas, electricity and coal	19,283	4,052	3,422				26,757
Other	(3,496)	(4,190)	(2,797)				(10,483)
TOTAL	**15,787**	**(138)**	**625**				**16,274**

(1) Long position / (short position).

In thousands of tons at Dec 31, 2009	Notional Amounts (net)[1] 2010	2011	2012	2013	2014	Beyond 2015	Total
Greenhouse gas emission rights	540	580					1,120
TOTAL	**540**	**580**					**1,120**

(1) Long position / (short position).

At June 30, 2010, a loss of €48 million was recognized in equity in respect of cash flow hedges (loss of €92 million at June 30, 2009) and a loss of €78 million was reclassified from equity to income in first-half 2010 (gain of €99 million in first-half 2009).

Gains and losses arising on the ineffective portion of hedges are taken to income. A gain of €1.3 million was recognized in income in first-half 2010 compared to a loss of €3.1 million first-half 2009.

15.2.4. Financial risks arising from the use of commodity derivatives

Market risk

Trading activities

Market risk arising from commodity derivative instruments relating to trading activities is assessed, estimated and managed on a daily basis using Value-at-Risk (VaR) techniques, together with other market risk exposure limits. The use of VaR to quantify market risk provides a transversal measure of risk taking all markets and products into account. Use of these techniques requires the determination of key assumptions, notably the selection of a confidence interval and a holding period.

Value-at-Risk represents the potential loss on a portfolio of assets due to price fluctuations over a specified holding period based on a given confidence interval. It is not an indication of expected results. As of 2010, the Group uses a 1-day holding period and a 99% confidence interval (A 95% confidence interval was used in 2009; comparative data for 2009 have been restated in order to present comparable amounts).

The table below shows the VaR of trading :

Value-at-risk In millions of euros	June 30, 2010	2010 Average[1]	2009 Average[1]	2010 Maximum[2]	2010 Minimum[2]
Trading activities	0.81	0.33	0.89	0.81	0.08

Value-at-risk In millions of euros	Dec. 31, 2009	2009 Average[1]	2008 Average[1]	2009 Maximum[2]	2009 Minimum[2]
Trading activities	0.04	0.89	1.02	2.46	0.04

(1) Average daily VaR.
(2) Based on month-end highs and lows observed in the period.

Portfolio Management Activities

Market risk arising from commodity derivative instruments in the portfolio management activity is assessed, measured and managed using sensitivity analyses, together with other market risk exposure indicators. These sensitivity analyses are calculated based on a fixed portfolio at a given date and may not be necessarily representative of future changes in income and equity of the Group. The analyses are determined excluding the impact of commodity purchase and sale contracts entered into within the ordinary course of business.

Sensitivity of income to market risk arises mainly on economic hedges not eligible for hedge accounting under IFRS.

Due to the low proportion of options contracts in the Group's derivative portfolios, the sensitivity analysis is symmetrical for price increases and decreases.

Sensitivity analysis in millions of euros	Price Movements	June 30, 2010 Pre-tax Impact on Income	Pre-tax Impact on Equity
Oil-based products	+10.00 USD/bbl	(53.3)	6.5
Natural gas	+3.00 €/MWh	38.2	(46.9)
Electricity	+5.00 €/MWh	24.0	133.6
Greenhouse gas emission rights	+2.00 €/ton	(7.4)	(2.9)
EUR/USD	+10.00%	(0.3)	3.0
EUR/GBP	+10.00%	1.2	(0.6)
THB/USD	+10.00%	19.0	-

Liquidity risk

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 reporting date.

Liquidity Risk In millions of euros	2010	2011	2012	2013	2014	Beyond 5 years	Total
Derivative instruments carried in liabilities							
Relating to portfolio management activities	*(308.0)*	*(241.0)*	*(95.0)*	*(29.0)*	*(17.0)*	*(34.0)*	*(724.0)*
Relating to trading activities	*(45.0)*						*(45.0)*
Derivative instruments carried in assets							
Relating to portfolio management activities	*229.0*	*153.0*	*42.0*	*7.0*	*2.0*	*12.6*	445.6
Relating to trading activities	*52.0*						*52.0*
TOTAL AT JUNE 30, 2010	**(72.0)**	**(88.0)**	**(53.0)**	**(22.0)**	**(15.0)**	**(21.4)**	**(271.4)**
Derivative instruments carried in liabilities							
Relating to portfolio management activities	*(390.4)*	*(153.3)*	*(67.4)*	*(21.1)*	*(12.7)*	*(22.7)*	*(667.6)*
Relating to trading activities	*(40.7)*						*(40.7)*
Derivative instruments carried in assets							
Relating to portfolio management activities	*263.8*	*108.9*	*32.3*	*4.8*	*2.8*	*10.6*	*423.2*
Relating to trading activities	*47.5*						*47.5*
TOTAL AT DECEMBER 31, 2009	**(119.8)**	**(44.4)**	**(35.1)**	**(16.3)**	**(9.9)**	**(12.1)**	**(237.6)**

Counterparty risk

The procedure for managing counterparty risk arising from operating activities has been reinforced by second-tier controls carried out by the GDF SUEZ Finance division.

The Group is exposed to counterparty risk on its operating and financing activities. Counterparty risk reflects the risk that one party to a transaction will cause a financial loss for the other by failing to discharge a contractual obligation. In the case of derivatives, counterparty risk arises from instruments with a positive fair value. Counterparty risk is taken into account for the calculation of the fair value of the instruments.

Counterparty risk(1) In millions of euros	June 30, 2010 Investment Grade(2)	 Total
Gross exposure	300.0	312.0
Net exposure(3)	300.0	312.0
% exposure to investment grade counterparties	96,2%	

(1) Excluding positions with a negative fair value.

(2) "Investment grade" corresponds to transactions with counterparties rated at least BBB-by Standard & Poor's, Baa3 by Moody's, or an equivalent by Dun & Bradstreet. Counterparties are also qualified as investment grade based on publicly available credit ratings, taking into account collateral, letters of credit and parent company guarantees.

(3) After taking into account collateral netting agreements and other credit enhancement.

15.2.5. Commitments relating to commodity purchase and sale contracts entered into within the ordinary course of business

In the ordinary course of their activities, some Group operating companies enter 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 Group.

In TWh	June 30, 2010	Within 1 year	1 to 5 years	More than 5 years
Firm purchases of commodities, fuel and services	**1,329.9**	267.9	505.8	556.2
TOTAL COMMITMENTS GIVEN	**1,329.9**	**267.9**	**505.8**	**556.2**
Firm sales of gas, electricity, steam, oil and services	**1,468.4**	195.2	368.0	905.2
TOTAL COMMITMENTS RECEIVED	**1,468.4**	195.2	368.0	905.2

In TWh	Dec. 31, 2009	Within 1 year	1 to 5 years	More than 5 years
Firm purchases of commodities, fuel and services	**1,291.5**	188.3	493.4	609.8
TOTAL COMMITMENTS GIVEN	**1,291.5**	**188.3**	**493.4**	**609.8**
Firm sales of gas, electricity, steam, oil and services	**1,081.9**	147.6	276.8	657.6
TOTAL COMMITMENTS RECEIVED	**1,081.9**	147.6	276.8	657.6

The Group is also committed to purchasing and selling future services in connection with the performance of long-term contracts.

NOTE - 16 Equity

As described in note 1, the Group has not in the past formed a separate legal group and therefore it is not possible to show share capital or an analysis of reserves for the Group. The net assets of the Group are represented by the cumulative investment of GDF SUEZ in the Group (shown as "paid-in capital and consolidated reserves").

For the purposes of the Interim Combined Financial Information we assumed that Suez Tractebel Energy International Reporting Unit (STSA SEI) as it was historically managed by GDF SUEZ is the parent company of the Group.

STSA SEI equity represents the historical allocation of Suez Tractebel SA net assets by GDF SUEZ management. Accordingly the capital structure presented in the combined financial information does not reflect the capital structure that would have been reported, had the Group been an independent group, nor the situation that may prevail in the future.

16.1. Instruments providing a right to subscribe for new shares of GDF SUEZ

Stock subscription options

The Group GDF SUEZ has granted stock subscription options to its employees as part of stock option plans. These plans are described in note 22.

16.2. Total income and expense recognized directly in Group share equity

In millions of euros	Dec. 31, 2009	Change	June 30, 2010
Available-for-sale financial assets	(8.2)	30.6	22.4
Net investment hedges	25.5	(202.2)	(176.8)
Cash flow hedges	(151.6)	(97.9)	(249.5)
Commodity cash flow hedges	(55.3)	28.3	(27.0)
Actuarial gains and losses	50.3	0.9	51.2
Deferred taxes	55.4	4.7	60.1
Translation adjustments on items above	(41.2)	(46.3)	(87.5)
SUB-TOTAL	**(125.0)**	**(282.1)**	**(407.1)**
Translation adjustments on other items	(30.0)	1.029.8	999.7
TOTAL	**(155.0)**	**747.7**	**592.7**

16.3. Distributions

Distributions represent mainly dividends transferred by STSA SEI to its parent company. These dividends do not mirror dividends paid by STSA (the legal company) to its parent Company. They represent the distributions decided by the Group Management Committee for STSA SEI.

Distributions also include capital contributions to entities that are outside the Group perimeter and dividends paid by the Group companies to minority interests.

16.4. Contributions

Contributions represent mainly acquisition price of entities within the carved out businesses that were acquired during the periods presented by GDF SUEZ or by GDF SUEZ subsidiaries that are not part of the carved out businesses. The acquisition of these entities has been accounted for in the combined financial information as if the acquisition was performed by the Group and funded by capital contribution from GDF SUEZ.

In order to maintain the level of net debt as it was historically managed, the cash received by the Group companies from GDF SUEZ companies as part of internal reorganizations, have been presented as capital contribution from GDF SUEZ. These transactions represent mainly the transfer of:

- Entities that were managed by the Group and not included in the carved out businesses. These entities have been excluded from the Combined Financial Information since the beginning of the periods presented. The cash received when these entities were transferred by the Group to GDF SUEZ have been considered as a contribution from GDF SUEZ ;
- Entities that are part of the carved out businesses and were transferred by the Group to GDF SUEZ or its subsidiaries that are not owned by the Group during the periods presented.
  The gain or loss on disposal of these entities has been eliminated in the Combined Financial Information. The cash received at the disposal date have been considered as a contribution from GDF SUEZ.

NOTE - 17 Provisions

In millions of euros	Dec. 31, 2009	Allocations	Reversals (Utilizations)	Reversals (Surplus Provisions)	Changes in Scope of Consolidation	Impact of Unwinding Discount Adjustments	Translation Adjustments	Other	June 30, 2010
Pensions and other employee benefit obligations	132.9	0.3	(8.2)	(0.0)	(0.2)	5.1	18.0	2.0	149.9
Dismantling of plant and equipment	54.9	0.1	(0.2)	(0.4)	2.0	0.8	7.0	0.6	64.7
Disputes, claims and tax risks	112.5	5.2	(1.1)	(22.1)	0.0	0.0	15.2	(0.1)	109.5
Others	43.7	0.6	(3.0)	(0.3)	0.0	0.5	5.3	0.1	46.9
TOTAL PROVISIONS	**344.0**	**6.2**	**(12.6)**	**(22.9)**	**1.8**	**6.5**	**45.5**	**2.6**	**371.0**

Allocations, reversals and changes relating to unwinding discount adjustments are presented as follows in the Interim Combined Income Statement:

In millions of euros	Net Allocations (reversals)
Income from operating activities	(8.2)
Other financial income and expenses	6.5
Income tax expense	(21.0)
TOTAL	**(22.8)**

The different types of provisions and the calculation principles applied are described hereafter.

17.1. Employee benefit obligations

See note 18.

17.2. Dismantling obligations arising on other plant and equipment

Certain plant and equipment, including conventional power stations, transmission and distribution pipelines, storage, 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.

The related liability is calculated using the most appropriate technical and budget estimates. Payments to be made over the long-term are discounted.

Upon initial recognition, the Group records a provision, based on the present value of the obligation at the commissioning date, and recognizes a "dismantling" asset as the matching entry for the provision. This asset is included within the appropriate line of property, plant and equipment and is depreciated over the useful life of the facilities.

The amount of the provision is adjusted each year to reflect the impact of unwinding the discount.

17.3. Provisions for disputes, claims and tax risks

See note 26.

17.4. Others

Other risks mainly include provisions for miscellaneous employee-related litigation, environmental risks and various business risks.

NOTE - 18 Post-employment benefits and other long-term benefits

18.1. Description of the main pension plans

The main Group's defined benefits plans relate to Tractebel Energia, an electricity producer in Brazil.

According to the terms of the Gerasul privatisation act (renamed Tractebel Energia), the buyer is responsible for the payment of the pension and survivor annuities of its retirees and for those of retirees and beneficiaries from the former state company Eletrosul.

In October 2002, Tractebel Energia obtained the concerned ministry's permission to create its own pension fund (Previg) with the same statuses, benefits and administrative structure as the original fund. Liabilities and assets were transferred to Previg for Tractebel Energia employees and for employees who had retired since privatization (December 23, 1997). Liabilities and assets for fund retirees at the time of privatization stayed with the former pension plan.

The pension benefits provided by Tractebel Energia are financed through both personal and employer contributions. These benefits are payable as a life annuity indexed monthly. These life annuities are reversible in the event of the retiree's death.

For participants meeting the conditions below, the annuity provided is 100% of base salary minus amounts paid to social security. The employee must:

- Have contributed to social security for at least 35 years for men and 30 years for women
- Be at least 55 years old at the time of retirement
- Have contributed to the pension plan for at least 10 years.

Deductions are made if these three conditions are not met.

At the end of 2004, Tractebel Energia received authorisation from the concerned authorities to create a defined contribution plan within the Previg fund. This new plan is called PrevFlex and has been offered to all new hires since 1/1/2005.

The Previg defined benefit plan has been closed to new members effective on January 1, 2005. Tractebel Energia employees could choose to remain in the defined benefit plan or to transfer to a defined contribution plan through transfer of their acquired rights in the old plan to their personal account in the defined contribution plan. However certain participants, under specific conditions could choose to maintain the rights they acquired in the old plan while migrating in the defined contribution plan.

Employees in the company for at least 10 years received a special contribution to make up for the potential reduction in capital at the end which might result from migration to the defined contribution plan. This leveled contribution, presented as a percentage of salary, will be paid until the date of retirement.

The option was closed in August 2005. Ninety-four percent of participants migrated to the defined contribution plan. Of these, 90% migrated with their acquired rights to a pure defined contribution plan.

The financing of PrevFlex is split equally between employer and personal contributions. Each of employer and personal contributions amount to 1% of salary limited to a BRL 2,400 ceiling (€867), increased by 3%, 5% or 7% of the balance of the salary above the ceiling. Participants are free to choose the percentage they contribute above the ceiling and the employer matches the employee's choice. In addition to basic financing, employees can make additional contributions up to 15% of salary, without, however, receiving employer-matching contributions on these. Contributions are paid into an account under the participant's name.

The liabilities related to these plans represented 94% of total pension obligations and related liabilities at June 30, 2010 (95% as of December 31, 2009).

Employees of Suez Energy Brazil, Suez Energy South America and of the Previg pension fund are also affiliated to PrevFlex.

18.2. Defined benefit plans

18.2.1. Change in projected benefit obligation

	June 30, 2010			Dec. 31, 2009		
In millions of euros	Pension Benefit Obligations[1]	Other Benefit Obligations[2]	Total Benefit Obligations	Pension Benefit Obligations[1]	Other Benefit Obligations[2]	Total Benefit Obligations
A - Change in projected benefit obligation						
Projected benefit obligation at January 1	**(478.8)**	**(0.6)**	**(479.5)**	**(412.6)**	**(0.2)**	**(412.8)**
Service cost	(0.9)	(0.1)	(1.0)	(0.7)	(0.1)	(0.7)
Interest cost	(25.1)		(25.1)	(46.8)	(0.1)	(46.9)
Contributions paid			0.0	(0.1)		(0.1)
Amendments			0.0	0.0		0.0
Acquisitions/disposals of subsidiaries		0.2	0.2	(0.4)	(0.3)	(0.8)
Curtailments/settlements			0.0	0.1	0.0	0.1
Special terminations			0.0	0.0		0.0
Actuarial gains and losses			0.0	57.7		57.7
Benefits paid	7.0		7.0	39.1		39.1
Other (translation adjustments)	(64.7)		(64.6)	(115.2)		(115.2)
PROJECTED BENEFIT OBLIGATION AT DECEMBER 31 A	**(562.5)**	**(0.4)**	**(563.0)**	**(478.8)**	**(0.6)**	**(479.5)**
B - Change in fair value of plan assets						
Fair value of plan assets at January 1	**346.7**	**0.0**	**346.7**	**248.8**	**0.0**	**248.8**
Expected return on plan assets	19.9		19.9	22.1		22.1
Actuarial gains and losses			0.0	22.4		22.4
Contributions received	0.0		0.0	11.5		11.5
Acquisitions/disposals of subsidiaries			0.0	0.0		0.0
Settlements			0.0	0.0		0.0
Benefits paid			0.0	(34.1)		(34.1)
Other (translation adjustments)	46.7		46.7	76.0		76.0
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31 B	**413.3**	**0.0**	**413.3**	**346.7**	**0.0**	**346.7**
C - Funded status A+B	**(149.2)**	**(0.4)**	**(149.6)**	**(132.1)**	**(0.6)**	**(132.7)**
Unrecognized past service cost			0.0			0.0
Asset ceiling			0.0			0.0
NET BENEFIT OBLIGATION A+B	**(149.2)**	**(0.4)**	**(149.6)**	**(132.1)**	**(0.6)**	**(132.7)**
ACCRUED BENEFIT LIABILITY	**(149.5)**	**(0.4)**	**(149.9)**	**(132.3)**	**(0.6)**	**(132.9)**
PREPAID BENEFIT COST	**0.3**		**0.3**	**0.2**		**0.2**

(1) Pensions and retirement bonuses.

(2) Length-of-service awards, healthcare and other post-employment benefits.

18.2.2. Actuarial gains and losses recognized in equity

Net actuarial gains recognized in equity amounted to €85.5 million at June 30, 2010 compared to €79.2 million at December 31, 2009.

In millions of euros	June 30, 2010	Dec. 31, 2009
Beginning of the period	(79.2)	8.2
Actuarial (gains)/losses generated during the year	(6.3)	(87.4)
END OF THE PERIOD	**(85.5)**	**(79.2)**

These amounts include minority interest share, and are before deferred taxes. Actuarial gains and losses presented in the above table include translation adjustments. In the statement of recognized income and expense, translation adjustments are shown separately.

18.2.3. Reconciliation with provisions carried in the statement of financial position

The table below shows the reconciliation of pension liabilities with provisions carried in the statement of financial position:

In millions of euros	June 30, 2010	Dec. 31, 2009
Provision for pensions	149.5	132.3
Provision for other post-employment and long-term benefits	0.4	0.6
TOTAL PROVISION	**149.9**	**132.9**

The changes in pension liabilities and prepaid costs carried in the statement of financial position can be broken down as follows:

In millions of euros	Liabilities	Assets
BALANCE AT DECEMBER 31, 2008	**(164.1)**	**0.1**
Exchange rate differences	(39.2)	
Changes in scope of consolidation and other	(0.8)	
Actuarial gains and losses	80.1	0.1
Period pension cost	(25.3)	
Contributions/Benefits paid	16.4	
BALANCE AT DECEMBER 31, 2009	**(132.9)**	**0.2**
Exchange rate differences	(18.0)	0.1
Changes in scope of consolidation and other	0.2	
Actuarial gains and losses		
Period pension cost	(6.2)	
Contributions/Benefits paid	7.0	
BALANCE AT JUNE 30, 2010	**(149.9)**	**0.3**

18.2.4. Components of the net periodic pension cost

The net periodic cost recognized in respect of defined benefit obligations for the periods ended June 30, 2010 and June 30, 2009 breaks down as follows:

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
Current service cost	(1.0)	(0.3)
Interest cost	(25.1)	(22.2)
Expected return on plan assets	19.9	10.4
TOTAL	**(6.2)**	**(12.1)**
o/w recorded in current operating income	(1.0)	(0.3)
o/w recorded in net financial income/(loss)	(5.2)	(11.8)

18.2.5. 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 to maintain sufficient income streams and 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.

The funding of these obligations at the end of the periods presented can be analyzed as follows:

	Projected Benefit Obligation	Fair Value of Plan Assets	Unrecognized Past Service Cost	Total Net Obligations
Underfunded plans	(554.2)	413.3		(140.9)
Overfunded plans				0.0
Unfunded plans	(8.7)			(8.7)
TOTAL AT JUNE 30, 2010	**(563.0)**	**413.3**	**0.0**	**(149.6)**
Underfunded plans	(474.3)	346.7		(127.6)
Overfunded plans				0.0
Unfunded plans	(5.3)			(5.3)
TOTAL AT DECEMBER 31, 2009	**(479.6)**	**346.7**	**0.0**	**(132.9)**

The allocation of plan assets by principal asset category can be analyzed as follows:

	June 30, 2010	Dec. 31, 2009
Equities	6%	6%
Bonds	88%	88%
Real estate	2%	2%
Other (including money market securities)	4%	4%
TOTAL	**100%**	**100%**

18.2.6. Actuarial assumptions

Actuarial assumptions are determined individually per country and company in association with independent actuaries. Assumptions used in the assessment of Tractebel Energia's obligations (the main Group's defined benefits plan) are presented below:

	Pension Benefit Obligations	
	June 30, 2010	Dec. 31, 2009
Discount rate	10.5%	10.5%
Estimated future increase in salaries	4.5%	4.5%
Expected return on plan assets	11.3%	11.3%
Average remaining working lives of participating employees	8 years	8 years

18.2.6.1. Discount rate

The discount rate applied is determined based on the yield, at the date of the calculation, on top-rated corporate bonds with maturities mirroring the likely maturity of the plan.

18.2.6.2. Expected return on plan assets

To calculate the expected return on plan assets, the portfolio is divided into sub-groups of homogenous components sorted by major asset class and geographic area, based on the composition of the benchmark indexes and volumes in each fund at December 31 of the previous year.

An expected rate of return is assigned to each sub-group for the period, based on information published by a third party. The fund's overall performance in terms of absolute value is then compiled and compared with the value of the portfolio at the beginning of the period.

The expected return on plan assets is calculated in light of market conditions and based on a risk premium. The risk premium is calculated by reference to the supposedly risk-free rate on government bonds, for each major asset class and geographical area.

18.2.7. Experience adjustments

The breakdown of experience adjustments giving rise to actuarial gains and losses is as follows:

	June 30, 2010		Dec. 31, 2009	
In millions of euros	Pension Benefit Obligations	Other Benefit Obligations	Pension Benefit Obligations	Other Benefit Obligations
Projected benefit obligation	(562.5)	(0.4)	(479.4)	(0.5)
Fair value of plan assets	413.3	0.0	346.7	0.0
Surplus/deficit	(149.2)	(0.4)	(132.7)	(0.5)
Experience adjustments to projected benefit obligation	0.0		(57.7)	
Experience adjustments to fair value of plan assets	0.0		(22.4)	

The Group did not revise its actuarial assumptions during first-half 2010.

18.2.8. Payments due in 2010

The Group expects to pay around € 12.3 million in recurring contributions into its defined benefit plans in 2010.

18.3. Defined contribution plans

At June 30, 2010, the Group recorded a € 2.4 million charge in respect of amounts paid into Group defined contribution plans (a € 1.9 million at June 30, 2009).

These contributions are recorded under "Personnel costs" in the combined income statement.

NOTE - 19 Finance leases

19.1. Finance leases for which the Group acts as lessee

The carrying amounts of property, plant and equipment held under finance leases are broken down into different asset categories depending on their type.

The main finance lease agreements entered into by the Group primarily concern the Choctaw power station in the United States.

The present values of future minimum lease payments break down as follows:

	Future Minimum Lease Payments at June 30, 2010		Future Minimum Lease Payments at Dec. 31, 2009	
In millions of euros	Undiscounted Value	Present Value	Undiscounted Value	Present Value
Year	32.4	32.4		
Year 1	56.8	55.7	24.7	24.1
Years 2 to 5 inclusive	114.2	106.9	93.1	85.5
Beyond year 5	409.7	231.8	389.9	202.1
TOTAL FUTURE MINIMUM LEASE PAYMENTS	**613.1**	**426.7**	**507.6**	**311.6**

The following table provides a reconciliation of maturities of liabilities under finance leases as reported in Note 15.1.3.1 with the maturities of undiscounted future minimum lease payments:

In millions of euros	Total at June 30, 2010	Year	Year 1	Years 2 to 5 Inclusive	Beyond Year 5
Liabilities under finance leases	366.6	1.2	7.1	73.2	285.2
Impact of discounting future repayments of principal and interest	246.5	31.2	49.7	41.0	124.5
UNDISCOUNTED FUTURE MINIMUM LEASE PAYMENTS	**613.1**	**32.4**	**56.8**	**114.2**	**409.7**

In millions of euros	Total at Dec. 31, 2009	Year 1	Years 2 to 5 Inclusive	Beyond Year 5
Liabilities under finance leases	328.4	36.2	64.5	227.8
Impact of discounting future repayments of principal and interest	179.2	(11.5)	28.6	162.1
UNDISCOUNTED FUTURE MINIMUM LEASE PAYMENTS	**507.6**	**24.7**	**93.1**	**389.9**

19.2. Finance leases for which The Group acts as lessor

These leases fall mainly within the scope of IFRIC 4 guidance on the interpretation of IAS 17. They concern (i) energy purchase and sale contracts where the contract conveys an exclusive right to use a production asset; and (ii) certain contracts with industrial customers relating to assets held by the Group.

The Group has recognized finance lease receivables for Glow IPP (Thailand) in relation with co-generation plants. It has also recognized finance lease receivables on the sale of transmission capacities in Mexico.

In millions of euros	June 30, 2010	Dec. 31, 2009
Undiscounted future minimum lease payments	545.7	429.2
Unguaranteed residual value accruing to the lessor	24.1	21.8
TOTAL GROSS INVESTMENT IN THE LEASE	**569.8**	**450.9**
UNEARNED FINANCIAL INCOME	**90.9**	**91.3**
NET INVESTMENT IN THE LEASE	**478.8**	**359.7**
o/w present value of future minimum lease payments	467.1	349.9
o/w present value of unguaranteed residual value	11.7	9.7

Amounts recognized in the combined Statement of Financial Position in connection with finance leases are detailed in Note 14.1.2 "Loans and receivables at amortized cost".

Undiscounted future minimum lease payments receivable under finance leases can be analyzed as follows:

In millions of euros	June 30, 2010	Dec. 31, 2009
Year	87.9	
Year 1	72.5	84.0
Years 2 to 5 inclusive	183.2	196.5
Beyond year 5	202.1	148.6
TOTAL	**545.7**	**429.2**

NOTE - 20 Operating leases

20.1. Operating leases for which the Group 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 June 30, 2010 and 2009 can be analyzed as follows:

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
Minimum lease payments	(20.4)	(33.6)
Sub-letting expenses	(0.1)	(0.0)
Other operating lease expenses	(3.2)	(1.4)
TOTAL	**(23.7)**	**(35.1)**

Future minimum lease payments under non-cancelable operating leases can be analyzed as follows:

In millions of euros	June 30, 2010	Dec. 31, 2009
Year	25.5	
Year 1	41.9	56.8
Years 2 to 5 inclusive	102.4	210.4
Beyond year 5	94.7	322.6
TOTAL	**264.5**	**589.8**

The decrease of future minimum lease payments in June 2010 compared to December 2009 is due to the assignement to an affiliate of one of the charter agreements.

20.2. Operating leases for which the Group acts as lessor

These leases fall mainly within the scope of IFRIC 4 guidance on the interpretation of IAS 17. They concern primarily the HHPC plant in Thailand, the BAYMINA plant in Turkey, and the HOPEWELL and RED HILLS plants in the United States. Operating lease income for June 30, 2010 and 2009 can be analyzed as follows:

In millions of euros	June 30, 2010	June 30, 2009 Unaudited
Minimum lease payments	368.4	381.0
TOTAL	**368.4**	**381.0**

Future minimum lease payments receivables under non-cancelable operating leases can be analyzed as follows:

In millions of euros	June 30, 2010	Dec. 31, 2009
Year	310.0	
Year 1	565.2	478.5
Years 2 to 5 inclusive	2,215.6	1,877.1
Beyond year 5	2,218.5	2,111.5
TOTAL	**5,309.3**	**4,467.1**

The increase in future minimum lease payments receivables in June 2010 compared to December 2009 is mainly due to an increase in US dollar foreign currency translations and discounting impact.

NOTE - 21 Cash flows

21.1. Reconciliation with income tax expense in the combined income statement

	Tax Cash Flows (Income Tax Expense)	
In millions of euros	**June 30, 2010**	**June 30, 2009 Unaudited**
Impact in the income statement	(153.1)	(183.4)
- provisions for income taxes	(21.0)	(0.9)
- deferred tax	(9.2)	37.2
- other	(64.8)	(48.3)
IMPACT IN THE CASH FLOW STATEMENT	**(248.1)**	**(195.4)**

21.2. Reconciliation with net financial income/(loss) in the combined income statement

In millions of euros	Financial Cash Flow (Net Financial Income/Loss) June 30, 2010	June 30, 2009 Unaudited
Impact in the combined income statement	**(216.6)**	**(157.4)**
Changes in amortized cost	94.0	39.2
Foreign currency translation and changes in fair value	(9.2)	10.8
Unwinding of discounting adjustments to provisions	6.5	1.3
Other	0.4	(6.9)
Impact in the combined cash flow statement	**(125.1)**	**(113.0)**
Breakdown of the impact in the combined statement of cash flows		
Interest received on non-current financial assets	25.4	27.2
Dividends received on non-current financial assets	1.7	1.6
Interest paid	(177.7)	(169.3)
Interest received on cash and cash equivalents	25.6	27.5
Change in financial assets at fair value through income	(15.1)	(0.0)
TOTAL IMPACT IN THE COMBINED STATEMENT OF CASH FLOWS	***(140.2)***	***(113.0)***
Change in the combined statement of financial position of financial assets at fair value	15.2	0.0
Impact in the Combined Statement of Cash Flows Adjusted for Changes in the Combined Statement of Financial Position	**(125.1)**	**(113.0)**

NOTE - 22 Share-based payment

Managers and employees of the combined entities are eligible for the benefits offered to employees of the GDF SUEZ Group. Expenses recognized in respect of share-based payment break down as follows:

	Notes	Expense for the Year June 30, 2010	June 30, 2009 Unaudited
Stock option plans	22.1	2.3	2.2
Bonus/performance share plans	22.2	(0.2)	2.5
		2.1	**4.7**

22.1. Stock option plans

22.1.1. Stock option policy

GDF SUEZ's stock option policy aims to closely involve executive and senior management, as well as high-potential managers, in the future development of the GDF SUEZ Group and in creating shareholder value.
The award of stock purchase or subscription options is also a means of retaining employee loyalty, both in terms of adhesion to GDF SUEZ values and commitment to strategic policies. Conditions for the award of options and the list of beneficiaries are approved by the GDF SUEZ's Board of Directors in accordance with authorizations granted at Shareholders' Meetings.
In 2007, SUEZ's Executive Management reaffirmed its wish to maintain a growing base of beneficiaries, so as to preserve the coherence of SUEZ's policy in this area. The decision taken in 2000 not to apply a discount when determining the option price was renewed in 2009.
Since the SUEZ Board of Directors' decision in 2005, the number of options awarded has been reduced and partly replaced by an award of bonus SUEZ shares, made available to more employees than were previously eligible for stock options.

In 2009, awards of bonus shares are in line with these principles. There was no new award as at June 30, 2010.

Furthermore, the SUEZ Board of Directors decided that the exercise of a portion of options awarded would be subject to certain conditions, provided for in the conditional system for the SUEZ's senior managers and in the enhanced conditional system for members of the SUEZ's Executive Committee. Pursuant to the initial rules governing the plans and the SUEZ Board of Directors' decision of October 18, 2006, the objectives defined as performance conditions applicable to stock option plans (described below) were lowered as a result of the merger with Gaz de France by applying a coefficient of 0.80.

At the GDF SUEZ Shareholder's Meeting in 2009, members of the GDF SUEZ Executive Committee announced their joint decision to waive any stock-option grants for 2009. However, they reiterated their commitment to long-term performance-based incentive strategies. In this respect, the Group's Board of Directors resolved to grant 5.2 million new stock purchase options on November 10, 2009. For 700 executive managers, half of the options awarded are subject to a performance condition described here-after.

In connection with the US delisting procedure, stock options granted to employees of Group companies in the US were replaced in 2007 by a Share Appreciation Rights scheme, which entitles beneficiaries to a cash payment equal to the profit they would make on exercising their options and immediately selling the underlying shares.

Conditional system

2003 plan

As the performance conditions were satisfied at November 17, 2007, the stock subscription options granted to the SUEZ's senior managers and members of the SUEZ Executive Committee may be exercised.

2004 plan and plans for subsequent years

The exercise of half of the stock subscription options granted to the GDF SUEZ's senior managers and half of the options awarded to members of the GDF SUEZ Executive Committee (after deduction of approximately 10% of their options, which are subject to the enhanced conditional system), is subject to a number of performance conditions.

These conditions are described below.

2004 plan: options may be exercised under this plan if, during the period from November 17, 2008 to November 16, 2012, the SUEZ share price is equal to or greater than the exercise price of €18.14, adjusted for the change in the Eurostoxx Utilities Index observed over the period from November 17, 2004 to November 17, 2008.

2005 plan: The options subject to this performance condition may be exercised if, during the period from December 8, 2009 to December 7, 2013, the SUEZ share price is equal to or greater than the exercise price of €24.20, adjusted for the change in the Eurostoxx Utilities Index observed over the period from December 8, 2005 to December 8, 2009.

2006/2007 plan: These options may be exercised if, during the period from January 17, 2011 to January 16, 2015 inclusive, the SUEZ share price is equal to or greater than the exercise price of €38.89, adjusted for the change in the Eurostoxx Utilities Index observed over the period from January 16, 2007 to January 16, 2011.

November 2007 plan: These options may be exercised if, during the period from November 13, 2011 to November 13, 2015 inclusive, the SUEZ share price is equal to or greater than the exercise price of €44.37, adjusted for the change in the Eurostoxx Utilities Index observed over the period from November 13, 2007 to November 13, 2011.

2008 plan: options under this plan may be exercised if, during the period from November 9, 2012 to November 11, 2016, the GDF SUEZ share price reaches at least on one occasion a price equal to the option exercise price (€32.74) adjusted for the change in the Eurostoxx Utilities index observed over the period from November 11, 2008 to November 9, 2012.

2009 plan: the options may be exercised if, at the end of the lock-up period, the GDF SUEZ share price is equal to or higher than the exercise price, adjusted to reflect the performance of the Eurostoxx Utilities index over the period from November 9,2009 to November 8,2013 inclusive.

Enhanced conditional system
Approximately 10% of the stock subscription options granted to members of the GDF SUEZ Executive Committee are subject to a more demanding performance condition. After deduction of this 10% portion, half of the remaining options are subject to the conditional system above, and the other half are free from performance conditions. If the conditions described below are met, then the associated options may be exercised; failing this, the options are irrevocably forfeited.

2004 plan: the performance conditions were met as of November 17, 2008 and the options may therefore be exercised.

2005 plan: the 10% of options subject to this enhanced performance condition may be exercised if the SUEZ share price on December 8, 2009 (as measured by the arithmetic mean of the share price during the previous 20 trading days) is equal to or greater than the exercise price of the options, adjusted for the change in the Eurostoxx Utilities Index observed over the period from December 8, 2005 to December 8, 2009, plus 1% per annum.

2006/2007 plan: the 10% of options subject to this enhanced performance condition may be exercised if the SUEZ share price on January 17, 2011 (as measured by the arithmetic mean of the share price during the previous 20 trading days) is equal to or greater than the change in the Eurostoxx Utilities Index observed over the period from January 16, 2007 to January 16, 2011, plus 4%.

November 2007 plan: the 10% of options subject to this enhanced performance condition may be exercised if the SUEZ share price on November 14, 2011 (as measured by the arithmetic mean of the share price during the previous 20 trading days) is equal to or greater than the change in the Eurostoxx Utilities Index observed over the period from November 13, 2007 to November 13, 2011, plus 4%.

2008 plan: the 10% of options subject to this enhanced performance condition may be exercised if the GDF SUEZ share price on November 12, 2012 (as measured by the arithmetic mean of the share price during the previous 20 trading days) is equal to or greater than the change in the Eurostoxx Utilities Index observed over the period from November 11, 2008 to November 9, 2012, plus 4%.

22.1.2. Number of stock options awarded

The number of stock options awarded by each plan to Group management personnel is as follows:

Plan	Date of Authorizing AGM	Vesting Date	Initial Exercise Price	Adjusted Exercise Price[2]	Number of Shares[2]	Number of Shares to be Subscribed by the General Management Committee[2]
11/20/2002[1]	05/04/2001	11/20/2006	16.69	15.71	517,220	168,195
11/19/2003[1]	05/04/2001	11/19/2007	13.16	12.39	636,600	302,900
11/17/2004[1]	04/27/2004	11/17/2008	17.88	16.84	713,700	343,500
09/12/2005[1]	04/27/2004	12/09/2009	24.20	22.79	506,230	297,140
01/17/2007	04/27/2004	01/16/2011	38.89	36.62	503,000	275,900
11/14/2007	05/04/2007	11/13/2011	44.37	41.78	323,210	232,250
11/12/2008	07/16/2008	11/12/2012	32.74	32.74	375,510	248,900
10/11/2009	04/05/2009	10/11/2013	29.44	29.44	311,260	224,100
TOTAL					**3,886,730**	**2,092,885**

(1) Exercisable plans as of June 30,2010

(2) After the merger between Suez and Gaz de France on July 22, 2008, the exercice price and the number of shares have been changed. The beneficiaries' individual rights have been adjusted to take into account (i) the spin off of 65% of Suez Environnement Company to SUEZ shareholders, and (ii) the exchange ratio applicable to the merger.
One option Suez was exchanged for approximately 1,06 option GDF SUEZ.

22.1.3. Fair value of stock option plans in force

Stock option plans are mainly valued based on a binomial model using the following assumptions:

	2009 Plan	2008 Plan	November 2007 Plan	January 2007 Plan	2005 Plan	2004 Plan
Volatility	32.41%	35.16%	33.71%	32.87%	31.25%	29.66%
Risk-free rate	3.13%	3.63%	4.03%	4.00%	3.25%	3.70%
In euros:						
Dividend	1.6	1.39	1.34	1.2	0.8	0.8
Fair value of options at the grant date	6.27	9.33	15.04	12.28	7.24	4.35

In 2009, the fair value of stock options subject to market-based performance conditions was €5.41/option, calculated using Monte Carlo simulations. Eurostoxx Utilities assumptions used as the basis for the performance condition were defined based on the historical performance of the index over an eight-year period, which mirrors the term of the options :

- Correlation between the GDF SUEZshare and the Eurostoxx Utilities index : 77.3%
- Volatility of the Eurostoxx Utilities index : 18.71%

22.1.4. Accounting impact

Based on a staff turnover assumption of 5%, the expense recorded during the period in relation to stock option plans was as follows:

In Millions of Euros	Expense for the Year	
Grant Date	**June 30, 2010**	**June 30, 2009 Unaudited**
12/09/2005		0.4
01/17/2007	0.7	0.7
11/14/2007	0.7	0.6
11/12/2008	0.5	0.5
10/11/2009	0.3	
	2.3	**2.2**

As allowed under IFRS 2, an expense has been recognized only for options granted after November 7, 2002 that had not yet vested at January 1, 2005.

Adjustments made to beneficiaries' rights following the merger have no impact on the expense for the period.

22.2. Bonus/performance share plans

22.2.1. Shares awarded in 2010

On January 20, 2010 the Board of Directors authorized the allocation of 46,200 performance shares to members of the Management Committee. The plan is subject to the following conditions:

- presence in the Group at March 14, 2012;
- non-transferability restriction applicable to the shares until March 14, 2014;
- internal performance condition related to Group EDITDA in 2011 (for half of the shares allocated);
- external performance condition related to the performance of the GDF SUEZ share with respect to changes in the Eurostoxx Utilities index over the vesting period (for the other half of the shares allocated).

Fair value calculated using the method described hereafter amounts to €23.7 for shares subject to the internal performance condition, and €13.4 for shares subject to the external performance condition.

22.2.2. Valuation model used

In accordance with IFRS 2, the Group estimated the fair value of goods or services received during the period by reference to the fair value of the equity instruments rewarded as consideration for such goods or services.

Fair value was estimated at the grant date, representing the date the GDF SUEZ' Board of Directors approved the award. The fair value of shares awarded corresponds to the market price of the shares at the grant date, adjusted for (i) the estimated loss of dividends during the two-year vesting period, (ii) the non-transferability period applicable to the shares, and (iii) for the external performance condition, assessed using the Monte Carlo method . The cost of the non-transferability period is not material. The cost of the plan is recognized in personnel costs on a straight-line basis between the grant date and date on which the conditions for the award are fulfilled, and offset directly against equity. The cost may be adjusted for any revisions to assumptions regarding staff turnover rates during the period or compliance with performance conditions. The final figure will be determined based on the number of shares effectively awarded at the end of said period.

22.2.3. Details of bonus share plans in force

The number of bonus shares awarded by each plan to Group management personnel is as follows:

Grant Date	Number of Shares	Number of Shares Allocated to the General Management Committee	Fair Value Per Share
February 2007 plan (SUEZ)	97,086	22,920	36.0
July 2007 plan (SUEZ)	54,370	238	37.8*
August 2007 plan (SUEZ)	19,944	0	32.1
November 2007 plan (SUEZ)	120,228	29,410	42.4
June 2008 plan (SUEZ)	58,254	255	39.0
November 2008 plan (GDF SUEZ)	151,884	32,320	28.5*
November 2009 plan (GDF SUEZ)	145,086	29,580	24.8*
January 2010 plan (GDF SUEZ)	46,200	46,200	18.5*
BALANCE AT JUNE 30, 2010	**693,052**	**160,923**	**32.6**

22.2.4. Plans expired in 2010

Several bonus share and performance share plans expired in the first half of 2010. Eligibility for these plans is subject to employees' presence in the Group as well as internal performance conditions. However, since the performance condition was not met, the number of shares allocated to employees was reduced in accordance with the plans' regulations, leading to a decrease in the total charge recorded under these plans (€3.0 million) in accordance with IFRS 2.

22.2.5. Impact on income for the periods

The expense recorded during the period in relation to bonus share plans in force is as follows:

Grant Date In millions of euros	Expense for the Year June 30, 2010	 June 30, 2009 Unaudited
February 2007 plan (SUEZ)		0.3
July 2007 plan (SUEZ)	0.1	0.2
November 2007 plan (SUEZ)	(1.5)	1.0
June 2008 plan (SUEZ)	(0.1)	0.3
November 2008 plan (GDF SUEZ)	0.6	0.6
July 2009 plan (GDF SUEZ)	0.2	
November 2009 plan (GDF SUEZ)	0.4	
January 2010 plan (GDF SUEZ)	0.2	
	(0.2)	**2.5**

NOTE - 23 Related party transactions

This note describes material transactions between the Group and its related parties. Compensation payable to key management personnel is disclosed in note 24. The list of the main combined entities is presented in note 28.

23.1. Relations with the GDF SUEZ Group

The centralization of financing needs and cash flow surpluses for the Group is provided mainly through GDF SUEZ financing and cash pooling vehicles.

The Group's cash deposits with GDF SUEZ entities amounted to €1,473.6 million as of June 30, 2010 (€1,516.7 million as of December 31, 2009). The Group's financial debt with GDF SUEZ entities amounted to €5,717.4 million as of June 30, 2010 (€5,064.4 million as of December 31, 2009). The debt with GDF SUEZ is mainly held by Suez Tractebel Energy International reporting unit €4,522.6 million as of June 30, 2010 (€4,150.4 million as of December 31, 2009). The Group has confirmed undrawn credit facilities with GDF SUEZ entities in the amount of €244.5 million as at June 30, 2010.

Finance costs incurred by the Group on borrowings from GDF SUEZ entities during the six months period ended June 30, 2010 and June 30, 2009 were respectively €38.4 million and €68.1 million. Financial income recognized by the Group during the six months period ended June 30, 2010 and June 30, 2009 amounted €3.9 million and €12.2 million respectively.

Moreover, for the six months period ended June 30, 2010, the Group recognized an exchange loss on derivates linked to net debt of €95.0 million while changes in the fair value of economic hedges of borrowings not eligible for hedge accounting resulted in a loss of €16.2 million (respectively a gain of €51.1 million and of €10.6 million for the six months period ended June 30, 2009).

In addition, several subsidiaries of the Group benefit from GDF SUEZ financial guarantees. The outstanding amount of the guarantees related to financial debt of the Group as of June 30, 2010 and as of December 31, 2009 were respectively €1,656 million and €1,325 million. The subsidiaries of the Group also benefit from GDF SUEZ guarantees to support the collateral requirements on commodities activities (portfolio management, risk management and trading), the related outstanding amount as of June 30, 2010 and as of December, 31 2009 were respectively €1,781 million and €1,759 million. In addition, as at June 30, 2010, certain subsidiaries of the Group benefit from GDF SUEZ performance and O&M guarantees (outstanding amount of €714 million).

Expenses incurred during the six months period ended June 30, 2010 and 2009 related to these guarantees were respectively €7.2 million and €6.1 million.

The group's operational transactions with GDF SUEZ entities consist mainly of sales and purchases of energy. The Group sells gas to GDF SUEZ subsidiaries and recognized revenues for the six months period ended June 30, 2010 and June 30, 2009 of €38.1 million and €71.3 million respectively (essentially GDF SUEZ Teesside for €23.3 million in first-half 2010 and Suez LNG North America for €47.5 million in first-half 2009).

The Group purchases gas from GDF SUEZ subsidiaries. Expenses incurred by the Group for the six months period ended June 30, 2010 and June 30, 2009 were €381.1 million and €390.5 million respectively (essentially GDF Energy UK Retail and GDF SUEZ Teesside Ltd. for a total of €251.9 million in first-half 2010 and for a total of €376.0 million in first-half 2009).

The Group also sells electricity to GDF SUEZ entities and recognized revenues for the six months period ended June 30, 2010 and June 30, 2009 of €162.3 million and €143.2 million respectively. The subsidiaries of the Group purchase electricity from GDF SUEZ, mainly in the United Kingdom; expenses incurred by the Group entities for the six months period ended June 30, 2010 and June 30, 2009 amounted to €254.8 million and €216.7 million respectively.

Furthermore, the Group is under long-term charters with a GDF SUEZ subsidiary. Base charter expenses for the six months period ended June 30, 2010 amounted to €11.6 million. Due to operational reasons no base charter expenses were incurred for the year ended December 31, 2009. (see note 20).

In addition, Suez Tractebel SA (STSA) and GDF SUEZ have entered into shared services framework agreements renewable tacitly each year. The companies agreed to cooperate mainly in the areas of strategy, internal control, audit and risk, finance, tax policy, IT services, human resources and communication. In this context, Suez Tractebel SA (and notably STSA SEI reporting unit) benefits from the centralized services provided by GDF SUEZ.

Expenses incurred by the Group for these services were €7.4 million and €6.2million for June 30, 2010 and June 30, 2009 respectively.

23.2. Transactions with investments in associates and investments in joint ventures

23.2.1. Joint ventures

In 2008 the Group, together with other partners, established Energia Sustentavel do Brasil SA and subscribed for a share capital of €385.1 million, of which €38.5 million was paid immediately and a second payment of €141.0 million was made in 2009. As of June 30, 2010, the residual capital not yet paid amounted to €243.5 million, the movement of the period being explained by a third payment of €83.3 million which was offset by the impact of the evolution of the Brasilian Real exchange rate against the Euro.

During the year 2009, the Brazilian development bank BNDES (Banco Nacional de Desenvolvimento Econômico e Social) approved a 20-year loan of BRL 7.2 billion (approximately €3.27 billion) for the Energia Sustentavel do Brasil consortium to finance the Jirau project, a new 3,450MW hydroelectric power station. Each partner is required to provide corporate guarantees to BNDES proportionally to its stake. The Group has a 50.1% interest in Energia Sustentavel do Brasil consortium

23.2.2. Associates

The Group manages the operations of different power plants in the Arabian Peninsula, in which the interest held by the Group is accounted for under the equity method. O&M fees were paid by the various associates to the Group for an amount of €45.0 million in first-half 2010 (respectively €13.6 million in first-half 2009). In addition, the Group received success fees from these associates in case of contract won for €32.0 million in first-half 2010 (respectively €23.9 million in first-half 2009).

NOTE - 24 Executive compensation

As described in note 1, prior to July 20, 2009 reorganization, the Energy International Business areas were managed by GDF SUEZ International Division, which was an operating segment of GDF SUEZ, under the supervision of the GDF SUEZ Energy International General Management Committee. Since July 20 2009 reorganization, the Energy Europe and International Division manages five GDF SUEZ's business areas including Energy International business areas. These five business areas are managed by Energy Europe and International Division General Management Committee.

The key management personnel comprise:

- for first-half 2009, the members of GDF SUEZ Energy International General Management Committee, and ;
- for first-half 2010, the members of Energy Europe & International Division General Management Committee.

The Energy Europe & International Division General Management Committee compensation included in the amounts presented below was not adjusted to reflect the amount attributable to the carve out business as there is no rational and consistent method to allocate the Management Committee members' compensation to each of the five business areas managed by Energy Europe and International Division.

Their compensation breaks down as follows:

In millions of euros	June 30, 2010	June 30, 2009
Short Term Benefits	4.5	3.7
Post-employment Benefits	0.5	0.4
Share-based Payments	1.3	1.4
Termination Benefits		
TOTAL	**6.3**	**5.5**

NOTE - 25 Contingent assets and liabilities

Other than those described in note 26, the Group has not identified any material contingent liabilities likely to give rise to an outflow of economic benefits.

NOTE - 26 Legal and arbitration proceedings

The Group is party to a number of legal and arbitration proceedings with third parties or with the tax authorities of certain countries in the normal course of its business. Provisions are recorded for these proceedings when (i) a legal, contractual, or constructive obligation exists at the reporting date with respect to a third party; (ii) it is probable that an outflow of resources embodying economic benefits will be required in order to settle the obligation with no consideration in return; and (iii) a reliable estimate can be made of this obligation.

Provisions recorded in respect of these legal and arbitration proceedings totalled €109.5 million as of June 30, 2010 (€112.5 million as of December 31, 2009).

26.1. Claim by the US tax authorities (IRS)

The US subsidiary of the Group was recently subject to a tax audit by the IRS in respect of 2004 and 2005. The amounts which were initially assessed have been reduced in 2010 in the course of the appeal procedure. The remaining contested amounts for these periods correspond to tax and interest in the amount of USD13 million.

26.2. Claims by the Belgian tax authorities to SUEZ Tractebel SA

The claims described hereafter relate to Suez Tractebel SA as a legal and tax entity, and not to one of its three reporting units as described in note 1.1.1. These claims are described for information purposes.

The Special Inspection department of the Belgian tax authorities is claiming €188 million from Suez Tractebel SA concerning past investments in Kazakhstan. Suez Tractebel SA has filed an appeal with the administrative court against this claim. As the Belgian tax authorities had still not taken a decision ten years after the claim, an appeal was lodged with the Court of First Instance of Brussels (Belgium) in December 2009. There has been no evolution since.

The Special Inspection Department taxed financial income generated in Luxembourg by the Luxembourg-based cash management branche of Suez Tractebel. This financial income, which was already taxed in Luxembourg, is exempt in Belgium in accordance with the Belgium-Luxembourg convention for the prevention of double taxation. The Special Inspection Department refuses this exemption. The tax assessed in Belgium amounts to €21 million for the period 2003 to 2006. The Group has challenged the Special Inspection Department's decision before the Court of First Instance of Brussels (Belgium).

The Group is not aware of any other legal or arbitration proceedings which are likely to have, or have recently had, a material impact on the financial position, results of operations, business or assets of the Group.

NOTE - 27 Subsequent events

27.1. Link 2010 plan

In the second half of 2010, employees of the GDF SUEZ Energy International Division, as defined in Note 1, will be able to subscribe to reserved shares under a new GDF SUEZ employee shareholding plan. A total of 24.7 million shares will be made available under this GDF SUEZ plan for a price of €19.78 per share, resulting in a GDF SUEZ share capital increase on August 24, of nearly €500 million.

27.2. GDF SUEZ closes financing of Barka 3 and Sohar 2 Independent Power Projects

On September 16, 2010, GDF SUEZ completed the financing of the Barka 3 and Sohar 2, independant power projects of GDF SUEZ Energy International Division in Oman. The Group holds 46% of the projects. The senior debt amounts to US$ 1,3 billion in total.

27.3. Net debt refinancing GDF SUEZ Energy International Division

As part of the Transaction and as announced by International Power Plc. and GDF SUEZ on August 10, 2010, GDF SUEZ Energy International Division will be refinanced in order to reduce its net debt as of June 30, 2010 to €4.4 billion, prior to the distribution by International Power Plc of a special dividend of approximately €1.7 billion (or £1.4 billion) to its present shareholders.

NOTE - 28 LIST OF THE COMBINED COMPANIES

		% Interest			% Control			Consolidation Method		
Company Name	Corporate Headquarters	June 2010	Dec. 2009	June 2009	June 2010	Dec. 2009	June 2009	June 2010	Dec. 2009	June 2009
United Kingdom										
Group GDF SUEZ Energy Ltd (former GAZ DE FRANCE ESS (UK) Ltd)	1 City Walk, Leeds LS11 9DX	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
GDF SUEZ Shotton Ltd	1 City Walk, Leeds LS11 9DX	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SCOTIA WING CRAIGENGELT LIMITED	1 City Walk, Leeds LS11 9DX	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
GDF SUEZ Teeside Ltd (Former Teesside Power Ltd.)	Greystone Road - Grangetown – Middlesbrough TS6 8JF - United Kingdom	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Turkey - Gas Distribution										
IZGAZ	Cumhuriyet Mah. Ünes - Cad. N°2 Plaj Yolu - 41100 Izmit / Kocaeli - Turkey	90.0	90.0	90.0	90.0	90.0	90.0	FC	FC	FC
GazKo (Enerji Ticaret) A.S.		100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Latin America										
ELECTROANDINA	Av. El Bosque Norte 500 – piso 9 - of. 902 Las Condes – Chile	52.4	33.3	33.3	100.0	33.3	33.3	FC	PC	PC
BAHIA LAS MINAS Corp.	Mezanine - Edificio P.H. Torre de las Americas. Calle Punta Darién and Punta Coronado. Urbanización Punta Pacífica – Panama	51.0	51.0	51.0	51.0	51.0	51.0	FC	FC	FC
ENERSUR	Av. República de Panamá 3490. San Isidro. Lima 27 - Peru	61.7	61.7	61.7	61.7	61.7	61.7	FC	FC	FC
Consorcio Estreito Energia	Rua Transamazônica, 2, parte, centro, Estado de Tocantins, Brazil	27.5	27.5	40.1	40.1	40.1	40.1	PC	PC	PC
SUEZ ENERGIA RENOVAVEL S.A.	Avenida Almirante Barroso, n° 52, 14° Andar, Conjunto 1401, CEP 20031-918 Rio de Janeiro, Brazil	68.7	68.7	100.0	100.0	100.0	100.0	FC	FC	FC
ENERGIA SUSTENTAVEL DO BRASIL S.A.	Avenida Almirante Barroso, n° 52, sala 2802, CEP 20031-000 - Rio de Janeiro, Brazil	50.1	50.1	50.1	50.1	50.1	50.1	PC	PC	PC
Group Tractebel Energia	Rua Antônio Dib Mussi. 366 Centro, 88015-110 Florianopolis, Santa Catarina, Brazil	68.7	68.7	68.7	68.7	68.7	68.7	FC	FC	FC
GDF SUEZ ENERGY BRASIL LTDA	Av. Almirante Barroso, 52/sala 1401, 14° andar, 20031-000 - Rio de Janeiro – RJ, Brazil	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
GDF SUEZ ENERGY LATIN AMERICA Participaçoes LTDA	R. Esteves Júnior 50 - 9° andar – sl.905, 88015-130 Florianópolis, Santa Catarina, Brazil	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SOCIEDAD DE INVERSIONES ENERGETICAS LTDA	Avenida Isidora Goyenechea, 3365, Piso 7, Las Condes, Santiago, Chile	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
CENTRAL TERMICA BARRANCONES S.A.	Avenida Apoquindo 3721, Las Condes, Santiago, Chile	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
EOLICA MONTE REDONDO S.A.	Avenida Apoquindo 3721, Piso 8, Las Condes, Santiago, Chile	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
ELECTROPACIFICO INVERSIONES LTDA	Avenida Isidora Goyenechea, 3365, Piso 7, Las Condes, Santiago, Chile	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
INVERSIONES TOCOPILLA LTDA	Avenida Isidora Goyenechea, 3365, Piso 7, Las Condes, Santiago, Chile	0.0	51.0	51.0	0.0	51.0	51.0	NC	PC	PC
INVERSIONES TOCOPILLA 2A (originated from the split of Inversiones Tocopilla SA)	Avenida Isidora Goyenechea, 3365, Piso 7, Las Condes, Santiago, Chile	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
INVERSIONES MEJILLONES S.A.	Huérfanos 835, Piso 18, Región Metropolitana, Santiago, Chile	0.0	33.3	33.3	0.0	33.3	33.3	NC	PC	PC
INVERSIONES MEJILLONES 1 (originated from the split of Inversiones Mejillones SA)	Huérfanos 835, Piso 18, Región Metropolitana, Santiago, Chile	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
INVERSIONES MEJILLONES 3 (originated from the split of Inversiones Mejillones SA)	Huérfanos 835, Piso 18, Región Metropolitana, Santiago, Chile	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
ENERPAC Ltda	Avenida Apoquindo 3721, Oficina 81, Las Condes, Santiago, Chile	52.4	27.4	27.4	100.0	27.4	27.4	FC	PC	PC

Company Name	Corporate Headquarters	% Interest June 2010	% Interest Dec. 2009	% Interest June 2009	% Control June 2010	% Control Dec. 2009	% Control June 2009	Consolidation Method June 2010	Consolidation Method Dec. 2009	Consolidation Method June 2009
E-CL SA (former Edelnor)	Av. El Bosque Norte 500 – piso 9 - of. 902, Las Condes, Santiago., Chile	52.4	27.4	27.4	52.4	27.4	27.4	FC	PC	PC
CENTRAL TERMOELECTRICA ANDINA S.A.	Avenida Apoquindo 3721, Las Condes, Santiago, Chile	52.4	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
INVERSIONES HORNITOS S.A.	Avenida Apoquindo 3721, Oficina 81, Las Condes, Santiago, Chile	31.4	60.0	100.0	60.0	60.0	100.0	PC	PC	FC
SUEZ ENERGY ANDINO S.A.	Av. Apoquindo 3721 - Piso 8, Las Condes, Santiago, Chile	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SUEZ ENERGY ANDINO INVESTMENTS S.A.	Av. Apoquindo 3721 - Piso 8, Las Condes, Santiago, Chile	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
INVERSIONES ELECTRICAS CAPRICORNIO	DISSOLVED ON 05-01-2010	0.0	100.0	100.0	0.0	100.0	100.0	NC	FC	FC
GASODUCTO NOR ANDINO S.A.	Av. Apoquindo 3721 - Piso 8, Las Condes, Santiago, Chile	52.4	84.7	84.7	100.0	78.9	78.9	FC	FC	FC
GASODUCTO NOR ANDINO ARGENTINA	Talcahuano 833, Piso 5 - of. D. C1013AAQ Buenos Aires, Argentina	52.4	84.7	84.7	100.0	78.9	78.9	FC	FC	FC
DISTRINOR	Avenida Isidora Goyenechea, 3365. Piso 7, Las Condes, Santiago, Chile	52.4	33.3	33.3	100.0	33.3	33.3	FC	PC	PC
TIBSA	Talachuano 833, Piso 3, Departamento C, Ciudad Autónoma de B.A., Buenos Aires, Argentina	70.0	70.0	70.0	70.0	70.0	70.0	FC	FC	FC
LITORAL GAS	Mitre 621, 2000 Rosario, Santa Fe, Argentina	64.2	64.2	64.2	91.7	91.7	91.7	FC	FC	FC
ENERGY CONSULT. SERV.	Talcahuano 833, Piso 5 - of. D. C1013AAQ Buenos Aires, Argentina	46.7	46.7	46.7	46.7	46.7	46.7	EM	EM	EM
SUEZ ENERGY PERU	Av. República de Panamá 3490, San Isidro, Lima 27, Peru	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SUEZ PROYECTOS ANDINOS S.A.	Avenida Chacaya 3910, Barrio Industrial, Mejillones 131 00 00, Antofagasta, Chile	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
INVERSIONES Y DESARROLLOS BALBOA SA	C/O Patton, Moreno & Asvat, Edificio del Banco HSBC, 6to Piso, Avenida Samuel Lewis, Panamá City, Panamá	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SUEZ ENERGY INTERNATIONAL Luxembourg	Avenue de la Liberté, 76, Luxembourg 1930, Luxembourg	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SUEZ ENERGY CENTRAL AMERICA SA	Mezanine - Edificio P.H. Torre de las Americas, Calle Punta Darién and Punta Coronado, Urbanización Punta Pacífica, Panamá City, Panamá	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SOCIEDAD GNL MEJILLONES SA	Rosario Norte 530, Piso 16, of 1601, Las Condes, Santiago, Chile	50.0	50.0	50.0	50.0	50.0	50.0	PC	PC	PC
ALTENERGY (DOS MARES)	Panamá City, Panamá	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
BONTEX (DOS MARES)	Panamá City, Panamá	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
DOS MARES INVESTMENT II	C/O Patton, Moreno & Asvat, Edificio del Banco HSBC, 6to Piso, Avenida Samuel Lewis, Panamá City, Panamá	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
DOS MARES INVESTMENT III	C/O Patton, Moreno & Asvat, Edificio del Banco HSBC, 6to Piso, Avenida Samuel Lewis, Panamá City, Panamá	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
ENERWINDS DE COSTA RICA	San José Santa Ana, Centrao Empresarial via Lindora, Cuarto Piso, Radial Santa Ana, San Antonio De Belen, Kilometro Tres, Costa Rica	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
PLANTA EOLICA GUANACASTE (PEG)	San Jose Calle Veintiuno, Avenidas Seis y Ocho, Numero Seiscientos Treinta, San Jose	90.0	90.0	90.0	90.0	90.0	90.0	FC	FC	FC
PLANTA EOLICA GUANACASTE OPERACIONES (PEGO)	San Jose Calle Veintiuno, Avenidas Seis y Ocho, Numero Seiscientos Treinta, San Jose	90.0	90.0	90.0	100.0	100.0	100.0	FC	FC	FC
ECONERGY BERMUDA HOLDING CY LTD	Codan Services Limited, Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
EMPRESA ELECTRICA CORANI (nationalized by Bolivian government)	Av. Oquendo N-0654, Las Torres Sofer – 1st floor of 9, Cochabamba, Bolivia	0.0	50.0	50.0	0.0	50.0	50.0	NC	FC	FC
ECONERGY ENERGY GENERATION LIMITED	Arthur Cox Building Earlsfort Terrace, Dublin 2, Ireland	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
ECONERGY INTERNATIONAL PLC (ISLE OF MAN)	33-37, Athol Street, Douglas IM1 1LB, Isle of Man	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
ECONERGY HOLDINGS LIMITED	33-37, Athol Street, Douglas IM1 1LB, Isle of Man	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC

Company Name	Corporate Headquarters	% Interest June 2010	% Interest Dec. 2009	% Interest June 2009	% Control June 2010	% Control Dec. 2009	% Control June 2009	Consolidation Method June 2010	Consolidation Method Dec. 2009	Consolidation Method June 2009
ECONERGY INTERNATIONAL CORPORATION	1990 Post Oak Blvd, #1990, Houston, TX 77056-3831, USA	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Middle East. Asia										
SOHAR POWER COMPANY	PB 147, PC 134, Jawharat Al Shatti Muscat - Sultanate of Oman	45.0	45.0	45.0	45.0	45.0	45.0	FC	FC	FC
Group SENOKO POWER LIMITED	111 Somerset Road - #05-06. Tripleone Somerset Building – 238164, Singapore	30.0	30.0	30.0	30.0	30.0	30.0	PC	PC	PC
BAYMINA ENERJI A.S.	Ankara Dogal Gaz Santrali. Ankara Eskisehir Yolu 40, Km, Maliöy Mevkii, 06900 Polatki/ Ankara, Turkey	95.0	95.0	95.0	95.0	95.0	95.0	FC	FC	FC
HOUAY HO POWER COMPANY LIMITED	P.O. Box 5464, Nong Bon Road, Bane Fai, Xaysettha District, Vientiane, Laos	46.5	46.5	46.5	55.0	55.0	55.0	FC	FC	FC
Group 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	69.1	69.1	FC	FC	FC
STOPPER BV	Dokter Stolteweg 92, Zwolle 8025 AZ, Netherlands	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
HOUAY HO THAI COMPANY LIMITED	No. 10/190-193 The Trendy Building 26th Floor, Soi Sikhunvit, 13 Sukhunvit Road, Khong Tai Nue. Khet Wattana, Bangkok Metropolis, Thailand	33.9	33.9	33.9	49.0	49.0	49.0	EM	EM	EM
PTT NATURAL GAS DISTRIBUTION	23rd Floor, Rasa Tower, 555 Phaholyothin Road, Lardyao, Chatuchak, Bangkok 10900, Thailand	40.0	40.0	40.0	40.0	40.0	40.0	EM	EM	EM
TWMB HOLDINGS B.V.	Dokter Stolteweg 92, Zwolle 8025 AZ, Netherlands	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
GDF SUEZ ENERGY ASIA COMPANY LIMITED	29/F Q House Lumpini, 1 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SUEZ-TRACTEBEL ENERGY HOLDINGS COOPERATIEVE U.A.	Dokter Stolteweg 92, Zwolle 8025 AZ, Netherlands	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
GDF SUEZ ENERGY (THAILAND) CO. LTD	29/F Q House Lumpini, 1 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
GULF TOTAL TRACTEBEL POWER COMPANY	Sheikha Mariam bin Rashid Al Otaiha Bld, Al Salam St, P.O.Box 25862 Abu Dhabi, United Arab Emirates	20.0	20.0	20.0	20.0	20.0	20.0	EM	EM	EM
AL EZZEL POWER COMPANY B.S.C.	Flat 121, 12th Floor Orchid Business Center Bldg. No. 2795, Road 2835, Al Seef District 428 P.O. Box 11753 Manama, Kingdom of Bahrain	45.0	45.0	45.0	45.0	45.0	45.0	EM	EM	EM
HIDD POWER COMPANY B.S.C.	P.O. Box 50710, Hidd, Kingdom of Bahrain	30.0	30.0	30.0	30.0	30.0	30.0	EM	EM	EM
SMN BARKA POWER COMPANY S.A.O.C.	P.O. Box 121, Jawaharat Al Shatti, Postal Code 134, Sultanate of Oman	47.5	47.5	47.5	47.5	47.5	47.5	EM	EM	EM
RUSAIL POWER COMPANY S.A.O.C.	P.O. Box 121, Jawaharat Al Shatti, Postal Code 134, Sultanate of Oman	47.5	47.5	47.5	47.5	47.5	47.5	EM	EM	EM
PRIMEROFIN B.V.	Dokter Stolteweg 92, Zwolle 8025 AZ, Netherlands	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SMN POWER HOLDING COMPANY LTD.	C/O Ince Al Jallaf & Co., Gulf Towers, B-2 Suite 503, P.O.Box 15952, Dubai, United Arab Emirates	47.5	47.5	47.5	47.5	47.5	47.5	EM	EM	EM
STSA SEI - Dubaï Branch	Place du Trône, 1 – 1000, Brussels, Belgium	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
TOTAL TRACTEBEL EMIRATES POWER COMPANY S.A.	2. Place Jean Miller, La Défense 6, 92400 Courbevoie, France	50.0	50.0	50.0	50.0	50.0	50.0	EM	EM	EM
TRACTEBEL BAHRAIN W.L.L.	Building N° 722, A Salam Tower. Road N° 1708, Block 317, Diplomatic Area. Manama, Kingdom of Bahrain	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SOHAR OPERATION & MAINTENANCE COMPANY L.L.C.	Jawaharat Al Shatti, P.O.Box 147, Sultanate of Oman	70.0	70.0	70.0	70.0	70.0	70.0	FC	FC	FC
AL EZZEL OPERATION & MAINTENANCE COMPANY W.L.L.	P.O. Box 11734, Flat 3, Building 285, Road 1505, Hidd Town 115, Manama, Kingdom of Bahrain	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC

Company Name	Corporate Headquarters	% Interest			% Control			Consolidation Method		
		June 2010	Dec. 2009	June 2009	June 2010	Dec. 2009	June 2009	June 2010	Dec. 2009	June 2009
KAHRABEL FZE	P.O.Box 54760, Dubai Arport Free Zone, Dubai, United Arab Emirates	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SUEZ-TRACTEBEL OPERATION & MAINTENANCE (OMAN) L.L.C.	Jawaharat Al Shatti, P.O.Box 147, Sultanate of Oman	70.0	70.0	70.0	70.0	70.0	70.0	FC	FC	FC
TOTAL TRACTEBEL EMIRATES O&M COMPANY S.A.	2. Place Jean Miller, La Défense 6, 92400 Courbevoie, France	50.0	50.0	50.0	50.0	50.0	50.0	EM	EM	EM
SOHAR GLOBAL CONTRACTING & CONSTRUCTION COMPANY L.L.C.	Jawaharat Al Shatti, P.O.Box 121, Sultanate of Oman	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
TOTAL TRACTEBEL EMIRATES EPC COMPANY S.A.	2. Place Jean Miller, La Défense 6, 92400 Courbevoie, France	50.0	50.0	50.0	50.0	50.0	50.0	EM	EM	EM
Al Dur Power Holding Cy	Bahrain	45.0	45.0	45.0	45.0	45.0	45.0	EM	EM	EM
Suez Nomac Holding	Bahrain	60.0	60.0	60.0	60.0	60.0	60.0	FC	FC	FC
SGA Marafiq Holdings WLL	Bahrain	33.3	33.3	33.3	33.3	33.3	33.3	EM	EM	EM
Jubail Operations Holding	Bahrain	60.0	60.0	60.0	60.0	60.0	60.0	FC	FC	FC
Jubail OM Cy	Saudi Arabia	60.0	60.0	60.0	100.0	100.0	100.0	FC	FC	FC
Suez Services Saudi	Saudi Arabia	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
RLC Power Holding Cy Ltd	United Arab Emirates	50.0	50.0	50.0	50.0	50.0	50.0	PC	PC	PC
Shuweihat 2 Holding	United Arab Emirates	50.0	50.0	50.0	50.0	50.0	50.0	PC	PC	PC
RUWAIS POWER COMPANY	United Arab Emirates	20.0	0.0	0.0	20.0	0.0	0.0	EM	NC	NC
GDFSUEZ Energy Asia. Turkey & Southern Africa (former Belgelectric Finance BV)	Dokter Stolteweg 92, Zwolle 8025 AZ, Netherlands	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
North America										
Group GDF SUEZ ENERGY GENERATION NORTH AMERICA	1990 Post Oak Boulevard, Suite 1900 Houston, TX 77056-4499, United States	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Group SUEZ LNG AMERICA	One Liberty Square, Boston, MA 02109, United States	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Group GDF SUEZ ENERGY MARKETING NORTH AMERICA	1990 Post Oak Boulevard, Suite 1900 Houston, TX 77056-4499, United States	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Group GDF SUEZ ENERGY RESOURCES NORTH AMERICA	1990 Post Oak Boulevard, Suite 1900 Houston, TX 77056-4499, United States	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Group FIRSTLIGHT POWER RESOURCES	20 Church Street - 16th Floor Hartford, CT 06103, United States	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Group GDF SUEZ RENEWABLE ENERGY NORTH AMERICA	1990 Post Oak Boulevard, Suite 1900 Houston, TX 77056-3831, United States	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
TRACTEBEL ENERGIA DE MONTERREY HOLDINGS B.V.	Dokter Stolteweg 92, Zwolle 8025 AZ, Netherlands	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
TRACTEBEL ENERGIA DE MONTERREY S. RL CV	Carretera a Villa de García, Kilómetro 9, Villa de García-Nuevo Léon, CP 66000, México	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Group GDF Québec	750, boul. Marcel-Laurin Bureau 390 Saint-Laurent, Québec H4M 2M4	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
LAURENTIDES Investissements	2. rue Curnonsky 75017 - Paris	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Group NOVERCO	Centre CDP Capital 1000 Place Jean-Paul Riopel Montreal, Québec H2Z 2B3	17.6	17.6	17.6	17.6	17.6	17.6	EM	EM	EM
GDF SUEZ ENERGY NORTH AMERICA. INC.	1990 Post Oak Boulevard, Suite 1900 Houston, TX 770-4499, United States	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
CONSORCIO MEXIGAS	Blvd M. Ávila Camacho 36 Piso 16 Lomas de Chapultepec México City, D.F.C.P. 11000, México	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Natgasmex	Boulevard Manuel Avila Camacho 36 Piso 17 Col.Lomas de Chapultepec CP 11000, México DF	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Tamauligas	Boulevard Manuel Avila Camacho 36 Piso 17 Col.Lomas de Chapultepec CP 1100, México DF	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
TRACTEBEL DIGAQRO S.A. DE C.V.	Acceso 3. N° 107. Parque Industrial Benito Juarez. Esq., Tecnologico, Local 11 y 12, C.P. 76120 Querétaro, México	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC

Company Name	Corporate Headquarters	% Interest			% Control			Consolidation Method		
		June 2010	Dec. 2009	June 2009	June 2010	Dec. 2009	June 2009	June 2010	Dec. 2009	June 2009
TRACTEBEL GNP S.A. DE C.V.	Prolongación Avenida Hidalgo 6505, Colonia Nuevo Aeropuerto, Tampico, Tamaulipas C.P. 89337, México	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
TRACTEBEL DGJ S.A. DE C.V.	Alberta 2288 4 B, Los Colomos Esquina Avenida Patria, Guadalajara Galisco 44660, México	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
MI del BAJIO Marketing	Eleanor Rooseveltlaan 3, 2719 AB Zoetermeer, PO BOX 474	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Gasoductos del Bajio	Blvd. Manuel Avila Camacho #36 piso 16 Col. Lomas de Chapultepec Del M. Hidalgo, México D.F, 11000	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Energia Mayakan	Prolongacion Montejo num 310 5to POR 1C Y 6D Col. Gonzalo Guerrero C.P 97118 Merida, Yucatan	67.5	67.5	67.5	100.0	100.0	100.0	FC	FC	FC
MAYAKAN PIPELINE	Teleportboulevard 140, 1043 EJ Amsterdam	67.5	67.5	67.5	100.0	100.0	100.0	FC	FC	FC
MERIDA HOLDING	Chancery House-High Street, Bridgetown	67.5	67.5	67.5	67.5	67.5	67.5	FC	FC	FC
MERIDA PIPELINE	Teleportboulevard 140, 1043 EJ Amsterdam	67.5	67.5	67.5	100.0	100.0	100.0	FC	FC	FC
MI Comercializadora	Blvd. Manuel Avila Camacho #36 piso 16 Col. Lomas de Chapultepec Del M. Hidalgo, México, D.F. 11000	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Transnatural	Blvd. Manuel Avila Camacho #36 piso 16 Col. Lomas de Chapultepec Del M, Hidalgo, México D.F, 11000	50.0	50.0	50.0	50.0	50.0	50.0	PC	PC	PC
Tractebel Energia de Monterrey Holding BV 1.5)	Pays-Bas	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
GDF SUEZ ENERGÍA DE MÉXICO S.A. DE C.V.	Avenida de Las Palmas 830-402, Lomas de Chapultepec, Del. Miguel Hidalgo, México - Distrito Federal 11000, México	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
TRACTEBEL SERVICIOS S.A. DE C.V.	Avenida de Las Palmas 830-402, Lomas de Chapultepec, Del. Miguel Hidalgo, México - Distrito Federal 11000, México	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
TRACTEBEL COMERCIALIZACION S.A. de C.V.	Mexique	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
ENERSUR NEDERLAND HOLDING B.V.	Pays-Bas	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
Other										
STSA SEI	Place du Trône, 1 – 1000 Brussels, Belgium	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
GDF SUEZ CC (formerly Cosutrel)	Place du Trône, 1 – 1000 Brussels, Belgium	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
TRACTEBEL PACIFIC LIMITED	Gloucester Road, 77-79. Belgian Bank Tower, 11/F, Fairmont House	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
POWERCONTRACTING	Place du Trône, 1. 1000 Brussels, Belgium	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
ECONERGY IRELAND Ltd (under liquidation)	Arthur Cox Building, Ealsfort Terrace, Dublin 2, Ireland	0.0	100.0	100.0	0.0	100.0	100.0	NC	FC	FC

FC : Full combined (subsidaries)

PC : Proportionate combined (joint ventures)

EM : Equity method (associates)

NC : Not combined