GDF SUEZ

2014

REGISTRATION DOCUMENT

INCLUDING ANNUAL FINANCIAL REPORT

BY PEOPLE FOR PEOPLE

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GDF SUEZ

REGISTRATION DOCUMENT
2014
INCLUDING ANNUAL FINANCIAL REPORT

This Registration Document was filed with the *Autorité des Marchés Financiers* on March 23, 2015, in accordance with the provisions of Article 212-13 of the General Regulations of the AMF.

It may be used in support of a financial transaction if supplemented by an information memorandum approved by the *Autorité des Marchés Financiers.*

This document has been prepared by the issuer, and its signatories are responsible for its content.

Annual Financial Report and Management Report

This Registration document includes (i) all the items of the Annual Financial Report mentioned in section I of Article L. 451-1-2 of the Monetary and Financial Code, and in Article 222-3 of the General Regulations of the Autorité des Marchés Financiers (AMF), the French Financial Markets Authority, (in Appendix B of this Registration document is a comparison table between the documents mentioned in these texts and the corresponding headings in this Registration Document), (ii) all the mandatory information included in the Management Report of the Board of Directors to the Annual Shareholders' Meeting of April 28, 2015 as provided for in Articles L. 225-100 and L. 225-100-2 of the French Commercial Code (the items corresponding to this mandatory information are referenced in the comparison table in Appendix B of this Registration Document).

Incorporation by reference

In accordance with Article 28 of European Regulation No. 809/2004 of April 29, 2004, this Registration Document incorporates by reference the following information, to which the reader should refer:

- in relation to the GDF SUEZ fiscal year ended on December 31, 2013: the management report, consolidated financial statements prepared according to IFRS and the related Auditors' reports appearing on pages 174 to 193 and 195 to 317 of the Registration Document filed with the AMF on March 20, 2014 under number D.14-0176;
- in relation to the GDF SUEZ fiscal year ended on December 31, 2012: the management report, consolidated financial statements prepared according to IFRS and the related Auditors' reports appearing on pages 186 to 205 and 207 to 330 of the Registration Document filed with the AMF on March 22, 2013 under number D.13-0206.

This information should be read in conjunction with the comparative information as of December 31, 2014.

The information included in these Registration Documents, along with the information mentioned above, is replaced or updated, as necessary, by the information included in this Registration Document. These Registration Documents are available under the conditions described in Section 7.3 "Documents available to the public" in this Registration Document.

Forward-looking information and market data

This Registration Document contains forward-looking information including in Section 1.1.4 "Strategic priorities", Section 1.1.6 "Competitive positioning", Section 1.1.5 "Improving performance", Section 1.3 "Description of business lines" and Section 6.1.1.8 "Outlook". This information is not historical data and therefore should not be construed as a guarantee that the events and data mentioned will occur or that the objectives will be achieved, since these are by nature subject to unpredictable events and external factors, such as those described in Section 2 "Risk factors".

Unless otherwise stated, the market data appearing in this Registration Document comes from internal estimates by GDF SUEZ based on publicly available data.

Note

In this Registration Document, the terms "GDF SUEZ", the "Company", the "Issuer", and the "Enterprise", refer to GDF SUEZ SA. The term "Group" refers to GDF SUEZ and its subsidiaries.

A list of units of measurement, short forms and acronyms and a glossary of the frequently-used technical terms are featured in Appendix A of this Registration Document.

Copies of this Registration Document are available at no cost from GDF SUEZ, 1 Place Samuel de Champlain, 92400 Courbevoie (France), on the Company website (gdfsuez.com), as well as on the website of the Autorité des Marchés Financiers (http://www.amf-france.org).

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PRESENTATION OF THE GROUP

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1.1 PROFILE, ORGANIZATION AND STRATEGY OF THE GROUP

1.1.1 General presentation

GDF SUEZ is one of the world's leading industrial companies and a benchmark in the fields of gas, electricity and energy services.

It is active throughout the entire energy value chain, in electricity and natural gas, upstream to downstream in:

- purchasing, production and marketing of natural gas and electricity;
- transmission, storage, distribution, management and development of major gas infrastructures;
- energy services.

GDF SUEZ operates a well-balanced business model:

- through its presence in complementary business activities across the value chain;
- through its presence in regions exposed to different business and economic cycles, with a strong presence in emerging markets with greater prospects for growth, a position that was further strengthened in 2011 and 2012 with the integration of International Power. While the Group still intends to maintain its position as a key player in Europe and a leader of the energy transition, it is now a benchmark energy provider in the emerging world;
- through its presence allocated between activities that are exposed to market uncertainties and others that offer recurring revenues (infrastructures, services, PPA-type contracts[1], etc.);
- through a balanced energy mix with priority given to low- and zero-carbon energy sources.

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

The Group's fundamental values are drive, commitment, daring and cohesion.

1.1.2 History and evolution of the Company

GDF SUEZ is the result of the merger-absorption of SUEZ by Gaz de France, following the decision of the Combined General Shareholders' Meetings of Gaz de France and SUEZ of July 16, 2008. The merger took effect on July 22, 2008.

Initially incorporated in 1946 as an EPIC (French public industrial and commercial enterprise), it became a limited liability company with a 99-year term under Law 2004-803 of August 9, 2004 on the electricity and gas public service and electricity and gas companies (amending Law 46-628 of April 8, 1946) whose provisions were aimed at organizing the change in the Company's legal status. Unless the Company is dissolved earlier or its term is extended, it will cease trading on November 19, 2103.

On July 7, 2005, the Company publicly floated its shares on the stock market. The Company's shares, under its former name, Gaz de France, were first listed on July 7, 2005.

Law 2004-803 of August 9, 2004, as amended by Law 2006-1537 of December 7, 2006 governing the energy sector and Decree 2007-1784 of December 19, 2007 authorized the transfer of the Company from the public to the private sector. On July 22, 2008, the Company absorbed SUEZ in a merger which entailed transferring the majority of the company's share capital to the private sector. The new company took the name "GDF SUEZ".

SUEZ itself was the result of the merger in 1997 of Compagnie de Suez and Lyonnaise des Eaux. At the time, Compagnie de Suez - which had built and operated the Suez Canal until its nationalization by the Egyptian government in 1956 - was a holding company with diversified stakes in Belgium and France, particularly in the finance and energy sectors. Lyonnaise des Eaux was a diversified company in the management and treatment of water, waste, construction, communications and technical facility management. SUEZ became an international industrial and services group whose objective was to meet essential requirements in electricity, gas, energy and industry services, water and waste management.

The deregulation of European energy markets in the early 1990s promoted the international development of both Gaz de France and SUEZ, which progressively expanded their activities beyond their respective traditional markets, both in Europe and internationally.

The approval of the merger by the European Commission given on November 14, 2006 was conditional on the implementation of remedial action in certain areas. The principal remedies required for EC approval were duly carried out.

On February 3, 2011, the Company completed a merger with International Power. In 2012, GDF SUEZ confirmed its strategy as a global energy player, finalizing the purchase of shares held by the minority shareholders of International Power on June 29, 2012.

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

GDF SUEZ intends to maintain its role as a long-term strategic partner of SUEZ Environnement Company and as its majority shareholder. The guiding principles of the industrial and commercial agreements between GDF SUEZ and SUEZ Environnement Company were confirmed in January 2013, and form the basis of a framework agreement between the two companies, similar to what might have been concluded with third parties outside the Group.

(1) A PPA is an agreement between a purchaser (an entity in the public or private sector) and a power producer, with conditions for purchasing power produced over a long period to ensure regular revenue for the producer that will cover its investment costs.

They relate to reciprocal preference, under market conditions, in purchasing/sales, continuing cooperation in certain industrial activities, development of potential joint commercial offerings and cooperation in sustainable development, innovation and research and development.

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

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

GDF SUEZ has its head office at 1, Place Samuel de Champlain, 92400 Courbevoie, France. Its phone number is +33 (0) 1 44 22 00 00. GDF SUEZ is listed in the Paris Trades and Companies Register under reference number 542 107 651. Its NAF (French business sectors) code is 3523Z.

GDF SUEZ is a public limited liability company (société anonyme) with a Board of Directors subject to the laws and regulations governing public limited companies and any specific laws governing the Company, and to its bylaws.

The Company's 12-month fiscal year runs from January 1 to December 31 of each year.

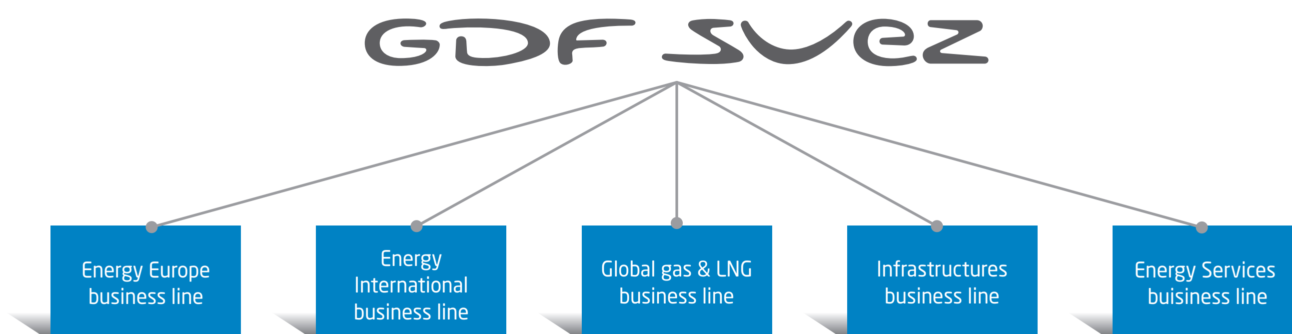
1.1.3 Organization

GDF SUEZ is organized at operational level into five business lines:

- the Energy Europe business line is in charge of electricity production, energy management, and electricity and natural gas sales (all segments) in continental Europe. It is also in charge of natural gas distribution and storage in part of Europe[(1)];
- the Energy International business line is organized into five geographical regions (Latin America; North America; the United Kingdom and Turkey; South Asia, the Middle East and Africa; and Asia-Pacific). It is active in electricity production and closely associated activities such as LNG regasification, gas distribution, seawater desalination and international retail sales outside continental Europe;
- the Global Gas & LNG business line is in charge of the exploration and production of gas and oil, and of the supply, transportation and sale of liquefied natural gas;
- the Infrastructures business line pools the activities of networks and infrastructures, mainly in France: transmission of natural gas, gasification of LNG, storage of natural gas and distribution of natural gas;
- the Energy Services business line offers its customers – industrial and tertiary companies and local authorities – sustainable energy and environmental efficiency solutions in engineering, installation and maintenance and energy services;

The Board of Directors, at its October 21, 2014 meeting, decided to appoint Isabelle Kocher as Director and Deputy CEO. This decision became effective on November 12, 2014. As Deputy CEO and Chief Operating Officer, Isabelle Kocher is in charge of accelerating the transformation of the Group and its development, in a fast changing world, in high-growth regions, as well as in Europe.

The GDF SUEZ Center (based both in Paris and Brussels), is responsible for guidance and control, and also provides expertise and service missions for its internal customers.



(1) In Hungary, Romania and Portugal.

The Company operates its own business; it has the organization of an integrated industrial group. At the end of 2014, the number of the Company's direct or indirect subsidiaries (controlling interest) was approximately 1,600. The Group's main consolidated companies are listed in Section 6.2 "Consolidated financial statements – Note 3 (List of main consolidated companies at December 31, 2014)". For a list of major subsidiaries and affiliates directly owned by the Company, see Section 6.4 "Parent Company financial statements – Note 23 (Subsidiaries and investments)".

The presentation of the Company's activities and the strategic economic assets of its main subsidiaries as well as their geographical location are presented in Section 1.3 "Description of business lines".

1.1.4 Strategic priorities

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

- increase in energy demand is concentrated in the fast growing economies: 93% of the increase in primary energy consumption between 2012 and 2040 will take place outside the OECD countries, according to the International Energy Agency [1] (IEA);
- natural gas is playing a more central role at global level: due to abundant resources as unconventional gas production develops (250 years of probable [1] reserves), strong growth in demand (+1.6% annually between 2012 and 2040 [1]) and an expanding outlook for new uses (retail LNG, etc.);
- in Europe (EU 28) the energy transition has begun in many countries: the contribution of renewable sources of energy (excluding hydropower) to the energy mix will increase from 14% to 35% between 2012 and 2040[1], and energy efficiency issues are developing;
- energy will be increasingly managed at local level, and even individually. "Consumer-players" are taking control of their consumption and sometimes even generating power.

The economic slowdown in Europe and energy efficiency policies have led to a fall in consumption which, in combination with continuing development of renewable energy and plentiful cheap coal, has generated surplus capacity and low electricity prices in the long term. This situation has caused a significant crisis in thermal power generation.

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

1. to be the benchmark energy player in fast growing markets:
   - by leveraging on strong positions in the independent power generation, and in LNG, and by strengthening these positions,
   - by building integrated positions all along the gas value chain, including infrastructures,
   - by developing energy services activities internationally;
2. to be leader in the energy transition in Europe:
   - in renewable energies, thermal and electric, centralized and distributed,
   - by offering energy efficiency services to its clients,
   - by developing new businesses and expanding in digital.

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

The Group's gas supply portfolio is undergoing an in-depth restructuring process that involves optimizing its diversification and renegotiating long-term contracts with its suppliers.

In power generation, the Group continues to optimize its fleet of thermal power plants in response to the crisis in thermal generation, and is campaigning for improvements in European regulations, mainly through the Magritte Group[2], which is calling for measures to preserve the energy future of Europe.

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

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

- by adapting infrastructures to changes in demand and new uses (mobility, smart grids);
- by preparing infrastructure and commercial offerings for gas being a vector for renewable energy (biomethane, power to gas, etc.).

GDF SUEZ aims to strengthen its leadership in energy efficiency, as the benchmark energy partner of its customers, businesses, local authorities and individuals, emphasizing the technological content of its activities to provide the most suitable global energy services offering.

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

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

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

(1) Source: IEA 2014 World Energy Outlook, New Policies scenario.

(2) The Magritte Group, of which GDF SUEZ is a founder member, is an initiative bringing together the CEOs of the 11 biggest energy groups in Europe (CEZ Group, Enel, Eni, E.ON, Fortum, Gas Natural Fenosa, GasTerra, GDF SUEZ, Iberdrola and RWE) to lobby heads of state and government.

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

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

The Group also aims to increase its international presence in energy services.

To implement this strategy, GDF SUEZ adapted its organization in 2014, by:

- creating a dedicated Generation Business Unit (BU) for thermal power generation (gas, biomass, coal) in Europe and a Renewable Energies BU within the Energy Europe business line;
- the project of uniting Cofely Services (Energy Services business line) and BtoB activities of Energy France (Energy Europe business line) in France, to build an integrated B2B energy offering;
- creating a dedicated entity for innovation and new businesses at Group level;
- creating a cross-functional Digital Project to strengthen all of the Group's entities in digital and adapt to new customer requirements;
- creating a China BU to develop a multi-activity offering that is consistent with the country's needs.

To become more agile and adapt to the trends in its environment, the Group has been implementing a far-reaching action plan since 2014 that places human beings at the heart of its transformation in three main areas:

- developing and advancing our employees (training, responsibilities, internal mobility);
- animating the Group and spreading its values;
- enhancing performance to serve our customers (innovation, managing complexity) and rolling out a new code of conduct for managers, the "GDF SUEZ Management Way".

On the financial front, the Group prioritizes maintaining a sound financial structure in the long term (aiming to retain an "A" credit rating), which will mainly be achieved through strict investment criteria. GDF SUEZ's financial objective is to offer its shareholders attractive returns while maintaining a solid financial structure and robust cash flow generation. GDF SUEZ focuses on growth to reinforce value creation, notably through a new dividend policy and a boost in development Capex program (see section 6.1.1.8 "Outlook").

Within GDF SUEZ, environmental and societal responsibility plays an integral part in drawing up business strategy, through the development of:

- sustainable business, which involves identifying environmental and societal issues and transforming them into opportunities for the Group's businesses;
- the management of non-financial risks, which involves managing the risks associated with GDF SUEZ's activities and facilities that relate to the environment, local and international acceptability, health and safety, human resources management, ethics and governance.

GDF SUEZ has formalized its sustainable development commitments, mainly through the publication of its policy in early 2014 and the following non-financial targets in 2011:

- a specific CO_2 reduction target of 10% for its entire global power and related heat generation fleet between 2012 and 2020.
- renewable energy: increasing installed capacity in renewables by 50% between 2009 and 2015;
- biodiversity: implementing a biodiversity action plan at each sensitive site in the European Union by 2015;
- health and safety: achieving an accident frequency rate (FR) of less than 4 in 2015;
- diversity: four targets by 2015:
  - 1 in 3 senior managers appointed will be a woman,
  - 25% of women executives,
  - 30% of women in recruitments,
  - 35% of high-potential women;
- training: maintaining a two-thirds level of employees receiving at least one training per year;
- employee shareholding: achieving and maintaining a level of employee shareholding in the company's share capital of 3% by 2015.

In May 2014, GDF SUEZ issued a green bond for a total amount of €2.5 billion. This bond loan will help to finance the Group's development in renewable energy and energy efficiency projects (see Section 5.1.6.5 "Green bond").

1.1.5 Improving performance

Perform 2015 was launched in 2012 to support the deployment of the Group's strategy and to improve its performance in a sustainable manner. At the end of 2013, the overall gross target of the program [(1)] was increased to €4.5 billion cumulatively over the 2012-2015 period. This was motivated by the acceleration in the Group's transformation and to deal with an on-going difficult economic environment in Europe.

The results of the Perform 2015 program in the 2014 financial statements reflect the intended acceleration of the program as announced in 2013.

In 2014, the Perform 2015 program had a gross positive impact of €0.9 billion on income essentially associated with defined actions in terms of operational efficiency and in particular, on the improvement of margins and OPEX optimization. The portion affecting recurring net income, Group share stood at €400 million. Furthermore, in 2014 the program enabled the generation of €400 million of additional cash especially through the use of lean management principles on maintenance CAPEX.

The year was marked by the widening of operational review methods, including Purchasing, to all the Group's conventional gas-turbine power plants in Europe, and the start of deployment of this methodology to plants outside Europe.

The Purchasing initiative was reinforced Group-wide by new governance and by the implementation of Category Management across all Business Lines.

The Shared Services project launched in 2013 covering France and Belgium has become a division in its own right. The objective of this new entity is to provide the Group with a solid, integrated base for support services thanks to the harmonization of organizations, processes and practices of transactional activities.

The optimization and simplification of working methods is being pursued as for example through a project dedicated to the optimization of demand in IT services, including the streamlining and standardization of IT infrastructure within the Group's operations in Europe.

1.1.6 Competitive positioning

Electricity generation and marketing, as well as gas marketing are business sectors that are broadly open to competition in Europe, while their regulation continues to vary by country, especially when it comes to prices for residential customers. Activities that constitute natural monopolies – such as the transmission and distribution of electricity and, to a large extent, of gas – are more tightly controlled by domestic regulators and European rules.

Elsewhere in the world, with few exceptions, private players often operate under long-term contracts issued on a tender basis.

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

- in Europe, GDF SUEZ is the No. 3 seller[(2)] of natural gas. In LNG, GDF SUEZ is a global player. It is the No. 1 importer in Europe and the No. 4 importer [(2)] in the world. It is also a major player in exploration-production (the only European energy company positioned in every upstream activity);
- the Group is the leading gas infrastructure operator in Europe. It has the No. 2 transmission network, is No. 1 in distribution, European No. 1 in storage capacity (in terms of useful storage) and the No. 2 operator/owner of LNG terminals. It also owns Turkey's No. 3 gas distributor;
- in electricity, the merger of GDF SUEZ and International Power created the world's leading independent power producer (IPP). The transaction also reinforces the Group's international standing as the No. 1 producer-developer in the Gulf States, the No. 1 IPP in Brazil and Thailand, No. 2 in Peru and No. 3 in Chile. The Group is the No. 6 producer[(2)] and the No. 6 supplier[(2)] in Europe.

This global and European leadership is fortified by the Group's deep Franco-Belgian roots:

- in France, GDF SUEZ is the historic leader of gas marketing and the No. 2 producer and supplier[(2)] of electricity. In renewable energy, GDF SUEZ is the No. 2 hydropower operator in France[(3)] and the leader in wind power;
- in Belgium, GDF SUEZ, through its subsidiary Electrabel, is the No. 1 producer and supplier of electricity[(4)] and the No. 1 supplier of natural gas[(4)].

The Group is also the European leader in B2B energy services: the Energy Services business line is ranked joint No. 1[(2)] in France, Belgium, the Netherlands and Italy, according to its various activities. GDF SUEZ also has strong positions in Germany, Switzerland, Austria, Spain and the UK in heating networks (where it is No. 1), as well as facility management since the acquisition of Balfour Beatty WorkPlace. Lastly, it has set up the initial bases for development in Central Europe, Asia, North America and Latin America.

(1) The term "gross" applies specifically to the component of the objective relating to operating costs, thus €2.6 billion for the program. A gross gain is by nature recurring, from which implementation costs are deducted but prior to inflation, other costs and taxes.

(2) Source: GDF SUEZ internal analyses of 2013 data.

(3) Source: RTE, 2013.

(4) Source: CREG, 2013 data.

1.2 KEY FIGURES

1.2.1 Group Financial Data

In millions of euros	2010	2011	2012	2013 reported	2013 restated[a]	2013 restated[a] pro forma[b]	2014
1. Revenues	**84,478**	**90,673**	**97,038**	**89,300**	**87,898**	**79,985**	**74,686**
of which generated outside France	52,976	59,517	61,124	54,331	52,944	47,947	46,852
2. Income							
• EBITDA [a]	15,086	16,525	17,026	14,775	14,223	13,017	12,138
• Current operating income	8,795	8,978	9,520	7,828	N/A	N/A	N/A
• Current operating income after share in net income of entites accounted for using the equity method	N/A	N/A	N/A	N/A	8,254	7,665	7,161
• Net income, Group share[c]	4,616	4,003	1,544	(9,289)	(9,198)	(9,646)	2,440
• Net recurring income, Group share[c][d]	N/A	3,455	3,825	3,440	3,449	3,449	3,125
3. Cash flows							
Cash flow from operating activities	12,332	13,838	13,607	12,024	11,980	11,333	8,751
of which cash generated from operations before financial income and income tax	14,736	16,117	16,612	14,313	14,129	13,125	11,776
Cash flow from investment	(7,783)	(7,905)	(8,451)	(5,611)	(5,103)	(4,368)	(3,939)
Cash flow from (used in) activities financing	(3,683)	(2,496)	(8,322)	(6,982)	(7,027)	(7,041)	(4,973)
4. Balance sheet							
Shareholders' equity[c][e]	**62,114**	**62,930**	**59,834**	**47,955**	**47,971**	**47,971**	**49,257**
Total equity[c][e]	70,627	80,270	71,303	53,490	53,659	53,659	55,959
Net debt	33,039	37,601	43,914	29,840	28,800	28,800	27,511
Net debt / EBITDA	2.19	2.28	2.58	2.02	2.02	2.21	2.27
Total assets[c][e]	184,430	213,410	205,448	159,611	155,932	155,932	165,305
5. Per-share data (in euros)							
• Average outstanding shares[f]	2,187,521,489	2,221,040,910	2,271,233,422	2,359,111,490	2,359,111,490	2,359,111,490	2,366,768,979
• Number of shares period-end	2,250,295,757	2,252,636,208	2,412,824,089	2,412,824,089	2,412,824,089	2,412,824,089	2,435,285,011
• Earnings per share[c][f]	2.11	1.80	0.68	(3.94)	(3,90)	(4.09)	1.00
• Net recurring income Group share, per share [c][f]	N/A	1.56	1.68	1.46	1.46	1.46	1.32
• Dividend paid[g]	1.50	1.50	1.50	1.50	1.50	1.50	1.00
6. Total average workforce	**236,116**	**240,303**	**236,156**	**223,012**	**223,012**	**223,012**	**236,185**
• Fully consolidated entities	213,987	218,905	219,253	178,577	178,870	139,134	150,589
• Proportionately consolidated entities	16,943	17,610	12,477	3,431	3,138	3,138	769
• Entities consolidated by the equity method	5,186	3,788	4,426	41,004	41,004	80,740	84,827

(a) December 31, 2013 data restated to reflect the retrospective application of consolidation standards. The calculation method for the EBITDA has been changed since December 31, 2014. 2013 EBITDA was calculated for comparison (see Note 2 of Section 6.2 "Consolidated financial statements").

(b) Restated to present SUEZ Environnement as if it were consolidated by the equity method as of January 1, 2013 (see Section 6.1.1.6 "Pro forma financial information").

(c) December 31, 2012 data restated to reflect the retrospective application of IAS 19R (see Note 1.1 of Section 6.2 "Consolidated financial statements" of the 2013 Registration Document).

(d) Financial indicator used by the Group in its consolidated financial statements since December 31, 2012 (see Note 8 of Section 6.2 "Consolidated financial statements" of the 2013 Registration Document). 2011 data were calculated for comparison.

(e) December 31, 2010 data restated (see Note 1.2 in Section 6.2 "Consolidated financial statements" of the 2011 Registration Document).

(f) Earnings per share are calculated based on the average number of shares outstanding, net of treasury shares. Previous years' figures are not restated in case of payment of dividend in shares.

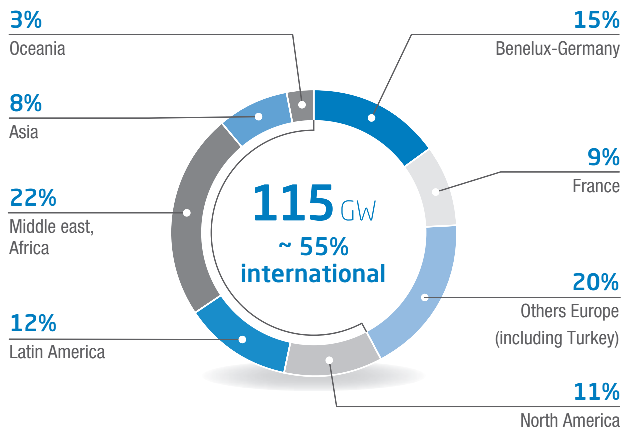
(g) 2014 Dividend: proposed dividend, including an interim dividend of €0.50 paid in October 2014.

1.2.2 Operational Indicators

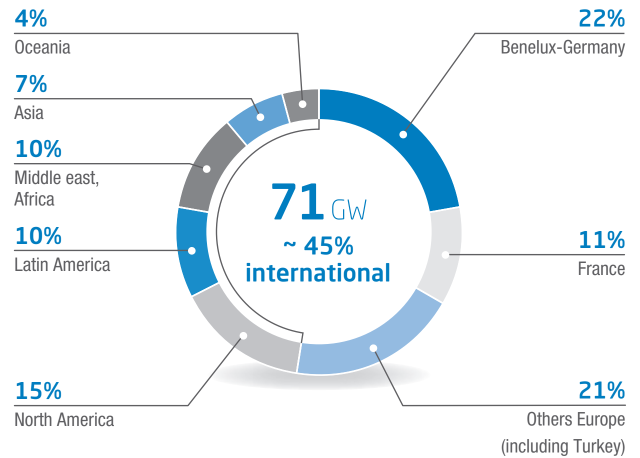
1.2.2.1 Electricity production

GDF SUEZ owns and develops a flexible and efficient generation fleet in its key markets: Europe, Latin America, the Middle East, Asia-Pacific and North America. The Group's installed capacity as of December 31, 2014 on a 100% basis was 115 GW(1) or 71 GW on a net ownership basis(2).

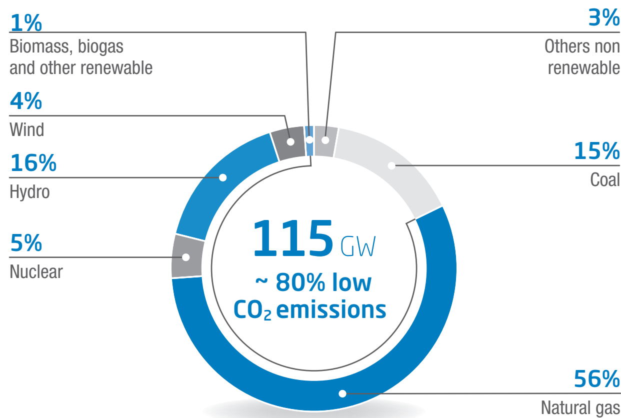
BREAKDOWN OF GENERATION CAPACITY BY REGION (AT 100%)



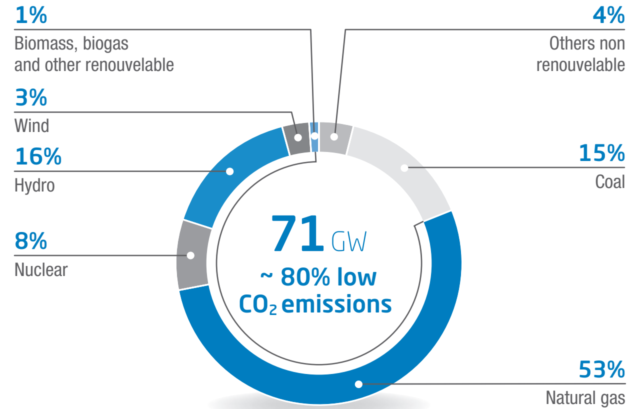
BREAKDOWN OF GENERATION CAPACITY BY REGION (NET OWNERSHIP)



BREAKDOWN OF GENERATION CAPACITY BY FUEL (AT 100%)



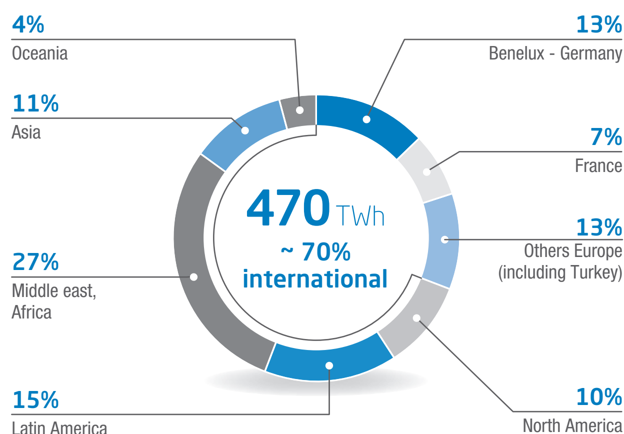
BREAKDOWN OF GENERATION CAPACITY BY FUEL (NET OWNERSHIP)



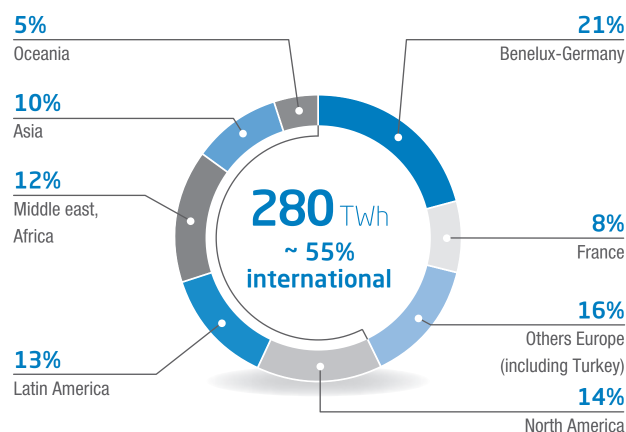
(1) *The 100% calculation includes the total capacity of all facilities of GDF SUEZ irrespective of the actual percentage stake of the ownership and the method of consolidation, except for drawing rights which are included in the total if the Group owns them and deducted if they are granted to third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

(2) *The net ownership basis calculation uses figures for capacities at their net percentage of the ownership of GDF SUEZ in all companies.*

POWER GENERATION BY REGION (AT 100%)

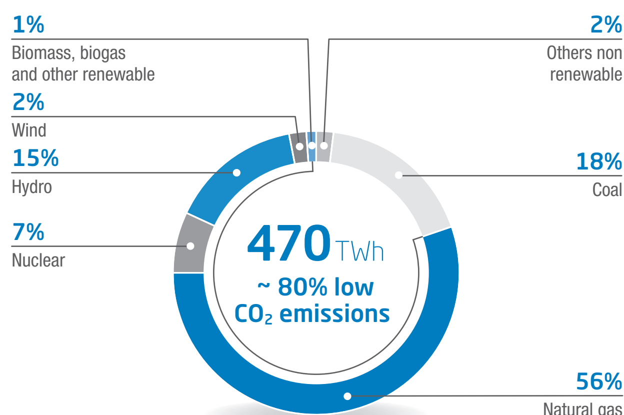


POWER GENERATION BY REGION (NET OWNERSHIP)

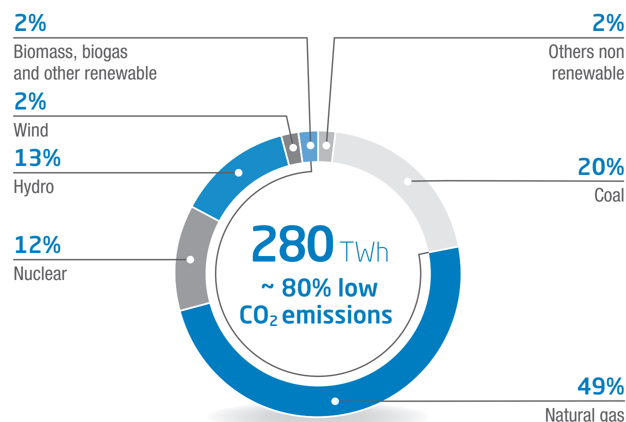


In 2014, the Group produced 470 TWh on a 100% basis, 280 TWh on a net ownership basis.

POWER GENERATION BY FUEL (AT 100%)



POWER GENERATION BY FUEL (NET OWNERSHIP)



The combined power of Group projects under construction at December 31, 2014 was 10.5 GW on a 100% basis, with 36% of this from natural gas, and 30% from renewable energy sources.

In an adverse market environment in Europe, the Group continues to rationalize its asset portfolio. With a significant share of its electrical capacity issued from renewable sources, the Group's power generation fleet has a low carbon footprint, with an average 331 kg of CO_2-eq./MWh recorded for Europe in 2013, within the 328 kg of CO_2-eq/MWh European average estimated by PricewaterhouseCoopers (PwC) over 2013.

Worldwide, emissions from the Group's generation fleet evaluated in 2013 were 425 kg of CO_2-eq/MWh.

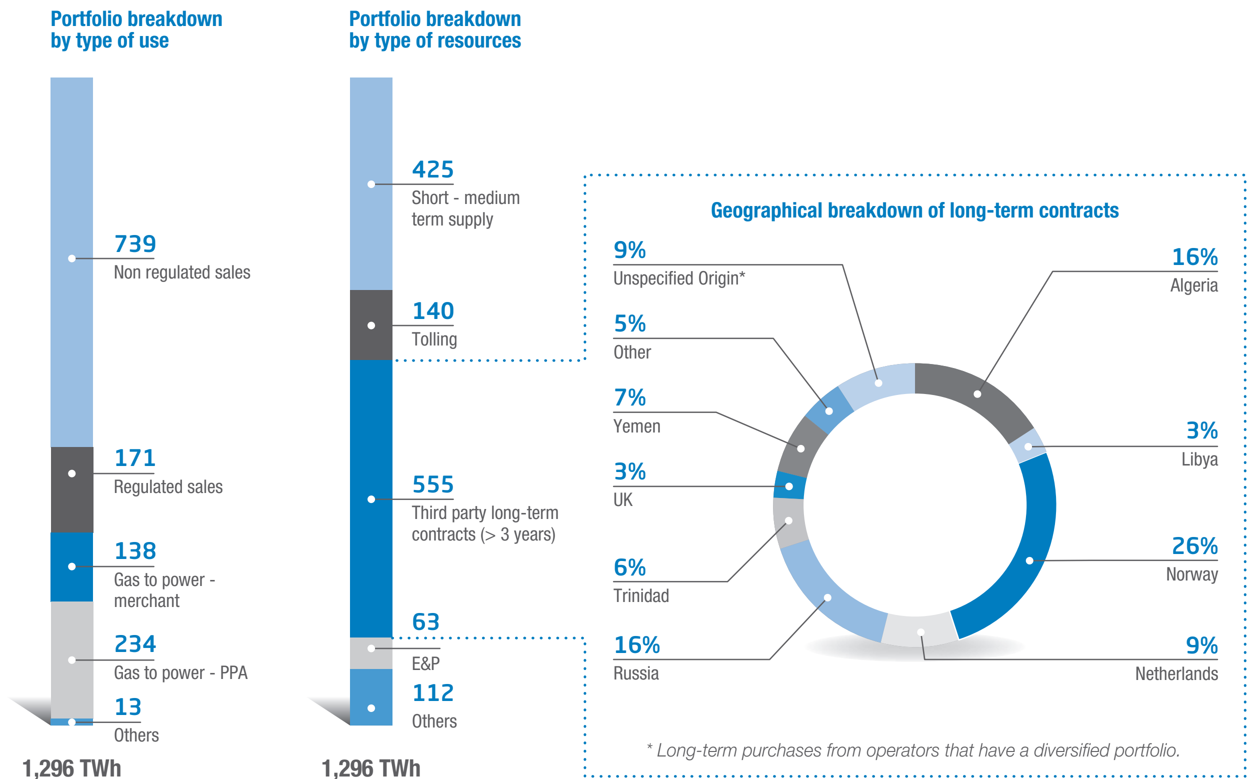
1.2.2.2 Natural gas portfolio

Most of the Group's natural gas is supplied via one of the most diversified portfolios of long-term contracts in Europe, sourced from more than 10 countries. These contracts give GDF SUEZ the necessary visibility to ensure its development and secure its supplies. GDF SUEZ is also one of the biggest spot market players in Europe. It can therefore rationalize its supply costs by adjusting its purchasing to match its needs.

The GDF SUEZ portfolio, which represents approximately 1,296 TWh (calculated at group share[1], or about 120 billion m^3, is among the most diversified in the world. LNG represents about 15% of the portfolio, increased to a 30% share on the long-term contracts portfolio.

(1) The group share calculation includes the capacities at their percentage of consolidation for full and proportionally consolidated affiliates and at their percentage of holding for companies accounted for using the equity method.

BREAKDOWN OF PORTFOLIO (GROUP SHARE)



1.2.3 Extra-financial indicators

The Group's non-financial performance is based on dated and quantified targets (see Section 1.1.4. "Strategic priorities") and an overall assessment organized around different resources (high level of governance, reporting, scorecard, performance reviews and non-financial indicators).

That monitoring is done at several levels of the Group. The Board of Directors' Ethics, Environment and Sustainable Development Committee (see Section 4. Corporate governance) defines the scope of the policies undertaken, outlooks and action plans in the area of corporate societal responsibility. The Group's Management Committee (see Section 4. Corporate governance) makes key decisions in this area. The role of the Group's Environmental and Societal Responsibility Executive Committee [1] is to prepare annual action plans, monitor their implementation, gather experiences across the various entities and encourage exchange on major strategies (including the fight against climate change and corporate social responsibility).

An extra-financial scorecard made up of key indicators covering the three bases of Societal and Environmental Responsibility is presented to the Group's Management Committee for approval and future direction, then to the Ethics, Environment and Sustainable Development Committee to provide a progress report on implementation of the policy and achievement of the Group's extra-financial objectives.

In 2014, GDF SUEZ shows results perfectly consistent with the objectives and their schedule, in particular for the reduction in specific CO_2 emissions (see Section 3.3.4.1. "Climate change"), the doubling of installed capacity in renewable energy (vs. 2009) and the frequency rate (see Section 3.2.6 "Health and Safety Policy"). Some targets are already reached, like the Employee Training level and the goal regarding employee shareholders *(see Section 3.2.5."Employee shareholding").*

In its investment projects, the Group incorporates ten extra-financial criteria relating to ethics, CO_2 emissions, social impact, human resources, environmental management of ecosystems, cooperation with stakeholders, local purchasing, and health and safety. Furthermore, the Group takes a CO_2 cost into account for its investments.

The Group's social reporting *(see Section 3.2 "Social information")*, environmental reporting *(see Section 3.3 "Environmental information")* and societal reporting *(see Section 3.4 "Corporate societal commitments")*, form the basis of a published Group of indicators that are verified by an independent third party.

(1) *Made up of the business lines' Environmental and Societal Responsibility managers, representatives of the Environmental and Societal Responsibility Division and representatives from the functional departments (Human Resources, Health and Safety and Management Systems, Ethics and Compliance, Research and Innovation, Purchasing and Group Sales & Marketing).*

In 2014, GDF SUEZ was given a C+ rating by Oekom and is listed in the ranking of the Vigeo rating agency. The Group remains stable in these ratings in comparison with previous evaluations in 2012. In addition, GDF SUEZ is listed on the four indices: Euronext Vigeo World 120, Euronext Vigeo Eurozone 120, Euronext Vigeo Europe 120, Euronext Vigeo France 20.

GDF SUEZ completes a Carbon Disclosure Project (CDP) questionnaire every year. In 2014, GDF SUEZ achieved a score of 95 out of 100 for the quality and transparency component of its reporting and an A- score for the performance component (an improvement on 2013). The Group remains in the CDP France Climate Disclosure Leadership Index.

1.3 DESCRIPTION OF BUSINESS LINES

1.3.1 Energy Europe business line

1.3.1.1 Role

The Energy Europe business line is responsible for the Group's energy activities in continental Europe[1]. Electricity and natural gas are its core business with activities in generation, energy management, trading, and marketing and sales. GDF SUEZ Energy Europe's generation portfolio is made up of 39.7 GW of capacity in operation with a further 0.36 GW under construction. With an industrial presence in 12 countries[2] and a commercial presence in 14 countries[3] GDF SUEZ Energy Europe has 21.6 million contracts with customers, including industry, the tertiary sector (commercial & public undertakings) and residential energy users.

1.3.1.2 Strategy

The Energy Europe business line is active in an environment of structural market evolution and a deteriorated economic and regulatory situation in most countries. The main strategic priorities of Energy Europe business line can be summarized as follows:

- maximize the value of existing activities by improving performance in all *Métiers* and actively managing the portfolio, by accelerating the restructuring of the thermal power fleet, renegotiating gas procurement contracts, repositioning commercial offerings, and improving operating and maintenance costs of renewable assets;
- develop new activities, particularly in the context of the energy transition, pursuing growth in renewable energy and services, and developing new opportunities through innovation;
- participate in establishing a new market design for energy in Europe, especially in the context of the *Magritte* initiative.

1.3.1.3 Organization

The Energy Europe business line has industrial operations in the following countries: France, Belgium, Luxembourg, Germany, Netherlands, Poland, Hungary, Romania, Italy, Greece, Spain and Portugal. It also has commercial activities without an industrial presence in Austria and Czech Republic.

To accelerate the Group's transformation, several projects were launched on January 1, 2014, leading to the establishment of four Business Units (BUs), each corresponding to a *Métier*.

Role of the Métiers

The Energy Management Trading (EMT) *Métier* is primarily responsible for the optimization of the GDF SUEZ Group's assets in continental Europe. The role of EMT is to ensure competitive sourcing while optimizing value creation within a consistent risk framework. EMT's teams negotiate natural gas procurement contracts, optimize assets, and provide sales entities with natural gas and electricity as well as energy price risk management services. The teams manage one of the largest and most diversified energy portfolios in Europe, including electricity, natural gas, coal, oil products, biomass, CO_2, and environmental products. EMT manages the business line's portfolio on a day-to-day basis, serving all GDF SUEZ activities, customers, and external counterparties, particularly through its trading activities and presence in Europe's key energy marketplaces, as well as in Singapore. The *Métier* also covers gas and power supply and associated services for national and pan-European large industrial customers through the GDF SUEZ Global Energy brand (*Giant accounts*).

(1) Commercial activities without industrial presence in Austria and Czech Republic.

(2) Excluding infrastructures part of the Infrastructure business line.

(3) Excluding Slovakia (minority stake in Pozagas) and Sweden (Gothia Vind 11 AB and Gothia Vind 14 AB project companies, acquired in 2014, owning rights in onshore wind projects for 30 MW and 24 MW respectively).

- The Generation *Métier* directs all the business line's nuclear and thermal power assets (including biomass), developing and maintaining power plants and coordinating the local generation teams. Among its priorities, Generation continuously reviews the asset portfolio in conjunction with Energy Management Trading, to tailor it to market conditions (optimization, closures, mothballing etc.). The *Métier* is also responsible for improving the performance of power plants, particularly by optimizing their efficiency, flexibility and availability, as well as reducing operating costs. In addition, the *Métier* is required to monitor projects under construction and provide support for business development. Thanks to its structure by technological stream (coal, gas, nuclear), the *Métier* contributes to maximizing synergies between countries, pooling processes and sharing know-how and expertise.
- Renewable Energies (RES) *Métier* directs all the business line's renewable energy[1] assets and projects (principally hydroelectricity, onshore and offshore wind, solar, and new onshore and offshore energies). As such it is responsible for their development, construction, operation and maintenance. Among its priorities, the Renewable Energies *Métier* seeks to increase the profitability of its installed capacity in accordance with the Group's ambitions in energy transition. The European coverage of RES helps it control costs for development and acquisition, procurement, and operation and maintenance, by combining shared expertise and local integration in the countries in which it operates.
- The Marketing & Sales (M&S) *Métier* principally covers the supply of gas and electricity and associated services to residential, business, corporate, and local authority customers[2]. M&S is also responsible for gas storage and distribution infrastructure activities, primarily in Hungary and Romania. In conjunction with the operating entities in individual countries, the M&S *Métier* is responsible for commercial and customer activities, commercial strategy and the associated marketing activities. It prepares new European offers and their deployment, and drives forward innovative projects. The *Métier* also seeks to optimize the value of the customer portfolio.

1.3.1.4 Key figures

In millions of euros	**2014**	**2013**[1]	**Total change** *(in %)*
Revenues	35,158	42,713	-17.7%
EBITDA [2]	2,020	2,877	-29.8%

(1) Comparative data at December 31, 2013 restated for the first-time application of accounting consolidation standards (see Note 2 in Section 6.2) and to present SUEZ Environnement as if it were consolidated by the equity method as of January 1, 2013 (see Section 6.1.1.6).
(2) The calculation method for the EBITDA has been changed (see Note 2 in Section 6.2)

Electricity capacity by fuel *(in MW)* **– data at 100%**	**CWE***	**Rest of Europe**
Coal	2,964	2,528
Natural gas	7,989	9,609
Hydroelectric power plants	5,131	173
Wind	1,771	1,248
Other renewable energy sources	443	364
Other non-renewable energy sources	1,520	-
Nuclear (including drawing rights)	5,946	-
TOTAL	**25,763**	**13,922**

Electricity capacity by country *(in MW)* **– data at 100%**	**Installed capacity**	**Capacity under construction**
Central Western Europe[1]	25,763	330
Rest of Europe	13,922	34
TOTAL	**39,684**	**364**

(1) Central Western Europe (CWE) : Germany, Belgium, France, Luxembourg, The Netherlands.

(1) Excluding biomass, operated by the Generation Métier.

(2) Excluding large industrial customers, transferred to the EMT Métier on July 1, 2014, and the B2B France activities, transferred to the Energy Services business line on January 1, 2015.

Electricity generation *(in TWh)* **– data at 100%**	**CWE[1]**	**Rest of Europe**
Coal	10.8	9.6
Natural gas	21.1	17.0
Hydroelectric power plants	18.2	0.7
Wind	3.1	2.8
Other renewable energy sources	1.2	2.2
Other non-renewable energy sources	4.3	1.8
Nuclear (including drawing rights)	32.2	-
TOTAL	**91.1**	**34.1**

Sales to end customers *(in TWh)* **– accounting consolidation method**	**Electricity**	**Gas**
France[2]	17.9	162.2
Belgium[2][3]	25.5	32.3
Rest of Europe[2]	21.9	67.7
Global Energy	32.2	95.0
TOTAL	**97.5**	**357.2**

Number of contracts *(in thousands)* **– data at 100%**	**Electricity**	**Gas**	**Services**
France	2,360	8,990	1,441
Belgium[3]	2,755	1,403	80
Rest of Europe	581	3,373	645
TOTAL	**5,696**	**13,766**	**2,166**

Breakdown of gas supply portfolio for the Business Line[4] *(in TWh)*	
Long-term contracts with third parties	363
Purchases from the LNG BU	50
Purchases from the Exploration-Production BU	3
Short term purchases	240
TOTAL	**657**

Figures at December 31, 2014.
(1) Central Western Europe (CWE): Germany, Belgium, France, Luxembourg, Netherlands.
(2) Excluding Key Account industrial companies (Global Energy)
(3) Including Luxembourg
(4) Excluding GDF SUEZ Trading.

1.3.1.5 2014 highlights

- In Energy Management Trading and Generation
  - In 2014, GDF SUEZ mothballed the following power plants for the summer or for the whole year: Awirs 4 (95 MW, Belgium), Combigolfe and Montoir-de-Bretagne (435 MW and 435 MW, France) and Twinerg (376 MW, Luxembourg). It also sold its stake in the Dunamenti plant (1,041 MW, Hungary).
- In Generation:
  - March: signing of the agreement governing the extended lifetime of the Tihange 1 nuclear power plant to 2025.
  - March: as a precautionary measure, temporary stoppages of the Doel 3 and Tihange 2 nuclear power plants, pending additional tests. The Belgian Federal Agency for Nuclear Control will decide on authorization for the plants to restart after Electrabel submits the requisite file. Outage period has been extended until July 1, 2015.
  - June: Toshiba acquires a 60% stake and GDF SUEZ keeps a 40% stake in NuGeneration Ltd (NuGen), company set up to develop a new nuclear power plant using three Westinghouse AP1000 reactors on the West Cumbria coast of North West England.
  - August: the steam turbine of the Doel 4 plant was significantly damaged and automatically stopped in response to an oil leak in the non-nuclear part of the plant following a deliberate act. The plant was restarted in December 2014, two weeks ahead of schedule.
  - December: decision taken by Belgian federal government to extend the lifetime of Doel 1 and Doel 2 by ten years. Discussions between Electrabel and the government are ongoing in order to reach an overall agreement on the economic rationale of the necessary investments, notably taking into account the nuclear contribution with regard to the tax burden on all operational activities in Belgium. Until an agreement is reached, the Doel 1 nuclear power plant was disconnected from the grid on February 15, 2015, after 40 years of operation, in accordance with the law of 2013.
  - The coal-fired power plant in Rotterdam (731 MW) has taken up commercial operation at the end of January 2015. The

coal-fired plant in Wilhelmshaven (731 MW) was connected to the grid and commissioning tests are finalized.

- In Renewable Energies:
  - April: GDF SUEZ wins 10 photovoltaic projects in France
  - May: GDF SUEZ and its partners EDP Renewables, Neoen Marine and AREVA are awarded the areas of Tréport and the islands of Yeu and Noirmoutier in the second offshore wind tender in France.
  - In 2014, GDF SUEZ increased its renewable capacity by 396 MW.
- In Marketing & Sales:
  - May: GDF SUEZ DolceVita crosses the threshold of 2 million B2C electricity customers
  - July: GDF SUEZ becomes the main shareholder in CONGAZ, a gas procurement and distribution company in Romania serving 63,000 customers.
  - October: launch of a new brand dedicated to small businesses in France, GDF SUEZ PRO.

1.3.1.6 Description of activities

1.3.1.6.1 Central Western Europe

Central Energy Management Trading (Central EMT)

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

The EMT *Métier* is structured around four activities: Portfolio & Risk Management (PRM), Optimization & Prompt (O&P), Origination & Sales Support (OSS), and Trading. Some of these activities are carried out by GDF SUEZ Trading (GST) and GDF SUEZ Energy Management Trading (GSEMT).

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

Portfolio and Risk Management (PRM)

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

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

Optimization and Prompt (O&P)

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

GDF Suez has the legal obligation, as with all natural gas suppliers, to supply all its French customers without a contingency clause: to be able to provide physical delivery in the event of severe weather conditions that statistically occur no more than twice a century – known as "2% risk".

O&P identifies flexibility in the portfolio in order to structure it as options and market products to be transferred to Trading.

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

Origination and Sales Support (OSS)

OSS is responsible for the energy supply to the commercial entities of Marketing & Sales, commercial relations with counterparties (excluding market counterparties), mainly gas suppliers, and the sale of electricity and gas to large industrial customers (Giant account).

Long-term gas contracts

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

In line with market practice, long-term procurement contracts contain volume clauses: minimum volumes to be taken in a period (take-or-pay), transfer of withdrawals to a later period (make-up), or deduction of volumes withdrawn against a prior period (carry forward).

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

In 2014, EMT continued to renegotiate contracts with its main suppliers to adapt these contracts to new market conditions. As of December 31, 2014, over 50% of the long-term contract portfolio volumes in Europe were indexed based on references to the price of gas sold on marketplaces.

Global Energy

Global Energy is the Energy Europe's entity in charge of sales of gas, electricity and associated services to national and pan-European large industrial customers. Global Energy develops full supply offers (commodity, flexibility, balancing and delivery), market products (blocks delivered to the hub or financial products), price consultancy and risk management solutions, under the GDF SUEZ Global Energy brand. This entity, created on July 1, 2014 from the merger of teams from Energy Management Trading and Marketing & Sales, established a new commercial strategy and has since launched a transformation and performance plan.

Own commercial activity with market counterparties

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

Trading

Trading provides the business line with access to all energy markets: electricity and gas, oil and petroleum products, coal, biomass, CO_2 emissions, and foreign currency markets.

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

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

GDF SUEZ Trading (GST) and GDF SUEZ Energy Management Trading (GSEMT)

The market activities of O&P, OSS and Trading are carried out by GDF SUEZ Trading, a subsidiary with "investment services provider" status, in which capacity it is supervised by the banking and financial authorities and by GDF SUEZ Energy Management Trading.

These two structures are wholly owned by the Group. EMT's activities have a dedicated and specialized risk control system, with teams responsible for defining risk assessment procedures, proposing credit and market limits, monitoring risk assessment tools, and monitoring market risks on a daily basis.

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

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

Regarding credit risks, lines of credit are allocated counterparty by counterparty. These risks are reduced through the use of various tools: netting agreements and margin calls, obtaining on-demand guarantees, parent company guarantees, and transaction clearing.

Operational risks are managed by a specialized team that ensures systematic improvement in internal procedures.

Liquidity risk is assessed by stress tests.

General Management and EMTRC are automatically notified if a limit is overrun.

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

The risk control framework for market activities is part of this system and meets all the regulatory requirements.

France

The Energy Europe business line has a firm base in France where it operates a large portfolio of activities: power generation from thermal plants and renewables, sales of natural gas and electricity, as well as household energy services.

The Generation *Métier* operates four combined-cycle gas plants in France. Three units (Montoir-de-Bretagne, Combigolfe and Cycofos) have been under summer or annual mothballing since April 2013.

The Renewable Energies *Métier* is responsible for the Group's development in this domain. In 2014, GDF SUEZ increased its capacity in France by 154 MW, comprising 89 MW from onshore wind farms, 7 MW from hydroelectricity, and 58 MW from photovoltaic solar. In December 2013, GDF SUEZ signed a strategic partnership agreement with Crédit Agricole Assurances, which acquired a 50% stake in Futures Energies Investissement Holding (FEIH) through its subsidiary, Predica. The transaction will combine FEIH's wind asset development goals and optimization of its financial structure. Following an invitation to tender for photovoltaic solar issued in 2013, GDF SUEZ was awarded a contract for 10 new projects in April 2014. In marine renewable energy, the Group filed plans for the two zones included in the second offshore wind power tender (Dieppe – Le Tréport and Noirmoutier – Ile d'Yeu), with EDPR, Neoen Marine and AREVA as turbine provider, and won the contract in May 2014. GDF SUEZ is also positioned in tidal energy and its Raz Blanchard project won in December 2014 the call for expressions of interest in "Pilot Tidal Energy Farms" from the ADEME (*Agence de l'Environnement et de la Maîtrise de l'Energie* – French agency for the environment and the control of energy), with its partner Alstom.

The Marketing & Sales Métier ensures that GDF SUEZ remains the leading seller of natural gas in France (162.2 TWh[1] sold in 2014), despite intense competition, particularly on the B2B segment. On the French electricity market, the Group maintained its advantage over other alternative suppliers (17.9 TWh[1] sold in 2014) and expanded even faster in 2014, particularly among B2C customers (2.2 million customers at the end of 2014). GDF SUEZ also holds positions across the home energy efficiency value chain: energy audits, advice, financing of works, design, and installation and maintenance of equipment (leader in maintenance, with 1.4 million contracts). The Group is meeting the needs of residential customers and consolidating its leading position in energy efficiency, especially through its GDF SUEZ Dolce Vita range of offers and the development of solutions driven by the B2C services division (primarily through Savelys). GDF SUEZ is also meeting the emerging requirements of its B2B customers with new offers (biomethane and LNG delivered by tank truck).

Regulatory framework

Regulation of administrative tariffs

Fifty-six percent of GDF SUEZ's total gas sales are priced on the basis of tariffs established by the government through various laws, decrees and regulatory decisions.

Sale price of natural gas

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

Administrative tariffs

There are two types of administrative tariffs:

- public distribution tariffs for customers who consume less than 5 GWh per year and are connected to the distribution network (7.6 million customers[2]; 112.3 TWh sold in 2014);
- subscription rates for customers who consume more than 5 GWh per year and are connected either to the distribution network or directly to the transmission network (227 customers[3]; 2.2 TWh sold in 2014).

Elimination of administrative tariffs for business customers

Article 11a of the Consumer Rights bill provides for the gradual extinction of administrative tariffs for natural gas sales to non-residential customers, according to a staggered schedule running from December 31, 2013 to December 31, 2015. By this deadline, apart from individuals, only small co-owned properties (using less than 150 MWh per year) and small businesses (using less than 30 MWh per year) can continue to benefit from administrative tariffs. In mid-December, this extinction measure involved approximately 119,000 customers (30 TWh).

Rate-setting procedure

Rates are set in France under the Energy Act and the decree of December 18, 2009, as amended on May 16, 2013, related to administrative tariffs for natural gas sales. These provisions state that prices must cover corresponding costs. The regulator (*Commission de Régulation de l'Energie* – CRE) audits supply and non-supply costs for GDF SUEZ every year, and makes recommendations for rate changes accordingly. On July 1 each year, the government publishes an order setting out the formula representing the changes in supply costs and the rate levels. Since July 1, 2014, the pricing formula includes a market indexation of 60%, the remainder being pegged to oil product indices and to the euro-dollar exchange rate.

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

Following the French Council of State cancellation in 2012 and 2013 of the price freezes decided by the government in 2011 and 2012, GDF SUEZ is currently issuing retroactive invoices. These have been staggered to limit their impact on customers. The partial freeze in the 2011 administrative tariffs led to a price gap between consumers (residential use and non-residential use). The gap was denounced in several appeals by the French association of retail energy operators (Association Nationale des Opérateurs Détaillants en Énergie – ANODE) which the Council of State upheld in 2013. The government is now implementing the Council of State's ruling, which will have a limited effect on GDF SUEZ, as the repayments of overcharged amounts will be balanced out by GDF SUEZ's invoicing of undercharged amounts.

Since the start of 2014 (12 monthly changes), administrative tariffs and public distribution rates have decreased by 1.8%. Administrative tariff subscription rates (four quarterly changes) fell by 1.5%.

Belgium-Luxembourg

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

At year-end 2014, the Generation *Métier* operated a capacity exceeding 9,462 MW, including 4,134 MW in nuclear power units (including drawing rights), and 3,231 MW in natural gas-fired thermal power plants.

(1) Excluding large industrial customers.

(2) Average on a yearly basis.

On March 25, 2014, GDF SUEZ decided, as a precautionary measure and in accordance with its culture of high nuclear safety, to temporary outage the Doel 3 and Tihange 2 nuclear plants. This decision was made in the wake of tests carried out under the action plan linked to the restart of the two reactors in June 2013. Electrabel submitted the initial results of the analyses of the tests conducted over several months to the Belgian Federal Agency for Nuclear Control, which has asked Electrabel to supplement its file with additional information, and introduced a number of suggestions. Once the entire file has been submitted and analyzed, the Agency will decide on authorization for the restart. Outage period has been extended until July 1, 2015.

On August 5, 2014, the Doel 4 nuclear power plant went into automatic shutdown, in a completely safe manner and in line with planned procedures, in response to an oil leak in the steam turbine in the non-nuclear part of the plant, resulting from a deliberate act. The Doel 4 plant was safely restarted on December 19, 2014, two weeks ahead of schedule.

The 95 MW Awirs 4 plant was mothballed for the summer between April and September 2014. In Luxembourg, the Group operates the Twinerg 376 MW gas power plant at Esch-sur-Alzette, which had been mothballed between April and September 2014.

The Renewable Energies *Métier* is now directing an onshore wind capacity of 175 MW. In addition, six new projects in Flanders, representing a total installed capacity of 40 MW, were initiated in the fourth quarter of 2014. These projects are due to be commissioned by the end of 2015. The Mermaid consortium, in which Electrabel has a 35% stake, completed the transfer to Northwester 2 of just under half the concession granted to build an offshore farm of 450-490 MW off the Belgian coast. The transaction reduces both the operational and financial risks associated with the project. The project's development is underway and applications are in-process for various permits.

The Marketing & Sales *Métier* has a large portfolio of business customers (industrial and tertiary sectors), mainly for the supply of electricity and natural gas, with volumes sold in 2014 of 13.5 TWh and 12.1 TWh[(1)] respectively, as well as energy services. The market share in B2B has stabilized since 2013 thanks to price repositioning and a new sales and marketing approach, although competition remained very aggressive. Marketing & Sales is also active in the retail market, with approximately 2.7 million electricity contracts and 1.4 million natural gas contracts. Customer loss decreased substantially in this market from 2013 onwards, thanks to a range of practical initiatives, such as price repositioning for all customers, marketing and media campaigns, and performance actions. Lastly, Marketing & Sales is developing an innovative range of products and services aimed at all customer segments.

In 2014, Electrabel and the public partners in Flanders signed and executed an agreement to end their collaboration in the mixed distribution system operators (DSOs) and Electrabel Customer Solutions (ECS); Electrabel thus sold its stake in the DSOs to the public partners and bought the public partners' shares in ECS.

In Wallonia, a memorandum of understanding was signed to enable exit of ECS capital by the public partners, effective from December 31, 2014. This agreement also provides for the possibility of Electrabel's early withdrawal from Ores Assets[(2)] on December 31, 2016, originally planned for the end of 2019, according to initially agreed valuation principles. A finalization agreement is due to be drafted before April 1, 2015.

Regulatory framework

After three months of negotiation, the new Belgian federal government was sworn in on October 11, 2014.

Nuclear power generation

GDF SUEZ, EDF, and the Belgian government signed an agreement in March 2014 governing the extension of the lifetime of the Tihange 1 nuclear plant: the investment program to safely continue operating this plant through 2025 is being implemented. A sharing mechanism applicable as of October 2015 has also been signed with the Belgian federal government and EDF, in substitution of fixed nuclear contribution.

To ensure a secure supply, the federal government decided at the end of 2014 to extend the term of operation of the Doel 1 and Doel 2 nuclear plants by 10 years. Negotiations began in January 2015 between Electrabel and the Belgian federal government on the conditions required for the investments necessary to prolong the plant's operating lifetime, especially the necessity for a detailed and stable economic and legal framework, notably taking into account the issue of the nuclear contribution with regard to the tax burden on operational activities in Belgium. Until an agreement is reached, the Doel 1 nuclear power plant was disconnected from the grid on February 15, 2015 in accordance with the law of December 18, 2013 which specified its closure after 40 years of operation.

For 2014, Electrabel was liable for a nuclear contribution of €407 million[(3)].

The various legal actions pursued in Belgium against the nuclear contribution are still pending to date (see detail in Note 28.1.10 of Section 6.2 "Consolidated financial statements").

In September 2014, Electrabel filed a lawsuit to the European Commission claiming that the nuclear contribution from 2008 to 2013 constituted illegal state aid from the Belgian state to the electricity producers not subject to these contributions. The lawsuit, which was extended to include 2014 nuclear contributions, is currently under review by the EC.

(1) Excluding large industrial customers.

(2) Ores Assets is an electricity and natural gas distributor created from the merger of eight Wallonian intercommunales mixtes (utilities owned by private and public stakeholders).

(3) Net contribution being €397 million.

Thermal power generation

The government also intends to study the establishment of capacity remuneration mechanisms, although the exact scope and implementation details are not known at this stage. At the end of December 2014, the regulator (*Commission de Régulation de l'Électricité et du Gaz – CREG*) was charged to make a recommendation to ensure the survival of the existing gas-fired plants.

End market

An energy standard will be instituted, the aim being to ensure that the different components in the energy price are not higher in Belgium than its neighboring countries in order to safeguard companies' competitive position and consumer purchasing power. As the price comparison methodology has not yet been set, it is not possible at this stage to accurately position Belgian prices against the prices applied in its neighboring countries. Price regulation, with a safety net, will also be extended by one year, renewable three times.

Germany

The Energy Europe business line operates in Germany through the subsidiary GDF SUEZ Energie Deutschland AG.

The Generation *Métier* currently operates 2,653 MW of thermal capacity in Germany, of which 822 MW comes from the Farge and Zolling power plants (mainly coal), 602.5 MW from nuclear drawing rights and 451 MW from cogeneration plants owned and operated by municipal utilities (Energieversorgung Gera GmbH and Kraftwerke Gera GmbH, EnergieSaarlLorLux AG, WSW Energie & Wasser AG, GASAG Berliner Gaswerke AG). The new supercritical 731 MW coal-fired plant at Wilhelmshaven, in which GDF SUEZ has a 57% stake, was connected to the grid for the first time in 2014. Commissioning tests are presently finalized. Due to the challenging context for conventional generation, political discussions on a major revision of the institutional framework are ongoing.

The Renewable Energies *Métier* is studying investment possibilities in onshore wind with the Group's municipal partners. At the end of 2014, it operated installed onshore wind capacity of 196 MW and hydroelectric pumping facilities of 132 MW.

The Marketing & Sales *Métier* operates on most customer segments. B2B sales increased to 11.8 TWh of electricity and 5 TWh of natural gas. The Group is also active in the sale and distribution of electricity, gas and heat to residential and small business customers, with a total of over 0.1 million electricity customers and nearly 0.1 million gas customers[(1)] through its cooperation with municipal utilities.

Netherlands

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

At year-end 2014 the Generation *Métier* operated an installed capacity of 4,394 MW, comprised of several gas-fired power plants, a coal/biomass plant, and gas turbines. The new supercritical coal-fired plant in Rotterdam, with a capacity of 731 MW, connected to the grid since 2014, has taken up commercial operation as of 29 January 2015. Due to difficult market conditions, GDF SUEZ Energie Nederland's position in centralized generation is under heavy pressure, leading to the dismantling of Flevo (119 MW) and a strong focus on operational efficiency at the other power plants. In 2013, the government and participants of the Social and Economic Council (SER) reached an energy agreement on "sustainable growth". The agreement also provides for the closure of several coal-fired plants (including Nijmegen, wholly owned by the Group) by January 1, 2016. In addition, it provides for the coal tax to be abolished for the remaining coal units by January 1, 2016.

GDF SUEZ is expanding in renewable energies and decentralized generation solutions for residential customers. At the end of 2014, the Renewable Energies *Métier* operated 56 MW of onshore wind (the regulatory framework sets MW targets for each region).

The Marketing & Sales *Métier* is also active on the Dutch market. Through Electrabel, it supplies gas and power to more than 0.5 million retail customers. In the B2B segment, GDF SUEZ is a major supplier with 6 TWh of electricity and 6 TWh of gas sold.

1.3.1.6.2 Eastern and Southern Europe

Poland

The Energy Europe business line is present in Poland via its subsidiary GDF SUEZ Energia Polska, which is mainly active in power generation.

At year-end 2014, the Generation *Métier* operated 1,700 MW, comprising coal-fired capacity in Polaniec of 1,510 MW and capacity of 190 MW for the Green Unit biomass facility, which is one of the largest biomass units in the world. GDF SUEZ Energia Polska is currently renovating seven generation units, with the aim of increasing their capacity and efficiency, as well as to ensure they comply with the European Industrial Emissions Directive. Units 1, 2 and 7 were modernized in 2013 and units 3 and 6 in 2014.

The Renewable Energies *Métier* has 102 MW of installed onshore wind power, spread over the sites of Jar Moltowo, Wartkowo, and Pagow. The renewable energy regulatory environment is set to change significantly. Current government proposals include the introduction of a 15 year feed-in tariff granted through an auction system (joint auctions for all technologies with a maximum price per technology). Existing assets will be separated from new assets and will have a choice to stay within current green certificates (GC) system or participate in dedicated auctions. Co-firing will continue to utilize the GC system with support reduced by 50%.

The Marketing & Sales *Métier* focuses on the sale of electricity to B2B customers (0.4 TWh sold in 2014).

(1) *Including equity-accounted entities.*

Hungary

The Energy Europe business line operates in Hungary through the subsidiaries GDF SUEZ Energy Hungary and Egáz-Dégáz Földgázelosztó (100% subsidiary via EIH, wholly owned by GDF SUEZ).

In June 2014, GDF SUEZ sold its interest in the Dunamenti plant (1,041 MW), so the Group is no longer active in power generation in Hungary.

GDF SUEZ Energy Hungary also sells natural gas to B2B and B2C customers and electricity to B2B customers. Egáz-Dégáz is the natural gas distributor which, as of 2014, operates a 23,133 km long distribution network and distributes 12.6 TWh of natural gas to 772,790 customers. Regulation is a key concern in Hungary. End user tariffs have been reduced, by law, by 20%. The regulated rate of return of Distribution System Operators has been cut to zero (for households) and several costs are not recognized in the tariff. The Hungarian government is also planning to establish a not-for-profit centralized services provider for the supply of gas, electricity and water, and for waste treatment.

Romania

The Energy Europe business line is present in Romania via its subsidiary GDF SUEZ Energy Romania SA (GSER), which is responsible for the sale and distribution of natural gas and expanding its activities in power.

Since the end of 2013, the Renewable Energies *Métier* has managed two wind farms, for installed capacity of 98 MW. These farms are located in Gemenele (Braila region) and Baleni (Galati region). The regulatory framework deteriorated over the year, having a negative impact on the profitability of wind assets.

The core activity consists of supplying gas to 1.5 million customers located mostly in the southern part of the country. GSER also supplies electricity to about 1,600 industrial and commercial customers. Its subsidiary Distrigaz Sud Retele operates a 18,423 km long distribution network. In July 2014, GSER finalized the purchase of CONGAZ, the third-largest gas distributor and supplier in Romania. CONGAZ supplies gas to 62,835 customers and operates a 921 km long distribution network. GDF SUEZ Energy Romania is also active in the energy services sector serving 645,000 customers through its affiliate Distrigaz Confort, with a focus on maintenance of internal installations. Energy Europe is also present in natural gas storage, mainly through its subsidiary Depomures, which has a total working capacity of 300 million cubic meters.

Romania is in the midst of deregulating electricity and gas prices. The gas price for the industrial (B2B) sector was deregulated in January 2015. For the residential segment (B2C), the price should be fully deregulated by July 1, 2021. GSER continues to encourage the authorities for an optimum transition to a deregulated gas market and a rebalance of their support mechanism for renewable energies.

Austria

GDF SUEZ is active in the Austrian natural gas market through its commercial subsidiary GDF SUEZ Gasvertrieb, which sells gas to large industrial consumers, other business customers, and resellers. GDF SUEZ Gasvertrieb also provides balancing services to various market participants. The gas volumes sold amount to 2.4 TWh.

Czech Republic

GDF SUEZ is present in the Czech natural gas market through its commercial subsidiary GDF SUEZ Prodej plynu, which focuses on selling gas to large industrial users and other business customers. The gas volumes sold amount to 1.9 TWh.

Italy-Greece

Energy Europe operates in power generation and energy sales in Italy through GDF SUEZ Energia Italia S.p.A.

The Generation Métier directly operates 1,526 MW in Italy (through majority stakes in thermal assets) and holds a 50% stake in Tirenno Power S.p.A, which manages 3,276 MW. Energy Europe also holds 1,100 MW of drawing rights. In 2014, the Group's stake in the 532-MW ISAB Energy plant was sold. Vado Ligure units 3 and 4, coal-fired and owned by Tirreno Power, were shut down in March by order of the court of Savona. The Italian Environment Minister subsequently suspended authorization to operate these units. Proposals to restart them under an accelerated authorization procedure are still under discussion between Tirreno Power and the authorities. Due to the challenging context for conventional generation, political discussions on a major revision of the institutional framework are ongoing.

The Renewable Energies *Métier* also manages 157.5 MW of wind assets and 5.3 MW of photovoltaic assets. In addition, the Group manages 74.5 MW of hydraulic facilities through Tirreno Power.

The Marketing & Sales *Métier* sells gas and electricity to different market segments, (residential and business), for a total of one million contracts, of which 0.1 million are dual offers (electricity and gas).

In Greece, Energy Europe is mainly present through two joint ventures with GEK TERNA (Greek private company) in Heron I and II, for a total capacity of 570 MW. The business line is also active in the B2B electricity market.

Spain

In Spain, Energy Europe is active in power generation, energy management, and sales (power, gas & bidding services for third parties).

The Generation *Métier* has an installed net capacity in Spain of 1,973 MW with two natural gas combined-cycle power plants: Castelnou Energia (774 MW) and GDF SUEZ Energia Cartagena (1,199 MW). The energy of both power plants is sold on the wholesale market. Since 2014, Energy Europe has operated hydroelectric (65.1 MW) and solar (1.2 MW) assets, transferred from Energy International.

Marketing & Sales activity is focused on the industrial market with 3.4 TWh sold in gas and 2.8 TWh in electricity.

The main difficulty facing the Spanish electricity system is the tariff deficit. Measures have been taken in recent years to eliminate it.

Portugal

Energy Europe's activities in Portugal are mainly focused on power generation and natural gas distribution.

The Generation *Métier* has an installed thermal power capacity of 2,406 MW, of which 1,830 MW comes from combined-cycle plants and 576 MW from a coal-fired plant.

The Renewable Energies *Métier* also manages 942 MW from renewable assets (mainly wind) through interests in companies such as Lusovento Holding B.V. and Generg SGPS.

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

1.3.2 Energy International business line

1.3.2.1 Role

The GDF SUEZ Energy International business line is responsible for the Group's energy activities outside Europe[1]. The business line is currently present in 27 countries across five regions worldwide. Together with power generation, it is also active in closely linked businesses including downstream LNG, gas distribution, water desalination and energy retail. The business line has a strong presence in its markets with 73.9 GW[2] in operation and a significant programme of 10.1 GW[3] of projects under construction as at December 31, 2014.

1.3.2.2 Strategy

Generating value for the long-term is central to the business model. To achieve this, GDF SUEZ Energy International uses a portfolio management approach, which involves maintaining a balanced portfolio in terms of geographical spread, business activity, generation fuels, technologies and contract types. This approach provides access to multiple opportunities, whilst mitigating risks through diversification.

The four main strategic priorities of the business line are:

- Pursue growth in fast growing markets: Strengthen positions in existing markets and be considered a local player. Capture opportunities in attractive new markets with a mix of technologies, including new opportunities along the energy value chain. Develop renewable sources of energy where economically viable.
- Optimize the value of the portfolio: Pursue a more integrated business model with a "system-play" approach[4]. Target synergies that will allow cost reductions and achieve scale effects in operations. Relocation of capital in projects that offer superior returns.
- Optimize assets: Deliver successfully the construction program and achieve operational optimization, always ensuring a safe working environment for all employees.
- Explore opportunities for business diversification: Capture growth in new markets and new activities along the energy value chain. Identify and enter new business opportunities in related business, including decentralized generation and full solutions for clients.

1.3.2.3 Organizational structure

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

Each region is headed by a Chief Executive Officer (CEO) who is responsible for the financial performance and operational activities in the region, and proposes strategic orientations and new development actions.

The business line follows a matrix organization structure, which provides the regional teams with both the flexibility and the responsibility to run and develop their businesses, while the functional support teams ensure direction and consistency, and help optimize synergies across the regions and the Group.

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

(2) GW and MW always stand for the maximum net technical capacity of the power plants, which corresponds to the gross power less auto consumption. Installed capacity corresponds to 100% of the total capacity of all interests held by GDF SUEZ irrespective of the actual percentage stake of the holding.

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

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

The regions interact with the business line headquarters through six functional support departments: Strategy & Communications, Finance, Business Development Oversight, Legal, HR and responsibilities of the Chief Operating Officer (Operations, Markets & Sales and IT). The functional support managers and their teams provide supervision, guidance, common methodologies and procedures, suggestions for improvements, as well as knowledge and experience gathered from across the organization to the regional teams.

1.3.2.4 Key figures

Millions of euros	2014	2013[(1)]	Total change *(%)*
Revenues	13,977	14,393	-2.9%
EBITDA [(2)]	3,716	4,029	-7.8%

(1) *Comparative data at December 31, 2013 restated for the first-time application of accounting consolidation standards (see Note 2 in Section 6.2) and to present SUEZ Environnement as if it were consolidated by the equity method as of January 1, 2013 (see Section 6.1.1.6).*

(2) *The calculation mehtod for the EBITDA has been changed (see Note 2 in Section 6.2).*

Note [(1)]	Latin America	North America	UK-Turkey	South Asia, Middle East & Africa	Asia-Pacific
Capacity in operation *(GW)*	14.2	13.1	8.2	26.4	12.0
Capacity under construction *(GW)*	3.3	0.1	0.0	6.8	0.0
Electricity production *(TWh)*	68.9	48.7	24.2	134.6	65.1
Electricity sales *(TWh)*	56.2	64.9	30.1	8.7	42.8
Gas sales *(TWh)*	9.5	31.6	35.2	0	3.7

(1) *All information as of December 31, 2014. Installed capacity is consolidated at 100%; sales figures are consolidated according to accounting rules.*

1.3.2.5 2014 Highlights

February

- North America – GDF SUEZ announced the commissioning of 109 MW of new renewable capacity in Canada, comprising the 99 MW Cape Scott wind farm and the 10 MW Beckwith solar installation.
- Latin America – Tractebel Energia acquired a 65.5 MW (electricity and steam) sugar cane bagasse cogeneration plant in the State of Sao Paulo, Southeast of Brazil. The plant will have its installed capacity increased to 80.5 MW after the retrofit.

March

- Latin America – GDF SUEZ concluded the sale of a 50% stake to Marubeni of the GNL del Plata project, currently under construction in Uruguay.
- UK-Turkey – GDF SUEZ acquired 100% of West Coast Energy, a wind developer based in Mold, North Wales. West Coast Energy has become the principal renewable development business of GDF SUEZ in the UK.

April

- Latin America – Tractebel Energia commissioned the Trairi Wind Complex (115 MW) and initiated the construction of the Santa Monica Wind Complex (97 MW), located in the State of Ceara (Northeast of Brazil), near the existing Trairi complex.
- SAMEA – Uch II 381 MW power plant in Pakistan achieved commercial operation. Located in Pakistan's south-western province of Baluchistan, Uch II is an extension of the existing 551 MW Uch I plant.

May

- Latin America – GDF SUEZ announced the inauguration of the on-shore storage tank for the GNL Mejillones LNG regasification terminal in Chile.
- SAMEA – GDF SUEZ launched the Initial Public Offerings (IPOs) of Al Batinah Power (Sohar 2) and Al Suwadi Power (Barka 3) plants in Oman.

June

- Asia-Pacific - GDF SUEZ signed a Concession Agreement for a 415 MW power plant in Mongolia.

July

- SAMEA – GDF SUEZ signed the 25-year Power and Water Purchase Agreement for the Mirfa Independent Water and Power Project in Abu Dhabi (UAE).

August

- North America –Construction began on the 291 km *Ramones Phase II South* pipeline in Mexico, which is a joint venture between GDF SUEZ and PEMEX and will have the capacity to deliver 1.4 billion cubic feet of natural gas per day.
- Latin America – GDF SUEZ signed an agreement to sell its assets in Panama and Costa Rica to Celsia, a Colombian company. The sale was finalized in December.

September

- SAMEA – GDF SUEZ and its partners Nareva Holding (Morocco) and Mitsui (Japan) announced the achievement of financial closing and start of construction for the Safi 2x693 MW ultra-supercritical coal-fired power project in Morocco.

October

- SAMEA – Financial closing achieved for the Mirfa Independent Water and Power Project in Abu Dhabi (UAE).

November

- Latin America – Tractebel Energia won Power Purchase Agreements for 3 projects (535 MW) in Brazil's New Energy Auction.

December

- SAMEA – GDF SUEZ and its partner Nareva Holding (Morocco) announced the start of full commercial operation for the 301 MW Tarfaya wind farm in Morocco. Tarfaya is the largest wind farm built on the African continent to date.
- Latin America - GDF SUEZ has been successful in the energy auction in Chile. The Group will lead the construction of the 375 MW IEM thermal power plant and an associated port, as well as a transmission line (TEN) that will connect the SIC (central electricity system) and the SING (northern electricity system).

1.3.2.6 Regional overview

1.3.2.6.1 GDF SUEZ Energy Latin America

GDF SUEZ Energy Latin America (GSELA) manages the Group's gas and electricity activities in Latin America. GSELA is organized into five countries: Brazil, Chile, Peru, Uruguay and Argentina. It manages 14,180 MW of capacity in operation and 3,267 MW of capacity under construction. In December 2014, the assets in Central America were sold.

Brazil

In Brazil, GSELA's existing power assets and the development of selected small and medium sized power plants are managed by Tractebel Energia (TBLE), the country's largest independent electricity producer (approximately 7% of Brazil's installed capacity), which is 68.7% owned by GDF SUEZ. TBLE shares are traded on the Brazilian stock exchange. The company operates a total installed capacity of 8,666 MW.

Energia Sustentável do Brasil (ESBR) holds the concession contract to build, own and operate the 3,750 MW Jirau hydropower project. ESBR is owned by GSELA (40%), Mitsui (20%[1], Eletrosul (20%) and Chesf (20%). 30-year Power Purchase Agreements (PPAs) have been signed with distribution companies for the off-take of 73% of the project's 2,185 MW assured energy production. The remaining assured energy will be sold to the shareholders GSELA, Eletrosul and CHESF[2]. At the end of 2014, the project had started commercial operation of the 22nd unit, bringing the total installed capacity connected to the national grid to 1,650 MW. In line with the prevailing business model, GDF SUEZ stake in Jirau will be transferred to Tractebel Energia when main development risks have been mitigated.

On the regulatory side, the most important recent measures were the release of the Provisory Measure 579 in October 2012 (turned into law 12.783/13), the Resolution CNPE 03 in March 2013 and the Resolution 1832 in November 2014:

- law 12.783/13 introduced new rules for the renewal of hydropower projects and transmission line concessions which expired from 2013. This new regulation has two main elements: concession extensions and reduction of energy sector charges. It addresses only concessions granted before February 13, 1995; therefore, it does not materially impact TBLE and ESBR;
- the Resolution CNPE-03 established changes in the methodology of spot price calculation and on the sharing of the costs linked to thermoelectric dispatch outside of the merit order, thereby allocating a portion of these costs to generators and traders, while previously these costs were born by end consumers only. This new methodology, which has been deployed since September 2013, is more conservative than the previous one regarding the need for dispatching thermal power plants (with the consequence of increasing the 'spot' price). During the transition period from April to September 2013, the additional costs associated with dispatching thermal power plant were applied to all agents (including generators). The Association of Independent Generators filed an injunction to cancel the obligation for its members (independent generators) to support these additional costs during the transition period;
- the approval of Resolution 1832 established a new cap (BRL/MWh 388.48) and floor (BRL/MWh 30.26) for energy spot price (PLD) in 2015. Until 2014, cap price adopted was BRL/MWh 822.83.

After the below average hydrology of 2013, 2014 was again marked by poor rainfalls during the wet season (December-April). This poor hydrology resulted in reduction of water reservoir levels, especially in the Southeast where most of the demand is located. Based on data from the National System Operator (ONS), 2014 was the 9th driest year in 83 years of measurement, with an energy inflow of 81.7% of the long term average. Combined with the new methodology introduced by CNPE-03, this situation led to an unprecedented thermal dispatch to supply the increasing demand. This resulted in very high spot prices along the year, reaching in some months the level of the regulatory cap.

(1) Closing of the sale of 20% stake to Mitsui took place in January 2014.

(2) GDF SUEZ will keep 60% stake of the free assured energy of Jirau HPP, while CHESF and Eletrosul will keep 20% stake each.

Peru

In Peru, GSELA owns 61.73% of EnerSur, which has an installed capacity of 1,784 MW and a market share of around 16% in terms of energy production. EnerSur shares are traded on the Lima stock exchange.

Conversion of the 538 MW ChilcaUno thermoelectric power station to a combined cycle plant with capacity of 805 MW was completed in 2012 and the Cold Reserve thermoelectric plant located in Ilo (south of Peru) of 564 MW was completed in 2013. Construction of a new 110 MW HPP at Quitaracsa is underway. EnerSur also won a bid in December 2013 to build and operate a 500 MW thermal plant in Ilo (Nodo Energetico).

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

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

In July 2014, the tender regarding the construction and operation of a new gas pipeline linking the area of domestic production (Camisea) to the Southern part of Peru was awarded to the consortium constituted by Odebrecht and Enagas. This will allow GSELA to convert Nodo Energetico to gas.

Chile

E-CL is the leading company in electricity generation in Northern Chile, with an installed capacity of 1,999 MW. GSELA owns 52.76% of E-CL. E-CL's subsidiary Electroandina operates a port in Tocopilla and its gas transportation subsidiary Gasoducto NorAndino owns a gas pipeline of approximately 1,000 km between Chile and Argentina.

GSELA also holds a 63% stake in the Mejillones LNG regasification terminal (GNLM). The commercial operation started in June 2010, using first a 162,400 m^3 (gross capacity) floating storage unit. Since March 2014, it is replaced by an onshore LNG storage tank, with a net capacity of 175,000 m^3.

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

In Chile's Central Electricity Grid, through the wholly owned company Eólica Monte Redondo, the Group's two main assets are the Monte Redondo 48 MW wind farm, and 34.4 MW Laja hydropower plant currently under construction.

Important new laws have recently been approved:

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

In March 2014, the government of Mrs. Michelle Bachelet took office for a 4-year term. The energy policy and main guidelines of the new government were communicated through the "Energy Agenda". In this agenda, the government provides a lot of support to the proposed interconnection between both electrical systems SING and SIC, and to the use of natural gas, promoting the idea of a third LNG terminal.

In September 2014, a tax reform was enacted in Chile, ruling a CO_2 tax of 5 USD/ton to be paid by all the generators generation units with a capacity greater than 50 MW. The CO_2 tax will start to be charged in 2017, with first payment in the following year. However, for E-CL the impact shall be limited, as most of its Power Purchase Agreements allow for the pass-through of such cost to its industrial clients.

In December 2014, E-CL was awarded, in a public tender among generation companies, the contract to supply electricity to distribution companies in the SIC: 2,016 GWh in 2018 and 5,040 GWh per year between 2019-2032.

Such a successful outcome for E-CL will trigger different investments of approximately US$1.8 billion over the following four years, including a 600-km long transmission line project to connect its power generation units in Mejillones (SING system) with the SIC system. This line would become the interconnection between the SIC and the SING systems (Central and Northern grids). The Chilean government, who enacted a law early in 2014 to be able to auction such interconnection, is currently analyzing the different alternatives.

Central America

In August, GDF SUEZ announced the sale of all its power generation assets (500 MW) in Central America (i.e. Panama and Costa Rica) to Celsia for a total enterprise value of US$840 million. The handover between GDF SUEZ and Celsia took place in December 2014.

Uruguay

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

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

In March, GDF SUEZ concluded the sale of a 50% stake in GNL del Plata to Marubeni. Following this transaction, Marubeni became a 50/50 partner in the project.

Argentina

In Argentina, GSELA holds a 64.2% interest in Litoral Gas SA, a gas distribution company which has a market share of 12% in terms of volume delivered in the region of Santa Fé and in the Northeast of the province of Buenos Aires. In addition, it holds a 46.7% interest in Energy Consulting Services (ECS), an electricity and gas sales and consultancy company. GSELA also holds an interest in Gasoducto Norandino, a gas transmission company with a pipeline of approximately 1,000 km between Argentina and Chile, which is 100% owned by E-CL.

The government suspended the application of the pre-existing regulatory framework through the declaration of a state of economic emergency in 2002. This implied a tariff freeze and a reduction of tariffs in dollar terms due to local currency devaluation. Since then, very few tariff adjustments have been implemented in the energy sector.

1.3.2.6.2 GDF SUEZ Energy North America

GDF SUEZ Energy North America (GSENA) manages the Group's electricity and gas activities in the United States, Canada, Puerto Rico and Mexico. GSENA operations are organized into five business segments: US power generation, US retail, US natural gas/LNG, Mexico and Canada. A central portfolio management group optimizes the interface between each business segment. The business employs 2,300 people.

GSENA has an ownership interest in 13,056 MW of electric power and cogeneration capacity. Of this capacity, close to 1,000 MW are powered by renewable sources.

GSENA's US natural gas/LNG business includes a LNG receiving facility and a gas sales business in New England. In the US, the company also markets power to commercial and industrial customers in 11 States plus the District of Columbia, to small commercial customers in 6 States, and to residential customers in Pennsylvania. In Mexico, the company operates natural gas Local Distribution Companies (LDCs), gas transmission pipelines and power plants. The business in Canada is composed primarily of utility-scale wind and solar facilities.

United States

North American operations are headquartered in Houston, Texas, and the US business employs over 1,500 people. GSENA owns and operates the Everett terminal just North of Boston, Massachusetts, which has the capacity to deliver approximately 700 million cubic feet of natural gas per day to the New England market. GSENA leases over 10.6 billion cubic feet (Bcf) of natural gas storage. The US activities have 11,479 MW of capacity in operation.

GSENA markets to large commercial and industrial customers under the GDF SUEZ brand and to small commercial and residential customers under the *Think Energy* retail brand. The retail business serves approximately 60,000 customer meters with an estimated peak load of nearly 10,000 MW.

In 2014, GSENA achieved the following milestones:

- 1) *Think Energy* entered the residential market in Pennsylvania;
- 2) GSENA entered into a 1.0 Bcf of LNG purchase agreement with Gaz Métro LNG to meet peak 2014-2015 winter demand in New England.

GSENA's business interests in the US are governed by Federal and State regulations. Interstate wholesale electricity and natural gas markets in the US are regulated by the Federal Energy Regulatory Commission (FERC). Since 1992, the FERC has issued successive regulatory orders to remove barriers to competition in wholesale electricity markets. Over 60% of electricity consumed is delivered through one of the ten Independent System Operators (ISOs) or Regional Transmission Organizations (RTOs) that were created to facilitate electricity competition.

The US Environmental Protection Agency proposed a greenhouse gas emissions rule, requiring States to reduce emissions by as much as 40% by 2030. A final revised rule is expected in 2015.

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

Puerto Rico

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

Mexico

In Mexico, GSENA operates six LDCs that serve more than 400,000 customers through a 6,500 km network and two gas transmission companies operating over 900 km of pipelines. GSENA also manages three steam-electricity cogeneration plants with a total installed capacity of 279 MW. Output from these power plants is sold under long-term contracts to industrial clients.

In August, GDF SUEZ, together with its partner PEMEX, announced the start of construction on the Ramones Phase II South pipeline (Ramones II South), a segment of the Ramones natural gas pipeline system, which is one of the largest energy infrastructure projects in Mexico's history, extending from the Texas border to central Mexico.

Commissioning is underway on the 80 km Mayakan Extension gas pipeline project, which is now fully physically interconnected with the Mexican pipeline network. Full commercial operations are anticipated to begin in Q1 2015.

Regulation of the electricity and natural gas markets is the remit of the *Comision Reguladora de Energia* (Energy Regulatory Commission), which is also charged with encouraging investment and promoting competition in electricity and natural gas markets. Sweeping Energy Reforms voted in 2013 are now being implemented. GDF SUEZ and PEMEX signed a Memorandum of Understanding and Cooperation in April 2014 to develop natural gas and other energy projects in Mexico.

Canada

GSENA's Canadian operations include utility-scale wind and solar generation totaling 791 MW. The renewable portfolio operates within a joint venture set up in 2012 between Mitsui & Co and a consortium led by Fiera Axium Infrastructure Inc., each holding a 30% interest. GDF SUEZ, the largest shareholder with a 40% interest, continues to operate and maintain these assets. The company also owns and operates a 112 MW natural gas-fired power plant in Ontario.

In Canada, energy policy is the jurisdiction of Provincial Governments. Energy markets across Canada tend towards vertically integrated utilities and/or various government owned corporations (with the exception of Alberta). Government-run procurements are a common contracting method and result in long-term PPAs for generation facilities. Currently, Ontario is running a procurement process for new large renewable facilities with results expected late 2015.

1.3.2.6.3 GDF SUEZ Energy UK-Turkey

GDF SUEZ Energy UK-Turkey operates in the UK and Turkey. The business has a diverse portfolio of 8,228 MW of operational generation assets, including conventional coal, oil and gas-fired plants, pumped storage and renewables. In addition, it owns a retail business, gas distribution business and a trading function.

United Kingdom

GDF SUEZ Energy UK-Turkey is one of the major electricity generators in the UK with a merchant generation fleet of operational assets with a total capacity of 6,985 MW.

Together with Mitsui (25%), GDF SUEZ (75%) operates power plants at Rugeley (coal), Saltend (gas), Deeside (gas), First Hydro (pumped storage) and Indian Queens (light fuel oil) as well as the trading business. In 2014, GDF SUEZ Energy UK-Turkey agreed to sell its 10% stake in the Eggborough power station (coal). The demolition of our 100%-owned Teesside (gas) plant, which was decommissioned in 2013, is ongoing. GDF SUEZ Energy UK-Turkey also holds 50% ownerships of seven wind farms (Barlockhart, Blantyre, Carsington, Craigengelt, Crimp, Flimby, Sober) as well as a small pipeline of wind projects at various stages of development.

The region has a trading business which trades UK power, UK gas, EU carbon, and coal to manage the commodity price exposures associated with its generation assets and retail market position. GDF SUEZ Energy UK is the region's retail business, based in Leeds, with around 11,000 industrial and commercial sites taking electricity and/or gas. In addition to supplying energy, GDF SUEZ Energy UK offers demand-side services and is a growing provider of export contracts and Power Purchase Agreements (PPAs). The region also has a 30% ownership interest in OPUS, an electricity and gas supplier to over 200,000 customers in the SME (small and medium sized businesses) sector.

The UK energy market is a fully liberalized merchant market under regulatory supervision from Ofgem. The UK Government's energy policy is focused on encouraging low carbon generation, ensuring security of supply, and consumer affordability. Fundamental to the Government's aims is delivery of Electricity Market Reform (EMR) which centres around two new instruments: Contract for Difference Feed in Tariffs (CfD FiTs) to incentivize deployment of low carbon technologies, and a Capacity Mechanism to ensure system security. An Energy Bill providing the framework for these instruments became an Act of Parliament in December 2013. The overall process continued in 2014 with secondary legislation that addresses the two instruments, followed by the award of the first CfD Contracts, and the first capacity auction, in which GDF SUEZ secured contracts for 3.2 GW of capacity for the delivery year 2018/19. The UK electricity market will gradually be transformed over the coming years as low carbon technologies are increasingly deployed under these incentives, coal generation is closed and gas fired generation is increasingly used to provide essential support to the system.

Turkey

With a total generating capacity of 1,243 MW, GDF SUEZ Energy UK-Turkey has a presence in two generation assets in Turkey through its 95% stake in the 763 MW Baymina Enerji, a combined cycle gas turbine (CCGT) power station, and a 33.3% stake in 480 MW Uni-Mar Marmara, a combined cycle gas turbine (CCGT) power plant. Power generated is sold to TETAS, the national electricity offtaker, under long-term PPAs. The region also owns 90% of Turkey's third largest natural gas distributor, IZGAZ, which distributes and markets natural gas to residential, commercial and industrial customers in the Kocaeli region. Furthermore, GDF SUEZ Energy UK-Turkey has also been developing its power trading and origination activities as well as its retail business in the country.

In cooperation with its Japanese partners Mitsubishi Heavy Industries (MHI) and Itochu, GDF SUEZ has launched a feasibility study for a nuclear power station to be built near the city of Sinop, based on the ATMEA1 technology developed by MHI and Areva (around 4.5 GW). The intergovernmental agreement between the Turkish and Japanese governments and the agreement between the project operators and the Turkish government have been approved by the respective authorities and should be ratified by the Turkish parliament in 2015.

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

Continental Europe

All the assets in Continental Europe that were up to end 2013 part of GDF SUEZ Energy UK-Turkey region (at the time named “UK-Europe”) have now been transferred to the GDF SUEZ Energy Europe business line after the reorganisation of the UK-Turkey region in 2014.

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

Middle East

In the Gulf Cooperation Council (GCC) countries, GDF SUEZ Energy SAMEA acts as an asset developer, owner and operator, selling the electricity and water it produces directly to government-owned utilities under long-term P(W)PAs (Power (and Water) Purchase Agreements). It is the leading private power and water developer in the region with total generation capacity of 24,943 MW and 1,053 MIGD (5.5 million m^3) water/day of desalination capacity in operation and under construction. It is common in the Middle East IP(W)P (Independent Power (and Water) Producer) business model for projects to be part owned by the host governments/offtakers alongside partners. The region conducts the operations of all of the plants that it owns, often through an arms-length Operations & Maintenance (O&M) contract.

The regulatory frameworks in the different countries of the GCC are similar, with competitive tenders launched by the power authorities calling for private power producers to bid for concessions to build, own and operate plants. The output is then sold by the private producer to a public utility under long-term contracts, the terms of which are stipulated at the tender stage.

GDF SUEZ Energy SAMEA has ownership interests in the following natural gas-fired power and water producing plants in the GCC:

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

The SAMEA region currently has circa 3,632 MW power capacity and 107 MIGD (725,000 m^3/day) water capacity under construction in the GCC, in Saudi Arabia (extension of Tihama), Kuwait (Az Zour North IWPP) and the UAE (Mirfa IWPP).

Sohar 2 and Barka 3 IPPs in Oman launched their Initial Public Offering in May 2014, culminating with their successful listing on the Muscat Securities Market in June 2014. The founding shareholders sold these shares to the public to comply with their respective obligations in the Project Founders Agreements signed with government owned Electricity Holding Company (EHC) in 2010. GDF SUEZ is the largest shareholder in both companies with circa 30% of the share capital of both companies after the IPOs.

GDF SUEZ holds a 20% equity interest in the Mirfa project with the remaining 80% held by Abu Dhabi Water and Electricity Authority (ADWEA). Mirfa IWPP will have a total power capacity of 1,600 MW and a seawater desalination capacity of 52.5 MIGD (238,665 m^3/day). Commercial operation of the project is expected to start on a phased basis between 2016 and 2017. A fully-owned subsidiary of GDF SUEZ will be responsible for the Operations & Maintenance of the power plant.

South Asia

In Pakistan, in the south-western province of Baluchistan, GDF SUEZ Energy SAMEA holds 100% in Uch I, a 551 MW gas-fired facility. The 381 MW gas-fired unit Uch II (100% ownership), an extension to Uch I, started commercial operation in April 2014. The electricity generated from Uch II is sold through a 25-year Power Purchase Agreement with the National Transmission and Despatch Company, a state-owned utility.

All power generated by IPPs in Pakistan is sold under long-term PPAs to distribution companies. The end consumer market is not liberalized. Around 50% of generation capacity is held by private IPPs, while the remainder is held by state-owned entities.

In India, GDF SUEZ has a 86.61% equity share in the Meenakshi thermal project in Andhra Pradesh, which comprises 269 MW of operational capacity and 638 MW under construction. In May 2014, GDF SUEZ inaugurated its new office in New Delhi, from which it will continue to develop further opportunities for GDF SUEZ Energy International.

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

Africa

The region started construction of three independent power projects in 2013 with a total production capacity of 1.4 GW: in Morocco, the 301 MW Tarfaya wind farm, in South Africa, the 1,012 MW open-cycle turbine power plants (peakers) and the 94 MW West Coast 1 wind farm. Tarfaya reached full commercial operation in December 2014.

The Safi 2x693 MW project in Morocco started construction in October 2014 after achieving financial close, bringing GDF SUEZ’s total construction portfolio on the African continent to 2,492 MW. Following completion of the plant, expected in 2018, the electricity produced will be sold to the *Office National de l’Electricité et de l’Eau Potable* (ONEE) under a 30-year Power Purchase Agreement.

GDF SUEZ also concluded a project development agreement with Exxaro for a 600 MW coal-fired power plant in Limpopo province.

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

1.3.2.6.5 GDF SUEZ Energy Asia-Pacific

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

Australia

The Australian business is focused on a diverse portfolio of generation assets operating in the National Electricity Market (NEM) that serves 90% of the Australian population and demand, resident in the eastern states. The portfolio also includes a co-generation asset in the separate South Western Integrated System (SWIS) market that serves Western Australia. It also has a retail business called “Simply Energy” in the NEM, serving electricity and gas accounts in the domestic, small to medium enterprise and large commercial and industrial customer segments.

GDF SUEZ Australian Energy is an important participant in the NEM. It predominantly produces wholesale electricity and is focused on delivery of value through optimal participation of its assets in the relevant Australian electricity, gas and renewable energy markets, exploration of potential synergies with other GDF SUEZ businesses in Australia, and opportunistic growth of its generation and retail portfolios, including renewables. In 2013, Mitsui acquired from GDF SUEZ Australian Energy a 28% stake in all its assets (except Loy Yang B and Kwinana – where Mitsui already owned 30%). The portfolio of GDF SUEZ Australian Energy:

- generating assets in South Australia: 921 MW;
- generating assets in Victoria: 2,507 MW;
- generating assets in Western Australia: 123 MW;
- retail customers Simply Energy: over 500,000.

Australian energy markets have been progressively liberalized since the mid-1990s, when the first wholesale electricity market was introduced in Victoria. The level of private and state-owned energy infrastructure varies between states. Under the Competition Principles Agreement, between state and federal governments, publicly owned businesses in competitive markets are treated in a manner intended to ensure competitive neutrality between public and private energy businesses. New South Wales has started to privatize its generation assets.

The NEM is a deregulated merchant wholesale market serving the interconnected eastern states of Australia, in operation since 1998. It is a near real-time, energy-only, gross pool, spot market with no capacity payments. Up to 48 GW of installed generation capacity is dispatched on a five-minute basis over five states.

Gas markets exist in each of the eastern states except Tasmania, and are less developed than the electricity market.

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

The (former) Australian Government’s “Clean Energy Future” greenhouse gas emissions reduction scheme commenced in July 2012, committing it to a medium-term national target of reducing emissions significantly. In September 2013, a new government was elected and has repealed Carbon Legislation in July 2014.

Indonesia

GDF SUEZ Energy Asia-Pacific holds a 40.5% stake in Paiton 3 & 7/8, with a total of 2,035 MW coal-fired capacity, located on the island of Java. A PPA is in place for both Paiton 7/8 and Paiton 3 up to 2042.

In cooperation with PT Supreme Energy, the business is also developing three geothermal projects in Sumatra (Muara Laboh, Rantau Dedap and Rajabasa).

State owned incumbent PLN has the monopoly on transmission and distribution systems. Since the mid-1990s IPPs have been allowed to operate in Indonesia and they now operate 16% of the existing generating capacity. The end-user market is not liberalized.

In December 2009, the “Crash 2 program” for 10,000 MW of new generation capacity was launched. This program stipulated that 50% of this new capacity is to come from IPPs and 50% from PLN, and that 5,340 MW of the new capacity will come from renewable resources. In 2014, the new Jokowi administration has set a target to develop 35,000 MW of new generating capacity by 2019 out of which 15,000 MW will be developed by PLN and 20,000 MW will be built by IPPs.

Thailand & Laos

The Glow Group, in which GDF SUEZ Energy Asia-Pacific holds a majority interest (69.1%), is listed on the Stock Exchange of Thailand. It is a major participant in the Thai energy market with a combined installed capacity in Thailand and Laos of 3,195 MW. The Glow Group generates and supplies electricity to the Electricity Generating Authority of Thailand (EGAT) under Thailand’s SPP (Small Power Producer) and IPP (Independent Power Producer) programs, in addition to supplying electricity, steam, industrial water and services to large industrial customers principally located in the Map Ta Phut industrial Estate, Rayong Province.

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

State-owned EGAT is the main entity in the electricity sector. Until liberalization of the sector, EGAT generated around 95% of Thailand's power. It now accounts for about 50% of generation capacity while the rest is accounted for by the non-government sector comprising IPPs, SPPs and imports from Laos and Malaysia. IPPs in Thailand sell the energy that they produce to EGAT under long-term contracts, the terms of which are stipulated at the IPP tender stage. In industrial parks private generation companies can sell electricity to local customers.

Singapore

GDF SUEZ Energy Asia-Pacific holds a 30% stake in Senoko Energy, one of the three largest power generators in Singapore, with an approximate 25% market share. Senoko Energy owns and operates a unique portfolio of power generation assets with a combined capacity of 3,201 MW.

In 2001, the electricity generation and retail markets were separated from the natural monopoly existing in the electricity transmission market. The National Electricity Market of Singapore (NEMS) was established in 2003: generation companies compete to sell electricity every 30 minutes, while electricity retailers buy electricity from the NEMS and offer packages to sell electricity to eligible consumers. In 2004, in order to promote efficiency and competition in the electricity market, vesting contracts were introduced whereby generation companies are committed to sell a specified amount of electricity at a specified price.

1.3.3 Global Gas & LNG business line

1.3.3.1 Role

The Global Gas & LNG business line manages the Group's upstream gas and & LNG activities. Its roles are defined as follows:

- the business line embodies and manages the Group's overall ambitions in the field of natural gas and LNG, and as such plays a coordinating role in the gas value chain within the Group;
- it develops activities in the field of engineering and services related to the containment required for LNG transportation and storage;
- it operates exploration as well as production (gas and oil) assets and LNG commercial and physical assets. As such, it contributes to supplying the Group in terms of natural gas and LNG. Furthermore, it manages the Group's operational and commercial expertise in upstream gas activities.

1.3.3.2 Strategy

The Global Gas & LNG business line plays a major role in the Group's strategy of gas chain integration. Its main objectives are therefore:

- to put the upstream gas businesses in a position to support supply of the Group's existing and potential downstream markets, including power generation;
- to manage and consolidate the Group's positions in exploration and production in Europe, to reinforce development on new markets and to increase its reserves;
- to develop, secure, diversify and ensure the competitiveness of the Group's LNG supply portfolio in order to meet its customers' needs;
- to consolidate GDF SUEZ's international leadership in LNG by leveraging the Group's expertise in every segment of the LNG value chain;
- to optimize the value of its assets.

1.3.3.3 Organization

The Global Gas and LNG business line is structured in three entities: GDF SUEZ Exploration & Production (E&P), GDF SUEZ LNG and GTT.

1.3.3.4 Key figures

In millions of euros	2014	2013[(1)]	Gross change *(in %)*
Business line revenues	9,551	8,404	+13.6%
Revenue contribution to Group	6,883	5,644	+22.0%
EBITDA [(2)]	**2,225**	**2,028**	**+9.7%**

(1) Comparative data as at December 31, 2013, restated to reflect the entry into application of the standards on consolidation (see Note 2 in Section 6.2), and to present SUEZ Environnement as if it were consolidated at equity as of January 1, 2013 (see Section 6.1.1.6).

(2) The calculation method for the EBITDA has been changed (see Note 2 in Section 6.2).

Key figures 2014:

- hydrocarbon production sold: 55.5 Mboe;
- reserves as of December 31, 2014: 758.8 Mboe.

1.3.3.5 2014 highlights

January

- GDF SUEZ E&P UK started production from the Juliet gas field in the southern part of the North Sea.
- Development of the Jangkrik project in Indonesia was approved by the all the partners.

February

- Cameron LNG received from the Department of Energy conditional authorization to export LNG to countries that do not have free trade agreements with the United States ("non-FTA countries").
- GTT launched its IPO on the Euronext Paris regulated market, with 41.84% of its share capital floated. The price of the shares was set at €46, giving a market capitalization of around €1.7 billion. The offering was very popular among both French and international institutional investors as well as retail investors in France.
- GDF SUEZ E&P Nederland launched production at the Q13a-A platform (Amstel field) on the Dutch continental shelf.

March

- An agreement was signed in Taipei between GDF SUEZ and Taiwan's CPC Corporation for the sale of 800,000 metric tons of LNG a year for 20 years.
- GTT received its first order for an icebreaking tanker to enable LNG to be transported across the Arctic Ocean. The tanker will be built at the Daewoo Shipbuilding & Marine Engineering shipyard. More orders for icebreaking tankers followed during the year.

April

GDF SUEZ carried out its first transshipment operation at the terminal in Montoir-de-Bretagne on a cargo of 165,000 m^3 between the Grace Dahlia and Grace Barleria vessels.

- Cameron LNG project: Publication of the final environmental impact study by the US Federal Energy Regulatory Commission.
- Statoil and GDF SUEZ E&P Norge started production from the Gudrun gas field in the Norwegian part of the North Sea.

May

- First LNG cargo delivered by BW GDF SUEZ Boston to the Bahia Blanca regasification terminal in Argentina.
- An agreement was signed in Paris between GDF SUEZ and Tohoku of Japan for the sale of 270,000 metric tons of LNG a year for 20 years.
- GDF SUEZ E&P UK installed the Alpha well-head platform at the Cygnus gas field in the southern part of the North Sea.
- GDF SUEZ E&P International signed concession contracts for six exploration blocks in the Recôncavo Basin in Brazil.

June

- The US Federal Energy Regulatory Commission granted final authorization for construction and operation on the Cameron LNG project.
- A global framework agreement for the development of LNG bunkering was signed with NYK and Mitsubishi.

August

- GDF SUEZ and its partners in the Cameron LNG project made the Final Investment Decision (FID).
- GDF SUEZ E&P International signed an agreement with ENI to acquire 20% of the Arguni exploration license in Indonesia.

September

- GTT technology was chosen by Samsung Heavy Industries (SHI) for the first high-capacity ethane tankers. An Asian group ordered six ships, four of which are scheduled for delivery by the end of 2016, with the remaining two arriving in 2017. These new "multi-gas" ships will be designed to transport ethane, as well as other types of gas in liquid form, such as propane, butane and propylene.

October

- The foundation stone was laid for the Cameron LNG liquefaction terminal project.
- GDF SUEZ E&P UK and BP announced the discovery of Marconi in the central North Sea.

December

- GDF SUEZ E&P International sold its ENERCI company in Ivory Coast to its partners on the CI-27 block.

1.3.3.6 Description of activities

1.3.3.6.1 GDF SUEZ E&P

Role

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

Principal key indicators

Europe and North Africa are still the core areas of the Group's exploration and production business. However, the Group has been stepping up its international expansion, particularly in Indonesia, Malaysia and Brazil.

As of December 31, 2014, the Group published the following results:

- operations in 17 countries;
- 346 exploration and/or production licenses held (of which 56% are operated by the Group);
- proven and probable (2P) reserves of 758.8 million barrels oil equivalent (Mboe), of which 75% is natural gas and 25% liquid hydrocarbons;
- production of 55.5 Mboe, of which 67% is natural gas and 33% liquid hydrocarbons.

Activities of GDF SUEZ E&P

Legal framework of the Exploration & Production activities

The Group conducts its exploration and production activities through its subsidiary GDF SUEZ E&P International SA, in which it holds a 70% stake (with the remaining 30% held indirectly by the China Investment Corporation), and the company's subsidiaries (fully owned), which together constitute the GDF SUEZ E&P Business Unit, within the framework of licenses, concessions or production-sharing contracts drawn up with the public authorities or national companies of the countries involved. Under current partnership contracts, one of the parties is generally designated as operator, meaning that it is responsible for conducting daily operations, with the other parties' approval required for important matters such as the adoption of a development plan, major investments, and budgets. Only companies approved by local public authorities can be selected as operators.

Proven and probable (2P) reserves

In 2014, 18 exploration wells were drilled, 10 of which were successful. The resources thus proven will contribute to reserves in the future.

The tables below show all of the Group's proven and probable (2P) reserves (including developed and undeveloped reserves[1] and their geographical distribution.

DEVELOPMENT OF THE GROUP'S RESERVES[2]

	2014			2013			2012		
Mboe	Natural gas	Liquid hydro-carbons	Total	Natural gas	Liquid hydro-carbons	Total	Natural gas	Liquid hydro-carbons	Total
Reserves as of December 31, N-1	609.9	188.9	798.8	642.6	192.9	835.5	583.9	204.8	788.8
Revision + discoveries	25.9	14.7	40.5	2.9	12.3	15.2	95.7	6.9	102.6
Assets bought and sold	-27.0	1.9	-25.0	0.0	0.0	0.0	-0.2	-0.8	-1.0
Production sales	-37.2	-18.3	-55.5	-35.6	-16.4	-51.9	-36.9	-18.0	-54.9
Reserves as of December 31	571.6	187.2	758.8	609.9	188.9	798.8	642.6	192.9	835.5

CHANGES IN THE GROUP'S RESERVES BY COUNTRY

	2014			2013			2012		
Mboe	Natural gas	Liquid hydro-carbons	Total	Natural gas	Liquid hydro-carbons	Total	Natural gas	Liquid hydro-carbons	Total
Germany	30.6	64.5	95.1	41.9	63.5	105.4	51.7	61.1	112.8
Norway	206.6	107.4	314.0	203.8	108.0	311.8	209.6	111.7	321.2
United Kingdom	46.6	1.0	47.6	56.3	1.2	57.4	59.5	1.8	61.3
Netherlands	75.1	6.4	81.4	76.5	6.7	83.2	85.1	7.2	92.3
Other[1]	212.8	8.0	220.7	231.4	9.6	241.1	236.7	11.2	247.9
TOTAL	**571.6**	**187.2**	**758.8**	**609.9**	**188.9**	**798.8**	**642.6**	**192.9**	**835.5**
Change	-6%	-1%	-5%						

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

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

(2) As amounts are rounded by the database, there may be insignificant variances between line-items and totals.

As of December 31, 2014, GDF SUEZ's 2P reserves of liquid hydrocarbons and natural gas ("entitlement"[(1)]) were 758.8 Mboe, compared with 799 Mboe in 2013. Gas accounts for 75% of these reserves, which represent a volume of 572 Mboe, or 91 billion cubic meters.

For those fields that are operated under a production-sharing contract, the "tax barrels" reserves have been recognized in accordance with the Society of Petroleum Engineers (SPE) rules for recognizing 2P reserves. These "tax barrels" reserves correspond to the taxes paid on behalf of GDF SUEZ E&P by its partners, the national oil companies, to the authorities of the respective countries.

The Group's share in 2P reserves for the fields in which it is a partner (working interest reserves[(2)]) was 922 Mboe at the end of 2014 compared to 962 Mboe at the end of 2013.

Each year, a proportion of approximately one-third of the reserves is evaluated independently by a specialist consulting firm (DeGolyer and MacNaughton this year).

To estimate its 2P reserves, the Group uses the "SPE PRMS" classification, based on the common definitions of the SPE and the World Petroleum Congress (WPC).

The 2P reserves replacement ratio for a given period is defined as the ratio of additions of 2P reserves for the period (discoveries, net acquisitions and revisions of reserves) to production for the period. The 2P reserves replacement ratio for GDF SUEZ E&P was 144% over the 2010-2012 period, 90% over the 2011-2013 period, and 82% over the 2012-2014 period.

Production

During the fiscal year ended on December 31, 2014, the gas and liquid hydrocarbons production sold by GDF SUEZ E&P was 55.5 Mboe.

The table below sets out GDF SUEZ E&P's production, including the share from companies consolidated by the equity method, by country.

CHANGE IN GROUP PRODUCTION BY COUNTRY - NATURAL GAS AND LIQUID HYDROCARBONS

	2014			2013			2012		
Mboe	Natural gas	Liquid hydro-carbons	Total	Natural gas	Liquid hydro-carbons	Total	Natural gas	Liquid hydro-carbons	Total
Germany	4.2	2.8	7.0	4.8	3.1	7.9	5.4	3.3	8.7
Norway	14.5	13.3	27.7	12.0	12.3	24.3	11.7	13.6	25.4
United Kingdom	3.3	0.2	3.4	1.7	0.1	1.7	1.6	0.1	1.7
Netherlands	13.7	1.7	15.3	15.5	0.5	16.0	16.3	0.4	16.7
Other[(1)]	1.6	0.4	2.0	1.6	0.4	2.0	1.8	0.6	2.4
TOTAL	**37.2**	**18.3**	**55.5**	**35.6**	**16.4**	**51.9**	**36.9**	**18.0**	**54.9**

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

France

The Head Office of the exploration & production activity directs and controls the operational activities of the affiliates and New Assets. The Group holds an exploration license in France.

Activity in affiliates

Germany (GDF SUEZ E&P Deutschland)

As of December 31, 2014, the Group owned a stake in 54 oil and natural gas fields in Germany, including 49 in production, with 2P reserves of 95 Mboe at December 31, 2014 (including approximately 32% in the form of natural gas).

Norway (GDF SUEZ E&P Norge)

GDF SUEZ E&P Norge owns a stake in 16 oil and natural gas fields off the coast of Norway, including 8 in production, its share of which was 314 Mboe of 2P reserves as of December 31, 2014 (including approximately 66% in the form of natural gas).

In 2014, the F-West wells were successfully drilled.

United Kingdom (GDF SUEZ E&P UK)

At the end of 2014, the Group held stakes in 25 fields in the UK North Sea, of which 10 were in production. As of December 31, 2014, the share of 2P reserves held by the Group in these fields represented 48 Mboe (98% of which was in the form of natural gas).

In the United Kingdom, the Group drilled 3 exploration wells with proven hydrocarbons in 2014 and took part in exploration projects for unconventional gas.

(1) Unless otherwise specified, the references made to 2P reserves and production must be understood as GDF SUEZ E&P's stake in these reserves and production (net of all license charges taken in kind by third parties in the form of crude oil or natural gas (entitlement)). These references include the total of these net 2P oil, gas and other hydrocarbon reserves estimated as being extractable for the remaining duration of the licenses, concessions and production-sharing agreements. GDF SUEZ holds 70% of interest in EPI which it consolidates by the full consolidation method.

(2) Under a production-sharing agreement, part of the hydrocarbons produced is returned directly in kind to the Government. These volumes are not recognized as 2P reserves and are therefore less than the reserves calculated on the basis of the percentage interests held (working interest reserves).

The Netherlands (GDF SUEZ E&P Nederland)
The Group has stakes in 55 fields in the Dutch exclusive economic zone, of which 45 are in production. As of December 31, 2014, the share of 2P reserves held by the Group in these fields represented 81 Mboe (92% of which was in the form of natural gas).

In 2014, two exploration wells discovered additional volumes.

Egypt (GDF SUEZ Exploration Egypt)
The Group holds stakes in 4 concessions in Egypt, 2 of which are in production. The Group operates 2 concessions in exploration. In 2014, 2 exploration wells found hydrocarbons.

Australia (GDF SUEZ Bonaparte)
GDF SUEZ, as operator (60%), and Australian company Santos (40%) announced in June that with regard to the Bonaparte LNG project alternative solutions to floating liquefaction would be studied for the development of the Petrel, Tern and Frigate gas fields.

Other countries
The Jangkrik project in Indonesia entered into execution in February. Subsequently, the key contracts (EPC contracts – engineering, procurement, construction – and a drilling rig contract) were signed in the first quarter. GDF SUEZ has also acquired 20% of the Arguni exploration license (under finalisation). GDF SUEZ E&P International decided to withdraw from Block 7, its last asset in Mauritania, and from its 2 licenses in Greenland (Blocks 5 and 8 in Baffin Bay). And from its last license in Gulf of Mexico (USA). These withdrawals were in progress on Decembrer 31, 2014.

The Ivory Coast assets, including the Foxtrot field, were also sold in 2014.

In Algeria, all EPC (engineering, procurement, construction) contracts for the Touat project were signed. In 2014, 11 production wells were drilled.

In total, excluding Europe and withdrawals In progress, the Group holds stakes in 27 licenses, in Algeria, Australia, Azerbaijan, Brazil, Egypt, Indonesia, Libya, Malaysia and Qatar. As of December 31, 2014, the share of 2P reserves held by the Group in these licenses represented 221 Mboe, some 96% of which was in the form of gas.

Gas marketing
GDF SUEZ E&P produced a total of 63 TWh of natural gas in 2014. Around one-quarter is marketed through other Group entities (GDF SUEZ Gas Supplies, GDF SUEZ LNG, and GDF SUEZ Trading).

Sales to other Group entities also come in the form of long-term contracts at arm's length conditions, similar to third-party supply contracts.

The remaining production is sold directly to third parties, mostly under long-term contracts (e.g. in the Netherlands or Germany), or annual contracts obtained after government tenders (e.g. gas from Norway).

1.3.3.6.2 GDF SUEZ LNG

Role

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

The Group's positions in LNG

- A portfolio of 16.4 million metric tons per year of long-term supply contracts from six countries.
- Regasification capacity in six countries.
- A fleet of 14 ships [(1)] including two LNG regasification vessels.

Description of the LNG activities in the Group

GDF SUEZ's recognized expertise over the entire LNG value chain, from production to imports and marketing, including LNG terminal operation and maritime shipping, enables it to take advantage of the strong growth of the LNG market.

LNG gives the Group access to new natural gas resources and helps it diversify and secure its supply. It also enables the Group to develop new markets and to rationalize management of its gas supply portfolio. The LNG business is being developed in coordination with the Group's upstream (exploration & production) and downstream activities (natural gas supply and power production).

LNG supply and positions in liquefaction

GDF SUEZ buys LNG under long-term (15-20 years) and medium-term (1-5 years) supply contracts. The Group also purchases spot LNG cargoes. The Group's contractual annual long-term commitments are as follows (as of December 31, 2014):

(1) At the end of December 2014.

	Annual LT commitment[4]		
	In millions metric tons of LNG per annum (Mtpa)	*TWh equivalent*	**GDF SUEZ's stake in liquefaction plants**
Algeria (DES[1] for a portion of volumes)	6.8	102	-
Egypt	3.7	55	5% of Idku train 1
Nigeria (DES contract[1])	0.4	6	-
Norway (12% stake connected to the Snøhvit deposit)	0.5	7	12% of the Melkøya plant
Trinidad and Tobago[2]	2.0	30	-
Yemen	2.6	39	-
Shell (LT agreement from 2014 – DES[1] contract)	0.4	6	-
TOTAL (2014)	**16.4**	**245**	
United States	4[3]	60	16.6% of the Cameron LNG plant (Louisiana)

(1) Delivered ex-ship. The vendor unloads LNG cargos directly at the customer's regasification terminal.
(2) The contract with Trinidad and Tobago is handled contractually by GDF SUEZ Energy North America.
(3) LNG production will start in 2018.
(4) Contractual nominal quantities.

To strengthen its diversification and security of supply, GDF SUEZ LNG is also involved in the development of liquefaction plant projects:

- a liquefaction plant in the United States: in May 2013, GDF SUEZ signed an agreement to create a joint venture with Sempra Energy, Mitsubishi and Mitsui to develop, finance and build the natural gas liquefaction plant of Cameron LNG at the Cameron LNG terminal in Louisiana. This agreement will give GDF SUEZ access to an annual liquefaction capacity of 4 million metric tons from 2018. The foundation stone for the project was laid in October 2014;
- a liquefaction plant in Cameroon: the project, in cooperation with Société Nationale des Hydrocarbures, comprises construction of a liquefaction plant with a maximum annual capacity of 3.5 million metric tons, located near Kribi and supplied by a national transmission network connecting it with Cameroon's offshore natural gas fields;
- the Group announced in June 2014 that the Bonaparte LNG project in Australia (60% owned by GDF SUEZ and 40% by Santos) would not proceed to the advanced engineering phase this year as previously planned. A study of alternatives to floating liquefaction for the recovery of reserves was undertaken in order to maximize the value of these reserves.

LNG destination and positions in regasification terminals

In 2014, LNG deliveries were made mainly in Europe and Asia, as well as in North and South America.

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

In India in April 2012, GDF SUEZ was selected as a strategic partner of the Andhra Pradesh Gas Distribution Corporation (APGDC) for the development of a floating import LNG terminal. With a capacity of 3.5 Mtpa, the terminal will be located on the east coast of India. GDF SUEZ would have a stake in the terminal with access to regasification capacity. Shell joined this project in July 2014.

GDF SUEZ LNG is also positioned in the Asian LNG markets undergoing high growth, with the signing of several sale contracts, including:

Long-term gas contracts:

- a contract for the sale of 0.8 million metric tons of LNG a year to the Taiwanese company CPC from 2018 for a period of 20 years, provided by the Cameron LNG liquefaction plant;
- a contract for the sale of 0.3 million metric tons of LNG a year to the Japanese company Tohoku Electric Power from 2018 for a period of 20 years, provided by the Cameron LNG liquefaction plant;

medium-term contracts:

- a contract for the sale of 1.6 million metric tons of LNG to the South Korean company Kogas between 2013 and 2014;
- a contract for the sale of 2.6 million metric tons of LNG to the Chinese company CNOOC between 2013 and 2016;
- a contract for the sale of 2.5 million metric tons of LNG to the Malaysian company Petronas between 2012 and 2014;
- a contract for the sale of 0.8 million metric tons of LNG to the Indian company GAIL between 2013 and 2014;
- a contract for the sale of 0.8 million metric tons of LNG to the Japanese company Tohoku Electric Power between 2014 and 2017; and
- an agreement for the sale of 1.2 million metric tons of LNG to the Japanese company Chubu Electric between 2015 and 2017.

Maritime transport

GDF SUEZ uses a fleet of LNG vessels that it adapts in size to meet its long-term commitments and its one-time opportunities. The chartering terms vary from a few days to 20 years or more. At the end of 2014, the GDF SUEZ fleet included 14 LNG carriers:

- 3 ships owned by the Group: Matthew (126,540 m^3), Provalys (154,500 m^3), GDF SUEZ Global Energy (74,130 m^3);
- 2 ships of which the Group is a co-owner: Gaselys (154,500 m^3, owned by the NYK Group and GDF SUEZ) and BW GDF SUEZ Boston (owned by the BW Gas Group and GDF SUEZ); and
- 9 other ships chartered from other shipping companies.

In maritime transport, GDF SUEZ also has an 80% stake in shipping management company GAZOCEAN (the other 20% stake is held by Japanese shipping company NYK), and a 40% stake in Gaztransport & Technigaz (GTT).

1.3.3.6.3 GTT (Gaztransport & Technigaz)

Role

GTT is the world leader in the design of cryogenic membrane containment systems used in the shipping industry for LNG transportation. GTT has more than 50 years of experience in its field.

GTT operates in five sectors: LNG carriers, FLNG (floating production, storage and unloading units for LNG), FSRU (floating storage and regasification units for LNG), land storage tanks and solutions for LNG use as fuel.

GTT aims to:

- provide the LNG industry with containment systems designed by the company that enable the safe and reliable bulk transportation and storage of LNG;
- provide engineering, consultancy, training, maintenance assistance and execution of technical studies at every stage of the LNG chain; and
- adapt its technologies to promote new outlets for LNG, including by helping to develop LNG as a fuel for ships, and the transportation of LNG by sea or river in small or mid-sized vessels.

Principal key indicators

As at December 31, 2014:

- the order backlog contains more than 100 orders (LNG tankers, ethane tankers, FLNG[(1)], FSRU[(2)], land storage tanks);
- GTT is the leader in its sector, representing more than 80% of global orders for LNG tankers, and the only three FLNG orders over 50,000 m^3, between 2008 and December 30, 2014;
- GTT employs more than 380 staff, two-thirds of whom are engineers.

Activities

GTT has developed tried and tested technologies over the past 50 years. It is the only company that markets “membrane” containment technologies for ships with general approval for application on vessels. Applied to LNG tankers, these technologies allow for LNG to be transported in bulk in the ship, as the hull is protected by thermal insulation that maintains the LNG at cryogenic temperature (-162°Celsius at atmospheric pressure). As the LNG is contained by a thin metal lining, this double membrane complies with regulatory requirements.

GTT’s two main technologies whose implementation is comprehensively controlled, Mark III and NO 96, are well-known for their excellence and reliability. They are protected by patents. These technologies, and developments in them, are mainly used on tankers for LNG transportation. Meanwhile, thanks to long-term investments in research and development relating to its traditional technologies, GTT has developed new applications, particularly for floating units (FSRU and FLNG), and land storage tanks.

GTT’s customers can access its technologies by implementing licensing agreements that provide them with protected rights to the technologies as well as the know-how of GTT, which supports its customers throughout their construction projects.

GTT also provides its customers with engineering services irrespective of whether they enter into a licensing agreement.

Lastly, GTT provides ad hoc services that include training, maintenance assistance, certification assistance and execution of technical studies.

GTT’s technologies have long been accepted and endorsed by the classification companies in the maritime domain.

The company, which has been ISO-9001-certified since December 2010, is now focused on fine-tuning its quality management system so that it can continue consistently meet the quality standards required by its customers supporting growth.

Nearly all of the Company’s customers are in Asia (mainly China and South Korea).

(1) Floating LNG production, storage and unloading units.

(2) Floating LNG storage and regasification units.

1.3.4 Infrastructures business line

1.3.4.1 Role

The Infrastructures business line combines in a coherent body the Group's gas infrastructures in France, through four specialized subsidiaries in transmission, storage, LNG terminals and distribution activities. To achieve overall optimization, a number of foreign infrastructure management subsidiaries (in Germany and the UK) also report to it.

The combined positions of these subsidiaries and stakes make the GDF SUEZ Group the leading European player in the gas infrastructures sector.

Its business model guarantees it stable, recurring revenues and cash flow that contribute effectively to the financial stability of the GDF SUEZ Group.

1.3.4.2 Strategy

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

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

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

1.3.4.3 Organization

The organization of activities within the Infrastructures business line is based on four independent subsidiaries which are all incorporated as French *sociétés anonymes*. In France, each of them operates, markets and develops facilities directly under their own responsibility: Storengy for its storage sites, Elengy for its LNG terminals at Montoir-de-Bretagne and Fos Tonkin, GrDF for its distribution network, and GRTgaz for its transmission network (pipelines and in-line compression stations).

In addition, three of them carry the Group's investment stakes in Europe:

- GDF SUEZ storage subsidiaries in Germany and the UK are attached to Storengy;
- Megal and GRTgaz Deutschland in Germany are attached to GRTgaz;
- Elengy, the majority shareholder of Société du Terminal Méthanier de Fos Cavaou (Fosmax LNG), operates the terminal.

In accordance with the Energy Code, GRTgaz owns the assets necessary to accomplish its missions. The commercial and financial agreements and service provision contracts between GRTgaz and GDF SUEZ or its subsidiaries are strictly regulated (cf. Articles L. 111-17 and L. 111-18 of the Energy Code). Some are subject to prior authorization from the Energy Regulatory Commission (CRE). In particular, provision of services by the "vertically integrated undertaking" to GRTgaz (cf. article L. 111-10 of the Energy Code) must be strictly necessary to GRTgaz's activity for the purpose of ensuring the gas system's balance, security and safety.

1.3.4.4 Key figures

In millions of euros	2014	2013[1]	Total change *(in %)*
Business line revenues	6,812	6,775	+0.5%
Revenue contribution to Group	2,994	2,557	+17.1%
EBITDA [2]	3,274	3,334	-1.8%

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards and to the presentation changes in the income statement (see Note 2 of Section 6.2 "consolidated financial statements") and to present SUEZ Environnement as if it had been accounted for using the equity method as of January 1, 2013 (see Section 6.1.1.6 "Pro forma financial statements including the SUEZ Environnement Company group as an associate").

(2) The calculation method for the EBITDA has been changed (see Note 2 in Section 6.2 "Comptes consolidés").

1.3.4.5 2014 highlights

- January: GRTgaz sets up its first monitoring and alert system for market operators to safeguard the network's operation (winter 2013/2014).
- February: in France, GRTgaz signed a first connection agreement to inject renewable gas (biomethane) into the gas transmission network from 2015 at Chagny (Saône-et-Loire).
- April: outside France, GDF SUEZ won a contract to manage the construction of the "Los Ramones Sur" gas pipeline in central Mexico (300 km, DN 1050), and a compression station with five metering units. GRTgaz Mexico, a wholly-owned subsidiary of GRTgaz Développement, is an engineering services provider.
- May: in order to harmonize wholesale prices between Southern France and Northern Europe and create a single gas wholesale market in France by 2018, the CRE published its investment plans, confirming the Val de Saône (200 km between Étrez in the department of Ain and Voisines in Haute-Marne) and Gascogne-Midi projects.
- May: Elengy brought into service mobile evaporation compressors at the Montoir-de-Bretagne terminal, saving 300 GWh of flaring until they turned off on November 30.
- June: Storengy filed its first research permit application for low-temperature geothermal sites.
- July: Fosmax LNG offered an improved methane tanker loading service with a flow of 4,000 m^3/h, subscribed twice by the end of 2014.
- August: As part of the European Network of Transmission System Operators for Gas (ENTSOG) and Gas Infrastructure Europe (GIE), GRTgaz contributed to the achivement oft stress tests for the European Commission by simulating a Russian supply crisis, limited or no to the Ukraine supply lines.
- September:
  - Storengy UK launched the marketing of part of its storage capacity on the Stublach site.
  - Widespread deployment of the Gazpar project, a smart metering system, on all concessions serviced by GrDF, was approved by a decision of the Ecology, Sustainable Development & Energy Minister and the Economy, Industry & Digital Data Minister.
- October: Work to extend the Peckensen site was completed when the last cavern came into service.

1.3.4.6 Description of activities

A specific legislative and regulatory environment

GDF SUEZ remains a vertically integrated group but its organization concerning gas infrastructure management activities has been strongly impacted by the implementation of successive European Directives regarding the organization of the domestic energy market and the laws transposing them. The infrastructure activities have all been affiliated.

In 2011, in its transposition of the "internal market" Directive 2009/73/EC, known as the "Thrid Gas Directive", France opted for the ITO system[1] management of the transmission network (GRTgaz). This system sets out the autonomy and independence rules with which GRTgaz must comply in respect of GDF SUEZ while recognizing the entitlement of GDF SUEZ to perform economic and management supervision. In 2012, the CRE certified the compliance of GRTgaz with these provisions. In 2013, after a thorough analysis of the law in France (especially the Energy Code) transposing the Thrid Gas Directive, the European Commission made some comments on its compliance with the Directive. These comments are currently under review by the French authorities.

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

The Energy Code imposes public service obligations on GDF SUEZ and its subsidiaries, especially natural gas infrastructure managers. It provides for the French State to sign public service contracts with GDF SUEZ, GRTgaz and GrDF to ensure the implementation of public service delegations, especially those managed by its infrastructure subsidiaries. Discussions between the public authorities, GDF SUEZ, GrDF and GRTgaz are currently being finalized. The French State publishes an indicative multiyear plan describing foreseeable changes in demand for natural gas, how this demand is met and investments scheduled to this end.

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

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

1.3.4.6.1 Underground natural gas storage

The GDF SUEZ Group is the leader in underground storage in Europe, with a storage capacity of around 13 Gm^3.

(1) *Independent Transmission Operator.*

France

As of December 31, 2014, Storengy was operating in France:

- 14 underground storage facilities (including 13 wholly-owned). Nine of these storage facilities are in aquifers (total useful storage volume 9 billion m³), four are in salt caverns (total useful storage volume 1 billion m³), and one is in a depleted field (useful storage volume 80 million m³); three of these sites have been mothballed (corresponding to a total useful volume of 800 million m³) and the development of a fourth site has been suspended;
- 51 compressors with a total power of 219 MW, needed to withdraw and inject natural gas;
- surface facilities required to process the gas withdrawn, before injection into the transmission network.

Legislative and regulatory environment in France

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

According to the Third Gas Directive, access to storage is organized according to a system known as "negotiated access". Storage prices are set by Storengy, in a transparent, non-discriminatory manner. The Energy Code and the decree of August 21, 2006 set the access conditions for storage facilities. This decree specifically sets out the conditions for granting and assigning storage capacity access rights and their distribution, and requires the authorized supplier or agent to maintain sufficient stores in order that, on October 31 of every year, they have enough natural gas to supply their customers from November 1 to March 31. An annual decree sets out the storage rights in question and related obligations. This decree was revised on March 12, 2014 because the existing regulatory framework was no longer adequate, due to changes in the operation of the gas market, to ensure that suppliers have sufficient storage capacity to ensure continuity of supply during periods of extreme cold.

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

Germany

Storengy Deutschland GmbH, a wholly-owned subsidiary of Storengy, is one of the leaders on the German underground gas storage market, with over 8% market share by volume. The company owns and operates six storage sites for a working capacity of nearly 1.7 billion m³ (three salt sites: Harsefeld, Lesum and Peckensen; and three depleted sites: Fronhofen, Schmidhausen and Uelsen[2]. It also holds a 19.7% stake in the Breitbrunn depleted site (992 million m³ in total).

United Kingdom

Storengy UK Ltd, a wholly-owned subsidiary of Storengy, is dedicated to the construction and marketing of storage capacities in saline cavities at Stublach, in Cheshire. The planned storage capacity at the site is 400 million m³ of useful volume, divided into 20 cavities. The UK's Office of the Gas and Electricity Market (OFGEM) granted it a third-party access exemption for the entire project.

Storage strategy

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

- optimizing and enhancing its business in its traditional markets;
- identifying new sources of growth in emerging markets, using its expertise, particularly in terms of geosciences and the management of health and safety risks;
- investing in new markets like geothermal, since Storengy has specific expertise in underground and drilling.

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

1.3.4.6.2 LNG terminal activities

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

Elengy is the second-largest European LNG terminal operator (source: GIIGNL), with three LNG terminals in France. The facilities operated by Elengy have a total regasification capacity[3] of 21.25 billion m³ (Gm³) of gas per annum to December 31, 2014.

Fos Tonkin Terminal

Brought into service in 1972, Fos Tonkin is located on the Mediterranean coast and receives LNG primarily from Algeria. Its regasification capacity stands at 3 billion m³ per year. Its jetty can accommodate ships carrying up to 75,000 m³ of LNG and its three tanks have a total capacity of 150,000 m³.

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

(2) Reitbrook's storage has been transferred to another Group entity, GDF SUEZ E&P Deutschland GmbH, which intends to resume oil production at the site.

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

Montoir-de-Bretagne terminal

Montoir-de-Bretagne, which was brought into service in 1980, is located on the Atlantic coast and receives LNG from various sources. It has a regasification capacity of 10 billion m^3 per year, two jetties that can accommodate ships transporting up to around 260,000 m^3 of LNG (Q-MAX) and three tanks with a total capacity of 360,000 m^3. Renovation of the terminal was completed in 2013, allowing it to be operated at its current capacity until 2035.

Fos Cavaou Terminal

The Fos Cavaou terminal was brought into commercial service in 2010. It has a regasification capacity of 8.25 Gm^3 per year, a jetty that can accommodate Q-MAX-size tankers, and three tanks with a total capacity of 330,000 m^3. The terminal is owned by a dedicated subsidiary, FosmaxLNG, in which Elengy has a 72.5% stake, while Total Gaz Electricité Holding France SAS holds a 27.5% stake. It is operated by Elengy.

Legal and regulatory environment specific to regasification activities in France

An LNG terminal is a facility subject to classification for environmental protection purposes (Seveso facilities) and, therefore, its operation is subject to a specific authorization by the prefecture. These authorizations (Montoir-de-Bretagne and Fos Tonkin) were transferred to Elengy by Prefectural Decree in 2008. The Prefectural Decree authorizing the full operation of the Fos Cavaou LNG terminal was signed on February 14, 2012.

Access to LNG terminals: principles and tariffs

Regulated tariffs for access to LNG terminals applicable since April 1, 2013 were adopted following the CRE ruling of December 13, 2012 and adjusted mid-period by the CRE ruling of December 17, 2014. They are scheduled to apply until March 31, 2017.

The tariff package consists of five terms depending (i) on the number of unload operations, (ii) quantities unloaded, (iii) use of regasification capacity, (iv) gas-in-kind and (v) seasonal adjustment. The mid-period adjustment led to a 4.2% cut in the average unit tariff at Montoir, a 3.8% cut at Cavaou and a 25.1% increase at Tonkin. The RAB for Elengy and FosMax combined stood at €1,168 million at January 1, 2015 with an actual rate of return of 8.5%, before corporate income tax.

The LNG terminal activities strategy

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

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

1.3.4.6.3 Distribution activities in France

The main activity of the distribution business in France is to deliver the gas sold by the suppliers to the end customers. It operates within the general framework set out in Section 1.3.4.1 but has specific features related to its nature as a local utility.

Legislative and regulatory environment specific to these activities

The Concession system

Each municipality where a gas supply is available grants a concession to an authorized distributor to operate the public service of gas distribution on its territory. Concessions are entered into or renewed based on standard specifications established jointly by the French national federation of concession-granting and state-controlled municipalities (FNCCR) and GrDF. Concession-granting bodies exercise control to ensure the proper execution of the obligations resulting from these specifications.

Distribution structures belong to the municipalities even when they are built and financed by the distributor, who has an exclusive right to use them.

The Energy Code recognizes the entitlement of exclusive concession rights to historic concession-holders, i.e. GrDF and 22 local distribution companies (ELD), to exclusive service areas. As holders of a "distribution monopoly", they are the sole operators with whom municipalities may renew the concession. The grounds for terminating a concession contract early are strictly controlled (listed limitatively) as is the date the concession can be terminated (cannot be in the first half of the contracted term). Termination also requires two years' notice and the concession-granting authority must pay compensation to the concessionaire for early termination.

Apart from the exclusive service areas of GrDF and the local distribution companies, the Energy Code allows all municipalities not supplied with natural gas to entrust their public gas distribution to the operator of their choice.

The joint department specific to GrDF and ERDF

The Energy Code assigns a joint department, primarily responsible for construction, worksite project management, network operations and maintenance, and metering operations.

GrDF and ERDF are linked by an agreement defining their relationship within the Joint Department, the services it provides, and the distribution of the resulting costs. This agreement, signed for an indefinite period, may be terminated at any time, subject to 18 months' notice, during which period the parties undertake to renegotiate an agreement.

GrDF activities

As of December 31, 2014, the French natural gas distribution network operated by GrDF was the leading network of this type in Europe due to its length (196,940 km)[1]. It has some 10.9 million delivery points[2] in 9,529 municipalities served (of which 8,955 based on exclusive rights assigned to GrDF), representing approximately 77% of the French population.

With 260 TWh of natural gas delivered in 2014, GrDF represented 95% of the French market for network gas distribution.

(1) Source: Internal benchmark from public data for 2014.

(2) As of December 31, 2014, 2,001,968 customers supplied in this way used an alternative gas supplier.

The average residual term of its concession contracts, weighted by volumes distributed, was 13.25 years at December 31, 2014.

Access to the gas distribution network: principles and tariffs

The new GrDF gas distribution tariff (the "ATRD 4") came into force on July 1, 2012[1] for a period of four years. It applies to the GrDF exclusive service area. The structure of this tariff is consistent with the previous tariff (compensation on asset base and consideration of operating expenses). A Charges and Revenue Regularization Account (CRRA) offsets the difference between projected and actual income and expenses, specifically for the income relating to the volume of gas transported.

The regulated asset base (RAB) includes all distribution activity assets such as pipelines and connections, pressure regulation stations, meters and other technical and IT-related equipment, depreciated on a straight-line method to determine the annual capital expenses. Pipelines and connections, which represent 92% of the assets in the RAB are depreciated over 45 years. The RAB stood at €14,314 million, subject to CRE validation, at January 1, 2014 with an actual rate of return of 6%, before corporate income tax.

The tariff structure will change on July 1 each year according to a percentage variation equal to "inflation +0.2%" (excluding the effect of the CRRA), based on productivity of 1.3% per annum on net operating expenses. On July 1, 2014, the tariff increased by 2.94%, including the effect of the CRRA. In addition, periodic updates to the catalogue and the price of services (suppliers, customers and biomethane producers) are now subject to rulings by the CRE.

Lastly, a specific regulatory framework for the Gazpar smart meters project was defined in the CRE ruling of July 17, 2014. It is based on the allocation of a remuneration premium of 200 basis points on the metering assets brought into service during the industrial deployment phase (2017-2022), accompanied by a capped global mechanism to encourage compliance with all the project's aspects, i.e.

- biennial monitoring of compliance with the provisional timetable for the project's deployment, with penalties for delays;
- annual monitoring of the unit cost of the meters;
- annual monitoring of the system's performance;
- annual monitoring of the investment expenditure on the IS and smart meter chain.

GrDF strategy

The GrDF strategy is centered on the following key points:

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

1.3.4.6.4 Transmission activities

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

GRTgaz develops, operates and maintains a transmission network, manages the natural gas flows that flow through it, and markets network access services to gas suppliers. It also manages an interest in the Megal Germany transmission network.

The facilities

GRTgaz wholly owns one of the longest high-pressure natural gas transmission networks in Europe[2], representing 32,153 km, in France, at December 31, 2014: the main network (8,110 km) sends natural gas from entry points (LNG terminals, interconnection points with international pipeline networks) to the regional network. The regional network (24,042 km) then directs it towards some 4,500 delivery points serving industrial customers and distribution networks. GRTgaz operates 26 compression stations.

During 2014, GRTgaz sent 51 billion m^3 of gas across the French network (583 TWh).

In addition, GRTgaz has investments in the Megal transmission network in Germany (1,167 km), representing a cumulative length[3] of 429 km.

Legal and regulatory framework for gas transmission in France

This activity takes place within a general framework (defined in section 1.3.4.5.) aimed at ensuring the independence of the network manager.

The Energy Code states that the construction and operation of natural gas transmission pipelines must be authorized by a competent administrative body, the conditions for which are set by Articles L. 555-7 *et seq*. and Articles R. 555-2 *et seq*. of the Environment Code. Authorizations are registered and non-transferable. Entities that obtain natural gas transmission authorizations must comply with the terms and conditions of the authorizations.

(1) CRE ruling of February 28, 2012.

(2) Source: Internal benchmark from public data for 2010.

(3) Cumulative length of the network: length in kilometers of the pipes for the network in question multiplied by the percentage stake held by GDF SUEZ.

Access to the gas transmission network: principles and tariffs

Pursuant to its ruling on the pricing decision of December 13, 2012 the CRE defined the methodology and set the tariffs known as "ATRT 5" destined to apply from April 1, 2013 for a period of four years. The tariff structure is updated on April 1 each year. Each year, it is drawn up to cover the income authorized by the CRE, according to observed inflation data and the best available forecasts of capacity subscriptions for the year in question.

The blueprint for net operating expenses includes a productivity objective. An incentive for cost control in investment programs is introduced, along with a revision clause after two years enabling adjustment of the blueprint for net operating expenses for 2015 and 2016, under certain conditions.

At April 1, 2014, the transmission tariff saw an average increase of 3.9%. The rate of return applied to the regulated asset base (RAB) is 6.5% (real, pre-tax). An increase of 3% is retained for investments already made, creating additional capacity on the main network. In terms of new investment, the allocation of this increase is restricted to the Val de Saône projects and decentralized odorization of natural gas.

The CRE ruling on December 17, 2014 led to an average increase of 2.5% in the GRTgaz tariff at April 1, 2015.

The RAB 2014 for the transmission network stands at €7,309 million (subject to validation by the CRE).

Transmission Europe

Megal GmbH & Co. KG ("Megal"), owned 49%[(1)] by GRTgaz Deutschland (a wholly-owned subsidiary of GRTgaz), and 51% by Open Grid Europe, has a pipeline network connecting the Czech and Austrian borders with the French border. Megal has granted rights to use its assets to GRTgaz Deutschland and to Open Grid Europe, which separately manage the transmission service purchased by the shippers on their part of the network. GRTgaz Deutschland GmbH markets approximately 58% of the capacity of the Megal network.

Transmission business strategy

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

- contributing to better integration of the European markets by making the necessary investments, such as the gas pipelines "Hauts de France 2" (now in service) and "Arc de Dierrey" (under construction), and by proposing innovative services with neighboring operators (Storengy, Elengy) as GRTgaz has done with JTS (*Joint Transport Storage*) and "gas flows" [(2)] which was meant to improve the North-South link;
- contributing to the development of renewable gas by encouraging the injection of biomethane into the transmission network and promoting research on maximizing the benefit of surplus renewable energy (power to gas);
- continuing to grow internationally, in countries where gas consumption is growing fast, in close collaboration with other Group entities.

1.3.5 Energy Services business line

1.3.5.1 Role

Environmental and energy efficiency is a European priority in the fight against global warming and one of the major aims in sustainable development policies for companies and local authorities worldwide.

It is one of the major elements in the energy transition, and is the core business of GDF SUEZ Energy Services. More-efficient energy use means obtaining optimal service that reduces both the overall energy bill as well as its environmental impact.

European leader in energy services, the Energy Services business line offers, via the Cofely brand, environmental and energy-efficient solutions to its industrial, tertiary, local authorities, public administration, and infrastructure customers through services which are:

- multi-technical (e.g. electrical, thermal or HVAC engineering and system integration);
- multi-service (engineering, installation, maintenance, operation and facilities management);
- multi-energy (e.g. renewable energy sources and gas); and
- multi-country.

They cover the entire technical services value chain from design, installation and maintenance of equipment to the management of energy and utilities, multi-maintenance technical and long-term facilities management. GDF SUEZ Energy Services supports its customers throughout the life cycle of their facilities and their sites, allowing them to get the most out of their assets, manage their costs more efficiently, improve their energy efficiency, and focus on their core activity. It develops local energy generation plants that include an increasing range of renewable energy sources, such as biomass, geothermal and solar energy. In addition, it is capable – in terms of technical expertise, project management, contract relations, and geographical networking – to meet the challenges that numerous industrial and service sector customers face:

(1) *In 2013, GRTgaz sold its shares in Austrian carrier BOG and increased its stake in MEGAL from 44% to 49%.*

(2) *GRTgaz is a gas store and transmits it to the Fos terminal when the network transmission and terminal storage capacity allows.*

- the need to refocus on core activities and outsource the search for integrated multi-technical and multi-service solutions, in both the private and public sectors;
- the need to implement energy-efficient solutions;
- modernization of public institutions: health care establishments, university campuses, military or penitentiary sites, etc.;
- the need to pay increasing attention to mobility and safety with, consequently, a major need to upgrade rail, road, and urban transport infrastructures;
- new forms of contracts that allow performance-based indexing or the sharing of savings made.

1.3.5.2 Strategy

GDF SUEZ Energy Services has the following strategic priorities:

- to consolidate its position as the European leader of B2B energy efficiency solutions providers by emphasizing on the sales momentum and developing innovative products and services;
- to expand its international presence in targeted geographical regions through organic growth as well as acquisitions;
- to strengthen the technological content of its activities and develop innovation;
- to reinforce synergies with the Group's other business lines;
- to continue to improve its profitability by optimizing processes, mobilizing internal synergies, and developing cross-functional products and services.

1.3.5.3 Organization

Business organization by country

The business line is composed of six activities: Engineering, France Facilities Systems & Maintenance, France Services, Networks, Benelux, and International.

Each activity is managed by a single manager responsible for its results and reports directly to the business line's General Management. The business line's management is deliberately decentralized to ensure that decisions are made as close to operations as possible. Commercial and technical cooperation between the GDF SUEZ Energy Services entities and other GDF SUEZ entities is encouraged in order to achieve optimum efficiency in terms of sharing technical and commercial expertise and costs.

The GDF SUEZ Energy Services offer covers the entire multi-technical services value chain:

- design engineering;
- electrical, mechanical and HVAC engineering; system integration; large projects; industrial maintenance;
- multi-technical management (e.g. electrical, thermal and HVAC engineering and system integration);
- on-site management of energy networks and utilities as well as urban networks including mobility and public lighting;
- facilities management.

1.3.5.4 Key figures

In millions of euros	**2014**	**2013(1)**	**Total change** *(in %)*
Business line revenues	15,673	14,678	+6.8%
EBITDA (2)	1,127	1,041	+8.2%

(1) Comparative data as at December 31, 2013, restated to reflect the entry into application of the standards on consolidation (see Note 2 in Section 6.2 "Consolidated financial statements"), and to present SUEZ Environnement as if it were consolidated at equity as of January 1, 2013 (see Section 6.1.1.6 "Pro forma financial statements including the SUEZ Environnement Company group as an associate").

(2) The calculation method for the EBITDA has been changed (see Note 2 in Section 6.2 "Consolidated financial statements").

The business line is present in almost 40 countries, most of them in Europe, where it is active on some 1,300 sites.

1.3.5.5 2014 highlights

- January: in France, Cofely Axima and Cofely Services signed a contract with the Urban Community of Cergy Pontoise for overall management of energy and fluids for two ice rinks at the Aren'Ice sports complex.
- February: in France, Cofely Réseaux signed a contract with the cities of Rosny-sous-Bois and Noisy-le-Sec for the construction and operation of new geothermal heating network for a period of 30 years.
- March: in Algeria, Cofely Ineo is taking part in the construction of the first tramway line in Sidi Bel-Abbes.
- April: in Germany, Cofely acquired services company H.G.S., which specializes in cogeneration plants.
- May: in Singapore, Cofely acquired SMP Pte Ltd, which specializes in data center solutions for business.
- May: in the United States, Cofely acquired Ecova (a subsidiary of Avista Corp.), which specializes in smart management and operation of invoicing data and customer consumption.
- June: in France, Cofely Services signed a contract with the city of Pont-à-Mousson to build and operate an urban heating network mainly fuelled by biogas.
- June: in the United Kingdom, Cofely signed a multi-site and multi-technical management contract with Telereal Trillium, a leader in wealth management.
- June: in the United Arab Emirates, Cofely Besix Mannai Facility Management was created (share of 49% in Mannai Corporation).

- July: in the United Kingdom, Cofely purchased the portfolio of FM contracts from Lend Lease Facility Management (LLFM).
- July: in Italy, Cofely won a five-year facilities management contract for 245 sites owned by Vodafone Italia, the leading mobile phone company.
- September: in France, Cofely Ineo designed and installed the first Smart Grid tested to scale in a Toulouse industrial park to connect facilities that consume energy with those that generate it and those that store it.
- September: in France, Cofely and Euroméditerranée launched the first French marine geothermal plant, in Marseille.
- September: in France, Cofely Services and "LIN 2000", the agricultural cooperative for flax fiber extraction, inaugurated the new biomass boiler fuelled by flax shives (flax residues from grinding stems) in Grandvilliers in the Oise.
- November: in France, the Airbus contract was renewed.
- November: in Singapore, Keppel FMO, a facilities management subsidiary of Keppel Infrastructure Holdings Pte Ltd, was acquired.
- December: in Germany, Tractebel Engineering acquired Lahmeyer, one of the biggest engineering companies specializing in energy and hydro infrastructure.

1.3.5.6 Description of activities

Engineering (Engineering Division)

Tractebel Engineering is one of the leading engineering firms in Europe. Operating in 20 countries, it provides engineering and consulting solutions to public and private-sector clients in the electricity, nuclear, gas, industry, and infrastructures sectors. Tractebel Engineering offers a range of innovative and long-term solutions throughout the life cycle of its customers' facilities: feasibility studies, basic engineering, assistance with project management, assistance with operations and maintenance, and dismantling.

Systems, Facilities and Maintenance (France SIM, Benelux and International Divisions)

Through its specialized subsidiaries, such as Cofely Axima, Cofely Endel, Cofely Ineo and Cofely Fabricom, GDF SUEZ Energy Services provides its customers with multi-technical services to extend the working life and improve the reliability and energy efficiency of their facilities. GDF SUEZ Energy Services operates in the tertiary, industrial, transport and local authority sectors and provides innovative solutions for:

- electrical engineering and communication and information systems;
- HVAC engineering and refrigeration;
- mechanical engineering and industrial maintenance.

Energy services (FSE, Networks, Benelux and International Divisions)

Cofely develops services dedicated to energy and environmental efficiency for customers in the tertiary and industrial sectors and helps local authorities with sustainable urban development. Cofely offers solutions for:

- improving the energy efficiency and limiting the environmental impact of buildings (technical management-maintenance, energy efficiency agreements, etc.);
- generation, operation and distribution of local and renewable energy sources (cogeneration -plants, industrial utilities, heating and cooling networks, street lighting, etc.);
- integration of services (facilities management, multi-site management, public-private partnerships, etc.).

Electricity generation and distribution (International Division)

GDF SUEZ Energy Services, with its subsidiary SMEG, distributes electricity and gas in Monaco, and produces and sells electricity in the Pacific region with its subsidiaries EEC (New Caledonia), EDT (French Polynesia), EEWF (Wallis and Futuna) and Unelco (Vanuatu) as a partner in the development of these territories.

Main markets

GDF SUEZ Energy Services is active in four main markets:

- industry, which accounts for about 35% of its business. The business line's major industry customers are the oil industry, the paper industry, chemicals, power generation, steel making and food processing;
- private services, accounting for some 25% of its business, mainly in offices and business centers, shopping malls, data centers and the private residential market;
- public services, which accounts for 28%. The business line has a strong presence in multiple occupancy buildings, public administration, hospitals, university campuses, etc.;
- the infrastructures segment, for the remainder of its activity. The business line carries out installation and maintenance work for the electricity and gas networks, ports and airports and street lighting networks, etc.

1.3.5.7 Regulatory framework

The main regulatory changes impacting GDF SUEZ Energy Services at European and national levels are:

- broader and more stringent environmental standards regarding, in particular, greenhouse gas reduction targets and the development of renewable energy sources;
- the introduction of improvement targets in energy efficiency, mainly through the development of energy-performance contracts in the public and private sectors;

In 2014, these changes were reflected Europe-wide by the 2030 Energy and Climate Package and in France by the National Assembly's adoption of the Energy Transition Towards Green Growth bill. They represent a development opportunity for the business line. In fact, they encourage customers to seek the services of specialists in heating, electricity, mechanics and the environment who are capable of designing, developing and managing their facilities under optimum technical and financial conditions. With its unique blend of complementary activities and expertise, GDF SUEZ Energy Services is ideally placed to satisfy these growing demands.

1.4 REAL ESTATE, PLANT AND EQUIPMENT

The Group owns or leases a significant number of real estate properties, facilities, and plants around the world. Many Group activities involve operating very large plants that the Group only partially owns.

As of December 31, 2014, the Group operated electricity power plants, natural gas terminals and storage facilities in over 40 countries.

The tables below show the main facilities currently in operation, either wholly or partially owned by the Group. Leased properties are covered in Notes 22 and 23 of Section 6.2, "Consolidated Financial Statements".

POWER PLANTS (CAPACITY > 400 MW AND 100% CONSOLIDATED, EXCL. UNITS UNDER CONSTRUCTION)

Country	Site/plant	Total capacity [(1)] *(MW)*	Type of plant
Germany	Wilhelmshaven	731	Coal
	Zolling	538	Coal-, biomass-, fuel oil-fired
Saudi Arabia	Marafiq	2,744	Natural gas
	Riyadh PP11	1,729	Natural gas
Australia	Hazelwood	1,553	Lignite
	Loy Yang	953	Lignite
	Pelican Point	479	Natural gas
Bahrain	Al Dur	1,234	Natural gas
	Al Ezzel	954	Natural gas
	Al Hidd	929	Natural gas
Belgium	Amercœur	451	Natural gas
	Coo	1,164	Pumping station
	Doel	2,911	Nuclear
	Drogenbos	538	Natural gas
	Herdersbrug	480	Natural gas
	Tihange	3,016	Nuclear
Brazil	Cana Brava	450	Hydroelectric
	Estreito	1,087	Hydroelectric
	Jirau	1,650	Hydroelectric
	Ita	1,450	Hydroelectric
	Jorge Lacerda	773	Coal
	Machadinho	1,140	Hydroelectric
	Salto Osòrio	1,078	Hydroelectric
	Salto Santiago	1,420	Hydroelectric
Chile	Mejillones	869	Coal-fired and natural gas
	Tocopilla	963	Natural gas, coal- and fuel oil-fired
United Arab Emirates	Fujairah F2	2,000	Natural gas
	Shuweihat 1	1,500	Natural gas
	Shuweihat 2	1,510	Natural gas
	Taweelah	1,592	Natural gas
	Umm Al Nar	2,240	Natural gas
Spain	Cartagena	1,199	Natural gas
	Castelnou	774	Natural gas
United States	Astoria 1	575	Natural gas
	Astoria 2	575	Natural gas
	Armstrong	620	Natural gas
	Bellingham	527	Natural gas
	Blackstone	478	Natural gas
	Coleto Creek	635	Coal
	Hays	893	Natural gas
	Midlothian	1,394	Natural gas

(1) Capacity of assets in which GDF SUEZ holds a stake, all of which are taken into account irrespective of the real ownership percentage.

Country	Site/plant	Total capacity [1] *(MW)*	Type of plant
	Northfield Mountain	1,146	Pumping station
	Troy	609	Natural gas
	Wise County Power	746	Natural gas
France	CombiGolfe	435	Natural gas
	CyCoFos	490	Natural gas and steelworks gas-fired
	DK6 (Dunkirk)	788	Natural gas and steelworks gas-fired
	Génissiat	423	Hydroelectric
	Montoir-de-Bretagne	435	Natural gas
Greece	Viotia	570	Natural gas
Indonesia	Paiton	1,220	Coal
	Paiton 3	815	Coal
Italy	Torre Valdaliga	1,442	Natural gas
	Vado Ligure	1,373	Natural gas and coal-fired
Oman	Al-Rusail	665	Natural gas
	Barka 2	678	Natural gas
	Barka 3	744	Natural gas
	Sohar	585	Natural gas
	Sohar 2	744	Natural gas
Pakistan	Uch 1	551	Natural gas
Netherlands	Eems	1,927	Natural gas
	Flevo	877	Natural gas
	Rotterdam	731	Coal
	Gelderland	592	Coal- and biomass-fired
Peru	Chilca	805	Natural gas
	ILO 2	564	Fuel-oil fired
Poland	Polaniec	1,700	Coal-, biogas- and biomass-fired
Puerto Rico	Ecoelectrica	507	Natural gas
Portugal	Elecgas	840	Natural gas
	Pego	576	Coal
	Turbogas	990	Natural gas
Qatar	Ras Laffan B	1,025	Natural gas
	Ras Laffan C	2,730	Natural gas
United Kingdom	Deeside	515	Natural gas
	Eggborough	1,960	Coal
	First Hydro	2,088	Hydraulic pumping station
	Rugeley	1,026	Coal
	Saltend	1,197	Natural gas
Singapore	Senoko	3,201	Natural gas and fuel oil-fired
Thailand	Gheco One	660	Coal
	Glow IPP	713	Natural gas
Turkey	Ankara Boo	763	Natural gas
	Marmara	480	Natural gas

(1) Capacity of assets in which GDF SUEZ holds a stake, all of which are taken into account irrespective of the real ownership percentage.

UNDERGROUND NATURAL GAS STORAGE (> 550 MM3 OF TOTAL USEFUL STORAGE VOLUME[1])

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

(1) Useful storage volume held by GDF SUEZ, all of which is taken into account irrespective of the real ownership percentage.

LNG TERMINALS

Country	Country	Total capacity[1]
France	Montoir-de-Bretagne	10 Gm^3(n) *per annum*
France	Tonkin (Fos-sur-Mer)	5.5 Gm^3(n) *per annum*
France	Cavaou (Fos-sur-Mer)	8.25 Gm^3(n) *per annum*
United States	Everett	6.3 Gm^3(n) *per annum*
United States	Neptune	3.5 Gm^3(n) *per annum*
Chile	Mejillones	1.7 Gm^3(n) *per annum*
Puerto Rico	Penuelas	0.8 Gm^3(n) *per annum*

(1) Capacity of assets held by GDF SUEZ, all of which are taken into account irrespective of the real ownership percentage.

1.5 INNOVATION, RESEARCH AND TECHNOLOGIES POLICY

1.5.1 Innovation

To be leader in the energy transition in Europe, the Group relies on innovation to meet its customers' new requirements.

GDF SUEZ created a new entity in February 2014 called "Innovation, Marketing and New Business", intended to support changes on mature energy markets and the convergence between energy services and information technologies. Its aim is to position the Group at the forefront of these changes by developing additional growth vectors and new ways of doing business within the Group. Three priority sectors have been identified by the Group:

- Energy management, aggregation, decentralized generation, and energy storage,
- Cities, regions and mobility,
- Energy efficiency and home comfort.

New tools and processes have been deployed to foster entrepreneurial creativity and to ensure that innovation promotes the Group's long-term commercial development. A social network for innovation, "innov@GDFSUEZ", was launched in mid-2014 for Group employees. This internal tool is intended to boost the innovation dynamic in the Group and promote innovation among employees. At December 31, 2014, innov@GDFSUEZ had over 6,000 members. On average, five new product or business ideas are submitted each week.

In addition, an incubation process for employee projects has been created. At December 31, 2014, five teams of Group employees were developing their projects in external incubators created from partnerships with organizations such as Paris Région Lab (France), Le Village (France), and WSL (Belgium).

This process enriches existing initiatives such as the Trophées de l'Innovation ("Innovation Awards"), an in-house competition held each year for innovative projects submitted by Group employees. In 2014, the sixth annual Innovation Awards attracted over 500 submissions.

To strengthen its links with the innovation eco-system in the regions where it operates, the Group partners with major innovation-themed events and has launched several calls for projects to startups. GDF SUEZ has also launched a number of public initiatives: a "Hackathon" on customer relations in June 2014, an "innovation mornings" cycle in October 2014, and an "Innovation Day" in Lille in November 2014.

A GDF SUEZ New Ventures investment fund with a €100 million endowment was launched in May 2014 to back innovative startups. This fund was designed to take minority stakes in developing startups linked to the Group's activities by offering them dual leverage: financial leverage through investment and operational leverage with the Group's subsidiaries.

At December 31, 2014 one program had been adopted, Powerdale (Belgium), and four others were in process.

The Group is conducting cross-cutting projects to foster the emergence of new products based on digital technologies such as Cit'Ease, a collaborative urban management tool, and Terr'Innove, a regional energy management system.

1.5.2 Research and Technologies

The Group's expertise is enriched by a dynamic research and development policy supported by an international network of research centers and partnerships with globally-recognized organizations. More than 900 researchers contribute to technological excellence in all the Group's activities. In 2014, expenditure on research and technological development amounted to €189 million.

GDF SUEZ conducts researches to manage and bring to maturity tomorrow's technologies, which will make all the difference in setting apart the offers and activities of its businesses. Research is also carried out to improve operational performance. Prospective corporate research programs fall under the following priorities: low-carbon energy, energy distribution and storage, smart energy management, and new gas value chains.

In 2014, the Research & Technologies department expanded internationally with the setting up of a laboratory in Chile and another in Singapore. At the beginning of 2015, a third has been established in the Middle East. It is also creating new centers of expertise within its laboratories, the first of which is a new center of expertise for batteries. Others being studied, concern important and varied subjects such as digital, 3D printing and drones.

In 2014 the Research & Technologies Department won a number of awards. At the International Gas Union Research Conference (IGRC), it won the *Dan Dolenc Award* for best communications during the conference on a research activity for the *Valenthin* project on recovering heat from low-temperature sources. The R&T Department also won the multi-energy judges' special award at the Paris *Smart Grid* colloquium for the collaborative GRHYD hydrogen energy storage demonstrator project (manufacture and distribution of hydrogen produced from a renewable power source).

Highlights from the 2014 corporate programs:

- Cities and buildings of the future: finalization of *Cit'Ease,* the interactive city dashboard (first demonstrator in Mulhouse), and *Citizen,* the interface where citizens can learn about their city as well as report problems (first demonstrator in Croix); creation with a partner of a 3D simulator for the sustainable city (case study: the city of Astana in Kazakhstan); launch of the development project on innovative digital services that promote energy efficiency, campus eco-management with the University of

Nanyang in Singapore; and the installation of the first natural gas fuel cells for the single-family home in France, as part of a European collaborative project (Ene.field).

- Smart energy and environment: research on the value of various smart technologies in the energy field (flexibility aggregation, electricity storage, data analysis); inauguration in Toulouse of the first smart electricity network tested at an industrial park in France and fuelled by a mix of distributed renewable energy sources using batteries and flywheels for energy storage; launch of collaborative projects on the development of management platforms and analysis of data from energy infrastructures and their customers (big data projects).
- Renewable energies: start of construction of a dry biomass gasification demonstrator called *Gaya* near Lyon; partnership with Alstom for the development of tidal projects and submission of a pilot tidal farm project with ADEME for the Raz Blanchard (Manche) site, which was accepted.
- Offshore LNG and future gas chains: ongoing evaluation of alternative invoicing technologies; ongoing international collaboration in R&D (e.g. *Gas Technology Institute, Energy & Geoscience Institute* of the University of Utah); offshore LNG technical studies on the transfer and behavior of LNG in floating tanks.
- Carbon capture, transportation and storage (CCS): advanced technological monitoring of the three links in the chain (capture, transportation and storage).

Research and Innovation activities directed by the Research and Technologies Department are carried out in the Group's specialist research laboratories:

- CRIGEN (*Centre de Recherche et Innovation Gaz et Energies Nouvelles*) is the operational expertise research center dedicated to the gas, new energies, and emerging technologies businesses. Located in the Paris region, in 2014 it had 360 employees, seven test centers, one scientific computing center, and customers in over 30 countries around the world. It also runs the Group's new laboratory in Singapore. CRIGEN focuses strongly on innovation, both through R&D work and expertise, and through its work methods.

Some key achievements in 2014:

  - LNG: optimization of the "CII" natural gas liquefaction process for small-scale liquefaction, the competitive advantages of which have been demonstrated at a production facility in China; completion of numerous scale and safety studies for the LNG chain internationally.
  - Nanotechnology: experimentation for communicating pipelines, equipped with "RFID tag" units developed by CRIGEN and RYB, to improve the locating of distribution networks and traceability of operations. GrDF considers the large-scale deployment of this process after trials of several hundreds of tag units.
  - Inspection of the gas distribution network: studies related to the deployment of drones to conduct safer, quicker and cheaper inspections of gas pipelines.
  - Crigen Innovation Days: Open Innovation operation with Group entities which enabled around ten patents to be filed in 2014.

- Laborelec, attached to the Energy Europe business line, is the GDF SUEZ Group's research and competence center in electricity technology, located near Brussels, Belgium. It also has branch offices in the Netherlands and Germany and is running the Group's new laboratories in the Middle East and Chile. Laborelec had a staff of 237 in 2014. Its skills and activities cover the generation, transmission, distribution, storage and end use of energy. Its expertise focuses on reducing the environmental impact, improving availability, maintenance, and energy systems of the future.

Some key achievements in 2014:

  - Design and development of new technical and software solutions: a stress calculator for steam turbines to improve flexibility and startup times; a mobile phasor measurement unit (PMU) integrated with a network status controller; new demand-side smart management algorithms, optimization of energy storage and smart planning for electric vehicle charging stations.
  - CO_2 feedstock: Participation in the KIC-Climate EnCO_2re program to enlarge the program for CO_2 re-use as feedstock in chemical processes.
  - Pilot projects for Demand-Side Management: Participation in several projects including KOEMPEL, rolled out in an industrial park in the south of Holland for implementation in *smart grids.*
  - Development of the latest version of the Laborelec Vibration Monitoring System for turbo machines, to make the tool more compact and facilitate its installation.

- Cylergie, the research center incorporating the Cofely Services Economic Interest Group (EIG) and other entities of the Energy Services business line, is based in Lyon. Its expertise is used for energy services activities. Its research priorities are: heating and cooling networks, renewable energy and thermal storage, energy efficiency, comfort and indoor air quality, health risk management and controlling the environmental impact of our facilities.

Some key achievements in 2014: system to optimize air treatment at swimming pools, with patent filed; system to measure the efficiency of a biomass boiler by analysis of exhaust gases, with patent filed; predictive controller for a heat storage unit to optimize the Renewable Energy coverage ratio on a heat network.

- COFELY INEO, which is under the Energy Services business line, is based in France and structures its R&D and innovation activity around the ideas of systems and "systems of systems" that bring together the company's expertise in energy, communication networks and information systems.

Some key achievements in 2014: Continuation of Smart ZAE, SESAM GRID and Smart Campus projects, and development of Cit'Ease, the dashboard offer for cities, based on the technology of the Open-Control© multi-technical platform, jointly between Cofely Ineo, GDF SUEZ and SUEZ Environnement.

- Tractebel Engineering, part of the Energy Services business line, is present in 22 countries in Europe, Latin America, Asia, the Middle East and Africa and implements projects in more than 100 countries worldwide. Its R&D activity covers the following domains: sustainable energy, nuclear energy, hydropower as well as electricity distribution and transmission networks.

Some key achievements in 2014: Development of software to enable virtual tours of technical installations or facilities that are difficult to access; automation systems for probability studies of the risk of fire or flood for nuclear plants; and systems for analysis of floods and the environmental impact of dredging work.

- The International Exploration & Production BU, attached to the Global Gas & LNG business line, carries out R&D for the Group in geosciences for the Group's exploration & production and underground storage.

- The **Gaztransport & Technigaz (GTT)** BU, attached to the Global Gas & LNG business line, focuses its R&D activity on two main areas: improving the performance of its technologies, especially in thermal efficiency, and diversifying with a product and services offering with a high technology content (e.g. modeling tools for managing *boil-off* in LNG tanks).
- **In the nuclear field,** various R&D activities are undertaken in the following fields: surface or geological storage of nuclear waste, final shutdown and dismantling of nuclear facilities, performance improvement of existing plants and safe extension of their lifespan, optimizing fuel use, societal impacts of nuclear energy and the International Thermonuclear Experimental Reactor (ITER), etc.

2

RISK FACTORS

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The material risks to which the Group is exposed, based on its own assessment, are described below. Other risks not mentioned or unknown to date could also affect the Group. If these risks were to occur, they could have a significant negative impact on the Group's operations, financial position and earnings, image and outlook, and/or on the GDF SUEZ share price.

2.1 RISK MANAGEMENT PROCESS

2.1.1 Enterprise risk management policy

The Group has adopted a policy of Enterprise Risk Management (ERM), whose principles are consistent with professional standards (including ISO 31000, Federation of European Risk Management Associations). The policy sets out GDF SUEZ's ambition to "better manage its risks in order to ensure its performance".

The Group's Enterprise Risk Management policy applies throughout the Group, including all business processes and controlled entities, while observing the rules of governance that apply to each entity.

This policy promotes risk-taking at a reasonable level from a legal perspective, and which is acceptable to generally held opinion and economically viable. It stipulates that all managers are risk managers. The Management Committees of the Group's entities are the main bodies that determine the actions to be taken to manage risk, except where an ad hoc risk committee has been created, such as for market risk.

To achieve this aim, the Group has appointed the Executive Committee member, Director of Audit and Risk Management as Chief Risk Officer, to oversee risk management activities. The Chief Risk Officer's role is to ensure that the Group has adequate competence in all areas for effective risk management. Risk analysis and coordination of action plans are performed in collaboration with all the Group's support functions.

Each year, the Group's ERM process begins with a risk review by the General Management Committee: each priority risk identified is coordinated by a member of the Executive Committee. The ERM campaign is then launched across the Group, setting out guidelines for risk management throughout the year. Finally, the Audit Committee examines the risk review and issues an opinion on the effectiveness of the risk management system, before reporting to the Board of Directors (see Section 4.1.5, "Standing Committees of the Board of Directors").

Knowledge of risks resulting from feedback from operating entities, business lines and support functions is supplemented by interviews with directors, analysis of publications by external observers and review of major events.

2.1.2 Crisis management

GDF SUEZ may have to face crisis situations. The Group has defined a crisis management and communication policy, which sets out general operating principles and the roles of the various participants, and it has set up a dedicated organization.

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

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

2.1.3 Risk and insurance coverage

The GDF SUEZ Insurance Department is responsible for preparing, establishing and managing insurance programs in the areas of Group asset protection (against property damage and losses in earnings), personal protection, third-party claims (civil liability) and automobile insurance and prevention.

For each of these areas:

- the amounts insured depend on the financial risks resulting from potential claim scenarios and coverage conditions offered by the market (available capacities and tariff conditions);
- the optimization of the financing of low or moderate-level hazard risks is based largely on self-insurance plans, either directly through deductibles and retentions, or indirectly through the use of the Group's reinsurance company, whose commitments, on a cumulative basis, represent a maximum estimated loss of approximately 0.2% of the Group's 2014 revenues.

However, the Group could, in certain cases, be required to pay out sizeable compensation that the current insurance program does not cover or could incur very high costs that its insurance policies do not reimburse or reimburse inadequately. Although the Group has excellent insurance coverage, specifically with regard to civil liability and environmental risks, it could be liable beyond the maximum insured amount or for events not covered (primarily due to the common insurance exclusions).

2.1.3.1 Civil liability

A Directors & Officers civil liability program covers the representatives of GDF SUEZ, its subsidiaries and Group representatives within its equity holdings.

A general civil liability program (including for environmental damage) has been taken out for all the Group's business lines in a total amount of €800 million, all damages combined. This program operates either at the first euro of liability or in excess of the underlying coverage taken out by some regions in the Energy International business line (usually with cover of $50 million).

2.1.3.2 Nuclear civil liability

As an operator of nuclear power plants in Doel and Tihange (Belgium), Electrabel's civil liability is governed by the Paris and Brussels Conventions. These established a unique system that departs from ordinary law to ensure that victims receive compensation and to encourage solidarity among signatory countries.

This liability falls exclusively on the operator of the facility where the nuclear accident occurs. In exchange for this strictly objective liability, the amount of compensation is capped per accident and by a 10-year statute of limitations. The signatory states to the conventions also created a mechanism that provides additional compensation beyond this maximum amount.

The nuclear civil liability insurance program taken out by Electrabel was adapted with effect from January 1, 2012 to comply with the Belgian national law requiring the operator to provide financial guarantees or to take out civil liability insurance up to €1.2 billion.

2.1.3.3 Property damage

The Group's business lines have property insurance covering the facilities that they own, lease or manage on behalf of third parties, with the exception of transmission and distribution network pipelines in France. The main programs provide cover based either on new replacement value or on contractual limits per loss event. In the latter case, the limits are set on the basis of major scenarios in accordance with insurance market rules and available offers (cost and capacity).

Insurance covering business interruption and additional operating costs is taken out based on each risk analysis and in consideration of existing risk mitigation plans.

Construction projects are covered by "Erection All Risks" programs taken out by the owner or operator, project manager or prime contractor.

Exploration-production activity, which is carried out primarily off-shore, is covered by a specific insurance program tailored to this sector's risks and in accordance with its practices.

2.1.3.4 Marine liability

An insurance contract covers LNG transportation by LNG vessel, limited to €50 million per shipment.

Marine insurance contracts cover liability as ship owner (limited to $6 billion, except for war risk limited to $500 million and pollution risk limited to $1 billion) or as charterer (limited to $750 million). Damage to ships is covered up to their agreed value.

2.1.3.5 Employee protection programs

The operating entities develop programs covering employees against the risk of accidents and medical expenses, in accordance with legislation in effect and pursuant to company agreements.

2.2 RISKS RELATED TO THE EXTERNAL ENVIRONMENT

The Group is sensitive to the structural and economic risk factors that affect the energy sector. These risks are all analyzed and measured as part of strategic planning processes that allow the Group to anticipate and prepare for changes in the external environment. The Group's research and innovation policy also helps to deal with strategic developments (see Section 1.5.1 "Innovation").

2.2.1 Economic environment

2.2.1.1 Structure of demand

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

In Europe, there is a structural decline in demand for gas and electricity, associated, among other things, with improvements in energy performance (new and existing buildings, networks, industrial processes), regulations, and more conscious use of energy by consumers.

In non-OCDE countries, energy demand is growing, but is sensitive to the level of economic growth in these countries.

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

2.2.1.2 Structure of supply

Lack of growth in Europe and the competitiveness of coal have created an overcapacity for the Group in its fleet of thermal plants. Stagnating natural gas demand could also result in overcapacity in the European gas infrastructures.

Policies aiming at reducing CO_2 emissions, renewable energy support systems and other regulatory and tax systems, increase the complexity of the competitive balance among different forms of energy and can firstly compromise the profitability of existing assets, and secondly create uncertainty over relevant technology choices for the future (including gas, renewables, nuclear and coal).

In the short term, the Group is rationalizing its generation fleet. The Group closed or mothballed several generation units in 2014 (see 1.3.1.5 "2014 Highlights"). In the medium-term, the Group intends to propose a new energy market model in Europe, specifically as part of the Magritte initiative[1]. In the longer term, a technology watch enables the Group to develop strategic scenarios that anticipate changes in the energy mix.

2.2.1.3 Competitive environment

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

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

The emergence of smart energy technologies impacts the gas and electricity value chain, with new competitors from information technology, telecommunications and equipment manufacturers.

The Group is rationalizing its operations and processes to adapt its cost structure, enhance its integrated position on the value chain, and develop offers tailored to changes in its environment.

2.2.1.4 Business model

The energy sector is changing rapidly: in technologies (solar and wind power and electricity storage), in customer requirements, due to new competitors and due to increased digitization in the sector. In response to these changes, the Group has implemented a structure dedicated to innovation and new activities with representatives in the business lines, so that its customers can be provided with tailored solutions.

Concerns associated with climate change and the improved competitiveness of renewable energy sources have had an effect on the Group's traditional activities. The Group's strategy is focused on developing renewable energy sources and developing services specifically for the energy transition.

2.2.2 Regulatory and political environment

The legal and regulatory landscape for the Group's businesses is changing in terms of both environmental and social issues and due to energy sector regulation.

2.2.2.1 Environmental and societal laws

The Group's businesses are subject to a host of laws and regulations that address environmental protection, promote energy systems with zero or low greenhouse gas emissions, reduce energy consumption, protect health and develop safety standards. All these measures could have a significant impact on the Group:

- European climate change and energy policy to the 2030 horizon is aimed at promoting energy efficiency, reducing CO_2 emissions, and increasing the contribution of renewable energy sources to the energy mix;
- French law on the energy transition and the associated texts address these topics, as well as the mechanisms financing the fight against fuel poverty, and the promotion of energy efficiency. The mechanisms in place to support renewable energy sources are expected to develop to enable greater market exposure, in accordance with the European guidelines, while competitive bidding will be introduced for hydro concessions, with greater involvement by public-private companies;
- changes in regulations on CO_2 quotas affect the market price of CO_2 in Europe, and have consequences for the relative competition between natural gas and coal power generation; increasing numbers of countries are adopting such regulations;
- the revision of the policy document referring to the best available techniques for large combustion facilities could lead to substantial changes at some European sites;
- the EU Directive on energy efficiency adopted in late 2012 has to be transposed into the various Member State laws and entails, in France, for example, a doubling of the Energy Savings Certificates (ESC) obligation in the third period (2015-2017), which could have an impact on the Group's margins in France;

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

The Group is rationalizing its generation fleet and its project portfolio so that it can take advantage of opportunities, and is working to limit all of these risks, principally as part of a proactive environmental and social protection policy (see Section 3.3, "Environmental information").

(1) *See 1.1.4 Strategic priorities.*

2.2.2.2 Sector regulations

In some Member States and at European level, and in a number of countries, including the United States, Australia and Brazil, public measures have been implemented in the energy sector through regulation and the extension of regulatory powers in the area of competition. They can occur by the "overtaxation" of the profits made by energy companies (particularly nuclear production in Belgium), the withdrawal of funds established for the dismantling of nuclear power plants, by changes to the market operating rules and supply security, by the regulator's intervention in the deregulated sector to encourage the development of competition or else by the desire to hand back control of utilities to local authorities. National budget deficits and high levels of indebtedness contribute to increase this risk.

Some draft regulatory developments may alter the risk profile of the Group and impact its earnings and its business model:

- on February 25, 2015, the European Commission published the key elements of its "Energy Union" policy. Some developments are positive, such as the formalization of an energy and climate framework for 2030 based on a stronger carbon market, and the redesign of the electricity market model. Others might have a negative impact on the Group's activities, such as a centralized gas purchasing body, supervision of intergovernmental agreements, security of gas supply, and the reworking of the Third Energy Package;
- the implementation of common rules for the European internal electricity and gas market, as well as technical application measures (electricity and gas network codes, currently in development) are intended to complete the creation of a real internal energy market. These changes may require the technical adjustment of our operations;
- in February 2013, the European Commission adopted a Council Directive proposal to levy a tax on financial transactions whose entry into force is scheduled early 2016. The implementing provisions, specifically the criteria for the inclusion of businesses in the financial institution category, have yet to be agreed by the Member States participating in enhanced cooperation;
- the guidelines on state aid for energy and the environment, published in the Official Journal of the European Union on June 28, 2014, have now come into effect. The effects on the Group's business will mainly relate to national support mechanisms for renewable energy sources (to gradually integrate them into the market) and energy efficiency, infrastructure financing, environmental tax exemptions and fee waivers on the financing of renewables (preferential rates for industrial partners), and capacity payment mechanisms;
- in Brazil, the Group is exposed to regulatory changes on electricity markets. For example, in the event of drought the government could announce restrictions on water usage for power generation;
- in the United States, the development of electricity market regulation (primarily in Texas) could lead to uncertainty in terms of the Group earnings in this region.

Through concerted action as part of the initiative commonly known as "Magritte", which brings together the CEOs of the European energy companies, and through its direct presence in EU and Member State institutions, the Group tries to anticipate any legislation likely to affect the Group, and formulates proposals for decision-makers. It is hard to predict all regulatory changes in each country, but the Group partially limits this risk through diversification, by conducting its business in multiple countries. However, some regulatory developments offer new market opportunities for the Group's activities.

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

2.2.2.3 Controlled, administered or regulated tariffs

In France, a portion of the Group's sales are made in the context of administered tariffs. French laws and rules, European regulation and decisions by regulators (in particular, the French Energy Regulation Commission (CRE) for decisions on tariffs for access to certain infrastructures) may affect the Group's sales, profits or profitability, in the event of the partial impact of procurement, infrastructure and commercial costs on natural gas selling prices or the partial impact of costs on gas infrastructure access tariffs or electricity sales from renewable energy.

Also, in France the opening of the electricity market to suppliers other than the traditional operator, in addition to the opening for very large customers, is still limited and could be jeopardized by the emergence of price reduction arising from regulated tariffs that replace and compete with commercial offers.

Price control mechanisms also exist in other countries, specifically Belgium, Hungary, Italy, Romania, Brazil and Mexico, for energy generation, distribution and sales.

2.2.2.4 Societal acceptability

To engage in its activities, the Group must hold various permits and authorizations. Dealing with the regulatory authorities concerned to obtain or renew these can be a long and costly process. In addition, the Group may face opposition from the local population or associations during the installation or operation of certain equipment, or in relation to public energy price protests.

The Group therefore implements widespread consultation upstream of its projects, forges partnerships with civil society and ensures the positive economic impact of its activities, in line with community expectations (see Section 3.4 “Societal information”).

2.2.2.5 Country risk

Due to the diversity of its locations, the Group is exposed to country risk (sovereign default, convertibility, expropriation, etc.). The Group is present in countries such as Brazil, Chile, Thailand, Indonesia, Mexico, India and Peru, which are undergoing mixed economic and political developments. A significant share of gas supplies and exploration-production business comes from countries such as Russia, Algeria, Yemen, Libya and Egypt.

These countries are associated with political, economic, regulatory and financial risks. In addition, the Group might be unable to defend its rights before the local courts in some countries in the event of a dispute with the government or other local public entities.

The diversity of the Group’s locations results in some mitigation of country risk: 85% of revenues are generated in Europe and North America, 10% in Asia, the Middle East and the Pacific and 5% in South America. The Group also manages these risks within partnerships or contractual negotiations adapted to each location. It chooses its locations by applying a formal investment procedure that appraises risk. The inclusion of international arbitration clauses in contracts is applied as widely as possible. Regular monitoring of economic and non-economic indicators relating to corruption, human development, and inequality is done in each country to assess the Group’s exposure to country risk.

2.2.3 Impact of Climate

Significant climate changes (mainly in temperature, but also in terms of water availability[1] and wind) from one year to the next can cause substantial fluctuations in the electricity and gas supply-demand balance. These factors, which combine price and volume impacts, have a direct effect on the Group’s income.

Beyond these annual changes, there has been a warming of the average climate, although periods of extreme cold are possible in Europe. Regulations require suppliers to provide storage capacities according to their customer portfolio; if supplier bookings are not adequate, it could lead to strong pressure on the supply/demand balance for gas in Europe, including France.

Although the Group cannot protect itself against fluctuations in demand, it is able to modulate its gas purchases and rationalize its electricity production, which enables it to adapt its production and supply costs (see Section 2.3.1 “Purchases and sales”).

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

2.2.4 Reputational risk

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

The flagship brand “GDF SUEZ” (name and logotype) is registered in over one hundred countries. As a vital part of the Group’s intangible corporate assets, the brand is constantly monitored to protect it against any fraudulent use that could harm the Group’s image.

Through its policies, organization, procedures and governance, the Group endeavors to prevent operational risks (see Section 2.3, “Operating risks”) and smear campaigns that could affect its reputation.

(1) Availability of water resources for a dam or waterway, dependent on rainfall.

2.3 OPERATING RISKS

2.3.1 Purchases and sales

2.3.1.1 Purchase and sale of natural gas

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

In case of major gas supply interruption (for example, due to an interruption of Russian deliveries or an interruption of transit in Ukraine), the replacement cost for gas, including transportation, could be higher and affect the Group's margins. To control this risk, the Group has a number of tools for flexibility and modulation (flexibility in long-term contracts, storage and regasification capacity, and purchasing in the marketplaces) as well as a diversified portfolio.

Prices of long-term purchase contracts (partially indexed to the price indices of oil products) may be decorrelated from selling prices or prices in the gas markets: this spread might have a significant impact on the Group's results. Long-term contracts include price adjustment clauses, so that the economic balance between producer and buyer can be altered. The Group's buy/sell margin may therefore change according to price adjustments in LNG or gaseous gas contracts.

Negotiations in recent years have led to the integration of market indices in long-term contracts and/or to the reduction of the difference between the contract price and market price. They have also led to an increased frequency in price revisions.

2.3.1.2 Purchase and sale of electricity

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

The Group may also have to buy power to supply its customers, for example to cover any non-availability of its fleet. These purchases are rationalized but could generate extra supply costs.

The Group monitors changes in its risk exposure and makes decisions accordingly (see Section 2.5.1, "Commodities market risk").

2.3.1.3 Operational risks related to the purchase and sale of energy

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

In its portfolio optimization activities for physical assets (power plants, long-term contracts, etc.) and customers, as well as in managing the associated financial positions, the Group is exposed to operating risks such as fraud, execution error, and process and system failure. Operations are monitored via appropriate processes, and risks are taken into account as part of the Group's internal control program, "INCOME". In addition, a specific system for increased monitoring of operating risks has been set up in the Group's various business lines.

2.3.1.4 Purchase risks and supply chain risks (excluding energy)

The performance of the Purchasing and Procurement function and its ability to manage the associated risks affect all of the Group's activities. Management of purchasing and supplier risks is monitored at Group level specifically, external risks that are regarded as having the biggest impact, such as the failure of a major supplier, or the dependence of a Group entity on a critical supplier, or vice versa.

The implementation of purchasing management by category, i.e. by homogenous supplier market, has strengthened processes for selecting and qualifying suppliers, and has enabled their performance to be monitored, thereby limiting the impact of these risks on the Group's activities. Similarly, for new projects, risk management covers specific purchase and supplier/subcontractor risks (see Section 2.3.2.2 "Risks related to development and major projects").

2.3.2 Management of assets and development

2.3.2.1 Optimization of the asset and investment portfolio

External expansion, notably by means of acquisitions, could lead the Group to issue equity securities, or to borrow. Acquisitions present risks related to integration difficulties and failure to achieve expected benefits and synergies. Risks related to the valuation of assets or liabilities or non-achievement of expected results could arise at the end of the acquisition process, resulting in provisions for asset impairment. The Group also sells assets for which it may retain certain liability guarantees.

The acquisition processes implemented by the Group, particularly during due diligences, aim to assess to the greatest possible extent the uncertainties related to these risks in such cases. The resulting appraisal depends on the quality of the information transmitted to the Group and is limited by the judicial and regulatory framework applicable under local corporate law.

2.3.2.2 Risks related to development and major projects

The Group bases its growth on various major industrial construction projects, such as gas and electricity plants and dams, where it usually acts as owner and/or operator. The profitability of these assets – whose service life is several decades – depends greatly on cost control and construction times, the operational performance of the industrial asset, external phenomena (e.g. natural disasters and strike actions), regulatory and fiscal changes and changes in the competitive environment and markets over the long term, which could reduce the profitability of certain assets or result in lost revenues or asset impairment.

The implementation of contract management arrangements allows for better control of some of these risks, including through the use of indemnification mechanisms, in respect of our customers and off takers, as well as our suppliers and subcontractors.

The Group is also responsible for the facility design and construction phases of some projects. Although these projects are always subject to in-depth studies and the Group has acknowledged expertise, construction deadlines may not always be met resulting in penalties, construction costs may be higher than anticipated, the facilities' performance may not comply with the specifications and subsequent accidents may trigger the Group's civil liability, professional indemnity or criminal liability. This could have a negative impact on the Group's image, financial situation, or earnings.

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

2.3.2.3 Risk linked to nuclear development

The Group actively pursues its projects in the development, construction and operation of nuclear power plants. The Group has teamed up with Toshiba Westinghouse (AP1000 technology) in the United Kingdom, and is also a member of a consortium formed with Japanese groups Mitsubishi Heavy Industries and Itochu (ATMEA1 technology) in Turkey.

It should be noted that these projects are currently still in the pre-development stage, and that the Group's financial exposure is therefore not material.

The Group has established governance principles for development, construction, operation and decommissioning based on its experience as a nuclear power plant operator. It is also active in employee recruitment, training and retention, both for facilities in operation, service entities and Group projects.

2.3.2.4 Risks relating to partnerships and minority investments

Partnerships and acquisitions of minority interests are one of the ways in which the Group can share the economic and financial risks inherent to some projects, by limiting its capital employed and allowing it to adapt more appropriately to the specific context of local markets (see Note 4 to Section 6.2 "Consolidated Financial Statements"). As much as possible, the Group protects itself against the risks resulting from joint control or lack of control (such as a lack of information or an impact on the Group's reputation) with the signing of shareholders' agreements on governance and information reporting, and with the role of the director representing the Group.

However, changes to the project, the economic situation, the partner's strategy or even the local political and economic environment may, in some cases, lead to the failure of a partnership or changes in its control or governance, a change of control or a partnership's governance, or to a disinvestment.

These situations may lead the Group to develop contractual arrangements for deadlock resolution or, in the event of conflict with the partner(s), to seek a solution before the relevant courts or arbitration bodies.

2.3.3 Legal risks

The Group faces legal risks in all of its businesses and in global markets. The risks arising from the legal and regulatory framework, from operations, from partnerships and from contracts signed with customers and suppliers are mentioned in the respective subsections of this Chapter 2.

In the course of its operations, the Group is engaged in a certain number of legal disputes and arbitration procedures, and is also subject to investigations and procedures. The main investigations and procedures are described in Note 28 of Section 6.2, "Consolidated Financial Statements". With the exception of these procedures, and to the Company's knowledge, no other governmental, legal or arbitration procedure (including a suspended or threatened procedure[1] exists that is likely to have, or has had, material impact on the financial position or profitability of the Company and/or Group in the past 12 months.

2.3.4 Ethical risks

Any breach of the ethical principles of the Group could expose it to ethical and legal risks (see Note 28 of Section 6.2, "Consolidated Financial Statements"). Ethics policies are developed to avoid, as far as possible, the occurrence of such risks. The Ethics and Compliance Division promotes their implementation within the Group, through the managerial line and the network of Compliance Officers (see Section 3.1, "Ethics and compliance"). The ethical risks identified are analyzed and action plans are implemented.

2.3.5 Risks related to human resources

2.3.5.1 Expertise

Developments in the Group's activities (the impact of digitization, for example), as well as its international growth, requires new know-how and the mobility of certain employees. In addition, demographic aging affects specific technical sectors. An active policy of mobility between entities and between activities, combined with policies for professionalization, for the development of support functions, for the recognition of experts, and for attractiveness, through remuneration measures and incentives tailored for the environment, is also implemented (see Section 3.2.1, "Human resources development policies"). The Group is also working towards the launch of a professional observatory, to increase its capacity for anticipating and taking action in respect of changes in its activities.

2.3.5.2 Social dialogue

The Group must become more agile in order to adapt to its changing markets, particularly with regards to increased competition and evolution of its activities. In this context, consultation and negotiation play their part in governing social relations.

GDF SUEZ is respectful of all representational bodies. In Europe, GDF SUEZ dialogues with the two staff representative bodies, the European Works Council and the French Group Works Council, to support the transformations in progress (see Section 3.2.3, "Social relations"). This framework means that social partners are involved at the earliest possible moment in the strategic and industrial objectives pursued by GDF SUEZ.

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

2.3.5.3 Quality of life in the workplace and managerial behaviors

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

The Group invests in the promotion of behavior that helps in the development of staff, relying in particular on the deployment of the "GDF SUEZ Management Way" (see Section 3.2 "Social information"). Particular attention is also paid to the managerial chain to provide assistance in its role in change management.

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

(1) *This term means investigations or controls that have begun.*

2.3.6 Risks related to health and safety and protection of Group assets

2.3.6.1 Health and safety at work

The Group is committed to eradicating fatal accidents and reducing occupational accidents and illnesses. The Group policy outlining the principles of this approach was agreed with the union federations at European level and subsequently worldwide, and an action plan was drawn up for 2010-2015 (see Section 3.2.6, "Health and safety policy").

Addressing the risk of death at the workplace is part of the overall system for controlling the risk of industrial accidents. However, a specific plan for the sustainable mitigation of fatal accidents was launched in 2012. It relies specifically on nine "lifesaving rules" to prevent the reoccurrence of past fatal accidents.

2.3.6.2 Employee safety

The international scope of the Group means it may be exposed to a number of health and safety risks, the threat of which warrants a specific organization entrusted to the Safety Department which has established a country watch. As such, the Group is required to continuously assess the risks of terrorism, armed conflicts and confrontation with criminal organizations. Geographic areas are subject to classification according to specific prevention and protection measures. To accomplish this mission, the Group relies on State services as well as specialized providers. Should a specific situation occur, the crisis unit can be mobilized to provide exceptional resources, for instance in the event of an evacuation.

2.3.6.3 Protection of tangible and intangible Group assets

The Group's sites and industrial or tertiary facilities, which make up its tangible Group assets, may be exposed to malicious acts. Information, whether digital, physical or even verbal in form, constitutes the Group's intangible assets and may also be exposed to the same malicious acts.

To combat this type of risk, the Group implements a policy for the protection of tangible and intangible Group assets, covering technical (including IT), legal, managerial and organizational areas. Sensitive sites where tangible corporate assets are located are subject to protective measures tailored to the local situation and revised according to the actual threat status. The Group is continuing to act to protect its intangible Group assets, in order to prevent any internal or external action aimed at capturing and using sensitive information and to deal with any incidents or accidents detected. The Information Security Committee, chaired by the Secretary General, coordinates and controls all actions by the Group aimed at protecting its intangible assets.

2.3.7 Risks related to information systems

The introduction of new technologies (e.g. Cloud Computing, Bring Your Own Device), the evolution of industrial control systems and the development of new uses (e.g. social networking) expose the Group to new threats. Cyber-attacks and hacking attempts are increasingly targeted and carried out by specialists, and can target the company along with its customers or partners. More generally, system failure could result in information losses or leaks, delays and extra costs that could be detrimental to the Group's strategy or image.

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

2.4 INDUSTRIAL RISKS

The areas of activity in which the Group operates entail major industrial risks capable of causing harm to persons and property, and exposing it to claims for civil, criminal and environmental liability. These risks may concern facilities belonging to the Group or managed by the Group on behalf of third parties (industrial clients or local authorities). The industrial safety of the facilities that the Group operates is one of its major concerns. The handling of these risks is subject to in-depth monitoring and specific targeted investments, audits of the facilities in question are performed regularly.

2.4.1 Industrial facilities and Seveso sites

The Group operates and builds systems for gas transmission, distribution and storage systems, exploration-production facilities, LNG tankers, regasification facilities, LPG stations, electrical power plants, hydro facilities, as well as certain services provided in an industrial environment. Some of these facilities are high-threshold Seveso sites (or considered as such by the Group).

Risks can stem, for example, from operating incidents, design flaws or from external events beyond the Group's control (including third-party actions and natural disasters). Industrial accidents can cause injuries, loss of life or major property and/or environmental damage, as well as activity interruptions and operating losses.

The Group carries out its industrial activities in compliance with a framework of safety regulations, including the "Seveso II" European Directive[1]". These industrial risks are controlled by implementing a safety management system at each site based on the principle of continuous improvement, which is intended to reduce the level of residual risk by responding to the highest risks on a priority basis. Moreover, the risk of industrial accidents is part of the Group's internal control program. The Group conducts periodic inspections and audit and control missions to ensure that these measures are effectively implemented.

A specific action plan for the protection of industrial control systems, linked to industrial processes, is being implemented. It aims to prevent the risk of activity interruption or accidents due to cyber-attacks.

For the most part, these risks are covered by insurance policies. In the event of a major claim, these policies could prove insufficient to cover all damages incurred, lost revenues, civil liabilities and increased expenses (see Section 2.1.3 "Risk and insurance coverage").

2.4.2 Environmental pollution

Facilities that the Group owns or manages on behalf of third parties may entail risks of damage to the natural environment (air, water, soil, the habitat and biodiversity), and may pose health risks to consumers, neighboring residents, employees and subcontractors. These health and environmental risks are governed by strict national and international regulations. Non-compliance with these environmental standards or a process failure can have a significant negative impact on the Group's image, its business, financial situation, earnings and outlook, and lead to the engagement of its liability as a legal entity. Any amounts set aside, insured or guaranteed, may be insufficient. Complaints and convictions relating to the environment are given in Section 3.3.4.9, "Active prevention of environmental risks".

Health and environmental risks are regularly monitored by the Group, by external auditors and by governmental authorities, both for operational sites and closed facilities, such as former gas plants.

2.4.3 Nuclear power plants in Belgium

The Group owns and operates seven nuclear reactors of the pressurized water type at two nuclear electricity production sites at Doel and Tihange in Belgium. Although, since the commissioning of the first reactor in 1974, these sites have been without any major nuclear safety incidents that could have resulted in danger to employees, subcontractors, the general population or the environment. They could present civil liability risks for the Group, specifically in the event of a nuclear accident or the discharging of large quantities of radioactive material into the environment.

All persons working at Group nuclear power plants have appropriate qualifications, in particular control room operators. During operations, compliance with safety rules and conditions at the facilities are subject to inspection by the Belgian Federal Agency for Nuclear Control (AFCN), assisted by Bel-V, its technical support subsidiary. In addition, both nuclear sites are OHSAS 18001, ISO 14001 and EMAS-certified.

Following the nuclear accident at the Fukushima plant in Japan in March 2011, stress tests were carried out on European nuclear plants at the request of the European Council. The AFCN confirmed in its report of November 8, 2011 that the safety level was adequate. Its final report, published at the end of 2011, requested that some safety measures be strengthened to take account of more severe natural disasters.

In 2012, flaw indications in the vessel walls of the Doel 3 and Tihange 2 reactors were detected. The remaining vessels, of a different manufacturing, are also under inspection and those already inspected showed no flaw indication. After analyzing the supporting reports, the AFCN ruled in favor of restarting Doel 3 and Tihange 2, but requested a program of additional tests. The two units were restarted in early June of 2013. They were voluntarily stopped at the end of March 2014, after results from the additional tests did not deliver the expected results. In November 2014, a board of experts convened by the AFCN made requests and additional recommendations. Electrabel is continuing studies to present a safety file to the nuclear regulators. The AFCN will then decide whether to authorize the restarting of Doel 3 and Tihange 2. The unavailability has been extended to July 1, 2015; beyond that, any delay in the restart will impact the Group's 2015 targets. Note 13.3.1 of Section 6.2, "Consolidated Financial Statements" provides some measurement of the impairment of the nuclear assets under different scenarios of a permanent shutdown of the reactors.

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

The Government formed in October 2014 agreed to an extension of the operating life of Doel 1 and Doel 2 beyond 40 years. The economic and financial conditions of such extension are still under discussion. It was also decided to extend the operating life of Tihange 1 for 10 years beyond 2015 (see Section 1.3.1 "Energy Europe").

The operation of nuclear power plants is regulated in part by radioactive waste authorizations. The Group therefore reduces its discharges of radioactive liquid and gaseous effluents to the possible extent, while controlling the volume of low and medium radioactive waste. In Belgium, all nuclear waste management is the responsibility of the National Agency for Radioactive Waste and Enriched Fissile Material (ONDRAF). In 2013, barrels of medium radioactive waste from the Doel plant, stored at Belgoprocess, were subject to additional checks related to the discovery of a gel-like substance on the surface of the barrels. However, this issue has no effect on the safety of the environment or the health of the population. Studies are in progress in liaison with ONDRAF. The phenomenon was not detected at the Tihange plant, where a different encasement process is used, one that does not contain aggregates.

In addition, spent nuclear fuel is stored at power production sites pending a political decision on the fuel cycle downstream process. Costs associated with the management of spent fuel and the dismantling of facilities are included in the costs of electricity production from nuclear sources and are the subject of provisions. The assumptions and sensitivities regarding the assessment of these amounts are outlined in Note 19.2 of Section 6.2, "Consolidated financial statements".

2.4.4 Exploration-Production of hydrocarbons

The exploration and production of hydrocarbons are activities subject to significant risks such as geological hazards and risks of major industrial accidents (oil spill, fire, explosion, loss of well control, etc.).

Geological hazards are related to difficulties in investigating subsoil, the physical characteristics of oil or gas fields and those of hydrocarbons. In fact, estimates of discovered reserves must be large enough and have a positive economic analysis in order for said reserves to be exploited. During production, reserves may turn out to be lower than expected and this may adversely affect the economics of their use.

In order to reduce the impact of these risks, the Group:

- conducts its activities by sharing risks as part of consortia in which it may be an operator or simply a partner. As far as possible, the Group teams up with companies that are known for their expertise, rules and high level of commitment to safety and accident prevention;
- carries out its operations under the rules of a safety management system (see also Section 2.4.1) based on the ISO 14001 and OHSAS 18001 international standards, and takes into account best practices in the E&P industry, particularly those of the International Association of Oil and Gas Producers (OGP);
- has its hydrocarbon reserves regularly assessed by an independent third party;
- insures its facilities against structural damages, loss of production and civil liability lawsuits, including pollution, in accordance with industry practice.

2.5 FINANCIAL RISKS

2.5.1 Commodities market risk

The Group is principally exposed to two types of commodity market risk: price risks related directly to fluctuating market prices and volume risks (weather-related and/or dependent on economic activity). The Group is exposed to these risks, particularly in relation to gas, electricity, coal, oil and oil products, other fuels, CO_2 and other green products (see 6.1.1.8 « Outlook »).

With the exception of trading activities, market risks are assessed by means of their impact on EBITDA. Accordingly, the main risk indicators for managing the energy portfolios include sensitivity to unit price changes, the EBITDA at Risk, portfolio hedging ratios and stress tests based on predefined unfavorable scenarios. For trading activities, and in accordance with market standards, risk indicators include sensitivities, Value at Risk (VaR) and stress tests (see Note 17.1.1 in Section 6.2 "Consolidated financial statements").

The Group has implemented a specific governance process to control market and counterparty risks based on (i) the general principle of separation of risk management and operational activities, (ii) a Group-level Energy Market Risks Committee (EMRC) that is responsible for validating the business lines' risk policies and monitoring consolidated exposure, (iii) following a market and counterparty risk mandate, and (iv) a specific risk control unit coordinated by the Finance Department.

Most of its electricity production activity outside Europe and the United States is secured by long-term PPAs, often with local authorities, in which variations in operating expenses, in particular fuels, are transferred as "pass-throughs" into electricity sale prices. This greatly limits exposure to price fluctuation risks, even if the transfer is imperfect in some contracts.

The Group also uses derivatives to offer hedging instruments to its clients and to hedge its own positions.

2.5.2 Counterparty risk

Due to its financial and operational activities, the Group is exposed to the risk of default by its counterparties (customers, suppliers, partners, intermediaries, banks).

The impact of this may be felt in terms of payment (non-payment for services or deliveries made), delivery (non-delivery of supplies or services) or assets (loss of financial investments).

These risks are managed via framework agreements that use standard mechanisms such as third-party guarantees, netting agreements and margin calls or by the use of dedicated hedging instruments. Operational activities may also involve prepayments or suitable recovery procedures (especially for retail customers).

2.5.3 Currency risk

The Group is exposed to foreign exchange risks defined as the impact on the balance sheet and the income statement of exchange rate fluctuations as it performs its operational and financial activities. These are broken down into (i) a transactional risk related to current operations, (ii) a specific transactional risk related to investment, merger-acquisition or disposal projects, (iii) a translational risk related to assets outside the eurozone, and (iv) a risk related to consolidation in euros of the subsidiaries' accounts where the functional currency is other than the euro. This risk is concentrated in dollar-denominated equity investments (in the United States and on assets considered on a dollarized basis), as well as equity investments located primarily in Brazil, Australia and the UK.

For an analysis of foreign exchange risk sensitivity, see Note 17.1.3.2 of Section 6.2, "Consolidated financial statements".

As part of the Group's foreign exchange risk policy, recurring transactional risk is subject to systematic hedging in cases where this risk is material and almost certain to materialize. During the examination of investment projects, the specific transactional risk is subject to a case-by-case hedging strategy. Finally, translational risk is covered by partial hedging strategies subject to a reasonable hedging cost and sufficient market liquidity related to the risk of currency depreciation.

2.5.4 Interest rate risk

The Group's objective is to control its financing cost by limiting the impact of interest rate changes on its income statement and, with this in view, to create a balanced distribution among the various reference rates over the medium-term. The Group's policy is therefore to diversify the net debt reference rates among fixed, variable and protected variable ("capped variable") rates. The distribution may change around the balance point according to the market situation.

The breakdown by type of interest rates of the outstanding financial debt and sensitivity analysis for interest rate risks are available in Note 17.1.4.1 and Note 17.1.4.2, respectively, of Section 6.2, "Consolidated financial statements."

In order to manage the interest rate structure for its net debt, the Group uses hedging instruments, particularly rate swaps and options. Managed centrally, rate positions are reviewed periodically and when any new financing is raised. This management is subject to a risk mandate: any substantial change in the rate structure requires prior approval from the Finance Department.

2.5.5 Liquidity risk

In its everyday operations, the Group is exposed to the risk of a lack of liquidity necessary to meet its contractual obligations. WCR (Working Capital Requirement) consists both of elements resulting from transactions (customers, stock, suppliers) and margin calls linked to certain derivatives.

Liquidity is based on the regular renewal of various financing tools available to the Group such as credit lines, bond financing or other financing tools, to ensure their availability and their adequacy in relation to financing requirements. These facilities are pre-agreed and appropriate for the scale of its operations and for the timing of contractual debt repayments. Note 16.2.1 in Section 6.2 “Consolidated financial statements” explains the distribution of the various forms of financing used. The Group’s financing policy is based on:

- centralizing external financing;
- diversifying sources of financing between the banking market and the capital markets;
- achieving a balanced debt repayment profile.

GDF SUEZ pools the majority of the cash flow requirements and surpluses of the Group’s subsidiaries, as well as most of their medium- and long-term external financing requirements. Financing vehicles (long-term and short-term) provide centralization, as do the Group’s dedicated cash-pooling vehicles in France, Belgium and Luxembourg.

2.5.6 Impairment risk

Assumptions and estimates are made to calculate the recoverable value of goodwill and tangible and intangible fixed assets, with particular reference to market outlook, which is more sensitive for certain operations. These assumptions and estimates are needed to assess cash flows and the discount rate to apply. Any change in these assumptions could have a significant effect on the amount of the recoverable value and could lead to changes in the impairment to be recognized (see Note 1.3.1.2 in Section 6.2, “Consolidated financial statements”).

2.5.7 Equity risk

As of December 31, 2014, the Group holds a number of non-consolidated interests in listed companies (see Note 16.1.1 in Section 6.2, “Consolidated financial statements”), the value of which fluctuates on the basis of trends in the world stock markets and/or the position of the relevant companies.

A decline of 10% in the stock market price of these listed securities would have a negative impact of about -€141 million on the Group’s overall income. The Group estimates that impairment indicators for listed securities occur when the value of any such security falls substantially or remains below its historical cost for an extended period.

The Group’s portfolio of listed and unlisted stocks is managed under a specific investment policy and is subject to regular reporting to Executive Management.

In addition, the Group holds interests in listed companies consolidated using the equity method, including SUEZ Environnement (see Note 4 to Section 6.2, “Consolidated financial statements”), for which a significant or extended fall in the price below the value on the balance sheet is an indication of impairment.

2.5.8 Tax risk

Rule tightening by States seeking financial resources cannot be ruled out. Changes in tax regulation or case law relating to the application of tax rules may have an impact on the Group’s earnings (see Note 28.1 of Section 6.2, “Consolidated financial statements”).

2.5.9 Pension funding risk

A significant portion of the Group pensions commitments and the assets associated with these plans are concentrated in France and Belgium. Other defined-benefit pension plans are mainly located in Europe, Brazil and Australia.

In recent years the Group has terminated a number of defined-benefit plans and replaced them with defined-contribution plans. The defined-benefit plans still in operation notably include, in France, the special electricity and gas industry (EGI) plan, which is a legal statutory plan.

Note 20 of Section 6.2 "Consolidated financial statements" details the items evaluated and recognized.

The calculation of commitments is estimated with actuarial methods using methods, assumptions and models to assess liabilities or determine asset allocations and associated risks that could have a significant impact on hedging levels and financing requirements.

In France, commitments within the scope of the special EGI statutory plan are estimated using actuarial assumptions and rules respectively governing benefits paid out by plans operating under ordinary law and amounts that remain the Group's responsibility. These assumptions and rules may be subject to changes that increase the Group's commitments and therefore require an increase in the relevant provisions.

Substantial commitments exist in the form of other post-employment benefits and other long-term benefits, in addition to pension liabilities. These mainly comprise energy-related benefits provided to retired employees within the scope of EGI.

Hedging levels and financing requirements for the Group's pension plans vary according to the performance of financial markets and asset allocations, as well as interest and inflation rates and changes in the applicable legal and regulatory framework.

For some plans outside the scope of the EGI, GDF SUEZ may be required to fully or partly finance any difference between the market value of these assets and the hedging levels projected for these plans, or any insufficiency in the return on the assets in respect of the guaranteed minimum average rates.

3

SOCIAL AND ENVIRONMENTAL INFORMATION, CORPORATE SOCIAL COMMITMENTS

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3.1 ETHICS AND COMPLIANCE

3.1.1 Ethics policy

GDF SUEZ's ethics policy aims to develop an ethics culture and practice based on:

- the Ethics Charter[1], which sets the general framework for the professional behavior of every employee. It specifies four fundamental principles: acting in accordance with laws and regulations; establishing a culture of integrity; behaving fairly and honesty; and respecting others. It also describes the ethics governance system;
- the "Ethics in Practice" guidelines,[1] which specify the implementation procedures for ethics in business situations on a daily basis;
- the integrity referential, which describes the way the Group is structured to manage the risks to which any breach of integrity exposes it, and sets out the action plan for the prevention of fraud and corruption: the implementation of the business consultants' policy and the governing principles for business relationships, particularly for gifts and invitations, tailored to each business line;
- the Managing Ethical Compliance Referential, which specifies the organization and the processes deployed to achieve effective ethical measures;
- a Human Rights Referential[1] which explains the Group's commitments to human rights and provides project and activity-level risk analysis tools.

3.1.2 Organization and structures

The senior executives of GDF SUEZ, particularly the Chairman and Chief Executive Officer and the General Secretary, member of the Executive Committee and the Group Ethics Officer, promote and oversee the ethics policy and ensure that it is properly applied.

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

The Ethics Officer Steering Committee (EOSC) and the Compliance Committee (CC), both chaired by the Group Ethics Officer, initiate and implement ethical action plans and compliance procedures in the business lines and take the necessary monitoring measures.

Within the General Secretariat, the Ethics and Compliance Division (ECD) draws up ethics action plans and compliance procedures and monitors achievement of targets. It supports the EOSC and CC in performing their duties. It drafts the ethics documents and referentials and promotes their implementation within the Group. The ECD coordinates a decentralized network of more than 150 ethics officers within the subsidiaries, BUs, business lines and operating divisions and works closely with all the concerned departments, including Risk Management, Internal Control, Internal Audit, Human Resources and Legal.

3.1.3 Compliance

Ethical compliance management involves:

- defining responsibilities at every level of the management line;
- monitoring and implementing the Group's ethics policy using an annual compliance procedure and a dashboard of 15 indicators, including the distribution of ethics documentation, training and the setting up of ethics policies. The resulting annual compliance report is presented to the Management Committee and the Ethics, Environment and Sustainable Development Committee of the Board of Directors;
- supporting and raising the awareness of employees through training modules: e-learning (competition, corruption, business relationships etc.), business ethics, and human rights;
- mandatory training for senior executives on the risk of fraud and corruption;
- training and specific information for ethics officers through the annual convention and web conferences;
- the inclusion of ethics in the annual appraisal process for senior executives;
- reporting failures via a whistle-blowing and a reporting tool, INFORM'ethics, deployed in the business lines and BUs for notifying incidents in the following six domains: accounting and financial integrity, conflicts of interest, social responsibility and human rights, business ethics, confidential information and protection of intangible property. These systems have been declared to the CNIL (the French National Data Protection Commission);
- handling of ethics incidents by Group entities;
- taking into account non-financial criteria, including the prevention of corruption and respect for human rights, in the assessment of evaluating major Group projects;
- publishing ethics and compliance documents on the Group intranet website, and distributing the charter and guidelines, translated into 20 languages, to all employees;
- annual analysis of ethical risks, carried out as part of the Group's risk review;

(1) These documents are available on www.gdfsuez.com.

- incorporating compliance with ethics principles, particularly the prevention of the risk of fraud, within the INCOME internal control program;
- internal and external audits to assess the implementation of policies and, where applicable, define actions for improvement.

3.2 SOCIAL INFORMATION

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

At the end of 2013, an engagement survey conducted among 33,000 Group managers helped identify major strengths: a consistent managerial culture, pride of belonging, strong commitment and leadership qualities. However, it also highlighted areas for progress in the development of managerial skills, performance recognition and development of attractive cross-functional career paths. In 2014, a structured action plan of 10 initiatives to support managers in the Group's transformation was launched. The first results are already visible: Adaptation of GDF SUEZ Management Way to the current context, support for its deployment with a guide called "Putting Management Way Into Practice" and a self-assessment tool; focus on the "People Leadership" aspect of Management Way, with a dedicated e-learning module on the development of employees identified as future managers; the launch of a full-scale mentoring program (960 mentor-mentee teams in 2014) to help managers put Management Way into practice; and Group guidelines on financial and non-financial recognition.

3.2.1 Human resources development policies

The aim of these policies is to attract, retain and develop all the Group's employees, who constitute its human capital and are, as such, a major strategic asset. These can be found under the generic heading of: "People for Development, Development for People": a development policy for all.

The personal development of employees is a key performance and development lever for the Group. It requires the cross-functional and shared knowledge of employees at every level of the organization (manager and HR manager). The Group also focuses on in-house talent in preparing for the future, building the skills of tomorrow, encouraging mobility and thus enhancing individual employability. The new "Development for People" guidelines bring together the various HR policies and approaches to amplify their effects on Group performance and development.

3.2.1.1 "Recruiting for Development"

Recruitment is a major aspect of the Group's development and transformation.

Spearheading the external recruitment strategy (which is intended to make GDF SUEZ a benchmark employer), the Employer Brand simultaneously embodies the Group's values and all its policies of integration and HR diversity.

In 2014, the Group made responsible innovation a powerful lever to attract the talent it needs to support its development, especially for priority targets like engineers, young and experienced technicians, women and candidates with international experience.

Many actions are thus being deployed in France, Belgium and across the world to make the employer promise tangible. For example:

- the Studyka Challenge: 500 students of 50 nationalities had three months to present an innovative project promoting the Group's corporate social responsibility. Indian students won first prize;
- the deployment of a comprehensive digital ecosystem, utilizing complementary channels, to optimize the candidate relationship and promote interactivity: web, Facebook, Twitter, YouTube, Instagram, Pinterest, LinkedIn, Viadeo and a careers app;
- around 50 forums, all targeted to the recruitment needs of the BUs and subsidiaries.

3.2.1.2 "Mobility for Development"

With around 5,500 transfers carried out in 2014, GDF SUEZ's mobility policy aims to reconcile the needs of both the business and employees, by:

- encouraging attraction, commitment and retention of employees;
- optimizing the match between internal expertise and the needs of the business units;
- enhancing cultural integration, cooperation and promoting diversity;
- contributing to developing employability;
- encouraging knowledge sharing and innovation development.

Five principles were established in 2014 to increase mobility at functional and geographical level:

- a fluid internal employment market;
- avoiding talent-ownership conducts thanks to transparency and HR rules of good conducts;
- priority to Group employees;
- right to confidentiality;
- disclosure and security of intercompany transfers.

Tools have been devised to promote mobility. Since April 2014, employees have been able to see internal job offers and apply for them from a website accessible to everyone, including those who do not have access to the Intranet at their place of work. A "mobility console" has also been developed to promote dialogue between HR departments.

3.2.1.3 "Learning for Development"

In 2014, the Group confirmed the importance given to employee training and employability with a learning policy. The Group implements several training channels for all its employees:

- GDF SUEZ University for 30,000 executives, high-potential managerial staff and managers: GDF SUEZ University extended its offering in 2014, supporting the Group's geographical expansion by hosting nearly 6,800 participants from 42 countries for 160 learning sessions;
- in France, the "SynerFORM" tool facilitates the most cost-effective access to external training programs in various fields (general skills, office/IT, health & safety and languages). Some 7,800 employees took part in 992 sessions in 2014 (which is twice as many employees as in 2013);
- e-learning is available to all Group employees online via the "e-campus" platform;
- consistent leadership of the Group's learning channel enables best practices to be exchanged and new apprenticeship methods developed in the Group.

3.2.1.4 Targeted development policies

"Senior Executives"/"Experts"/"Coaching and Mentoring"/"Development Centers"

To offer appropriate career development tools to senior managers, experts and managers, GDF SUEZ deploys targeted policies through:

- steadily increasing use of coaching and mentoring;
- personalized career development support for senior managers;
- development of "Experts", aiming to promote them and enhance their progress, rewarding them with Human Capital trophies;
- development of the Project Management functional line;
- deployment of "Development Centers", development and personal awareness tools.

It is worth noting that, at the end of 2014, there were 616 senior managers, 16.9% of whom were women (compared with 13.2% at the end of 2012). 33% of new managers appointed since the beginning of the year are women.

"Development for Functional Lines"

The functional lines wanted to set up an HR initiative for the challenges of skills development. The Group Human Resources Department (HRD) helps the management of each functional line and its HR coordinator to set up practical initiatives, such as mapping key positions and organizing key-manager appraisals.

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

"Leaders for Tomorrow" ("LFT")

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

Of 33,000 managers, including 600 senior executives, 2,400 LFTs can potentially be regarded as managers of the future, 27.6% of whom are women. This pool produces 80% of new managers on average.

Cross-functional communities and HR innovators

The HRD has also encouraged the inclusion of HR projects in submissions to the Group Innovation Trophies. These projects were included in the HR Innovations Yearbook for 2014, illustrating HR's ambition.

The Group's 13 HR networks (7 in France), which bring together more than 200 HR managers, facilitate job grouping exchanges, coordinate the smooth deployment of Group HR policies, the GDF SUEZ Management Way and the social foundation project, and efficiently pass on issues relating to jobs and mobility, particularly through the Committee for Management and Planning of Jobs and Skills, thereby implementing the European Agreement of 2010.

3.2.2 Social commitment: building a company committed to corporate citizenship, diversity and solidarity[1]

The Group has been implementing a global, voluntary and ambitious corporate social responsibility (CSR) policy for many years. The policy combats discrimination and promotes equal opportunities.

A social foundation project was defined at the time of the extension of the global agreement on fundamental rights, social dialogue and sustainable development, which was signed on November 16, 2010 with several international trade union federations. The project is based on four commitments by the GDF SUEZ Group: to be a company committed to corporate citizenship, solidarity and education, rooted in the regions.

These commitments are demonstrated in the policies and actions implemented by GDF SUEZ in the area of corporate social responsibility.

The Diversity Label

Audited in January 2014 for the second time since 2012 by the French standards body (Association française de normalisation – Afnor), in May 2014 GDF SUEZ obtained confirmation of the Diversity Label recognizing and proving the worth of the actions it has embarked on and carried out in terms of preventing discrimination, equal opportunities and promotion of diversity. This label now covers all the Group's production and services activities in France.

GDF SUEZ SA and the Energy Services business line had already obtained this label in 2012.

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

GDF SUEZ also pursued efforts to raise diversity awareness among managers, in the HR functional line and among employees. When the diversity label was awarded, an information campaign was launched about all the Group's production and services activities.

GDF SUEZ has been a partner to the Management and Diversity Chair at Paris-Dauphine University since 2009. The Chair's activities are based around three main objectives: "developing research", "teaching, training and raising awareness about diversity issues" and "circulating and divulging the associated knowledge".

Professional and gender equality

On April 9, 2013, the Group signed a framework agreement with the Minister for Women's Rights to support SMEs in the regions to develop professional gender equality. In 2014, contacts were established with SMEs in the French southwest. Similar issues were identified, so-called male jobs were made more appealing to women and so-called female jobs more attractive to men. A guide for SMEs was published and a copy was sent to the chief executive of CGPME in Toulouse. A new partnership with an architectural firm in Toulouse is expected to start in early 2015.

As a reminder, the aim of the European agreement on professional equality between women and men, signed in June 2012 (see Section 3.2.3), is to promote equal opportunities and treatment in practice throughout all the Group's entities, in order to change management and trade union culture and to promote diversity. The agreement takes account of the targets set by GDF SUEZ for 2015, i.e.:

- one-third of newly appointed executives will be women;
- 35% of high-potential managers (LFTs) will be women;
- 25% of women in managerial staff;
- 30% of new hires will be women.

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

In order to improve women's access to technical and engineering professions, the Group became a partner of "*Elles bougent*" ('Women on the move') in January 2014; and a network of Group mentors is working for professional gender equality.

The Group has also defined a parenting policy aimed at helping reconcile work life with family life. Since 2011 when the T Babies daycare center at GDF SUEZ head office was opened, the Group has made childcare facilities available at various business lines and BUs throughout the network. At the end of 2014, around 200 spots for daycare in the Paris area and provincial regions of France were reserved for children of GDF SUEZ "parent-employees".

Young employees, seniors and intergenerational policy

In September 2013, GDF SUEZ and two trade union federations signed a "Generation Contract" agreement. Under this agreement, the Group has undertaken to recruit 8,000 young people under 35 years of age on permanent contracts in France by 2015, including 3,000 under 25 years of age. It also aims to achieve a 5% proportion of trainees within the total workforce, and to recruit 50% of these at the end of their training. The Group has publicized its aim of maintaining senior employees in work with a target of 13% of over 55's in the total workforce by the end of 2015. Special attention has been paid to increasing the levels of training for employees over the age of 50 in order to promote the transfer of know-how and skills by managing the end-of-career phase and encouraging training among the youngest employees. The agreement creates a new system for over-55s preparing for retirement, who will train the youngest employees.

Since 2006, GDF SUEZ has supported talented students from disadvantaged backgrounds through sponsorship and grants. More than 50 Group employees have volunteered to be involved in this process and over 100 young people have been supported so far (college leaving age or earlier). Sponsorship strengthens links with the educational world and contributes to the Group's policy of equal opportunities.

Employees with disabilities

In France, each of GDF SUEZ's business lines, subsidiaries and entities rolls out the Group's disability policy, taking account of its specific operational and local considerations. Currently, 11 collective agreements approved by "Direccte" (Direction Régionale des Entreprises, de la Concurrence, de la Consommation, du Travail et de l'Emploi) cover almost 95% of the Group's workforce in France. The business lines and subsidiaries conduct actions to encourage the hiring, career development and training of people with disabilities and to raise awareness of disability issues. In 2009, the Group set up a Disabilities Group network in France to promote the sharing of positive experiences, skill-building within business initiatives for people with disabilities, synergies between entities and the implementation of joint actions. In 2012, the Group set up an ongoing reporting process for the consolidation of all mandatory reporting (Déclaration Obligatoire d'Emploi de Travailleurs Handicapés – DOETH). At the end of 2013, the Group posted an employment rate in France of workers with a disability of 4.04%, placing it above average for the private sector where the rate is around 3%.

Two key actions were initiated in 2013 and continued in 2014. One concerns the direct recruitment of candidates with a disability to Group job offers, called "Handi Recrut'Heures GDF SUEZ". Following the first recruitment day held in 2013 when shortlisted candidates with a disability met with GDF SUEZ recruitment officers, three more days were held between April and May 2014 – two in Paris and one in Lyon. At each half-day, 17 permanent jobs were offered on a work/study basis and the recruitment rate was over 50%. At the end of 2013, the Group reported that it employed a total of 2,381 full-time equivalent (FTE) employees at its entities across France.

The other key action initiated by the Group's disability network in France concerns purchasing from the sheltered and adapted employment sectors. Since 2011, this action has been identified as a vital part of the Group's employment record and by the end of 2015, it is envisaged that it will account for the 6% mandatory rate. At the end of 2012, a three-year action plan called "Handy-Achat" was established with the objective of promoting the Group's responsible purchasing policy as widely as possible and raising the awareness of every in-house buyer. Since the beginning of 2013, the Group's HR and Purchasing Departments have been working on an extranet site dedicated to purchasing from the sheltered and adapted sectors, and each Group entity has defined an internal promotion campaign on the ground to promote this resource as well as generally raising the awareness of in-house staff. This initiative has already paid off as between 2012 and 2013, the volume of

purchases from ESAT (Établissement de Services et d'aide par le travail) and sheltered organizations increased by over 23% to €10 million. This corresponds to the indirect employment of 369 FTE people with a disability.

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

In June 2014, a partnership was signed in Belgium with "Handisport Francophone" to boost the professional integration of young people playing 5-a-side soccer.

Integration and support in finding employment

The Group has signed a "businesses and communities" charter with the French Ministry for Urban Affairs regarding the employability of young people at a national and regional level. The Group's chairman also sent the French President 150 proposals to promote the employment of young people and the entrepreneurial spirit.

Similarly, the Group is actively participating in several innovative projects aimed at using sport as a lever and platform for social and professional inclusion Approximately 100 young people from disadvantaged communities were guided into the workforce and apprenticeships upon completion of the 2013-2014 program.

Since 2013, **FAPE GDF SUEZ** (*Fondation Agir Pour l'Emploi* in the GDF SUEZ Group), under the auspices of the Fondation de France, has enabled the Group to strengthen its commitment to social and professional integration for people in severe difficulty or in a situation of exclusion. The Foundation's resources come mainly from donations by employees and retired staff of the Group with a 100% matching contribution from their company. Thanks to the generosity *of* the donors, €400,000 have been raised since 2013 to support 28 projects presented by the integration agencies.

3.2.3 Social relations

3.2.3.1 Employee representation in the Group

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

The European Works Council (EWC)

The EWC at GDF SUEZ was established under the agreement of May 6, 2009, which was signed by all the European social partners, and amended on July 23, 2013 to take account of the deconsolidation of SUEZ Environnement.

With 40 members representing the Group's 125,899 employees throughout Europe, its purpose is to develop and strengthen European social dialogue, ensure balanced representation between the Group's countries and main business activities, and develop social dialogue within these activities. A secretariat with 13 members representing eight countries meets once every two months.

In 2014, the EWC held five full-plenary meetings, the EWC secretariat held 6 meetings and the working groups held ten business or subject-based meetings.

French Group Works Council

An agreement signed on June 2, 2009 also launched the French Group Works Council. This body represents more than 74,000 employees in France. Two meetings were held in 2014.

3.2.3.2 Collective bargaining agreements

At a global level, on May 13, 2014, an agreement on health and safety reaffirmed the Group's ambition with regard to the European agreement signed in 2010.

In Europe, negotiations on the quality of life at work led to an agreement on November 27, 2014 on improving the quality of life at work, proposing a method to analyze the situation and draw up progress plans according to each company's needs and environment.

In France, an agreement on the generation contract was signed in 2013 and is effective for 2013, 2014 and 2015, to promote access to employment for young people, maintaining seniors in employment and transferring skills between the generations. Accordingly, in the period from January 2013 to the end of June 2014, the generation contract has already enabled the recruitment of nearly 3,900 young people on permanent contracts in France, the reception and training of work-study recruits amounting to around 4.4% of the workforce, the recruitment of over 50s to permanent contracts in France to around 6.7% and maintenance of over-55s in employment, representing around 12.9% of the workforce in France.

In 2014, as in previous years, the application of different agreements was followed by committees in charge of capitalizing on the associated good practices.

3.2.3.3 Involvement in the International Social Observatory

GDF SUEZ supports the International Social Observatory (ISO) and its efforts on well-being at work, promoting human capital policies and managers. In 2014, the ISO organized 10 public meetings on a range of topics (development and human capital, management and cooperation, CSR and the social contract, transformation of life at work etc.) and a symposium in Chile on social accessibility for major projects. It also established a delegation in China.

3.2.4 Employee savings plans

3.2.4.1 Group Employee Savings Plan Policy

These plans are available to employees of companies that are fully consolidated or whose share capital is majority-owned, directly or indirectly, by GDF SUEZ SA.

Savings plans

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

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

Retirement savings plans

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

Outside France: In other countries products exist allowing employees to supplement their pensions by making voluntary contributions on favorable terms.

Solidarity funds

In France: The GDF SUEZ "*Rassembleurs d'Énergies Flexible*" Solidarity Fund has supplemented the range of Group Savings Plan and Retirement Savings Plan investment products since the beginning of 2012 and enables employees to take part in a social initiative in tune with their businesses.

3.2.4.2 Profit-sharing and Incentive plans

Due to the existence of separate legal companies, a common collective profit-sharing and incentive plan is not possible for the Group.

GDF SUEZ SA and all the trade union organizations representing its employees signed a new incentive agreement on June 24, 2014 for the 2014-2016 period. The amount paid out in 2014 for 2013 came to €21.2 million. The employee profit-sharing agreement for GDF SUEZ SA was signed on June 26, 2009. Application of the statutory profit-sharing formula for 2013 resulted in no payment being made to employees in 2014.

3.2.5 Employee shareholding

GDF SUEZ continues to operate its proactive employee shareholding policy in order to involve all employees in the Group's development and increase the employees' stake in the capital of GDF SUEZ. In 2014, this policy took the form of a capital increase reserved for employees in France and internationally[2] pursuant to 15th and 16th resolutions of the Combined Ordinary and Extraordinary General Shareholders' Meeting of April 28, 2014. Employees were able to subscribe to the capital increase reserved for them within the GDF SUEZ Group Savings Plan (PEG) and International Group Savings Plan (PEGI) through the "Link 2014" employee shareholding plan. As in 2010, they were offered two investment options: a "classic" investment plan, exposed to changes in the GDF Suez share price and a plan combining leverage, capital protection and a minimum return. Employees were offered a 20% discount on the share price. Under the classic plan, they also received a matching contribution in the form of bonus shares, under the following procedure: for the first 10 shares subscribed, 1 bonus share per share subscribed, and for the next 40 shares subscribed, 1 bonus share for 4 shares subscribed, or a matching contribution of up to 20 bonus shares per 50 shares subscribed. For legal and tax reasons the allocation of additional bonus shares was carried out in different ways in France and outside of France:

- in France, in accordance with Article L. 3332-21 of the French Employment Code and as authorized by the Combined Ordinary and Extraordinary Shareholders' Meeting of April 28, 2014 in its 15th resolution, shares were allocated free of consideration by GDF SUEZ instead of the matching contribution, in accordance with the terms of the Group Employee Savings Plan as amended on June 24, 2014;
- outside France, employees received rights to the allocation of bonus shares, the number of which was determined according to the number of shares subscribed under the classic formula on the same terms as in France. These rights to the allocation of bonus shares were granted pursuant to the provisions of Articles L. 225-197-1 et seq. of the Commercial Code and the authorization given by the Combined Shareholders' Meeting on April 28, 2014 in its 20th resolution. The Board of Directors determined the conditions and adopted the rules for the bonus share plan on July 30, 2014.

The employee offering led to a capital increase of €329.7 million on December 11, 2014 (22.46 million new shares subscribed by over 32,000 employees in 32 countries). In total, at the end of 2014, employees had received approximately 21 million bonus shares since the first plan in 2007. Of this total, 7.4 million shares in the vesting period of the respective plans representing a 0.30% stake in GDF SUEZ.

(1) *Companies that are fully consolidated (apart from GRTgaz) and companies whose share capital is majority-owned, directly or indirectly, by GDF SUEZ SA.*

(2) *These plans are available to employees of GDF SUEZ SA and to employees of companies (apart from GRTgaz) in 32 countries that are fully consolidated or whose share capital is majority-owned, directly or indirectly, by GDF SUEZ SA.*

At the end of 2014, employees held 3.18% of the share capital (including 2.62% held through employer-sponsored mutual funds). Pursuant to Article L. 225-100-3 of the French Commercial Code, the Supervisory Boards of these employer-sponsored mutual funds exercise the voting rights attached to the securities registered among their assets and decide, if necessary, whether to contribute these securities to public tender or exchange offers.

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

ORS 2015

The sale of 75 million GDF SUEZ shares by the French government to the private sector on June 24, 2014 entailed a government obligation to offer shares to employees and former employees of GDF SUEZ and its subsidiaries in which the issuer holds, directly or indirectly, the majority of the equity, pursuant to the provisions of Article 11 of Law No. 86-912 of August 6, 1986 on the terms of privatizations, and Article 26 of Law No. 2004-803 of August 9, 2004 on public electricity and gas utilities and electric and gas companies.

The operation, called "ORS 2015", the terms of which were defined by the Minister for the Economy, Industry and Digital Affairs on December 23, 2014, has been implemented in nine countries and comprises two formulae, both exposed to fluctuations in the GDF SUEZ share:

- a formula under the Group Employee Savings Plan (internationally the International Group Employee Savings Plan): this formula comes with a matching contribution of twice the amount of bonus shares as those offered under the Link 2014 Classic formula: for the first 20 shares subscribed, one bonus share per share subscribed, and for the next 80 shares subscribed, 1 bonus share for 4 shares subscribed, or a matching contribution of up to 40 bonus shares per 100 shares subscribed (shares locked in for a period of 5 years). For legal and tax reasons, the allocation of additional bonus shares was carried out in different ways in France and outside of France: Outside France, the shares are allocated by GDF SUEZ under a bonus share plan approved by the Board of Directors on December 10, 2014 pursuant to the authorization given by the Combined General Shareholders' Meeting of April 28, 2014 in its 21st resolution;
- a formula outside the savings plan: the proposed GDF SUEZ shares being held directly in a bearer account (non-transferability of shares for a period of 2 years). This formula does not include a matching contribution.

The purchase period for ORS 2015 ran from December 30, 2014 to January 20, 2015 and the purchase price was set at €19.53 per share. The shares' settlement and delivery date was February 27, 2015. A total of 13,235,294 GDF SUEZ shares were offered and 1,360,000 shares were subscribed by more than 22,000 subscribers (It should be noted that GDF SUEZ will not receive any income from the sale of shares under the ORS 2015, as all the gross proceeds from the sale will be paid to the government, the selling shareholder).

3.2.6 Health and safety policy

3.2.6.1 Performance

After several years of continuous progress, performance in terms of accidents to Group employees has continued to improve:

- accidents at work:
  - frequency rate of 4.1, below the defined target (FR < 4.4 by end of 2014) and down 49% from 2008 (from 8 to 4.1) and down 7% from 2013,
  - mortality rate of 0.9 (versus 2 in 2008 and 0 in 2013),
  - severity rate of 0.20 down by 39% compared to 2008 (from 0.33 to 0.20) and by 9% compared to 2013;
- commuting accidents with a frequency index of 3.1 in 2014 (down from 5 in 2010 and 4 in 2013).

In the field of occupational health, the number of hours of absenteeism for medical reason by employee a year is stable (63h) and the number of new cases of professional diseases increases from 133 in 2013 to 150 in 2014.

The number of work-related accidents among external providers and temporary staff improved; 5 fatalities in 2014 compared with 11 in 2013.

3.2.6.2 Targets and progress

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

The Health and Safety Action Plan for 2010-2015 was completed in 2012 with a specific plan to eradicate fatal accidents. Its deployment was continued in 2014.

These areas of progress and their impact on the Group's occupational and industrial health and safety performance are monitored by the Board of Directors, the Ethics, Environment and Sustainable Development Committee, the Executive Committee and the Health and Safety Steering Committee (which includes employee representatives). They are reported via a quarterly email from the Chairman and Chief Executive Officer to senior management, via various means within the Health & Safety and HR functional lines and on the Group intranet.

The management mechanism

The key principles of the Group's health and safety policy are set out in Group agreements signed by the Chairman and Chief Executive, employee representatives and trade unions around the world (European agreement on occupational health and safety signed in Paris on February 23, 2010 and a global agreement on occupational health and safety signed on May 13, 2014 in Santiago, Chile).

The Group's Health and Safety Regulations set out the minimum requirements at a global level for all entities. The repository is supplemented by the "life-saving rules [(1)]

In 2014, managers were provided with a guide that reiterates the main managerial levers from the perspective of practical actions to improve managerial practices (team meetings, engagement, visits on the ground, recognition etc.). These are essential for compliance with the Lifesaving Rules and thus contribute to transforming the Group's overall health and safety culture.

In line with the ERM process, the level of control of health and safety risks was evaluated by line managers and by the Group Health and Safety Department. The INCOME mechanism provides a framework for the internal audits carried out by the line managers on the control of industrial risks.

The deployment of these principles and health and safety requirements is verified by means of internal audits and controls performed by the Group Health and Safety Department. Around 30 checks were carried out in 2014 with a particular focus on sub-contracting, the quality of managerial safety visits and the application of the Lifesaving Rules. These checks showed that the Managerial Safety Visits approach had become the norm and represents an important lever for progress in reducing accidents.

In addition to these measures, the Group places great emphasis on benchmarks and feedback as vectors for improving performance.

Management reviews performed by the health and safety department at all levels (central office, business lines, BUs) evaluate the results and set targets to improve the effectiveness of the management system. Specifically, these reviews are intended to assess the effectiveness of initiatives implemented as part of the plan to eliminate fatal accidents and to develop action plans to achieve its targets.

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

Training

Training efforts continued in 2014: 28.5% of the total number of training hours delivered were devoted to quality, safety and the environment, and nearly 1,100 managers had Group training in health and safety leadership at GDF SUEZ University.

Raising awareness and sharing practices

Reflex, the in-house health and safety magazine (168,000 copies published in eight languages), which describes good habits and attitudes to be adopted in everyday life, is one of a number of mechanisms used to strengthen the health and safety culture of each Group employee.

These are backed up by the Group's health and safety intranet and two websites giving everyone access to a library of documents encouraging the sharing of solutions and field experiences:

- the "zero fatal accidents" action plan website;
- the AGORA website containing managerial guides and practices based on internal and external benchmarks.

The Group promotes the work of experts in networks to share practical solutions, through the intranet, expert clubs and professional communities of practices, the quarterly newsletter, *Prevention News*, and the marketplace during annual internal health and safety functional line conventions.

Launched in April at the world occupational health and safety day, and promoted at the European health and safety week, the Group's 2014 health and safety annual awareness campaign focused on prevention of musculo-skeletal disorders ("MSD"). A series of presentations, conferences and workshops were held to enable employees to think about their work space, learn about good handling methods and put into practice advice and stretching exercises.

3.2.6.3 Dialogue with social partners

In 2014, dialogue with employee representatives and trade unions, backed by a Group collective agreement on fundamental health and safety principles, continued at the local level, the Group level, and in each activity. The Health and Safety Steering Committee monitored the Group's results, analyzed the causes of serious accidents and the preventive measures put in place, and gave its opinion on proposed changes in the Group's standards. Monitoring committees for the various collective agreements signed at the Group level in France met in 2014 to review the implementation of these commitments.

Two new Group collective agreements were signed in 2014. They reflect the determination to continue making progress and strengthen the health and safety commitments made over a number of years at the European level:

- the global health and safety agreement signed in May 2014 by the Chairman and Chief Executive Officer and the World Federation of Trade Unions;
- an agreement on improving the quality of life at work, signed in November 2014 by the Chairman and Chief Executive Officer and the European Federation of Trade Unions (see Section 3.2.3.2).

(1) *These are practical rules which, had they been followed, could have avoided some of the fatalities in the Group in recent years.*

3.2.7 Social data

			Energy Europe			Energy International business line		
	Grenelle 2 Law	GRI	2014	2013	2012	2014	2013	2012
Employment								
TOTAL WORKFORCE ■■	**1.A**	**LA1**	**24,811**	**26,015**	**27,194**	**10,416**	**10,756**	**10,806**
Workforce by geographic region ■■	**1.A**	**LA1**						
France	1.A	LA1	11,179	11,521	12,038			
Belgium	1.A	LA1	5,884	6,416	6,797	65	59	
Other European Union	1.A	LA1	7,748	8,078	8,359	961	1,020	1,117
Other European countries	1.A	LA1						
Total Europe	1.A	LA1	24,811	26,015	27,194	1,026	1,079	1,117
North America	1.A	LA1				2,110	2,122	2,239
South America	1.A	LA1				3,048	3,321	3,327
Asia-Middle-East-Oceania	1.A	LA1				4,232	4,234	4,123
Africa	1.A	LA1						
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Breakdown of workforce by SPC	**1.A**	**LA1**						
Managerial staff ■■	1.A	LA1	6,306	6,580	6,803	2,880	2,689	2,097
Non-managers ■■	1.A	LA1	18,505	19,435	20,391	7,536	8,067	8,709
% Managerial staff	1.A		25.4%	25.3%	25.0%	27.6%	25.0%	19.4%
% Non-managerial staff	1.A		74.6%	74.7%	75.0%	72.4%	75.0%	80.6%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Breakdown of workforce by type of contract	**1.A**	**LA1**						
Permanent ■■	1.A	LA1	94.2%	94.1%	94.1%	97.8%	97.9%	97.3%
Others ■■	1.A	LA1	5.8%	5.9%	5.9%	2.2%	2.1%	2.7%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Age pyramid of permanent employees ■■	**1.A**	**LA1**						
Under 25 years old	1.A	LA1	1.6%	2.1%	2.7%	2.8%	3.2%	3.8%
25-29 yrs old	1.A	LA1	8.8%	10.4%	12.1%	11.8%	11.6%	11.5%
30-34 yrs old	1.A	LA1	16.3%	16.6%	16.4%	15.1%	15.2%	15.9%
35-39 yrs old	1.A	LA1	16.3%	15.8%	15.5%	15.9%	15.8%	16.0%
40-44 yrs old	1.A	LA1	15.7%	16.0%	16.0%	15.1%	15.2%	15.2%
45-49 yrs old	1.A	LA1	15.3%	14.4%	13.4%	13.9%	13.6%	13.6%
50-54 yrs old	1.A	LA1	12.9%	12.8%	12.9%	11.5%	11.3%	10.9%
55-59 yrs old	1.A	LA1	10.1%	9.8%	9.3%	8.6%	8.6%	8.2%
60-64 yrs old	1.A	LA1	2.9%	2.1%	1.8%	4.1%	4.4%	4.2%
65 and +	1.A	LA1	0.1%	0.1%	0.1%	1.1%	1.1%	0.9%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Female workforce ■■	**1.F**	**LA13**	**7,797**	**8,189**	**8,489**	**1,786**	**1,799**	**1,857**
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Diversity and equal opportunity								
Proportion of women in workforce ■■	**1.F**	**LA13**	**31.4%**	**31.5%**	**31.2%**	**17.1%**	**16.7%**	**17.2%**
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Proportion of women in management ■■	**1.F**	**LA13**	**28.6%**	**28.7%**	**27.9%**	**20.4%**	**18.5%**	**18.5%**
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Proportion of Apprenticeship workforce	1.F	LA1	2.0%	1.8%	1.8%	0.4%	0.3%	0.4%

■■ *Reasonable assurance for financial year (FY) 2014.*

(1) The GDF SUEZ Group includes the six business lines as well as Corporate.
(2) Scope: see 3.2.7.2. Note on methodology.

Global Gas & LNG			Infrastructure			Energy Services			Environment	GDF SUEZ Group[1]			
2014	2013	2012	2014	2013	2012	2014	2013	2012	2012	2014	2013	2012 recal-culated without BE	2012
2,458	**1,993**	**1,828**	**17,187**	**17,660**	**18,132**	**94,671**	**87,528**	**78,394**	**79,549**	**152,882**	**147,199**	**139,781**	**219,330**
917	512	478	16,968	17,439	17,912	42,550	42,251	41,900	34,067	74,156	74,214	74,955	109,022
						10,482	10,577	10,664	2,093	17,193	17,798	18,250	20,343
1,229	1,175	1,132	219	221	220	32,091	27,799	18,829	27,794	42,259	38,303	29,668	57,462
273	256	200				2,758	2,845	2,756	87	3,031	3,101	2,956	3,043
2,419	1,943	1,810	17,187	17,660	18,132	87,881	83,472	74,149	64,041	136,639	133,416	125,829	189,870
						1,963	493	548	3,367	4,073	2,615	2,787	6,154
						2,383	1,265	1,329	268	5,431	4,586	4,656	4,924
9	26	18				2,365	2,222	2,293	5,612	6,630	6,482	6,434	12,046
30	24	,				79	76	75	6,261	109	100	75	6,336
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1,108	808	746	3,894	3,875	3,885	17,585	16,624	14,940	11,261	34,274	32,970	30,978	42,239
1,350	1,185	1,082	13,293	13,785	14,247	77,086	70,904	63,454	68,288	118,608	114,229	108,803	177,091
45.1%	40.5%	40.8%	22.7%	21.9%	21.4%	18.6%	19.0%	19.1%	14.2%	22.4%	22.4%	22.2%	19.3%
54.9%	59.5%	59.2%	77.3%	78.1%	78.6%	81.4%	81.0%	80.9%	85.8%	77.6%	77.6%	77.8%	80.7%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
94.1%	95.3%	95.3%	94.9%	94.8%	94.2%	92.9%	92.9%	92.8%	92.9%	93.7%	93.9%	93.7%	93.4%
5.9%	4.7%	4.7%	5.1%	5.2%	5.9%	7.1%	7.1%	7.2%	7.1%	6.3%	6.1%	6.3%	6.6%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	89.20%	100.00%	100.00%	93.60%	93.60%	100.00%	100.00%
1.0%	0.6%	0.5%	4.7%	5.1%	5.4%	4.3%	4.2%	4.5%	2.8%	3.6%	3.7%	4.0%	3.6%
8.0%	6.1%	6.7%	11.8%	11.6%	11.2%	10.7%	11.0%	11.3%	8.8%	10.4%	10.8%	11.3%	10.4%
15.7%	13.6%	13.9%	12.9%	12.7%	12.0%	13.2%	13.7%	13.8%	12.7%	13.9%	14.3%	14.2%	13.7%
15.8%	15.4%	14.4%	12.9%	12.2%	12.5%	12.5%	12.6%	12.5%	14.2%	13.5%	13.5%	13.4%	13.7%
14.5%	14.6%	14.8%	13.7%	13.3%	12.8%	13.2%	14.1%	14.6%	16.4%	13.9%	14.5%	14.7%	15.3%
12.4%	13.4%	13.8%	12.9%	12.9%	13.5%	15.0%	15.4%	15.4%	16.7%	14.7%	14.6%	14.6%	15.3%
11.8%	13.5%	14.4%	18.6%	20.6%	22.1%	13.9%	13.6%	13.3%	14.3%	14.1%	14.3%	14.3%	14.3%
13.5%	15.7%	16.1%	11.2%	10.4%	9.6%	11.4%	11.1%	10.9%	10.1%	11.1%	10.7%	10.3%	10.3%
7.0%	7.0%	5.4%	1.4%	1.2%	0.9%	4.8%	3.9%	3.5%	3.4%	4.1%	3.3%	2.9%	3.1%
0.2%	0.2%	0.2%	0.0%	0.0%	0.0%	1.0%	0.4%	0.3%	0.6%	0.7%	0.3%	0.3%	0.4%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	89.20%	100.00%	100.00%	100.00%	93.60%	100.00%	100.00%
633	**527**	**484**	**4,079**	**4,099**	**4,200**	**17,268**	**13,796**	**9,793**	**15,691**	**33,044**	**29,826**	**26,306**	**41,997**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
25.8%	**26.4%**	**26.5%**	**23.7%**	**23.2%**	**23.2%**	**18.2%**	**15.8%**	**12.5%**	**19.7%**	**21.6%**	**20.3%**	**18.8%**	**19.2%**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
24.3%	**25.5%**	**26.1%**	**29.6%**	**28.4%**	**28.3%**	**15.8%**	**16.3%**	**14.9%**	**27.1%**	**21.9%**	**21.9%**	**21.5%**	**23.0%**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1.8%	1.8%	1.9%	5.0%	5.1%	5.6%	2.6%	3.1%	3.0%	1.6%	2.6%	2.9%	2.9%	2.5%

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	Grenelle 2 Law	GRI	Energy Europe			Energy International business line		
			2014	2013	2012	2014	2013	2012
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Proportion of disabled employees	1.F		1.5%	1.4%	1.2%	0.5%	0.5%	0.4%
Employees under 25 as a% of permanent hires	1.F		14.0%	18.6%	20.0%	15.2%	19.5%	17.3%
Employees over 50 as a% of permanent hires	1.F		6.5%	7.0%	5.1%	8.4%	6.8%	8.1%
Staff and job movement								
No. of permanent hires *(at constant structure)*	1.A	LA2	788	741	1,269	729	899	1,167
No. of temporary hires *(at constant structure)*	1.A	LA2	1,924	1,738	1,081	197	250	261
No. of hires *(at constant structure)*	1.A	LA2	10.8%	9.5%	8.9%	9.0%	10.6%	13.4%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
No. of permanent hires *(at constant structure)*	1.A	LA2	29.1%	29.9%	54.0%	78.7%	78.2%	81.7%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
No. of lay-offs *(at constant structure)*	1.A		419	340	nd	94	199	nd
% reporting			100.00%	1		100.00%	1	
Turnover *(at constant structure)*	1.A	LA2	4.9%	4.3%	5.6%	6.1%	6.7%	8.7%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Voluntary turnover *(at constant structure)*	1.A	LA2	2.2%	2.1%	2.5%	4.9%	4.8%	6.1%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Career development								
Proportion of workforce trained ■■	1.E	LA10	73.8%	79.5%	84.5%	79.5%	75.7%	80.4%
% reporting			99.46%	100.00%	100.00%	91.87%	98.82%	100.00%
Proportion of women in trained workforce	1.E	LA10	30.8%	31.0%	31.2%	15.6%	14.9%	16.7%
% reporting			99.46%	100.00%	100.00%	91.87%	98.82%	100.00%
Proportion of managers and non-managers in trained workforce:	1.E	LA10						
Managerial staff	1.E	LA10	26.4%	25.5%	25.8%	22.9%	16.3%	17.2%
Non-managers	1.E	LA10	73.6%	74.6%	74.2%	77.1%	83.7%	82.8%
% reporting			99.46%	100.00%	100.00%	91.87%	98.82%	100.00%
Total no. of training hours	1.E	LA10	649,530	818,958	911,598	321,486	342,711	401,376
% reporting			99.46%	100.00%	100.00%	90.60%	98.82%	100.00%
Hours of training by topic	1.E	LA10						
Business techniques			46.3%	56.4%	48.0%	48.0%	43.7%	46.4%
Quality, safety & environment			21.7%	17.7%	12.8%	30.4%	24.0%	28.4%
Languages			6.9%	6.9%	7.9%	7.1%	15.8%	9.0%
Management and personnel development			13.4%	nd	nd	8.6%	nd	nd
Others			11.7%	19.0%	31.3%	5.9%	16.5%	16.2%
% reporting			99.46%	100.00%	100.00%	90.60%	98.82%	100.00%
No. of training hours per person trained	1.E	LA10	35	39	40	42	42	46
% reporting			99.46%	100.00%	100.00%	90.60%	98.82%	100.00%
No. of training hours per woman trained	1.F	LA10	28	36	32	30	37	31
% reporting			99.46%	100.00%	100.00%	90.60%	98.82%	100.00%
Training expenses per hour of training *(euros)*	1.E	LA10	22	27	29	38	23	21

■■ *Reasonale assurance for financial year (FY) 2014.*

(1) The GDF SUEZ Group includes the six business lines as well as Corporate.
(2) Scope: see 3.2.7.2. Note on methodology.

Global Gas & LNG			Infrastructure			Energy Services			Environment	GDF SUEZ Group[1]			
2014	2013	2012	2014	2013	2012	2014	2013	2012	2012	2014	2013	2012 recalculated without BE	2012
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	89.22%	100.00%	100.00%	100.00%	93.60%	100.00%	100.00%
1.4%	**1.8%**	**1.6%**	**3.3%**	**3.0%**	**3.0%**	**2.1%**	**2.4%**	**2.3%**	**1.8%**	**2.0%**	**2.1%**	**2.0%**	**1.9%**
5.9%	**3.7%**	**7.0%**	**29.8%**	**35.4%**	**32.8%**	**19.6%**	**22.7%**	**21.9%**	**14.6%**	**19.1%**	**22.4%**	**22.0%**	**19.2%**
11.1%	**15.2%**	**11.7%**	**4.6%**	**3.1%**	**3.2%**	**11.6%**	**8.6%**	**9.8%**	**11.5%**	**10.3%**	**7.9%**	**8.3%**	**9.5%**
153	**217**	**171**	**718**	**710**	**1,221**	**6,828**	**5,796**	**7,154**	**6,698**	**9,347**	**8,423**	**11,096**	**17,794**
54	**44**	**49**	**584**	**484**	**728**	**5,201**	**4,791**	**4,988**	**8,081**	**8,090**	**7,365**	**7,232**	**15,313**
10.1%	**13.4%**	**12.1%**	**7.5%**	**6.7%**	**10.9%**	**13.7%**	**13.6%**	**15.7%**	**18.7%**	**11.9%**	**11.4%**	**13.3%**	**15.3%**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
73.9%	**83.1%**	**77.7%**	**55.1%**	**59.5%**	**62.7%**	**56.8%**	**54.7%**	**58.9%**	**45.3%**	**53.6%**	**53.4%**	**60.5%**	**53.7%**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
11	**8**	**nd**	**4**	**21**	**nd**	**2 235**	**1 978**	**nd**	**nd**	**2 770**	**2550**	**nd**	**nd**
100.00%	1		100.00%	1		100.00%	100.00%			100.00%	1		
2.9%	**4.0%**	**3.2%**	**1.9%**	**1.5%**	**1.7%**	**7.3%**	**6.7%**	**7.0%**	**6.5%**	**6.0%**	**5.5%**	**6.0%**	**6.2%**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2.3%	**3.4%**	**3.0%**	**1.8%**	**1.3%**	**1.5%**	**3.8%**	**3.5%**	**3.8%**	**3.4%**	**3.3%**	**3.0%**	**3.4%**	**3.4%**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
71.6%	**76.0%**	**75.3%**	**70.1%**	**70.9%**	**73.7%**	**64.8%**	**63.7%**	**61.5%**	**68.4%**	**68.1%**	**68.5%**	**69.1%**	**68.8%**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	99.14%	100.00%	90.07%	99.50%	99.52%	99.69%
26.7%	**24.4%**	**26.8%**	**20.3%**	**19.7%**	**18.9%**	**10.0%**	**9.5%**	**9.5%**	**20.4%**	**17.0%**	**17.0%**	**17.6%**	**18.6%**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	99.14%	100.00%	90.07%	99.50%	99.52%	99.69%
42.8%	40.0%	42.7%	20.8%	20.4%	19.1%	19.2%	18.8%	19.0%	15.1%	22.7%	21.6%	21.9%	19.4%
57.2%	60.0%	57.3%	79.2%	79.6%	80.9%	80.8%	81.2%	81.1%	84.9%	77.3%	78.4%	78.1%	80.6%
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	99.14%	100.00%	90.07%	99.50%	99.52%	99.69%
67,155	**66,468**	**64,848**	**465,768**	**471,333**	**514,439**	**1,445,310**	**1,317,964**	**1,344,538**	**1,329,305**	**2,997,908**	**3,071,401**	**3,285,594**	**4,614,899**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	98.31%	100.00%	89.98%	99.50%	99.05%	99.40%
36.1%	48.5%	45.3%	46.3%	53.1%	49.9%	46.0%	48.9%	49.5%	27.2%	45.8%	50.5%	49.1%	42.8%
31.8%	28.0%	31.4%	19.9%	23.7%	24.2%	34.6%	34.6%	33.1%	36.8%	28.5%	26.6%	25.0%	28.4%
10.3%	8.9%	11.8%	3.0%	2.8%	2.7%	3.8%	3.1%	3.8%	7.8%	5.1%	5.9%	5.6%	6.2%
13.5%	nd	nd	20.9%			7.5%	nd	nd	nd	11.3%	nd	nd	nd
8.4%	14.6%	11.6%	9.9%	20.4%	23.2%	8.0%	13.4%	13.6%	28.3%	9.3%	17.0%	20.3%	22.6%
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	98.31%	100.00%	89.98%	99.50%	99.05%	99.40%
46	**45**	**48**	**38**	**37**	**39**	**28**	**26**	**28**	**24**	**32**	**32**	**34**	**31**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	98.31%	100.00%	89.98%	99.50%	99.05%	99.40%
39	**46**	**43**	**38**	**30**	**33**	**24**	**22**	**25**	**24**	**29**	**31**	**30**	**28**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	98.31%	100.00%	89.98%	99.50%	99.05%	99.40%
58	67	66	60	65	61	30	26	28	22	NS	NS		NS

			Energy Europe			Energy International business line		
	Grenelle 2 Law	GRI	2014	2013	2012	2014	2013	2012
% reporting			99.46%	100.00%	100.00%	89.79%	97.82%	100.00%
Training expenses per person trained *(euros)*	**1.E**	**LA10**	**779**	**1,076**	**1,134**	**1,622**	**976**	**959**
% reporting			99.46%	100.00%	100.00%	89.79%	97.82%	100.00%
Working conditions								
Days of absence per person	**1.B**	**LA7**	**15**	**15**	**15**	**6**	**6**	**6**
% reporting			99.62%	100.00%	100.00%	100.00%	100.00%	100.00%
Overtime	**1.B**	**LA7**	**1.2%**	**1.5%**	**1.6%**	**7.2%**	**7.0%**	**7.4%**
% reporting			99.62%	100.00%	100.00%	100.00%	100.00%	100.00%
Safety at work[2]								
No. of fatal accidents *(employees)*			1	0	0	0	0	0
	1.A	LA1						
Frequency rate			2.5	3.9	4.8	0.7	0.8	0.8
Severity rate (French benchmark)			0.11	0.18	0.24	0.03	0.02	0.03
Severity rate (ILO benchmark)			0.06	0.11	0.13	0.03	0.02	0.02
% reporting			100%	100%	100%	100%	100%	100%
Number of new cases of occupational illness			11	17		0	6	
Compensation	**1.A**							
Average salary of manual workers, clerical staff and technicians compared with national minimum wage in 2014		**Legal annual minimum wage in 2014 in €**	**2014**	**2013**	**2012**	**2014**	**2013**	**2012**
France		17,345	1.51	1.49	1.52			
Belgium		18,022						
Spain		9,034	4.41	4.36	4.63		4.09	4.13
Netherlands		17,827	2.62	2.82	2.64			
United Kingdom		15,013				2.06	2.18	2.30
Luxembourg		23,052						
Romania		2,281	4.26	5.15	4.76			
Poland		4,853	3.53	3.53	4.01			
Czech Republic		3,719						
Hungary		4,100	2.57	3.04	3.46			
Slovakia		4,224						
Portugal		6,790					5.81	5.56
Greece		8,205						
Slovenia		9,470						
Turkey		4,341				4.83	4.73	5.32
United States		10,935				7.62	6.78	6.79
% reporting			98.52%	98.49%	98.53%	21.72%	21.76%	22.93%

■■ *Reasonable assurance for financial year (FY) 2014.*

(1) The GDF SUEZ Group includes the six business lines as well as Corporate.
(2) Scope: see 3.2.7.2. Note on methodology.

Global Gas & LNG			Infrastructure			Energy Services			Environment	GDF SUEZ Group[1]			
2014	2013	2012	2014	2013	2012	2014	2013	2012	2012	2014	2013	2012 recalculated without BE	2012
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	78.69%	98.61%	99.14%	100.00%				
2,686	**3,013**	**3,143**	**2,292**	**2,427**	**2,370**	**842**	**701**	**788**	**537**	**NS**	**NS**		**NS**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	78.69%	98.61%	99.14%	100.00%				
11	**10**	**11**	**17**	**15**	**14**	**11**	**11**	**11**	**12**	**NS**	**NS**		**NS**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.37%	99.60%	100.00%				
1.5%	**1.7%**	**1.6%**	**2.4%**	**2.3%**	**2.5%**	**2.7%**	**2.5%**	**2.8%**	**4.3%**	**NS**	**NS**		**NS**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.37%	99.60%	100.00%				
0	0	0	0	0	0	1	0	0	5	2	0	0	5
1.5	0.6	0.7	3.0	3.3	3.0	5.2	5.5	5.7	13.3	4.1	4.4	4.6	7.6
0.03	0.01	0.01	0.11	0.11	0.09	0.27	0.27	0.34	0.60	0.20	0.21	0.25	0.37
0.02	0.01	0.01	0.07	0.08	0.08	0.18	0.17	0.16	0.39	0.13	0.13	0.13	0.22
100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
0	0	0	1	1	5	138	109	59	42	150	133	64	106
2014	**2013**	**2012**	**2014**	**2013**	**2012**	**2014**	**2013**	**2012**	**2012**	**2014**	**2013**		**2012**
			1.62	1.65	1.70	1.47	1.45	1.47	1.60	NS	NS		NS
						2.05	1.95	2.00	1.51				
						2.99	3.03	3.06	2.87				
4.61	3.84	3.71				1.82	1.90	1.88	2.09				
			2.36	2.19	2.01	1.18	2.53	2.73	2.07				
						1.72	1.72	1.79	1.48				
						3.56	4.19	3.52	4.61				
						2.35	3.54	3.76	2.18				
						3.51	3.80	3.80	2.21				
						3.07	2.73	3.13					
						2.28	2.31	2.30	2.16				
						2.89	2.66	2.63	1.94				
						1.98	2.23	2.12					
									3.28				
									2.52				
						2.49			4.31				
45.52%	45.71%	49.52%	100.00%	100.00%	98.80%	80.49%	82.07%	81.74%	77.30%				

3.2.7.1 Note on methodology of social indicators

1 Tool

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

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

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

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

2 Scope of reporting

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

Two sizeable entities that were recently acquired were excluded from the scope of reporting of indicators relating to training and compensation, as GDF SUEZ's reporting methods are being rolled out progressively.

3 Consolidation methods

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

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

4 Internal control

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

5 Grenelle 2 Law

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

6 Additional information on some indicators

a) Employment

The GDF SUEZ Group data include data from the six business lines and Corporate data (including 3,339, 3,247 and 3,427 employees in 2014, 2013 and 2012 respectively).

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

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

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

b) Staff changes

All indicators in this section are calculated on a constant structure basis, i.e. the fully consolidated reporting entities included in the scope of consolidation at 12/31/N-1 and at 12/31/N.

The lay-offs indicator does not include contractual terminations.

c) Diversity and equal opportunity

The declared percentage of people with disabilities provides the best possible information on the inclusion of people with disabilities into GDF SUEZ companies. We do not consider it relevant to provide a scope definition for this indicator, since some entities are unable to gather information due to local regulatory restrictions.

d) Career development

The training indicators provided in this document do not take e-learning into account.

When all data cannot be provided within the timelines, the most recent are provided as well as a forecast of the missing data for year-end.

e) Organization of working time

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

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

f) Compensation

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

- The compensation indicator is the ratio of the gross average salary in the "manual workers, clerical staff and technicians" category as a proportion of the national legal minimum wage. This ratio enables assessment of the relative average national salaries of full-time manual workers, clerical staff and technicians.
- The average gross salary is obtained by dividing the annual gross salary by the average monthly full-time equivalent (FTE) workforce.
- The restitution rate mainly depends on the existence and availability of a legal minimum wage. Overall, it is close to 80%. Note that this ratio is not calculated for Belgium at BEE, which has not declared any manual workers, clerical staff and technicians. Legal minimum wage data for 2013 are provided by Eurostat.

Changes in payroll costs are also provided in Chapter 6.2 Note 7.2.

3.2.7.2 Note on methodology of health and safety indicators

Scope

Only the fully consolidated entities are covered by the analyses in this document.

Methods for checking and consolidating indicators

After being collected, the quantitative health and safety data in this report were checked and consolidated according to clearly defined procedures and criteria.

For the Infrastructure business line, in consolidating the data for the GrDF distribution BU, which operates jointly with ErDF, only the “natural gas” part of hours worked is taken into account.

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

3.3 ENVIRONMENTAL INFORMATION

GDF SUEZ faces the main environmental challenges: climate change, the quality and availability of natural resources – air, water, soil and energy, and the protection of biodiversity and ecosystems. Although GDF SUEZ’s activities may generate improvements in environmental quality, they also have an impact on ecosystems and natural resources which the Group seeks to measure and reduce within a process of environmental management of its activities.

GDF SUEZ’s challenges and ambitions in this area are reflected in the Group’s environmental policy (page 16 http://www.gdfsuez.com/analystes-rse/politique) and in the performance indicators deployed across all its activities. A corporate team, in charge of analysis and coordination, is specifically dedicated to environmental responsibility and reports to the Director of Environment. The team has environmental coordinators at each business line who oversee environmental reporting, lead their own networks of coordinators, organize actions, and supplement corporate expertise with their knowledge of operations.

In addition, the Environmental and Social Responsibility Department produces an annual report, which it sends to the Management Committee and presents to the Board of Directors’ Ethics, Environment and Sustainable Development Committee. This report is supplemented by business lines’ own reports and letters of environmental compliance, as well as the results of environmental audits ordered by the Management Committee.

This framework provides a relevant assessment of the Group’s environmental performance and helps to identify areas of improvement for the development of action plans, where needed.

3.3.1 Legal and regulatory framework

The Group actively monitors regulatory developments (set out in Chapter 2, “Risk Factors”), stating its positions while they are being prepared and applying the new rules as soon as they are published.

In particular, the Group has been calling for the harmonization of international regulations and greater integration between the various environmental and energy policies.

3.3.2 The environmental management system(1)

At the end of 2014, the entities that had published an environmental commitment policy or declaration accounted for 98.04% of relevant Group revenue(2) in terms of environmental impact. These commitments usually lead to the implementation of Environmental Management Systems (EMS) with regards to economic conditions and interest of such a procedure. These EMS may then be externally certified, when justified. At December 31, 2014, 71.1% of relevant revenue was covered by certified EMS (ISO 14001 certifications, EMAS registrations, ISO 9001 version 2000 certifications with an environmental component, and local certifications).

PERCENTAGE OF RELEVANT REVENUE COVERED

Indicator title	Scope covered in 2014 (% relevant revenue)	GDF SUEZ 2014	GDF SUEZ 2013
By an EMAS certification ■■	99.74%	11.8%	14.6%
By an ISO 14001 certification (non-EMAS) ■■	98.71%	55.1%	52.7%
By other external EMS certifications	99.69%	4.2%	2.9%
TOTAL EXTERNAL CERTIFICATIONS		**71.1%**	**70.2%**
By an internal certification (but not by a certified EMS)	99.68%	12.9%	14.1%
TOTAL INTERNAL AND EXTERNAL EMS		**84.2%**	**84.3%**

■■ *Verified by the Auditors with "reasonable" assurance for 2014.*

When the implementation of a certified or registered management system is not economically justified, entities are encouraged to define an internal management system ensuring concern for the environment in carrying out their activities. Thus, some Group entities have deemed it more advisable to devise their own management system standard, adapting it to their activities and recognizing it internally. To supplement its Environmental Management Systems (EMS), GDF SUEZ uses a dynamic self-assessment system to evaluate the maturity of environmental assessment processes, which allows operating sites to easily identify areas for improvement and evaluate the adequacy of their EMS for local circumstances and to assess their relative progress. This system also enables them to monitor their progress and make comparative analyses with other Group sites, whether or not they are in the same field of activity.

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

(1) *Section 3.5 "Report of the Statutory Auditor, Designated as an Independent Third-Party Entity, on the Review of Environmental, Social and Societal Information Published in the Management Report" and Section 3.6 "Reasonable Assurance Report on a Selection of Social and Environmental Information".*

(2) *Relevant revenue: excluding revenue generated by activities not considered relevant in terms of environmental impact (such as tertiary, trading and sales activities, etc.).*

3.3.3 Environmental responsibility, performance control and measurement systems

To monitor the implementation of its environmental policy, to control environmental risks and to encourage the communication of its environmental performance to stakeholders, GDF SUEZ has developed a specific reporting system that goes beyond the requirements of the French law, based on work conducted within international bodies such as the Global Reporting Initiative (GRI) and the World Business Council for Sustainable Development (WBCSD).

Environmental reporting is closely tied to operational performance reporting, thus becoming a management tool. The Group's Executive Management transmits this goal of making environmental concerns an integral part of management responsibilities. Auditors trained in the Business Units and corporate auditors perform environmental audits to ensure that environmental regulations are observed in the field and to evaluate major environmental risks.

A system of letters for environmental compliance ensures operational management involvement: by committing management to provide qualitative information that is consistent with the standards of reference, controlled, verified and approved.

Methodological elements of the 2014 environmental reporting

GDF SUEZ conducts its environmental reporting using a dedicated tool that allows data to be reported following a defined methodology. This tool, called CERIS, is an environmental reporting IT solution used to manage the network of environmental correspondents and coordinators; to handle the management and documentation of the scope of environmental reporting; to manage data entry, monitoring and consolidation of indicators; and to provide the documentation necessary for producing and collecting data (reporting procedures and instructions).

CERIS is deployed in each of the business lines and thus covers the entire GDF SUEZ organization.

The legal entities included in the reporting scope are those whose operations are relevant in terms of environmental impact and that are consolidated fully or proportionately under the rules of financial consolidation (IFRS). Legal entities solely engaged in energy trading, financial activities or engineering are excluded. The selected entities report on the performance and impacts of the industrial facilities over which they have technical operational control, including facilities operated on behalf of third parties. Legal entities consolidated at equity are excluded.

Thus, in accordance with the rules of financial consolidation, 100% of the impact data collected is consolidated when the entities are fully consolidated. For entities proportionately consolidated, the environmental impact data are consolidated in proportion to the Group's consolidation rate provided that it has 100% technical operational control or that as a minimum this is shared with other shareholders.

The scope is determined on June 30 of the fiscal year. For disposals after that date, the entity is expected to complete the environmental questionnaire with the data available on the last day of the month prior to the disposal. Acquisitions made after June 30 are not taken into account, unless the business line has requested an exception, and provided that the data are available.

To calculate environmental management indicators such as the "part of relevant revenue covered by an environmental certification, an environmental crisis management plan, etc.", the relevant revenue is estimated for each legal entity. To obtain the relevant revenue, operations regarded as not "relevant in terms of environmental impact" (e.g. trading, finance and engineering) are stripped out of the consolidated revenue figure of each legal entity.

The procedures of environmental data reporting encompass general procedures defined as standard guidelines to be implemented at the appropriate levels of the reporting process. Procedures and guidelines are rolled out Group-wide via a network of duly mandated contacts and coordinators. These procedures and guidelines at Group and business line level describe in detail the environmental data collection, control, consolidation, validation and transmission phases at different levels of the organization, as well as the rules for defining the scope of consolidation. They include technical documents that provide methodological guidelines for the calculating of some specific indicators. Depending on its activities, each entity is assigned a profile that determines the indicators to answer. The list of the entities included in the environmental reporting scope is approved by each business line.

The definitions of the indicators used to measure the environmental performance of Group businesses have been revised based on comments made by the statutory auditors. They also take into account the comments by line managers represented in dedicated work groups. All the documentation is available from the Group upon request (Environmental and Societal Responsibility Division).

The following points should be noted with regard to the data published in this report:

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

2. for fiscal year 2014, to ensure delivery of all data required within the stipulated deadlines, estimation methods were defined for data that would not have been available in the 12 months of the calendar year;

3. GDF SUEZ has been a signatory to the CEO Water Mandate since 2007, thus indicating its commitment to preserving water resources. In order to improve the Group's water management, the indicators relating to water were adjusted and brought into line with the GRI indicators in 2011. GDF SUEZ is thus able to respond more fully to external questionnaires: SAM, CDP Water Disclosure and CEO Water Mandate, etc. These indicators fall into four categories: Withdrawal, Discharge, Consumption and Recycling/Reuse. In 2014, clarifications were made to improve comprehension of these indicators;

4. as it is concerned about what becomes of the waste generated by its activities, the GDF SUEZ Group has indicators on its waste recovery. These are based on definitions of waste and recovery established by local regulations. To avoid erroneous data about stocks, only the tonnages taken away and weighed on site are reported as disposed of. The tonnages that must be reported are wet or dry, depending on the way they are disposed of: if the waste disposed of was wet, the reported tonnages are wet and the converse for dry waste. As an exception, if the waste is definitively stored on site, the associated dry tonnages must also be reported as disposed of, in which case, the waste will not be recycled. For example, this situation applies to the Hazelwood and Loyang B plants in Australia;

5. CO_2 emissions from the combustion of fossil fuels were calculated based on the most recent emission factors published by the IPCC (4th Assessment Report – 2007). The global warming potential (GWP) compares the warming capacity of the various greenhouse gases to CO_2. The GWP used to convert the Group's greenhouse gas (GHG) emissions to CO_2 equivalent are the latest GWP published by the IPCC (5th Assessment Report – 2014), considered on a 100-year scale;

6. the Biodiversity indicators used to monitor changes in the Group's objectives (see section 3.3.4.8) are based on the notion of "priority site". A priority site is one that presents a potential risk for biodiversity due to the nature of its activities. It is located in or near a protected area, and has no separation (natural or artificial break) between it and the protected area. Subject to appropriate justification, a site that does not meet these objective criteria still has the option to declare itself a priority site;

7. specific GHG emissions from energy generation in kgCO_2 eq/MWh are calculated for the three business lines where this is a main activity: the Energy Services business line, the Energy International business line and the Energy Europe business line;

8. data related to LNG vessels' activity, including impacts and consumption, have been incorporated as operating sites and are therefore reported as such. The vessels included in the calculations are those in which GDF SUEZ has majority ownership, or those operated by a subsidiary in which GDF SUEZ has a majority stake, as well as long-term chartered vessels (> 1 year). This gives a list of 13 ships: Grace Cosmos, BW GDF SUEZ Everett, BW GDF SUEZ Boston, Matthew, Provalys, GDF SUEZ Global Energy, Gaselys, BW GDF SUEZ Paris, GDF SUEZ Neptune (SRV), GDF SUEZ Point Fortin, Grace Acacia, Grace Barleria, and BW GDF SUEZ Brussels. Any ISO 14001 certification of vessels is also taken into account;

9. for the sake of consistency, the factor for converting thermal energy produced (GWhth) into electric power (GWhe) is set at 0.44 for all Group businesses and at 0.25 for incinerators;

10. significant environmental impacts resulting from subcontractors during services performed at one of the Group's facilities must be included in the Group's impacts except when a specific contractual clause provides that a subcontractor is liable for impacts generated at the site while providing the service. Data provided by subcontractors is not subject to systematic internal verification before being included in Group data and is the responsibility of the subcontractors alone. Regulations and legal obligations related to the environment may differ from one country to another, and certain data may thus be sometimes more difficult to gather (e.g. water consumption in the United Kingdom).

3.3.4 Group actions

3.3.4.1 Climate change

By developing a low carbon energy mix and through its energy efficiency activities the Group has put energy transition and the fight against climate change at the heart of its strategic focus. It actively participates in the work of civil society in this area, contributing its operating know-how in negotiations at all levels. This expertise is also available to the Group's customers through a range of commercial offerings, whether for participation in the carbon market, technical solutions, support or implementation of strategies and action plans to reduce greenhouse gases (GHG) emissions. In addition, the Group responds annually to the Carbon Disclosure Project questionnaire.

In 2014, the Group's GHG emissions (Scope 1 excluding tertiary emissions) totaled 131 million tons of CO_2 equivalent[1].

GDF SUEZ has set itself the target of a 10% reduction in its specific CO_2 equivalent emissions between 2012 and 2020. Compared to 443,1 g CO_2 eq/kWh in 2012, the emission rate at the end of 2014 was 434,2 g CO_2 eq/kWh.

Indicator title	Scope covered in 2014 *(% relevant revenue)*	GDF SUEZ 2014	GDF SUEZ 2013
Total direct GHG emissions - scope 1 ■■	96.89%	131,154,736 t CO_2 eq.	141,984,778 t CO_2 eq.
GHG emissions per business unit – energy generation		434.2 kg CO_2 eq./MWheq	425.1 kg CO_2 eq./MWheq
GHG emissions per business unit – gas exploration, production		5.7 kg CO_2 eq./MWheq	4.9 kg CO_2 eq./MWheq
GHG emissions per business unit – gas storage		1.3 kg CO_2 eq./MWheq	1.0 kg CO_2 eq./MWheq
GHG emissions per business unit – gas transmission (excluding LNG fleet)		0.9 kg CO_2 eq./MWheq	0.8 kg CO_2 eq./MWheq
GHG emissions per business unit – LNG terminals		3.2 kg CO_2 eq./MWheq	1.9 kg CO_2 eq./MWheq
GHG emissions per business unit – gas distribution		2.45 kg CO_2 eq./MWheq	3.8 kg CO_2 eq./MWheq
GHG emissions per business unit – gas transportation by boat		10.8 kg CO_2 eq./MWheq	9.4 kg CO_2 eq./MWheq

■■ *Verified by the Auditors with "reasonable" assurance for 2014.*

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

In 2014, the Group conducted an initial evaluation of the impact of climate change (floods and drought) using Aqueduct software to supplement its work on water stress (see Section 3.3.4.5 Water).

(1) *The scope used for environmental reporting is specific (it includes facilities where GDF SUEZ has technical operational control) and thus differs from the scope used, for example, when assessing the power generation fleet.*

3.3.4.2 Renewable energy

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

In 2014, renewable energy accounted for roughly 15.9 GW of installed electric equivalent, representing 19.3% of the Group's total installed capacity.

Indicator title	Scope covered in 2014 (% relevant revenue)	GDF SUEZ 2014	GDF SUEZ 2013
Renewable– Net installed power (electric and thermal) ■■	98.99%	15,875 MWeq	15,818 MWeq
Share of renewable resources in installed capacity	98.99%	19.7%	18.3%
Renewable – Electricity and heat produced ■■	98.96%	72,036 GWheq	71,394 GWheq
Energy produced – share of large hydropower		81.7%	82.2%
Energy produced – share of small hydropower		2.0%	2.4%
Energy produced – share of wind		6.5%	6.4%
Energy produced – share of geothermal		0.073%	0.077%
Energy produced – share of solar		0.173%	0.079%
Energy produced – share of biomass and biogas		9.5%	8.7%

■■ *Verified by the Auditors with "reasonable" assurance for 2014.*
These capacities correspond to the scope of the environmental reporting specified in Section 3.3.3 (excluding equity-accounted and non-controlled facilities).

3.3.4.3 Energy efficiency

Three of GDF SUEZ's business lines offer a very wide range of services: Energy Services, Energy Europe and Energy International. In particular, Energy Services designs and implements energy efficiency and environmental solutions through multi-technical offerings in engineering, installation and energy services. The other business lines also implement energy saving measures for their customers (e.g. in France with the regulatory framework for Energy Savings Certificates).

For electricity generating facilities, energy performance is directly connected to the site's efficiency which influences its profitability. It is therefore a key action area for every power plant manager. Measures taken to improve power generation facilities have helped optimize energy efficiency and hence consumption of raw materials.

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

Indicator title	Scope covered in 2014 (% relevant revenue)	GDF SUEZ 2014	GDF SUEZ 2013
Primary energy consumption – total (excluding own consumption) ■■	97.37%	468 866,8 GWh	509,353 GWh
Share of coal/lignite		42.2%	39.7%
Share of natural gas		49.4%	53.1%
Share of fuel oil (heavy and light)		1.3%	1.6%
Share of biomass and biogas		4.3%	3.6%
Share of other fuels		2.3%	2.0%
Proportion of fuel in transport		0.4%	NA
Electricity and thermal energy consumption (excluding own consumption) ■■	99.53%	12,105 GWheq	12,761 GWheq
Energy efficiency of fossil fuel plants (including biomass) ■■	98.78%	41.34%	42.36%

■■ *Verified by the Auditors with "reasonable" assurance for 2014.*

3.3.4.4 Nuclear energy

Maintaining a very high level of safety at the seven nuclear reactors operated by GDF SUEZ is a key priority for the Group. GDF SUEZ also attaches great importance to limiting the environmental impact of these facilities (e.g. waste).

The downstream portion of the nuclear fuel cycle represents all operations related to this fuel after its use in a nuclear reactor. The costs for this portion are and will be covered by total financial provisions of €4.496 billion at the end of 2014. Documentary evidence produced by the company Synatom every three years is submitted to the Commission des Provisions Nucléaires for approval. The costs of dismantling nuclear power plants after their closure have also been provisioned pursuant to current regulatory obligations. At the end of 2014, the provisions recognized amounted to €2.681 billion.

Indicator title	Scope covered in 2014 *(% relevant revenue)*	GDF SUEZ 2014	GDF SUEZ 2013
Radioactive gas emissions			
Rare gases	100%	37.79 TBq	34.61 TBq
Iodines	100%	0.05 GBq	0.03 GBq
Aerosols	100%	0.34 GBq	0.30 GBq
Radioactive nuclear waste (weak and average activity)	100%	161.4 m^3	218.7 m^3
Radioactive liquid wastes			
Beta and Gamma emitters	100%	8.65 GBq	13.66 GBq
Tritium	100%	76.67 TBq	80.42 TBq

3.3.4.5 Water

As a committed player in water management, GDF SUEZ is taking part in the current debate over corporate risk disclosure and water stewardship, alongside organizations such as the World Business Council for Sustainable Development and the CEO Water Mandate of the UN Global Compact. In 2014, the Group made an initial assessment of water stress for "energy" activity facilities to supplement the results obtained in 2014 using the Aqueduct program developed by the World Resources Institute. The indicators reported relate to water withdrawal and consumption for industrial processes.

Indicator title	Scope covered in 2014 *(% relevant revenue)*	GDF SUEZ 2014	GDF SUEZ 2013
Industrial water			
Total withdrawal – Fresh water	99.81%	88.2 Mm^3	114.7 Mm^3
Total withdrawal – Non-fresh water	99.77%	19,1 Mm^3	36.9 Mm^3
Total consumption [(1)]	99.58%	13.8 Mm^3	23.5 Mm^3
Cooling and heating water			
Total withdrawal – Fresh water	99.96%	5,684.1 Mm^3	6,435.6 Mm^3
Total withdrawal – Non-fresh water	100%	8 462,1 Mm^3	9,085.8 Mm^3
Total consumption	99.9%	121,7 Mm^3	132.6 Mm^3

(1) Reduction mainly due to changes of method at 3 entities.

3.3.4.6 Waste

Indicator title	Scope covered in 2014 (% relevant revenue)	GDF SUEZ 2014	GDF SUEZ 2013
Total quantity of non-hazardous waste and by-products discharged (including sludge)	99.69%	5,447,783 t	5,369,769 t
Fly ash, refioms	100%	3,230,240 t	3,249,849 t
Ash, bottom ash	100%	1,500,588 t	1,218,882 t
Desulfurization by-products	100%	381,892 t	369,227 t
Sludge	99.85%	47,171 t	24,562 t
Driftwood	100%	8,606 t	NA
Total quantity of non-hazardous waste and by-products discharged (including sludge)	99.49%	4,861,623 t	4,625,118 t
Drilling waste	100%	20,977 t	NA
Total quantity of hazardous waste and by-products discharged (including sludge and excluding radioactive waste) ■■	99.10%	417,954 t	410,766 t
Total quantity of hazardous waste and by-products recovered (including sludge and excluding radioactive waste) ■■	99.12%	56,914 t	26,490 t

■■ *Verified by the Auditors with "reasonable" assurance for 2014.*

Accordingly, in January 2014, GDF SUEZ took the recommendations of an internal audit on waste management and incorporated them into its environmental policy. Its chief aim was to reduce the quantities of waste it produces and to increase its rate of waste recovery.

These efforts have led to higher recovery rates for both non-hazardous waste (89.2% in 2014, up from 86.1% in 2013) and hazardous waste (13.6% in 2014, up from 6.4% in 2013). The Group's industrial sites in France and abroad actively solicit local waste recovery solutions, even though some of these channels remain dependent on market opportunities governed by the laws of supply and demand.

3.3.4.7 Atmospheric pollutants

GDF SUEZ uses a wide range of techniques to further reduce its emissions: reduction at the source using a tailored energy package; filters or water injection to reduce particle emissions; installation of low-NOx burners or urea injection (secondary treatment) to control nitrogen oxides; and choosing fuels with very low sulfur content to reduce sulfur dioxide emissions.

Indicator title	Scope covered in 2014 (% relevant revenue)	GDF SUEZ 2014	GDF SUEZ 2013
NOx emissions	100%	149,401 t	155,354 t
SO_2 emissions	99.57%	246,448 t	278,601 t
Particulate matter emissions	97.28%	14,672 t	12,947 t

3.3.4.8 Management of biodiversity

In order to contribute to the fight against the global erosion of biodiversity, remedy its impact under the three prongs of "prevent, reduce, offset" and continue to benefit from eco-systemic services, the Group has been committed since 2010 to integrating biodiversity into its various business lines. This commitment has resulted in particular in:

setting an objective for 2015 to assign a targeted biodiversity action plan to each priority site in Europe; "Targeted" action plans taken into account in this objective are those where there is evidence that they are favorable to species/habitats that are protected or impacted by our activities. Site priority is assessed based on the type of activities and the distance from protected natural areas;

a voluntary initiative officially recognized at the end of 2012 by the French ministry for the environment under the National Strategy for Biodiversity.

In its approach to biodiversity, the Group relies on its partnerships: the French Committee of the International Union for the Conservation of Nature (IUCN France) and France Nature Environnement (FNE). In 2014, the Group delivered a progress report on its long-term objective with the support of IUCN to put its contribution to the French National Biodiversity Strategy into perspective. Between 2013 and 2014, the proportion of sites deemed to be priority and having a targeted action plan increased from 35.6% to 72.4% at European level. In addition, the Group has put in place an internal network of exchanges on biodiversity and is developing internal tools to facilitate understanding of the topic and objectives by as wide an audience as possible. The differentiated management of green spaces, introduction of native plants, schemes to enable migrating fish to pass through hydraulic structures, and the reduction of the impact of wind turbines on birds and bats are examples of measures taken for the protection of biodiversity.

3.3.4.9 Active prevention of environmental risks

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

Indicator title	2014 data	2013 data
Environmental analyses	83.1% relevant revenue	83.01% relevant revenue
Environmental risk prevention plan	85.1% relevant revenue	86.45% relevant revenue
Environmental crises management plan	86.3% relevant revenue	86.40% relevant revenue

There were 478 claims and one award for environmental or public health damages, with total compensation amounting to €27,900. While this is very low considering the Group's size and the industrial nature of its activities, the Group actively monitors these data and implements actions to reduce them further. Furthermore, GDF SUEZ have financial provisions of €43 million for risks associated with litigations linked to environment. In 2014, environmental expenses (capital expenditure and recurring operating expenses related to environmental protection) totalled €1,008 million.

Indicator title	Scope covered in 2014 *(% relevant revenue)*	2014 data	2013 data
Environment-related claims	99.72%	478	66
Environment-related fines	99.68%	1	8
Amount of compensation *(thousands of euros)*	99.72%	27.9	127
Environmental expenses *(thousands of euros)*	96.64%	1,008,105	1,153,062

3.3.4.10 Nuisance

Any industrial activity is a source of noise. In order to reduce its impact, Group entities conduct regular soundproofing work (acoustic cladding, noise barriers, containment, and so on). In more recent projects, reducing this potential form of nuisance is directly integrated into the design.

For the most part, Group activities do not generate olfactory nuisance. However, as natural gas is odorized for safety reasons, some people may occasionally feel inconvenienced by the smell.

For its EnR projects, in particular onshore wind and solar PV, GDF SUEZ conducts impact studies and proposes support measures to prevent, reduce or offset any noise or visual impact. Examples of such actions include defining and implementing turbine restrictions (stoppage or reduced power at key times and/or under certain wind conditions), conducting specific actions with builders to reduce the sound power of machines, seeking better harmonization with the landscape during the design and, after construction, initiating planting and vegetation schemes on sites or for neighbors if there is an obvious visual impact. By way of illustration, in France, GDF SUEZ has partnered with the "Respect" project launched as part of the offshore wind project at the city of Tréport and the islands of Yeu and Noirmoutier. This project, in partnership with Quiet Oceans, the University of Le Havre, the Langevin Institute, and the Pelagis Observatory, is designed to improve understanding of the biological impact related to the noise footprint of projects and reduce them by developing appropriate technologies.

3.3.4.11 Land use

Protection of soil and groundwater is an integral part of the Group's environmental policy. The environmental consequences of soil pollution can be significant, as can be the costs of subsequent remedial measures. It is therefore important to prevent this risk and to hedge it with financial provisions. These amounted to €2.150 billion in 2014 and concerned sites rehabilitation, non nuclear installations dismantling and scheduled programs for eliminating products.

At Electrabel in Belgium, a soil survey was carried out at several power plant sites and soil pollution was identified. Risks were assessed in conjunction with the appropriate environmental authorities and a remediation project is implemented wherever necessary.

GDF SUEZ owns a number of former gasworks. These sites may be affected by oil, heavy metals and other volatile substances that can adversely affect health. As a result, they must be repaired before reuse. In 1996, a 10-year plan was agreed via a memorandum between Gaz de France and the French State for the rehabilitation of these sites. As from 2007, all sites are compatible with their use from a health perspective. Today, when these former sites are sold, GDF SUEZ is committed to ensuring that the buyer's project is compatible with the environmental and industrial liabilities of the site and that the risk to the environment and residents is effectively managed.

At all its sites, the Group monitors the soil and underground water, in accordance with its operating permits, in order to prevent pollution.

The fragmentation of natural habitats, a consequence of land use, represents the biggest threat to biodiversity and is at the root of the great majority of land-use conflicts. Gas pipelines account for the largest amount of land use by GDF SUEZ. As these gas routes are buried underground, they do not fragment natural habitats. Consequently, land use is not a key issue for the Group's activities.

3.4 SOCIETAL INFORMATION

The responsible growth model developed by GDF SUEZ is based on professional dialogue with all stakeholders to encourage co-construction and shared value creation.

3.4.1 Socioeconomic development in local communities

For GDF SUEZ, adapting its offerings to meeting its customers' requirements and learning about them make innovation and partnerships a central part of its local activities. These aims mean that dialogue is the main foundation of the Group's approach, emphasizing the importance of a professional attitude on the part of GDF SUEZ's teams, who have a good knowledge of stakeholders and a proactive, regular dialogue with them.

Internationally, in agreement with local authorities, the Group is committed in the same way, as part of a professional and participatory approach, to developing social programs linked to its industrial projects and resulting from consultation.

GDF SUEZ supports small and medium-sized enterprises (SME) and start-ups through various programs implemented in local communities. The Group also supports social entrepreneurship via the GDF SUEZ Rassembleurs d'Énergies initiative. This innovative initiative was launched in 2011 to bring together and strengthen the Group's actions to encourage access to energy and basic services in the countries where it currently operates or plans to operate in the future. The GDF SUEZ Rassembleurs d'Énergies initiative is based on three pillars: donations, technical assistance and investment.

Since its creation, social investment fund *GDF SUEZ Rassembleurs d'Énergies* has made ten investments in France and abroad, for a total amount of €4.1 million. In 2014 alone, the company invested €3.0 million, in France *(Les Toits de l'Espoir)*, Belgium (LivingStones), Italy (SO LO Energia), India (Green Village Ventures, Simpa Networks) and Uganda (Fenix).

To encourage the exchange of good internal practices in these areas, the Group has established a best practices community with regard to societal acceptability, which brings together the Group's leading practitioners. Its aim is to create a toolbox containing all the methods that might be used throughout a project, from design to assessment, and to make these available throughout the entire Group.

3.4.2 Stakeholder dialogue and partnerships

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

From 2015, this system will be enhanced by a dedicated mechanism for consultation and dialogue with a group of stakeholders representing the various areas of concern for the Company. It will be coordinated by an independent institution specializing in corporate-stakeholder relations.

Internationally, GDF SUEZ has been a member of the United Nations Global Compact since 2001. Gérard Mestrallet chaired the French Global Compact network for three years (2010-2013). To share best practices in sustainable development, GDF SUEZ is a member of a number of networks and associations, including the World Business Council for Sustainable Development (WBCSD), and chairs, alongside ABB, Eskom and Schneider Electric, the working group on "low-carbon electrification in isolated areas".

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

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

3.4.3 Community philanthropy, solidarity and combating energy poverty

In all geographical regions where GDF SUEZ operates, initiatives promoting community philanthropy, solidarity and combating energy poverty are implemented by the GDF SUEZ Corporate Foundation or Group entities, in connection with local authorities, local associations, internal NGOs (Codegaz and Energy Assistance) or the Group's corporate functional departments. Since its creation in 2010, the GDF SUEZ Foundation has supported 32 projects as part of its "Energy Solidarity" program, which is expected to help some 114,000 people in the longer term. GDF SUEZ has launched several initiatives promoting solidarity and combating energy poverty.

In 2014, GDF SUEZ helped more than 824,000 customers receive the *Tarif Spécial de Solidarité* (special solidarity rate), representing an increase in volume of nearly 50% on 2013. In addition, and pursuant to the decree of November 15, 2013, GDF SUEZ's customers can now benefit from the *Tarif de Première Nécessité* (basic needs rate) for electricity without changing supplier. This decree also stipulates the extension of the number of recipients of social rates, taking baseline taxable income as the threshold for eligibility. GDF SUEZ supported the public authorities, so that, as at the end of 2014, more than 981,000 customers were eligible for these special rates (824,000 for special solidarity rate and 157,000 for the basic needs rate), for a total annual contribution of more than €57 million.

The Group also participates in the in *Fonds de Solidarité* Solidarity Housing Fund (SHF), providing €6 million per year, in line with the Public Service Agreement. In 2014, more than 93,500 customers of the Group were benefiting from these council subsidies.

Since 2011, the Group has been acting alongside the public authorities as a partner in the national "Live Better" program. Under the new agreement signed in December 2014, GDF SUEZ has renewed its commitment to the program, and will pay out €53 million in the period 2014-2017 to renovate 185,000 homes.

GDF SUEZ has created a network of mediation partners with over 360 customer assistance centers throughout the country at the end of 2014. Mediators at these associations, who are trained by GDF SUEZ, talk to customers facing payment difficulties, help them to understand their bills, give them advice on their energy spending, and can help them to set up structured payment plans or direct them towards social services to apply for assistance. In 2014, these partners responded to more than 66,000 requests from GDF SUEZ's customers.

GDF SUEZ has set up a dedicated structure for its customers in vulnerable situations or those facing payment difficulties. Thirty-five GDF SUEZ Energy Solidarity partners are in touch with local communities, departments and associations and 170 GDF SUEZ solidarity advisers are also dedicated to processing requests from social workers.

The ISIGAZ *(Information Sécurité Intérieure GAZ)* program, which informs and raises awareness among disadvantaged customers about their domestic natural gas facilities and energy savings, covered 24,000 homes in some 20 French towns in 2014. Since the launch of ISIGAZ in 2006, 260,000 families in around 100 towns have received this advice.

In 2009, GDF SUEZ set up an international observatory for energy and water insecurity to enable the exchange of best practices between its subsidiaries. The next observatory conference will take place in 2015.

3.4.4 Purchases, subcontracting and suppliers

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

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

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

- ensure that external supplies meet the requirements for quality and economic performance;
- uphold commitments and maintain balanced relations with suppliers;
- effectively manage the exchange of information using optimized tools and processes. The implementation of PYRAMID, the Group's Procurement solution, continued in 2014;
- professionalize staff and develop the expertise of the employees in the Procurement network. The purchasing and procurement training program, the "Procurement Passport", was launched in January 2014. It aims to provide information about the challenges that the Group faces and its strategy, and to give participants a clearer understanding of the role played by Purchasing in the Group's necessary transformation. It raises awareness among all actors in the Procurement network about the purchasing policy, methods and processes, so that they can perform their duties more effectively. The program is delivered in two ways: a two-day physical seminar, and the online training program, the "Procurement Passport", accessed via the Group's online training platform;
- implement purchasing portfolio management by category in order to develop the cross-functional nature of strategies within the Group; 34 Category Managers were appointed in 2014 and PYRAMID, the Group's purchasing solution, was a concrete step in this implementation;
- ensure that all agreements with suppliers are the subject of a written document (that includes mandatory ethical, environmental and social responsibility clauses) negotiated in advance and signed between the parties by the approved buyer, pursuant to the authorizations in force.

3.5 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD-PARTY, ON THE CONSOLIDATED ENVIRONMENTAL, SOCIAL AND SOCIETAL INFORMATION PUBLISHED IN THE MANAGEMENT REPORT

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditor of GDF SUEZ, and appointed as independent third-party, for whom the certification request has been approved by the French National Accreditation Body (COFRAC) under the number 3-1048[1], we hereby present you with our report on the social, environmental and societal information prepared for the year ended December 31st, 2014 presented in the management report (hereinafter the “CSR Information”), pursuant to Article L.225-102-1 of the French Commercial Code (Code de commerce).

Responsibility of the company

The Board of Directors is responsible for preparing a management report including CSR Information in accordance with the provisions of Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reporting protocols and guidelines used by GDF SUEZ la société, (hereafter the “Reporting Guidelines”), which are available for consultation at the headquarters of the company at the strategy and sustainability division (environment and climate services), at the Human Resources division and the health and safety and management systems and for which a summary is presented in the management report in part "Methodological elements of the 2014 environmental reporting", "Note on methodology of social indicators" et "Note on methodology of health and safety indicators".

Independence and quality control

Our independence is defined by regulatory texts, the profession’s Code of Ethics as well as by the provisions set forth in Article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with rules of ethics, professional auditing standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditor

Based on our work, our responsibility is:

- to attest that the required CSR Information is presented in the management report or, in the event of omission, is explained pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of completeness of CSR information);
- to express limited assurance on the fact that, taken as a whole, CSR Information is presented fairly, in all material aspects, in accordance with the adopted Reporting Guidelines (Formed opinion on the fair presentation of CSR Information).

Our work was carried out by a team of twelve people between October 2014 and February 2015. To assist us in conducting our work, we referred to our corporate responsibility experts.

We conducted the following procedures in accordance with professional auditing standards applicable in France, with the order of May 13, 2013 determining the methodology according to which the independent third party entity conducts its assignment and, concerning the formed opinion on the fair presentation of CSR Information, with the international standard ISAE 3000[2].

Attestation of completeness of CSR Information

Based on interviews with management, we familiarized ourselves with the Group’s sustainable development strategy, with regard to the social and environmental impacts of the company's business and its societal commitments and, where appropriate, any resulting actions or programs.

We compared the CSR Information presented in the management report with the list set forth in Article R. 225-105-1 of the French Commercial Code.

In the event of omission of certain consolidated information, we verified that explanations were provided in accordance with the third paragraph of the Article R. 225-105 of the French Commercial Code.

We verified that the CSR Information covered the consolidated scope, i.e., the company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, subject to the limitations presented in the methodological notes on methods of chapter 3.2 and 3.3 of the management report.

Based on these procedures and considering the limitations mentioned above, we attest that the required CSR Information is presented in the management report.

Formed opinion on the fair presentation of CSR Information

Nature and scope of procedures

We conducted around fifty interviews with the people responsible for preparing the CSR Information in the departments in charge of

(1) which scope is available on www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

data collection process and, when appropriate, those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Reporting Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into consideration, when relevant, the sector's best practices;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and review the internal control and risk management procedures used to prepare the CSR Information.

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

Concerning the CSR Information that we have considered to be most important(1):

- for the consolidating entity, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the data consolidation, and we verified their consistency with the other information presented in the management report;
- for a representative sample of entities that we have selected(2) according to their activity, their contribution to the consolidated indicators, their location and a risk analysis, we held interviews to verify the correct application of the procedures and performed substantive tests using sampling techniques, consisting in verifying the calculations made and reconciling the data with supporting evidence. The selected sample represented 16% of the headcount and between 22% and 79% of the environmental quantitative information.

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

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

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

(1) *Social and health and safety information: Total workforce, Total workforce - Workforce by geographic region, Total workforce - Breakdown of workforce by SPC, Age pyramid of permanent employees, Female workforce, Proportion of women in workforce, Proportion of women in management, Proportion of Apprenticeship workforce, Breakdown of workforce by type of contract – Permanent, Breakdown of workforce by type of contract – Other, No. of permanent hires (at constant structure), No. of temporary hires (at constant structure), Rate of hires, Rate of permanent hires, No. of lay-offs (at constant structure), Turnover (at constant structure), Voluntary turnover (at constant structure), Employees under 25 as a % of permanent hires, Employees over 50 as a % of permanent hires, Average salary of manual workers, clerical staff and technicians compared with national minimum wage, Days of absence per person, Total no. of training hours, Proportion of workforce trained, No. of training hours per person trained, Proportion of disabled employees a % of permanent hires, Frequency rate, Severity rate (French benchmark), Severity rate (ILO benchmark), Number of new cases of occupational illness, No. of fatal accidents (employees), number of work-related accidents among external providers and temporary staff,*
Societal information: Purchases, subcontracting and suppliers
Environmental information: Percentage of relevant revenue covered by an EMAS certification, Percentage of relevant revenue covered by an ISO14001 (non-EMAS) certification, NOx emissions, SO2 emissions, Particulate matter emissions, Cooling and heating water - Total consumption, Industrial water - Total consumption, Primary energy consumption – total (excluding own consumption), Electricity and thermal energy consumption (excluding own consumption), Energy efficiency of fossil fuel plants (including biomass), Renewable – Net installed power (electric and thermal), Renewable – Electricity and heat produced, Total quantity of non-hazardous waste and by-products discharged (including sludge), Total quantity of non-hazardous waste and by-products discharged (including sludge), Total quantity of hazardous waste and by-products discharged (including sludge), Total quantity of hazardous waste and by-products discharged (including sludge and excluding radioactive waste), Total quantity of hazardous waste and by-products recovered (including sludge and excluding radioactive waste), Proportion of sites deemed to be priority and having a targeted action plan, Total direct GHG emissions - scope 1.

(2) *Social and health and safety information: BEI : Suez Energy North America ; BES : Axima Concept, INEO SA, Cofely Services S.A (Belgique).*
Environmental information: BEI : Estreito, ITASA, Machadinho, Salto Osório, Salto Santiago, Jorge Lacerda, ANP Coleto Creek, Wise County Power Company, Rugeley Power Station (B Site), Saltend Cogeneration Company Limited, FHH (Guernsey) Ltd, GHECO1 (USD), Glow ENERGY Phase 1&2, Glow ENERGY Phase 5, Glow SPP 2+3 CHP, Hazelwood Power Partnership, Pelican Point Power Limited, Loy Yang B consolidated ; BEE : Electrabel, Tihange, Saint-Ghislain, GDF SUEZ Kraftwerk Farge GmbH, KW Zolling Conventional, Biomasseheizkraftwerk Zolling GmbH, GDF Suez Energie Nederland N.V. (Electrabel Nederland), Rotterdam, GDF Suez Energia Polska SA.
BEE : Electrabel SA (BU, site Tihange et site Saint-Ghislain) ; Electrabel Nederland (BU et site Rotterdam) ; GDF SUEZ Kraftwerk Farge GmbH ; KW Zolling Conventional ; Biomasseheizkraftwerk Zolling GmbH ; ROSIGNANO ENERGIA SPA (ROSEN) ; ROSELECTRA ; GDF SUEZ ENERGIA POLSKA SA. BEI : Hazelwood Power Partnership ; Pelican Point Power Limited ; Loy Yang B consolidated ; Destilaria Andrade ; Estreito ; ITASA ; Machadinho ; Salto Osório ; Salto Santiago ; Jorge Lacerda ; Chilca ; ILO 1 ; ILO 2 ; GHECO1 (USD) ; Glow Energy CFB3 ; Glow ENERGY Phase 1&2 ; Glow ENERGY Phase 5 ; Glow SPP 2+3 CHP ; GLOW IPP COMPANY LTD (USD) ; Deeside Power Limited ; Rugeley Power Station (B Site) ; Saltend Cogeneration Company Limited ; Dinorwig ; Ffestiniog ; ANP Bellingham ; ANP Coleto Creek ; Wise County Power Company .

Qualification expressed

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

Conclusion

Based on our work, and subject to the above-mentioned qualification, we did not identify any material anomaly likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly, in accordance with the Reporting Guidelines.

Neuilly-sur-Seine, le March 3rd 2015
French original signed by one of the statutory auditors,

Véronique Laurent
Partner

3.6 STATUTORY AUDITORS' REASONABLE ASSURANCE REPORT ON SELECTED SOCIAL, ENVIRONMENTAL AND GOVERNANCE INFORMATION

This is a free translation into English of the original report issued in the French language and is provided solely for the convenience of English speaking readers

Pursuant to your request and in our capacity as Statutory Auditors of GDF SUEZ, we performed a review in the aim of providing reasonable assurance on the environmental and social indicators selected by GDF SUEZ and identified by the symbols ◻◻ in sections 3.2 and 3.3 of the Registration Document for fiscal year 2014 (the "Data").

Responsibility of the Company

The Data has been prepared under the responsibility of GDF SUEZ executive management, in accordance with the criteria used (hereinafter the "Reporting Criteria") for social and environmental reporting data available upon request at the Company's headquarters from the Strategy and Sustainable Development Department (Environment and Climate Department), the Group Human Resources Department and the Health, Safety and Management Systems Department; a summary of which appears in the Registration Document in the section « "Methodological elements of the 2014 environmental reporting" and "Methodological memo on the social indicators".

Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as the provisions set forth in Article L.822-11 of the French Commercial Code (Code de commerce). Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with ethical rules, professional standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditors

Based on our work, our responsibility is to express reasonable assurance on the fact that the Data has been prepared, in all material aspects, in accordance with the Reporting Criteria. The conclusions expressed here below cover only this Data and not all of the information set forth in sections 3.2 and 3.3 of the Registration Document.

We have performed the procedures described below in accordance with professional standards applicable in France and ISAE 3000[(1)].

- We have assessed the appropriateness of the Reporting Criteria with respect to its relevance, completeness, reliability, neutrality and clarity, by taking into consideration, when relevant, the sector's best practices;
- We have verified the set-up of a process to collect, compile, process, and check the completeness and consistency of the Data;
- We have interviewed the relevant staff from the Strategy and Sustainable Development Department (Environment and Climate Department), the Group Human Resources Department and the Health, Safety and Management Systems Department at the headquarters and the branches (Energie Europe (BEE), Energie Internationale (BEI), Global Gaz and GNL (B3G), Infrastructures (BI), Services à l'Energie (BES)) in order to analyze the deployment and application of the Reporting Criteria.
- We have set up analytical procedures on the Data and verified, using sampling techniques, the calculations as well as the consolidation of Data.
- We have tested the Data for a representative sample of entities that we selected[(2)] based on their activity, their contribution to the consolidated Data, their location and a risk analysis. We have conducted interviews to verify the proper application of procedures and conducted substantive tests, using sampling techniques, to verify the calculations performed and reconcile data with supporting evidence. The selected sample represented 53% of the workforce and between 36% and 79% of the environmental information.

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

(2) Social, health and safety information : BEE : Savelys SAS Hodling, GDF SUEZ Energy Romania ; CNR ; PPE (BtotB) ; GDF SUEZ Energie Nederland N.V. ; GDF SUEZ Energia Polska SA ; BEI : Suez Energy North America ; Tractabel Energia Consolidated ; Enersur ; BES : INEO SA ; Cofely Worplace Limited ; Axima Concept ; Cofely Fabricom SA ; Cofely Services SA ; Cofely Limited ; Cofely Italia spa ; Cofely Centre Ouest ; Cofely Deutschland GmbH ; Cofely Sud-Ouest ; Leme Engenharia (BR) ; Fabricom AS ; B3G : GDF SUEZ E&P international – GNL statut – Siège B3G statut ; GDF Production Nederland BV ; GDF SUEZ E&P Norge AS ; BI : GrDF ; GRTGAZ ; Storengy.
Environmental information : BEI : Destilaria Andrade ; Chilca ; ILO 1 ; ILO 2 ; Glow Energy CFB3 ; Glow IPP Comany LTF (USD) ; Deeside Power Limited ; ANP Bellingham ; BEE : Rosignano Energia Spa (Rosen) ; Roselectra ; Dunkerque DK6 ; SHEM ; CPCU ; Cofely Services Nord-Est ; Cofely Deutschland ; SMA ; SMEG ; Terminal Fos Tonkin ; GDF SUEZ E&P Norge AS.

We believe that the sampling methods and sizes of the samples we have used in exercising our professional judgment enable us to express a reasonable assurance. Due to the use of sampling techniques and the other limits inherent to the operations of any information and internal control system, the risk that a material anomaly be identified in the Data cannot be totally eliminated.

We believe that these procedures enable us to express reasonable assurance on the Data.

Conclusion

In our opinion, the information selected by the Group and identified by the sign ■■ have been prepared, in all material aspects, in accordance with the Reporting Criteria.

Neuilly-sur-Seine and Paris-La Défense, March 3, 2015
The Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres
Véronique Laurent	Pascal Macioce Charles-Emmanuel Chosson
Partner	Partners

4

CORPORATE GOVERNANCE

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4.1 REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE AND INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

This Report, which was prepared by the Chairman of the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code, includes for 2014 information regarding the composition of the Board of Directors and application of the principle of balanced representation of women and men within it, the conditions under which its work was prepared and organized, the internal control and risk management procedures implemented by the Company, and any limitations imposed by the Board of Directors on the powers of the General Management. The Report outlines the statutory provisions applied to the calculation of compensation and benefits of any kind granted to the corporate officers. The Report, after being submitted to the General Management Committee for approval, was presented to the Audit Committee for information purposes. It was then approved by the Board of Directors at its meeting of February 25, 2015[1].

4.1.1 Board of Directors: Composition – Terms of office – Information – Independence

4.1.1.1 Composition of the Board of Directors

Pursuant to Article 13 of the Company by-law and the provisions of Articles L. 225-17, L. 225-23 and L. 225-27 of the French Commercial Code regarding the composition of the Board of Directors, the Board of Directors of GDF SUEZ is composed of a maximum of 22 members, including three Directors who represent the Group's employees and one Director who represents employee shareholders.

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

In 2014, the terms of office of Anne-Marie Mourer, Alain Beullier and Patrick Petitjean, Directors representing employees, expired at the General Shareholders' Meeting of April 28, 2014. Anne-Marie Mourer and Alain Beullier were reappointed to the Board, while Patrick Petitjean was replaced by Philippe Lepage.

The Board noted the appointment of Bruno Bézard, Director representing the French State, on July 28, 2014, to replace Ramon Fernandez.

At its meeting of October 21, 2014, the Board of Directors decided to end Jean-François Cirelli's tenure as Vice-Chairman ahead of term, with effect from November 11, 2014, and to appoint Isabelle Kocher as Deputy Chief Executive Officer, replacing Jean-François Cirelli, with effect from November 12, 2014.

At the same meeting, the Board coopted Isabelle Kocher as a Director, with effect from November 12, 2014, to replace Paul Desmarais for the remainder of his term, i.e., until the close of the General Shareholders' Meeting called to approve the financial statements for fiscal year 2015.

Finally, on November 12, 2014, the Board of Directors noted the resignation of Jean-François Cirelli as a Director with effect from November 11, 2014.

At the date of this report, the Company is managed by a Board of Directors composed of 17 members, including:

- 9 Directors elected by the General Shareholders' Meeting pursuant to the provisions of the French Commercial Code relating to public limited companies;
- 4 Directors representing the French State appointed pursuant to Article 2 of the Decree-Law of October 30, 1935 in view of the French State's interest in the share capital; and
- 3 Directors representing employees, pursuant to Articles L. 225-27 *et seq.* of the French Commercial Code, and 1 Director representing employee shareholders, pursuant to Article L. 225-23 of the French Commercial Code.

The Board of Directors includes 7 women Directors out of a total of 17 members. The 2011-103 Act of January 27, 2011 and the AFEP-MEDEF Code impose a principle of balanced representation of men and women on boards of directors. In assessing the ratio of women to men on boards of directors, the law and the Code stipulate that directors who are employee representatives – who are not elected by the General Shareholders' Meeting – are not taken into account. As the Board of Directors of GDF SUEZ includes 3 Directors representing employees, the assessment is based on 14 Directors, 6 of whom are women (a ratio of 42.86%).

GDF SUEZ also seeks to increase the diversity and international experience of its Board of Directors. Of its 17 Directors, 3, representing 17.65%, are not French.

(1) *The changes in composition of the Board of Directors after February 25, 2015 and submitted to the Shareholders' Meeting on April 28,2015 are listed in page 123.*

4.1.1.2 Directors in office

DIRECTORS ELECTED BY THE GENERAL SHAREHOLDERS' MEETING

	Nationality	Date of first appointment	Date of last appointment	End of current term	Address
Gérard Mestrallet (65 years old) Chairman and Chief Executive Officer	French	July 16, 2008	April 23, 2012	2016	GDF SUEZ 1, place Samuel de Champlain 92400 Courbevoie
Isabelle Kocher (48 years old) Deputy Chief Executive Officer	French	November 12, 2014[2]	-	2016	GDF SUEZ 1, place Samuel de Champlain 92400 Courbevoie
Albert Frère[1] (88 years old) Vice-Chairman	Belgian	July 16, 2008	May 2, 2011	2015	Groupe Bruxelles Lambert 24, avenue Marnix 1000 Brussels (Belgium)
Ann-Kristin Achleitner[1] (48 years old)	German	September 19, 2012	-	2015	Residenzstrasse 27 D - 80333 Munich (Germany)
Edmond Alphandéry[1] (71 years old)	French	July 16, 2008	May 2, 2011	2015	Compagnie Financière du Lion 73, boulevard Haussmann 75008 Paris
Jean-Louis Beffa[1] (73 years old)	French	November 20, 2004	April 23, 2012	2016	Saint-Gobain Les Miroirs 18, avenue d'Alsace 92096 La Défense Cedex
Aldo Cardoso[1] (58 years old)	French	November 20, 2004	May 2, 2011	2015	GDF SUEZ 1, place Samuel de Champlain 92400 Courbevoie
Françoise Malrieu[1] (68 years old)	French	May 2, 2011	-	2015	19 avenue Léopold II 75016 Paris
Lord Simon of Highbury[1] (75 years old)	British	July 16, 2008	April 23, 2012	2016	1, St James's Square London SW1Y 4PD (United Kingdom)

*(1) **Independent Director** (see Section 4.1.1.5, "Independence of Directors in office – Conflicts of interest").*
(2) Coopted by the Board of Directors on October 21, 2014, with effect from November 12, 2014, to replace Mr. Paul Desmarais.

DIRECTORS REPRESENTING THE FRENCH STATE

	Nationality	Date of first appointment	Date of last appointment	End of current term	Address
Bruno Bézard (51 years old)	French	July 28, 2014		2016	Ministry of Finance and Public Accounts Ministry for the Economy, Industry and Digital Directorate-General for the Treasury 139, rue de Bercy Télédoc 230 75572 Paris Cedex 12
Astrid Milsan (43 years old)	French	July 30, 2013	-	2016	Ministry of Finance and Public Accounts Ministry for the Economy, Industry and Digital French State Shareholding Agency Bâtiment Colbert - Télédoc 228 139, rue de Bercy 75572 Paris Cedex 12
Pierre Mongin (60 years old)	French	November 9, 2009	April 19, 2012 (1)	2016	RATP 54 quai de la Rapée 75599 Paris Cedex 12
Stéphane Pallez (55 years old)	French	April 19, 2012 (1)	-	2016	La Française des Jeux 126, rue Gallieni 92643 Boulogne-Billancourt Cedex

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

DIRECTORS ELECTED TO REPRESENT EMPLOYEES

	Nationality	Date of first appointment	Date of last appointment	End of current term	Address
Alain Beulier (50 years old)	French	January 21, 2009	2014	2018	Elengy LNG terminal BP 35 44550 Montoir-de-Bretagne
Philippe Lepage (50 years old)	French	April 28, 2014	-	2018	Elengy Zone Portuaire – BP 35 44550 Montoir-de-Bretagne
Anne-Marie Mourer (55 years old)	French	January 21, 2009	2014	2018	GrDF Sud-Est Immeuble VIP 66, rue de la Villette 69425 Lyon Cedex 03

DIRECTORS REPRESENTING EMPLOYEE SHAREHOLDERS ELECTED BY THE GENERAL SHAREHOLDERS' MEETING

	Nationality	Date of first appointment	Date of last appointment	End of current term	Address
Caroline Simon (46 years old)	French	April 23, 2013	-	2017	Inéo Défense Établissement de Sophia-Antipolis 90, Traverse des Messugues 06560 Valbonne

4.1.1.3 Information about the Directors in office at December 31, 2014

Directors elected by the General Shareholders' Meeting

Gérard Mestrallet, born April 1, 1949

Gérard Mestrallet is a graduate of the prestigious French engineering school, École Polytechnique, and of École Nationale d'Administration. He joined Compagnie Financière de SUEZ in 1984 as a Special Advisor. In 1986 he was appointed Senior Executive Vice-President in charge of industrial affairs. In 1991 he was named Executive Director and Chairman of the Management Committee of Société Générale de Belgique. In 1995, he became Chairman and Chief Executive Officer of Compagnie de SUEZ, then, in 1997, Chairman of the SUEZ Lyonnaise des Eaux Executive Board, and on May 4, 2001, Chairman and Chief Executive Officer of SUEZ. Gérard Mestrallet was appointed Chairman and Chief Executive Officer of GDF SUEZ at the time of the merger between SUEZ and Gaz de France on July 22, 2008. His appointment was renewed on April 23, 2012. He is also Chairman of Paris Europlace, a member of the European Round Table of Industrialists, Honorary Chairman of the International Council of the Mayor of Chongqing, a member of the International Council of the Mayor of Shanghai and JP Morgan Chase, and a Director of Tongji University (Shanghai). He also holds an honorary doctorate from the University of Cranfield (UK).

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Chairman and Chief Executive Officer	Chairman of the Board of Directors of GDF SUEZ Énergie Services (2), SUEZ Environnement Company (1) (France), Electrabel (2), and GDF SUEZ Energy Management Trading (2) (Belgium) Vice-Chairman of the Board of Directors of Aguas de Barcelona (Spain) Director of Saint-Gobain (1) (France) and International Power (2) (United Kingdom) Member of the Supervisory Board of Siemens AG (1) (Germany)	Chairman of the Board of Directors of International Power (2) (United Kingdom) and Hisusa (Spain) Vice-Chairman of the Board of Directors of Electrabel (2) (Belgium) Member of the Supervisory Board of AXA (1) Director of Pargesa Holding (1) (Switzerland) Chairman of the GDF SUEZ Rassembleurs d'Énergies SAS (2)

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

Isabelle Kocher, born December 9, 1966

A graduate of the École Normale Supérieure, Isabelle Kocher is also an engineer of the Corps des Mines and a qualified lecturer (agrégée) of physics. From 1997 to 1999, she was responsible for the telecommunications and defense budget at the French Ministry for the Economy. From 1999 to 2002, she served as Industrial Affairs Advisor to Prime Minister Lionel Jospin. In 2002, she joined the Suez Group, which subsequently became GDF SUEZ, where she has held various functional and operational roles for 12 years: in the Strategy and Development department, from 2002 to 2005; Head of Performance and Organization, from 2005 to 2007; and Deputy Chief Executive Officer then Chief Executive Officer of Lyonnaise des Eaux, from 2007 to 2011. From 2011 to 2014, Isabelle Kocher was Executive Vice-President and Chief Financial Officer of GDF SUEZ Group. On November 12, 2014, she became Director, Deputy Chief Executive Officer and Chief Operating Officer at GDF SUEZ.

Isabelle Kocher was coopted by the Board of Directors on October 21, 2014, with effect from November 12, 2014.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Deputy Chief Executive Officer and Chief Operating Officer	Vice-Chairman of Electrabel (2) (Belgium) Director of Axa (1), GDF SUEZ Énergie Services(2), SUEZ Environnement Company (1) (France) and International Power (United Kingdom) (2)	Chairman and CEO of Eau et Force and of Société de Distributions d'Eau Intercommunales – SDEI (France) CEO of Lyonnaise des Eaux (France) Director of Arkema France (1), Degrémont, R+i Alliance, Safège, Sita France and Société des Eaux de Marseille (France)

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

Albert Frère, born February 4, 1926

While still quite young, Albert Frère took an active role in his family's business before focusing on a career in industry. With his partners, he acquired control of all steel companies in the Charleroi basin, diversifying production while simultaneously upgrading their facilities. In 1981, in association with a group of businessmen, he founded Pargesa Holding in Geneva. The following year, the company acquired an interest in Groupe Bruxelles Lambert SA (GBL), in Brussels. With the creation of the Pargesa-GBL investment empire, its operations became international and it diversified into three key areas: finance, energy/services and communications (broadcasting).

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Vice-Chairman of the Board of Directors	Honorary Regent of the National Bank of Belgium (1) Chief Executive Officer and Managing Director of Groupe Bruxelles Lambert (1) (Belgium) Chairman of the Board of Directors of ERBE, Frère-Bourgeois, Financière de la Sambre (Belgium), Stichting Administratiekantoor Frère-Bourgeois (Netherlands) and the privately-owned Château Cheval Blanc (France) Vice-Chairman, Managing Director and member of the Management Committee of Pargesa Holding SA (1) (Switzerland) Chairman of the Supervisory Board of Métropole Télévision M6 (1) (France) Honorary Chairman of the Chamber of Commerce and Industry of Charleroi (Belgium) Director of LVMH(1) (France) and Les amis des aveugles de Ghlin (Belgium) Permanent Representative of Frère-Bourgeois, Director of GBL Verwaltung SARL and GBL Energy (Luxembourg) Permanent representative of Beholding Belgium SA on the Board of Directors of Groupe Arnault Member of the Strategy Planning Board of the Committee of the Université Libre de Bruxelles (Belgium) Honorary International Trade Advisor (Belgium)	Chairman of the Board of Directors of Groupe Bruxelles Lambert (1) Chairman of the Board of Directors of Fingen SA (Belgium) Director of Gruppo Banca Leonardo (Italy) and Raspail Investissements (France) Permanent Representative of Frère-Bourgeois, Director of GBL Finance (Luxembourg) Member of the International Committee of Assicurazioni Generali SpA (1) (Italy)

(1) Listed company.

Ann-Kristin Achleitner, born March 16, 1966

A doctor of business administration, a doctor of law and authorized to direct research at the University of St. Gallen (HSG – Switzerland), Ann-Kristin Achleitner successively held the office of consultant for MS Management Service AG in St. Gallen (1991-1992) and Assistant Professor of finance and external audit at the University of St. Gallen (1992-1994). Since 1994, she has been teaching business administration (finance and accounting) at the University of St. Gallen. In 1994, she became a consultant at McKinsey & Company Inc. in Frankfurt (Germany), and in 1995 she took up the banking and finance chair and the office of Chairman of the Board at the Institut für Finanzmanagement, the European Business School at the International University Schloss Reichartshausen in Oestrich-Winkel (Germany). Since 2001, she has held the corporate finance chair at the Technical University of Munich, where she became Scientific Director of the Enterprise and Finance Research Center in 2003. In 2009, she was also Associate Professor of corporate finance at the University of St. Gallen.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Member of the Audit Committee Member of the Ethics, Environment and Sustainable Development Committee	Member of the Government Commission on the German Corporate Governance Code Member of the Supervisory Board of Linde AG [(1)], Metro AG [(1)] and MunichRe [(1)] (Germany) Member of the Board of Directors of Johannes B. Ortner-Stiftung Member of the Finance Committee for Social Enterprises within KfW-Bankengruppe on behalf of the German Federal Ministry of Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) Economic Council of the French Embassy in Berlin (Germany)	Member of the Board of the Private Capital Industry Agenda, World Economic Forum (WEF) Member of the Scientific Advisory Board, Knowledge Centre of the European Venture Philanthropy Association (EVPA) Member of the Board of the Private Fund Managers Industry Agenda, World Economic Forum (WEF) Member of the Supervisory Board of SpineWelding AG (previously WW Technology SA), Vontobel Holding AG and Bank Vontobel AG (Switzerland) Member of the Board of Helmholtz-Validierungsfonds, Helmholtz-Gemeinschaft Deutscher Forschunszentren and Fraunhofer Gesellschaft Member of the Advisory Committee of the Social Entrepreneurship Akademie (SEA) Member of the Research and Innovation (EFI) Expert Committee, German Federal Government Member of the FLÜGGE Committee of Experts of the Bavarian State Ministry of Science, Research and the Arts Member of the Technical Advisory Group (TAG) of the World Economic Forum (WEF) Global Education Initiative – Entrepreneurship Education Chairman of the Advisory Board, Ashoka (Germany) Chairman of the Board of Trustees of Berufundfamilie GmbH Chairman (2007-2009) of Förderkreis Gründungs-Forschung e.V. (FGF), Member of the Finance Committee of Experts of the Advisory Board for Small and Medium-sized Enterprises of the Federal Ministry of Economics and Technology, Berlin

(1) Listed company.

4

Edmond Alphandéry, born September 2, 1943

A graduate of the Institut d'Études Politiques de Paris and a qualified lecturer (agrégé) in economics, Edmond Alphandéry is a Professor Emeritus at the University of Paris II. He served as Mayor of Longué-Jumelles and member of the Maine-et-Loire departmental council until 2008 and was Minister of the Economy from March 1993 to May 1995. He chaired the Supervisory Board of CNP from 1988 to 1993 and was the Chairman of Électricité de France from 1995 to 1998. From July 1998 to July 2012, he again served as Chairman of CNP Assurances. He has also been Chairman of the CEPS (Center for European Policy Studies) since January 1, 2014.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Chairman of the Strategy, Investment and Technology Committee Member of the Audit Committee	Chairman of the CEPS (Center for European Policy Studies) (Belgium) Director of Neovacs (France) Non-voting Director of Crédit Agricole CIB (France) Senior Advisor of Nomura Securities (France) Member of the Advisory Board of A.T. Kearney France Member of the Board of Directors of the Stichting Continuïteit ST Foundation (Netherlands) Member of the Advisory Committee of Omnès Capital (France) Member of the Advisory Board of Quadrille (France)	Chairman of Centre des Professions Financières Chairman of the Board of Directors of CNP Assurances (1) Chairman of CNP International Director of Caixa Seguros (Brazil) and CNP Vita (Italy)

(1) Listed company.

Jean-Louis Beffa, born August 11, 1941

A graduate of the École Polytechnique, Jean-Louis Beffa also holds degrees from the École Nationale Supérieure du Pétrole and the Institut d'Études Politiques de Paris. He began his career in the Fuels Division of the French Ministry of Industry. In 1974, he joined Saint-Gobain as Vice-President of Planning until 1977. From 1978 to 1982, he served as Chief Executive Officer then Chairman and CEO of Pont-à-Mousson SA. He also served concurrently as Director of the Pipe and Mechanics Division of Saint-Gobain, from 1979 to 1982. Mr. Beffa served as Chairman and Chief Executive Officer of Saint Gobain from January 1986 to June 2007, having served as the group's Executive Director from 1982 to 1986. From June 2007 to June 2010, Jean-Louis Beffa served as the Chairman of the Board of Directors of Compagnie de Saint-Gobain, before becoming its honorary chairman.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Chairman of the Appointments and Compensation Committee	Chairman of Claude Bernard Participations SAS and JL2B Conseil Co-Chairman of the Cournot Center for Economic Research Vice-Chairman of the Supervisory Board of the Fonds de Réserve des Retraites (pension fund) Director of Saint-Gobain Corporation (US) and Élée SAS Member of the Supervisory Board of Le Monde, Société Éditrice du Monde and Le Monde & Partenaires Associés SAS Senior Advisor of Lazard Frères Member of the Supervisory Board of Caisse des Dépôts	Chairman and Chief Executive Officer of Saint-Gobain (1) Chairman of the Supervisory Board of the Agence de l'Innovation Industrielle Vice-Chairman of the Board of Directors of BNP Paribas (1) Director of Gaz de France (1), Saint-Gobain (1) and Saint-Gobain Cristaleria (Spain) Permanent representative of Compagnie de Saint-Gobain on the Board of Directors of Saint-Gobain PAM Director of Groupe Bruxelles Lambert (1) (Belgium) Member of the Supervisory Board of Siemens AG (1) (Germany) Chairman of Asia Investment Banking at Lazard

(1) Listed company.

Aldo Cardoso, born March 7, 1956

A graduate of the École Supérieure de Commerce de Paris, Aldo Cardoso holds a Master's Degree in Business Law and is a Certified Public Accountant. From 1979 to 2003, he held several successive positions at Arthur Andersen, including Consultant, Partner (1989), President France (1994), member of the Board of Directors of Andersen Worldwide (1998), Chairman of the Board of Directors (non-executive) of Andersen Worldwide (2000) and Chief Executive Officer of Andersen Worldwide (2002-2003). Since 2003, he has served as Director of French and foreign companies.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Chairman of the Audit Committee Member of the Strategy, Investment and Technology Committee	Director of Bureau Veritas(1), Imerys(1) and GE Corporate Finance Bank SAS (France) Non-voting Director of AXA Investment Managers (France)	Director of Accor(1), Gecina(1), Rhodia(1) (France), Mobistar(1) (Belgium)

(1) Listed company.

Françoise Malrieu, born February 7, 1946

A graduate of HEC School of Management, Françoise Malrieu began her career in 1968 at BNP as a financial analyst. In 1979, she became Assistant to the Director of the Financial Analysis Department, before becoming Director of this department in 1983. She joined Lazard Frères et Cie in 1987 as Director of Financial Affairs. She was later appointed Manager in 1993, and then Managing Partner. In 2001, she joined Deutsche Bank France as Managing Director. She was appointed Chief Executive Officer of Société Financière de Grenelle in 2004. From 2006 to 2009, she was Senior Advisor at Aforge Finance, an independent consultancy active in mergers, acquisitions and restructuring. At the end of 2008, she helped to create the Société de Financement de l'Économie Française, where she is currently Chairman of the Board of Directors and of the Audit Committee. She also serves in a variety of roles in the non-profit sector and is notably a director of Ares, Chairman of Arescoop and a Director of the Institut Français des Administrateurs (IFA).

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Chairman of the Ethics, Environment and Sustainable Development Committee Member of the Audit Committee Member of the Appointments and Compensation Committee	Chairman of the Board of Directors of the Société de Financement de l'Économie Française (SFEF) Director of La Poste Director of Aéroports de Paris(1) (until July 14, 2014) Member of the Supervisory Board of Bayard Presse SA	Deputy Controller on the Taskforce to Control the Compensation of Financial Market Professionals Director of Aéroports de Paris(1) (until July 14, 2014)

(1) Listed company.

Lord Simon of Highbury, born July 24, 1939

Lord Simon of Highbury has an MA from Cambridge University and an MBA from INSEAD in Fontainebleau (France). In 1961, he joined British Petroleum, where he held a number of management positions before being appointed Chairman in 1995. After holding several ministerial positions from May 1997, he became Advisor to the British Prime Minister for government modernization. He was also appointed Advisor to President Prodi for institutional reform within the European Union. He entered the House of Lords in 1997.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Member of the Strategy, Investment and Technology Committee Member of the Appointments and Compensation Committee	Senior Advisor of MWM Board Consultants (United Kingdom) Chairman of the Advisory Board of Montrose Associates Limited (UK) Director of the Institute for Government (United Kingdom) and the Centre for European Policy Studies (Belgium) Member of the Advisory Board of Dana Gas International (UAE), Centre for European Reform (UK) Trustee, Institute for Strategic Dialogue (UK) Trustee of the Hertie Foundation (Germany)	Deputy Chairman of Unilever Plc(1) and Cambridge University Council (UK) Senior Advisor of Morgan Stanley International (Europe)

(1) Listed company.

Directors representing the French State

Bruno Bézard, born May 19, 1963

Inspector General of Finance and an alumnus of the École Polytechnique and the École Nationale d'Administration, Bruno Bézard served as a finance inspector at the French Inspectorate General of Finance from 1988 to 1992. He subsequently held various positions at the Treasury Department until January 2000. Successively Deputy Chief of Staff for the Minister of Economy, Finance and Industry, sub-Director in the Treasury Department for development assistance of multilateral banks and emerging countries and Vice-Chairman of the Club de Paris, he went on to serve as Economic and Financial Advisor to the Prime Minister from mid-2001 to April 2002. From July 2002 to March 2003, he was Head of the Equity Investments Department at the Treasury Department before being appointed Deputy Managing Director of the French State Shareholding Agency (APE) in March 2003 and then Managing Director in February 2007. From September 2010 to August 2012, Bruno Bézard was Minister Counselor for Economic and Financial Affairs and Head of the Regional Economic Department at the French Embassy in Beijing. In August 2012, he was appointed Director General of Public Finance, and became Director General of the Treasury in July 2014.

Bruno Bézard was appointed Director representing the French State by ministerial order of July 28, 2014, replacing Ramon Fernandez.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director	Member of the Supervisory Board of PSA[(1)]	Director of Air France KLM[(1)], Areva[(1)], FSI, EDF[(1)], France Télécom[(1)], La Poste and SNCF

(1) Listed company.

Astrid Milsan, born November 21, 1971

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

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Member of the Audit Committee Member of the Strategy, Investment and Technology Committee Member of the Appointments and Compensation Committee	Director, as a representative of the French State, of Safran[(1)], DCNS, Établissement Public de Financement et de Restructuration (EPFR) and Société de gestion de Participations Aéronautiques (SOGEPA)	Director, as a representative of the French State, of Areva NC, la Française des Jeux, Eramet, le Laboratoire français de fractionnement et de biotechnologies, OSEO, OSEO Garantie, Oseo Innovation, IDES, Imprimerie Nationale, SNPE, SOGEADE and SOGEADE Gérance Member of the Supervisory Board, as a representative of the French State, of RTE and OSEO Financement

(1) Listed company.

Pierre Mongin, born August 9, 1954

Chairman and Chief Executive Officer of RATP (Régie Autonome des Transports Parisiens) since July 12, 2006, Pierre Mongin has devoted much of his career to prefectural administration and ministerial offices.

After obtaining a Master's degree in Economics from the University of Paris I and a degree from the Institut d'Études Politiques in Paris, he went on to the prestigious École Nationale de l'Administration, graduating in 1980. From 1980 to 1984 he served three terms as Assistant Prefect in the territorial departments of Ain, Ariège and Yvelines. In 1984, he joined the Ministry of the Interior as a Technical Advisor to the National Police Force. In 1986, he was appointed Advisor to the Minister of the Interior for Local Authorities, and then Chief of Staff to the Deputy Minister for Local Authorities. He spent the next five years with the Préfecture de Police (Police Headquarters) in Paris, in charge of administrative and financial affairs and relations with the Council of Paris. In 1993, he became Chief of Staff to Prime Minister Edouard Balladur and Advisor to the French Overseas Departments and Territories. He was appointed Prefect in April 1993. He subsequently served in two territorial departments: l'Eure-et-Loir and Vaucluse from 1995 to 1999. He served as Prefect of the Auvergne and Prefect of Puy de Dôme regions from 2002 to 2004. He was appointed Chief of Staff to the Minister of the Interior in 2004, then Chief of Staff to Prime Minister Dominique de Villepin in 2005. He left the French government to become Chairman and CEO of RATP in July 2006.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Member of the Strategy, Investment and Technology Committee	Chairman and CEO of RATP Chairman of the Board of Directors of international engineering company SYSTRA Chairman of the Supervisory Board of RATP Dev Director of CMA-CGM Member of the Steering Committee of Domaine de Chambord	Director of TRANSDEV and TRANSDEV Financial Vice-Chairman of FACE (Fondation Agir Contre l'Exclusion)

Stéphane Pallez, born August 23, 1959

A graduate of the Institut d'Études Politiques de Paris and the École Nationale d'Administration, Stéphane Pallez began her career at the French Treasury from 1984 to 2004, where she successively held the posts of civil servant (1984-1988), supplementary administrator representing France at the World Bank in Washington (1988-1990), Head of the "International Monetary Affairs and G7" Department (1990), Technical Advisor to the office of the Ministry of Economy and Finance (1991-1993), Head of the "Banking regulation and national banks" office (1993-1995), Sub-Director "Insurance" (1995-1998), Sub-Director in charge of state shareholdings, head of the transport, energy, high technology, banking and insurance sectors (1998-2000) and Head of the European and International Affairs Department at the Treasury (2000-2004). In 2004, she became Deputy Chief Financial Officer of France Telecom-Orange, before becoming Chairman and Chief Executive Officer of the Caisse Centrale de Réassurance on April 28, 2011. She has been Chairman and CEO of la Française des Jeux since November 2014.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Member of the Ethics, Environment and Sustainable Development Committee	Chairman and CEO of la Française des Jeux *(since November 2014)* Chairman and CEO of the Caisse Centrale de Réassurance (CCR) (until January 13, 2015) Director of CNP Assurances [(1)] and PlaNet Finance Member of the Supervisory Board and the Audit Committee of Eurazeo [(1)]	Chairman of the Board of Director of the joint venture OBPS (Orange BNP Paribas Services) Chairman of the Board of Directors of OBP (Orange Business Participations) Chairman of the Supervisory Board of Page Jaunes Director of CACIB (Crédit Agricole Corporate & Investment Bank), FTCD and TPSA (Poland)

(1) Listed company.

Directors elected to represent employees

Alain Beullier, born March 26, 1964

Alain Beullier joined EDF-GDF in 1984, holding various positions in the Customer Service and Sales Advisory departments in several EDF-GDF service centers in the Paris region. Currently an employee of Elengy, responsible for monitoring environmental regulation, Alain Beullier was appointed Director representing the "Other Employees" category by employee vote on December 18, 2008.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Sponsored by the Chemical Energy Federation - CFDT trade union Member of the Ethics, Environment and Sustainable Development Committee	None	None

Philippe Lepage, born June 17, 1964

Recruited in 1982, Philippe Lepage was High-voltage Maintenance Technician from October 1982 to July 2002, and Chemical Production Supervisor from July 2002 to January 2009. Since January 2009, he has been Assistant Shift Supervisor at the LGN terminal at Montoir-de-Bretagne. Patrick Lepage was appointed Director representing the "Other Employees" category by employee vote on March 14, 2014.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Sponsored by the National Federation of Employee Unions in the Electricity Nuclear and Gas Industries – CGT trade union Member of the Strategy, Investment and Technology Committee	Director representing employees and member of the Investment Committee at Elengy	None

Anne-Marie Mourer, born April 20, 1959

With a Master's Degree in Economic Sciences and a PG Diploma in Marketing, Anne-Marie Mourer joined EDF-GDF Services in 1982, holding a series of management positions within the regional sales departments. In 1992, she became an internal marketing consultant at the EDF GDF Services Centers, and then headed up Direct Energy, a national pilot structure for operational marketing within the Gas Sales Department, until 2001. The Gaz de France Sales Department then made her responsible for managing the newly created Marketing entity for the Southeast Region. In 2004, she joined GrDF, the new gas management network, where she handles support and management duties for the Development department in the Rhône-Alpes-Bourgogne region. Since 2007, the date of the opening of the energy market for individuals, she has been a program manager at GrDF. She has also been an advisor to the Lyon Industrial Tribunal (Supervisory section) since 2009. Since May 2014, Anne-Marie Mourer has also been a member of the Board of Directors of the French Institute of Directors (ASC, France). More recently, she was appointed Governance Expert at the CFE CGC Confederation and in this capacity coordinates her Circle of Employee Directors.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Sponsored by the Federation of the Gas and Electricity Industries – CFE-CGC trade union Member of the Appointments and Compensation Committee	None	None

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

Caroline Simon, born November 3, 1968

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

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Director Sponsored by the Federation *Construction Bois* - CFDT trade union Member of the Audit Committee	Chairman of the Supervisory Board of LINK France fund	Member of the Supervisory Board of the SPRING France and LINK France funds

4.1.1.4 Number of GDF SUEZ shares and stock options held by Directors in office at December 31, 2014

	Number of shares	Number of stock options
Gérard Mestrallet	94,842 (2)	403,504
Isabelle Kocher	7,116 (2)	52,236
Albert Frère	2,032	N/A
Ann-Kristin Achleitner	50	N/A
Edmond Alphandéry	2,923	N/A
Jean-Louis Beffa	4,584	N/A
Alain Beullier	51	N/A
Bruno Bézard	(1)	N/A
Aldo Cardoso	1,000	N/A
Philippe Lepage	87	N/A
Françoise Malrieu	1,419	N/A
Astrid Milsan	(1)	N/A
Pierre Mongin	(1)	N/A
Anne-Marie Mourer	54	N/A
Stéphane Pallez	200 (1)	N/A
Caroline Simon	30 (1)	N/A
Lord Simon of Highbury	1,911	N/A

(1) *The statutory requirement to hold at least 50 shares in the company does not apply to Directors representing the French State or to the Director representing employee shareholders.*
(2) *Includes performance shares acquired that appear in 4.5.7.4 below and shares held upon simple exercises of options that appear in 4.5.10 below.*

4.1.1.5 Independence of Directors in office – Conflicts of interest

Article 1.1.2 of the Internal Regulations requires the Board to review the independence and status of each of its members, based on criteria determined by the Board. This review must be conducted annually, prior to the General Shareholders' Meeting held to approve the financial statements for the previous fiscal year. The process of assessing the independence of each Director was reviewed by the Appointments and Compensation Committee during its meeting of February 10, 2015, and again on February 25, 2015 by the Board of Directors.

The Board of Directors of GDF SUEZ examined the circumstances of each of the Directors on a case-by-case basis in relation to the AFEP-MEDEF Code, to which it refers.

In addition to the two corporate officers, it is specified that the following Directors, who were appointed as a result of statutory obligations, cannot be deemed independent:

- Bruno Bézard, Astrid Milsan, Pierre Mongin and Stéphane Pallez, Directors representing the French State, appointed under the above-mentioned Article 2 of the Decree-Law of October 30, 1935;
- Alain Beullier, Philippe Lepage and Anne-Marie Mourer, Directors representing employees, pursuant to Articles L. 225-27 *et seq*. of the French Commercial Code, and Caroline Simon, Director representing employee shareholders, pursuant to Article 225-23 of the French Commercial Code.

Seven Directors are deemed to be independent (see Section 4.1.1.2 "Directors in office"), making the percentage of independent Directors 54% (NB: pursuant to the AFEP-MEDEF Code, the number of Directors representing employees and employee

shareholders is not taken into account in calculating the percentage of independent Directors).

The Board of Directors focused specifically on the business relations between the Group and Imerys (of which Aldo Cardoso is an Independent Director), to establish whether these were of a kind or significance likely to affect Aldo Cardoso's independent judgement. The Board of Directors found that these business relations were in respect of current activities and were far from significant enough in terms of purchasing and sales volumes to create a conflict of interest likely to affect Mr. Cardoso's independent status. The Board decided that, to preserve Mr. Cardoso's objectivity, if any project related in any way to Imerys should come up for discussion in his presence, he would not be able to participate in the relative resolutions by the Board and/or the respective committee. Aldo Cardoso agreed to comply with these rules of conduct, pursuant to Article 5 of the Directors' Charter.

Conflicts of interest

To GDF SUEZ's knowledge, there are no potential conflicts of interest between the Directors' duties with regard to GDF SUEZ and their private interests and/or other duties.

There are no family ties between the Directors and GDF SUEZ's other main senior managers.

To GDF SUEZ 's knowledge, during the past five years, none of the Directors or senior managers of GDF SUEZ has been convicted of fraud, served as manager in a bankruptcy, receivership or liquidation situation, been subject to indictment and/or official public sanction issued by a statutory or regulatory authority or been prevented by a court from serving as a member of the management body or supervisory board of an issuer, nor from participating in the management or oversight of the business of an issuer.

In addition to the provisions of the French Commercial Code which govern regulated agreements, the Directors' Charter (see Section 4.1.4.2 – "Organization and operating procedures of the Board of Directors") stipulates that each Director must make every effort to avoid any conflict that may exist between his/her moral and material interests and those of the Company, must inform the Board of any conflict of interest in which he/she may be directly or indirectly involved and, where he/she cannot avoid the conflict of interest, must abstain from discussions and voting on any decision concerning such matters.

Furthermore, no loans or guarantees have been granted to, or on behalf of, members of the Company's boards or management.

4.1.2 Non-voting Director

The function of Non-voting Director is described in Section 7.1.2 "Corporate governance bodies".

This office is held by Gérard Lamarche, appointed by the General Shareholders' Meeting of April 23, 2012, for a period of four years, expiring at the close of the General Shareholders' Meeting convened in 2016 to approve the financial statements for fiscal 2015. He brings to the Board his experience as the Group's former Finance Director. His biography and directorships and offices held are set out below.

Gérard Lamarche, born July 15, 1961, is a Belgian citizen

Gérard Lamarche is a graduate in Economic Science from the University of Louvain-La-Neuve and the INSEAD Management Institute (Advanced Management Program for SUEZ Group Executives). He also trained at the Wharton International Forum in 1998-1999 (Global Leadership Series). He began his career at Deloitte Haskins & Sells in Belgium in 1983, and was appointed as an M&A consultant in the Netherlands in 1987. He joined the Belgian arm of Société Générale in 1988 as an Investment Manager, and was then Management Auditor from 1989 to 1991, before becoming an Advisor to the Strategy and Planning Department from 1992 to 1995. He joined Compagnie Financière de SUEZ as Special Advisor to the Chairman and Secretary to the Management Committee (1995-1997), before being appointed Assistant Director in charge of Planning, Control and Accounting. In 2000, Gérard Lamarche pursued his career in the industrial sector by joining NALCO (SUEZ's US subsidiary, the world leader in industrial wastewater treatment) as General Managing Director. In March 2004, he was appointed Chief Financial Officer of the SUEZ Group. In April 2011, Gérard Lamarche was appointed Director of Groupe Bruxelles Lambert (GBL), where he has been Managing Director since January 2012.

Directorships and offices held at the Company	Directorships and offices held in any company in 2014	Other directorships and offices held in the last five years
Non-voting Director	Managing Director of Groupe Bruxelles Lambert(1)	Chairman of GDF SUEZ CC and Genfina (Belgium)
	Director of Legrand(1), Lafarge(1), Total(1) (France) and SGS(1) (Switzerland)	Director of Fortis Banque, Europalia, Groupe Bruxelles Lambert(1), GDF SUEZ Belgium, Electrabel, SUEZ-TRACTEBEL (Belgium), SUEZ Environnement, SUEZ Environnement Company(1), GDF SUEZ Énergie Services (France), SUEZ Environnement North America, Leo Holding Company (US), de Aguas de Barcelona (Spain) and International Power Plc(1) (UK)

(1) Listed company.

4.1.3 Government Commissioner

The role of Government Commissioner is described in Section 7.1.2 “Corporate governance bodies”.

This position has been held successively by: Laurent Michel, who was appointed by the Minister of Energy by ministerial order dated January 18, 2013; Virginie Schwarz, appointed by ministerial order dated September 29, 2014; and Laurent Michel, appointed by ministerial order dated November 13, 2014. Florence Tordjman was successively appointed Acting Government Commissioner by the same orders.

4.1.4 Board of Directors: Powers – Operating procedures – Activities

4.1.4.1 Powers of the Board of Directors

Pursuant to legal and regulatory provisions and Article 15.1 of the Company bylaws, the Board of Directors determines the Company’s business strategy and oversees its implementation. Subject to the powers expressly granted to the Shareholders’ Meetings and within the limit of the Company’s corporate purpose, the Board deals with all matters concerning the smooth running of the Company and, through its decisions, manages the Company’s business. The Board of Directors performs any checks and verifications it considers appropriate.

In addition to issues that fall under the authority of the Board pursuant to applicable laws and regulations, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer must obtain, pursuant to the Internal Regulations (Article 2.2), prior authorization from the Board for the following decisions:

- contracting with the State on major contracts regarding the objectives and methods involved in the implementation of public service tasks delegated to the Company or its subsidiaries, within legal limits;
- acquiring or divesting any of the Company’s direct or indirect interests in any company formed, or to be formed, taking an interest in the formation of any company, joint venture, consortium or body or subscribing to any issue of shares, share equivalents or bonds in which the Company’s or the Group’s financial exposure exceeds €500 million for the transaction in question;
- becoming involved in any asset contribution or exchange transaction, with or without a cash balance, relative to goods, securities, stocks or bonds for an amount exceeding €500 million;
- resolving disputes by way of any agreement, settlement or arbitration decision for an amount exceeding €200 million;
- entering into any long-term energy purchasing plan on behalf of the Group that involves quantities, per transaction, in excess of:
  - 30 billion kWh of gas per year, including the terms of transmission,
  - 20 billion kWh of electricity per year, including the terms of transmission;
- Entering into any significant transaction beyond the scope of Company’s stated strategy;
- entering into any real estate acquisition or disposal transaction for an amount exceeding €200 million;
- entering into any of the following transactions for an amount exceeding €1.5 billion:
  - granting or contracting any loans, borrowings, credit or cash advances by the Company, or authorizing any Group subsidiary or financing medium for this purpose,
  - acquiring or assigning any receivables, by any method.

Each year, the Board of Directors authorizes the Chairman and Chief Executive Officer to issue guarantees and other security for an amount it determines.

In addition, the Board reviews the budget and the Group’s industrial strategy, financial strategy and energy supply policy at least once a year.

4.1.4.2 Organization and operating procedures of the Board of Directors

The operating procedures of the Board of Directors are defined by Article 14 of the bylaws. Its organizational procedures are set out in Article 1 of the Board of Directors’ Internal Regulations, which specify the ways and means by which the Board can operate efficiently on behalf of the Company and its shareholders, as well as the responsibilities incumbent on each Director.

The Board of Directors meets as often as the Company’s interests require and, in accordance with its Internal Regulations, at least six times a year, including at least once each quarter. Board of Directors’ meetings may be held *via* any means of videoconference or telecommunication that allows Directors to be identified and ensures their effective participation in accordance with the conditions and procedures set out in the Internal Regulations.

Board meetings are also attended by the non-voting Director, the Government Commissioner and the representative of the Central Works Council, each with one advisory vote, as well as the Executive Vice-President, Chief Financial Officer, the General Secretary, and the Secretary of the Board of Directors.

Article 1.3 of the Internal Regulations stipulates that the Chairman chairs the Board meetings, oversees deliberations and ensures compliance with the Internal Regulations. The Chairman upholds the quality of the exchange of views and ensures that the Board’s decisions are made on a collective basis. The Chairman makes sure that the Board spends enough time on discussions and allots time to each of the items on the agenda in proportion to the importance that each issue represents for the Company. The Directors ensure, collectively, that the time allotted to each of them to express their views is evenly balanced. The Chairman pays particular attention to ensure that the issues raised according to the agenda receive an appropriate response.

At its meeting of December 17, 2008, upon proposal of the Chairman, the Board of Directors decided to appoint a non-executive Vice-Chairman responsible for chairing the Board of Directors in the Chairman's absence. The current non-executive Vice-Chairman is Albert Frère, whose appointment was renewed on May 2, 2011.

Once a year, the Board of Directors carries out a self-assessment under the guidance of an independent Director. Also once a year, the Board (excluding the corporate officers and directors having employment contracts with a Group company) evaluates the performance of the corporate officers and discusses the future of the management.

The Secretary of the Board of Directors provides administrative services to the Board and records the minutes of its meetings. Patrick van der Beken is the current Board Secretary.

Under Article 13.6 of the bylaws, all Directors must own at least fifty (50) shares in the Company, unless an exemption has been granted under the applicable law or regulations. This requirement does not apply to the Directors representing the French State or to the Director representing employee shareholders (a table showing the number of shares and stock options personally owned by the corporate officers is provided in Section 4.1.1.4 above).

The Internal Regulations were amended on November 12, 2014 and on January 21, 2015, at the time of the replacement of the Vice-Chairman and Deputy Chief Executive Officer with the Deputy Chief Executive Officer and to show any significant transaction outside the scope of the Company's stated strategy, pursuant to the AFEP-MEDEF Code. The appendix to the Internal Regulations includes the Directors' Charter and the Code of Conduct, which set out the rights and duties of each Director.

The Directors' Charter sets out the rules relating to Directors' terms of office, compliance with the company's interests, the laws and bylaws, independence criteria, duty of expression, conflicts of interest, professionalism, involvement and effectiveness.

The Code of Conduct sets out the rules governing trading in the Company's securities and the offense of insider trading applicable to Directors, corporate officers and all employees. It expresses the Company's desire to ensure prudent management of its securities, and to comply and ensure others' compliance with current regulations governing securities transactions carried out by corporate officers and employees.

In addition to the foregoing, the Regulations for Employee Directors, approved by the Board of Directors at its meeting of December 9, 2009, lays down conditions under which employee directors are to exercise their duties.

The main provisions of the Company's bylaws and the Board's Internal Regulations are outlined in Section 7.1 – "Specific statutory provisions and bylaws".

4.1.4.3 Activities of the Board of Directors

The Board of Directors of GDF SUEZ met 12 times in 2014, with an average attendance rate of 83%.

At these meetings, the Board of Directors of GDF SUEZ reviewed and deliberated on the following matters: the Group's business performance and strategy, preparation of the 2013 financial statements, financial information for the first and third quarters of 2014, preparation of the 2014 interim financial statements, management planning documents, the 2014 interim dividend, the independence of Directors, evaluation of the Board's performance, convening the general meeting of shareholders and holders of equity securities, the equity securities buyback program, renewal of the Statutory Auditors' term of office, the public service contract and the tariff situation, the nuclear situation in Belgium, the review and mapping of Group risks in 2013-2014, the 2013 health and safety report, the policy on professional and pay equality, the renegotiation of the Club Deal and the adjustment of the syndicated loan, the bond issue and the bond buyback offer, the renewal of the authorization to issue bonds and the authorization relating to sureties, guarantees and pledges, allocation of performance shares, the medium-term business plan to 2020, the 2014 and 2015 budgets, the succession process within General Management, the composition of the Board and its Committees, the appraisal and remuneration of executive corporate officers, the offer reserved for employees (Link 2014 and the offer reserved by the French State).

A strategy seminar held by the Board of Directors addressed the following topics: forward thinking about partnerships designed to achieve the Group's aims, implementation of Group strategy, particularly in energy services, nuclear power and renewable energy sources in Europe, and new activities and infrastructures.

4.1.5 Standing Committees of the Board of Directors

Article 15.2 of the bylaws provides that to assist in its deliberations, the Board of Directors may create internal standing committees whose work will provide a basis for its decisions. Pursuant to Article 15.2 of the bylaws and Article 3 of the Board's Internal Regulations, these Committees are tasked with studying matters of concern to the Company that the Board or the Chairman have submitted for their opinion. They are also charged with preparing the Board's work and decisions on such matters and projects and reporting their conclusions back to the Board in the form of reports, proposals, opinions, information or recommendations. The Committees perform their duties under the responsibility of the Board of Directors. No Committee may, under its own initiative, address any issue that falls outside the scope of its mission. Committees have no decision-making power. On the Chairman's recommendation and after deliberation, the Board of Directors appoints the members and Chairman of each Committee, based on the skills, experience and availability of each Director.

In principle, the term of office for Committee members is two fiscal years, unless the remainder of the term of office of the Directors in question is too short to complete the entire two-year period. In that case, the terms of office of Directors and Committee members shall end simultaneously. Committee members' terms of office are renewable, subject to their continuous service as Directors of the Company. All committees are chaired by an independent Director.

In order to carry out their work, the Committees may interview members of Company and Group divisions and/or commission

technical studies on matters within their competence at the Company's expense, provided that they have informed the Chairman of the Board about this, and that they report on it to the Board. If the Committees use the services of external consultants, they must ensure that the advice concerned is objective.

The Board of Directors of GDF SUEZ is assisted by four Committees: the Audit Committee, the Strategy, Investment and Technology Committee, the Appointments and Compensation Committee and the Ethics, Environment and Sustainable Development Committee. The General Secretariat provides secretarial services to the Board Committees.

The Audit Committee

The Audit Committee has six members: Aldo Cardoso (Chairman), Ann-Kristin Achleitner, Edmond Alphandéry, Françoise Malrieu, Astrid Milsan and Caroline Simon.

The Audit Committee is made up of Directors with specific skills in finance or accounting (see the biographies in Section 4.1.1.3 "Information about Directors in office at December 31, 2014"). When appointed, they are provided with detailed information on the Group's accounts, finances and operations.

Operating procedures

Article 3.1 of the Internal Regulations sets out the rules and operating procedures of the Audit Committee, pursuant to the applicable regulations and to the AFEP-MEDEF code of corporate governance for listed companies.

The Audit Committee's responsibilities include the following:

- to monitor the process of preparing financial information;
- to examine in advance, and provide an opinion on, the draft annual and interim financial statements, at least two days before these are submitted to the Board; examination of the financial statements must be accompanied by a presentation by the Statutory Auditors and by the Chief Financial Officer;
- to interview, whenever it deems necessary, the Statutory Auditors, General Management, Financial Management, Internal Audit and any other management personnel; if appropriate, these interviews may take place without the presence of members of General Management;
- to examine major financial press releases before they are released;
- to monitor the legal audit of the parent company and consolidated financial statements by the Statutory Auditors;
- to guide the selection procedure for the Statutory Auditors, and submit a recommendation to the Board on the appointment or reappointment of the Statutory Auditors;
- to ensure compliance with the principles guaranteeing the independence of the Statutory Auditors;
- to review each year with the Statutory Auditors the auditing fees paid by the Company and its Group to the networks to which the Statutory Auditors belong, their auditing plans and results of audits, as well as subsequent recommendations and follow-up;
- to evaluate the effectiveness and quality of the Group's internal control systems and procedures;
- to examine, with the internal audit managers, the measures and actions taken in the area of internal audit and subsequent recommendations and follow-up, without the presence of members of General Management, if appropriate;
- to regularly obtain updates on the Group's financial position, cash position and significant risks;
- to review the Group policy in terms of risk control and the procedures for evaluating and managing these risks.

The Audit Committee met 13 times in 2014, with an average attendance rate of 90%. The Statutory Auditors attended 11 of these meetings.

Activities

In 2014, the Committee specifically addressed the following: 2014 and 2015 budget forecasts, 2014 year-end estimates and forecasts and preparation of consolidated and parent company financial statements at December 31, 2013, financial information from the first and third quarters of 2014, interim and annual closing options and assumptions, preparation of the interim consolidated and parent company financial statements at June 30, 2014, the interim dividend for 2014, impairment tests, the performance-based approach of the Perform 2015 program, renewal of authorizations to issue bonds and guarantees, quarterly internal audit reports, the audit plan for 2014 and the independence of internal audit, the review of the Group internal audit and the Chairman's report on internal controls, review of the financial resolutions presented to the General Shareholders' Meeting, monitoring of the Statutory Auditors' fees in 2013 and 2014, prior approval of the work entrusted to the Statutory Auditors outside their auditing engagement (only for engagement exceeding 100,000 euros), the independence of the Statutory Auditors and their schedule of work for 2014.

The Committee also addressed the following: reviewing and mapping Group risks and the division of monitoring priority risks in 2014, risks related to purchasing and the supply chain, managing project risks, risk relating to information systems, monitoring and managing risks relating to companies recognized at equity in the Group, the risk framework and post-audit action plan for trading and portfolio management, the issuing of green bond and hybrid bonds, the repayment of equity securities and feedback on the roadshows in the first half of 2014.

Strategy, Investment and Technology Committee

The Strategy, Investment and Technology Committee has six members: Edmond Alphandéry (Chairman), Aldo Cardoso, Philippe Lepage (as of December 10, 2014), Astrid Milsan, Pierre Mongin and Lord Simon of Highbury.

Operating procedures

Article 3.2 of the Internal Regulations sets out the rules and operating procedures for the Strategy, Investment and Technology Committee.

The delegation threshold for the Chairman and Chief Executive Officer and for the Deputy Chief Executive Officer for investments and disinvestments is €500 million. The Committee must be notified of transactions of between €350 million and €500 million.

This Committee is tasked with providing the Board of Directors with its opinion on the Company's main strategic aims, particularly with regard to the strategic plan and the public service contract and all projects relative to external and internal growth, disposals, strategic agreements, alliances and partnerships that are submitted to the Board. The Committee also addresses matters concerning the creation and upgrading of industrial facilities and annual and multi-year works programs, purchasing policy and significant real estate projects.

The Strategy, Investment and Technology Committee met 10 times in 2014, with an average attendance rate of 85%.

Activities

In 2014, the Committee specifically addressed the following: the Group's nuclear situation in Belgium, the position of coal in the energy mix, new businesses, risk related to midstream natural gas activities, country and regulatory risks, the risk of transformation in the electricity sector in Europe and the preparation of the Board's annual strategy seminar and the analysis of its findings.

The Committee also reviewed a series of projects to rationalize assets, including investment and disinvestment projects requiring approval by the Board of Directors.

Before presentation to the Board of Directors, the 2014 and 2015 budgets and the trajectory of the mid-term 2020 business plan were reviewed at a joint meeting of the Strategy, Investment and Technology Committee and the Audit Committee.

The Appointments and Compensation Committee

The Appointments and Compensation Committee has five members: Jean-Louis Beffa (Chairman), Françoise Malrieu, Astrid Milsan, Anne-Marie-Mourer and Lord Simon of Highbury.

Operating procedures

Article 3.3 of the Internal Regulations of GDF SUEZ sets out the rules and operating procedures for the Appointments and Compensation Committee. The Committee's role is to review and make recommendations to the Board of Directors on all applications for the position of Director or Non-voting Director that have to be submitted to the General Shareholders' Meeting for approval, as well as for the position of Committee member or Chairman. It also makes recommendations to the Board with regard to the succession of the Chairman and Chief Executive Officer and to the succession of the Deputy Chief Executive Officer of the Company, as their terms of office near their end. It also reviews and makes recommendations to the Board of Directors on the compensation, pension and welfare plans, benefits in kind and various emoluments awarded to the Chairman and Chief Executive Officer and to the Deputy Chief Executive Officer, as well as to any members of the Board having employment contracts with the Company. It reviews all applications by the Chairman and Chief Executive Officer and by the Deputy Chief Executive Officer for any corporate office in a listed company other than the Group, in order to inform the Board's opinion on this application.

The Chairman and Chief Executive Officer attends meetings of the Appointments and Compensation Committee, unless the meetings address matters that concern him.

The Committee also makes recommendations on performance shares allocated to the Executive Vice-Presidents. It gives an opinion on maintaining the benefit of bonus share allocations for members of the Management Committee when these are normally lost by their holders when they leave the Group.

The Appointments and Compensation Committee met 7 times in 2014, with an average attendance rate of 97%.

Activities

In 2014, the Appointments and Compensation Committee examined, *inter alia*, the independence and qualification of the Directors, the composition of the Board Committees, the performance achievement indices assigned to the executive corporate officers for 2013 and the respective amounts of the corresponding variable portions, the compensation of executive corporate officers for 2014 and 2015 and verification of the performance conditions for the Performance Share Plan of January 13, 2011.

Moreover, as Gérard Mestrallet's term as Chairman and Chief Executive Officer approaches its expiry in 2016, the Committee addressed questions relating to General Management succession. This process nobably led to the appointment of Isabelle KOCHER as Director, Deputy Chief Executive Officer and Chief Operating Officer.

Ethics, Environment and Sustainable Development Committee

The Ethics, Environment and Sustainable Development Committee has four members: Françoise Malrieu (Chairman), Ann-Kristin Achleitner, Alain Beullier and Stéphane Pallez.

Operating procedures

Article 3.5 of the Internal Regulations defines the rules and operating procedures for the Ethics, Environment and Sustainable Development Committee. This Committee ensures compliance with the individual and collective values that are the basis for the Group's actions and with the rules of conduct to which each employee must adhere.

The Committee met 5 times in 2014, with an average attendance rate of 90%.

Activities

In the area of ethics, the Committee observed that the annual compliance procedure, which involves asking the managers of the business lines and functional departments to commit to applying the Group's policies, had been complied with, and that the Group's ethics report had been submitted to it. It also reviewed the mapping of ethical risks, the embargo policy and the human rights guidelines. It was presented with an overview of ethics training and the ethics outlook for 2014-2015. It reviewed country risk in terms of human rights and corruption in relation to the development of the Group's activities. It studied various proposals for external auditing of anti-corruption processes.

With regard to sustainable development, the Group's annual environmental performance report was submitted to the Committee. The Committee reviewed the annual report on non-financial performance and adopted a new management dashboard for this area. The Committee also examined environmental and societal liability in GDF SUEZ's major projects, the green bond and good practices in the area of coal.

It also reviewed policy on professional and pay equality, and, more broadly, on the gender diversity policy implemented at the Group, as well as the 2013 health and safety report.

Finally, the Committee conducted the annual evaluation of the Board of Directors and initiated a process to review its own field of activity, working methods and the issues it wishes to prioritize. Priority subjects included: the choice of energy sources, and particularly the question of coal, the Group's presence in sensitive areas in terms of ethics and societal or corporate responsibility, and the quality of stakeholder relations.

4.1.6 Principles and rules for determining the compensation and benefits of Corporate Officers

Compensation and benefits of any kind awarded to corporate officers are determined by the Board of Directors on the proposal of the Compensation Committee, taking into account comparisons with comparable companies in France and in Europe as well as the level of achievement of quantitative and qualitative targets set for each.

The principles and rules for determining such compensation and benefits are presented in Section 4.5, "Compensation and benefits paid to members of corporate governance bodies".

4.1.7 Corporate governance code

GDF SUEZ maintains its commitment to implementing corporate governance guidelines and for this purpose refers to the AFEP-MEDEF code of corporate governance for listed companies, which can be viewed on the website http://www.medef.fr.

The following table sets out the explanations of the Company related to the recommendations of the AFEP-MEDEF Code not adopted by the Company.

Article of the AFEP-MEDEF Code	Explanation
Article 19 of the Code (Number of directorships of corporate officers)	Gérard Mestrallet holds three directorships in listed companies: SUEZ Environnement Company (term 2016), Saint-Gobain (term 2015) and Siemens (term 2018). Although GDF SUEZ no longer controls SEC, it is SEC's largest shareholder by far, with an equity interest of more than 30%, worth in excess of €2 billion. The Board of Directors of GDF SUEZ consider that effective monitoring of SEC falls directly within the scope of the duties of Chairman and Chief Executive Officer of GDF SUEZ.
Article 23.2.4 of the Code (Acquisition of additional shares when Performance Shares are available)	In view of the share ownership requirement set by the Board of Directors at 200% of fixed compensation for the executive corporate officers (and the requirement to hold two-thirds of vested Performance Shares until the ownership target is reached), the acquisition of additional shares once the performance shares allocated are available was not imposed (see Section 4.5.5.1).
Article 24.3 of the Code (Consultation of shareholders on executive corporate officers' individual compensation)	Isabelle Kocher was appointed Deputy CEO on November 12, 2014. The Board of Directors has decided to maintain the compensation and benefits package awarded to her as Chief Financial Officer until the end of the year. Her compensation was therefore not changed following her appointment as Deputy CEO on November 12, 2014 and her employment contract remained in force through December 31, 2014. Consequently, the Board of Directors has decided that Isabelle Kocher's compensation and benefits package for 2014, the details of which can be found in section 4.5.1.9 below, shall not be submitted to the consultative vote of the April 28, 2015 Shareholders' Meeting. Isabelle Kocher's compensation and benefits package for 2015 will be submitted to shareholders for approval at the 2016 Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2015.

4.1.8 Internal control and risk management procedures implemented by the Company

4.1.8.1 Internal control organization

Internal control objectives

GDF SUEZ's internal control objectives – underpinned by the Internal Control Management and Efficiency (INCOME) program, approved by the General Management Committee and submitted to the Audit Committee – are to provide reasonable assurance of the control of operations with regard to the following objectives:

- compliance with applicable laws and regulations;
- reliability of accounting and financial information;
- effectiveness and efficiency of operations.

GDF SUEZ's aim is to have effective internal control systems in place at every level of responsibility, based on:

- an environment conducive to the implementation of an effective control system;
- responsibility of all players for the implementation of internal control at every level of the organization;
- consideration, at the control design stage, of the balance between the level of assurance required and the cost of implementation;
- using control results to improve operational performance.

Internal control standards

GDF SUEZ has chosen an organization and procedures for internal control based on the model promoted by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This organization and these procedures are consistent with the principles described in the reference framework and take into account the application guide; both of these documents were published in January 2007 by the AMF and updated with respect to risk management in July 2010. They also take account of the recommendations of the report on the Audit Committee published by the AMF on June 14, 2010 as well as AMF Recommendation 2013-17.

General internal control guidelines

The general internal control guidelines of GDF SUEZ (INCOME program) address:

- the development and follow-up of an effective and rigorous coordination and monitoring program, for which management is responsible and differentiated based on the needs of each management level, which can be adapted to different organizations and risks;
- a formal commitment by directors and management at different organizational levels to implement an internal control system for their area of responsibility as well as improvement actions;
- the rollout of an internal control network to support management.

Scope of application of the INCOME program

GDF SUEZ updates the scope of deployment of the INCOME internal control program every year (182 entities in 2014). This allows managers to oversee the most appropriate level of internal control in view of the risks and challenges involved.

As part of the INCOME 2015 program, the rules for combining financial criteria with criteria related to risks of business malfunction as identified by the functional and operational divisions have been adapted to determine the most appropriate internal control reporting methods for the risks identified. The internal control frameworks of the INCOME program and an internal control questionnaire covering sensitive areas such as the segregation of duties and the protection of assets are made available to other entities.

Internal control players

In addition to the information previously provided on the role of the corporate governance bodies (see Section 4 "Corporate governance"), the following should be noted:

- the Chairman and Chief Executive Officer ensures the proper functioning of internal control within the Group;
- an annual review of internal control is submitted to the General Management Committee and the Audit Committee;
- the business lines and functional divisions implement the INCOME program; they define their own control procedures in accordance with Group standards and policies and in a manner adapted to their specific activities, which allows them to supervise the internal control system's application to the activities within their specific area of responsibility and to confirm its effectiveness in meeting their needs.

Audit and Risk Management Division

The continuing dialogue between the overall risk management, internal control and internal audit processes is strengthened by the fact that they are grouped within a single division.

Moreover, since late 2013, the Management System network is now part of the Internal Control Department of the Audit and Risk Management Division; the purpose of this change is to streamline the management and coordination of control systems for operations.

Risk Management Department

(See Section 2.1 "Risk management process")

Internal Control Department

The Internal Control Department organizes the monitoring of the internal control program, in partnership with the functional divisions and the business lines, mainly to help manage the Group's most significant risks.

The Management Observatory for Internal Control was created in 2010 to improve management's involvement in structural decision-making relating to internal control, such as the policy implemented and changes to the frameworks, and to increase understanding of management expectations in respect of internal control. This body, chaired by a member of the General Management Committee, examines changes to the internal control program proposed by the Head of Internal Control, who then submits them for approval to the General Management Committee. This Observatory met once in 2014.

The Internal Control Department is also constantly improving the internal control system by analyzing the results of self-assessments and of internal and external audits, in order to identify the necessary

action plans, coordinate their implementation and monitor their application.

The Internal Control Department oversees a network of coordinators responsible for running internal control to support the managers of the business lines, subsidiaries and functional divisions, providing methodology and instructions and organizing information and training sessions, and reporting to their management the performance during the year and improvement initiatives identified. The Internal Control functional line also provides the functional divisions with information on implementation of decisions prescribed at Group level.

Internal Audit Department

The Internal Audit Department is an independent and objective function that assesses the smooth running of the Company in all areas, risk management, and the adequacy and effectiveness of the internal control system. It is supported by the internal audit organizations deployed in the business lines.

The Corporate Internal Audit team provides for implementation, control of observance of international professional standards established by the Institute of Internal Auditors.

Business line Internal Audit teams ensure, within their scope of engagement, implementation of the same professional standards as well as compliance with Corporate Internal Audit procedures and instructions.

Expert networks composed of internal auditors who have the required level of technical knowledge apply a cross-cutting approach to address issues of global interest for the Group (governance, fraud and investigations, health, safety and environmental management, information systems, business process reviews, finance and accounting, construction project practices community, and trading and commodities).

The Internal Audit Department draws up its audit plan every year, according to a four-step process:

- identification of the entities concerned by the annual audit plan;
- analysis and evaluation of the audit themes, in consultation with the various stakeholders and in synergy with Risk Management and Internal Control;
- consolidation of the audit themes identified in the various business lines and entities of the Group;
- enhancement of the annual audit plan through its validation by the General Management bodies of the business lines and the Group and then its approval by the Audit Committee.

In addition, the Internal Audit Department, which is a function independent from management, provides the managers and Group's governance bodies with additional assurance on the effectiveness of the Group's internal control measures. It reviews the internal control system and carries out long-term testing of the controls. Thus, it looks at the quality of the self-assessments carried out by the business managers and the commitment of senior managers.

Audit engagements result in the formulation of recommendations – prioritized according to importance – designed to improve management processes and internal control effectiveness. All recommendations are included in management action plans. On due date, the auditors verify that corrective actions have been effectively implemented. A summary of findings and corrective actions is regularly presented to the managers of the subsidiaries, the Executive Committees of the business lines, the Group General Management Committee and the Group Audit Committee.

Internal auditors coordinate their work with the Statutory Auditors in order to ensure the consistency and to increase effectiveness of their overlapping activities.

4.1.8.2 The internal control system

Control environment

The control environment of the functional divisions and business lines is assessed annually, using questionnaires structured according to the components of the COSO and appropriate for the area of business under assessment. This approach is supplemented by the establishment of specific controls for delegations of authority, compliance with ethical principles, and information systems management. It is also strengthened by a half-yearly review of controls designed to prevent and detect fraud and by the recent option of monitoring the results of a selection of controls that help in fraud detection and prevention.

In addition to this approach, fundamental actions are undertaken jointly with the functional divisions and the business lines to control the implementation of Group decisions.

Identifying and assessing risks

In addition to the risk management process previously described (see Section 2.1 "Risk management process"), dialogue is established between the Risk Management and Internal Control functional lines.

Synergies between the risk management and internal control approaches are a natural result of this context. They can be illustrated using the following examples:

- establishment of the scope of the INCOME internal control program according to the risks identified (see the "Scope of application of the INCOME program" section above);
- execution of INCOME program internal controls, helping to better control risks related to important issues, such as industrial risks;
- sharing of feedback on each of the approaches implemented.

Control activities

The internal control system includes about 60 accounting, financial and operating processes, including information systems, which are used depending on the entity's risks, and reported at Group level.

The pertinence of these controls and potential adjustments are examined according to feedback, organizational changes, and new decisions issued by the General Management and the functional divisions.

Information and communication

Group-level organizational decisions, the internal control frameworks, instructions, training tools and methodology guides for internal control can be viewed and downloaded *via* the Group intranet. A pocket guide containing 10 key questions has been created for managers to help their learning and understanding of internal control.

Coordination and monitoring of internal control

The internal control system comes under the jurisdiction of a decision signed by the Chairman and Chief Executive Officer. It is managed as follows:

- monitoring of the internal control program;
- strengthening the coordination of the Internal Control functional line with the other functional lines taking forward an approach that will contribute to improving the functioning of activities;
- assessment of the internal control system of the entities, in order to give Group managers concise information about the degree of internal control maturity of their entity;
- presentation of an annual summary report on internal control to the management teams of the entities.

The Internal Control functional line is coordinated through monthly meetings (business lines) and half-yearly meetings (functional divisions). These meetings are supplemented, when necessary, by the creation of working groups and the deployment of education and training actions.

4.1.8.3 Implementation of internal control

Compliance with laws and regulations

Within the General Secretariat, the Legal Division helps to create a secure legal framework for the Group's operations and the decisions of management. Teams within this Division are responsible for providing the business lines and functional divisions with the necessary support, each in their area of expertise and responsibility. Such support is notably provided through (i) operational contributions to contractual negotiations, litigation, arbitration, reviews, and protective actions concerning the Group's and its directors' liability, in the area of personal data protection, financial and stock market regulation and intellectual property rights, (ii) the actions of centers of expertise in competition law, regulations and financial law, (iii) legal analyses carried for the commitment committees, (iv) mapping legal risks and, more generally, (v) managing the legal functional line for which the Legal Division is responsible.

Compliance with laws and regulations remains the responsibility of each business line and each functional division in its respective area of responsibility. Implementation of internal control objectives with regard to compliance with laws and regulations is performed at each level of management throughout the Group. For example, certain cross-disciplinary compliance objectives are managed by the relevant Corporate functional divisions:

- the Finance Division ensures GDF SUEZ's compliance in matters of accounting, finance and taxation. It is in charge of regulatory financial reporting;
- within the General Secretariat, the Ethics and Compliance Division is responsible for drafting GDF SUEZ'S ethics and compliance rules, as well as ensuring that such rules are actually applied in accordance with the laws and regulations in force;
- the Group Human Resources Division is in charge of compliance with current labor legislation and regulations and carries out the regulatory employment reporting;
- the Environmental and Societal Responsibility Division is responsible for compliance with environmental laws and regulations throughout the Group. It assesses the environmental maturity of the Group's various businesses and is in charge of regulatory environmental reporting.

Reliability of accounting and financial information

The control environment

The structure of the financial function is based on:

- the Corporate functional divisions: Accounting; Monitoring and Planning; Finance, Treasury and Insurance; Tax; Investments and Acquisitions, Group Major Projects and Investor Relations;
- the Financial Divisions of each of the business lines. These oversee their BUs and operational units; the latter are responsible for the production and content of their financial statements and their internal control.

Responsibility for the preparation and the control of accounting and financial information is defined at each level of the Group's organization (Corporate Management, business lines, BUs and reporting entities).

This internal control system is consistent with the AMF reference framework. It covers not only the processes for preparing financial information for financial statements, but also all upstream operational processes contributing to the production of this information.

The main applicable procedures for the preparation of parent company and consolidated financial statements are based on two tools:

- the manual of Group accounting policies issued by the Accounting Department . It is updated on a regular basis according to changes in international standards;
- closing instructions sent out prior to each consolidation phase. These cover the assumptions made when preparing the year-end accounts (exchange rates, discount rates and tax rates, for example), the scope of consolidation, the timetable for submitting data, the specific points requiring attention for the closing, and the main changes in accounting regulations and standards. The instructions also include a definition of the performance indicators used by the Group.

Identifying and assessing risks

The main risks identified are monitored and managed as follows:

- the results obtained through the various approaches implemented (analysis of specific risks in the reporting and communication process using feedback) are used to create action and communication plans for the functional lines in question;
- budgetary processes and medium-term plan (MTP), performance monitoring, regular meetings at which the finance functions are mostly stakeholders, and meetings of the General Management Committee to monitor and manage the main risks identified;
- specific risks associated with processes for preparing and communicating financial information are also reviewed and are monitored at closing.

Control activities

Preparation of monthly Financial Reports and consolidated financial statements

At the Corporate level, the Accounting Department and the Monitoring and Planning Department, which both report to the Finance Division, coordinate their activities at weekly meetings attended by their key managers.

The Accounting Department drives the process of producing the consolidated financial statements, supported by the consolidation teams and the management control departments of Corporate Management and the business lines.

Each of these entities carries out controls in its own area of responsibility to ensure that Group accounting standards policies have been circulated and correctly applied. This principle of subsidiarity allows second-tier controls to be applied to the information prepared:

- controls at the business line level on the information passed on to this level by the BUs and reporting entities;
- controls at the Corporate Management level on the information passed on to this level by the business lines.

Within the Accounting Department, three centers of expertise (Accounting IT, Consolidation Process and Accounting Standards) optimize the way in which complex technical issues are handled and resolved. These centers, resulting from pooling expertise throughout the Group, ensure that both the analyses performed and the resulting positions adopted are of a consistently high standard.

The role of the Monitoring and Planning Department is explained in the paragraph "Setting objectives and coordination".

Key players in control

All reporting levels in the Group carry out activities that contribute to the preparation of financial and accounting information. These activities must comply with the internal control guidelines developed at the Corporate level by the Internal Control Department under the aegis of the INCOME program. The persons concerned are the following:

- the Finance Division of each BU and legal entity, which formally validates the accounting and financial reporting package;
- the Finance Division at the business line, which implements procedures with all operating subsidiaries, including a decentralized management control (see below the paragraph "Setting objectives and coordination");
- the Corporate Accounting Department, which is in charge of financial reporting, preparing the parent company financial statements (of GDF SUEZ and the financial vehicles managed by Corporate), the consolidated financial statements, and liaising with the accounting divisions of the AMF.

The Group implements a formalized system which commits operational and financial managers, with regard to the accuracy and fairness of the financial information passed on by the reporting entities, to the business lines and then by the business lines to Corporate Management, as well as with regard to the internal control systems, which contribute to the reliability of this information throughout the information chain mentioned in the above paragraph, "The control environment".

Information and communication

The consolidated reporting entities all use the SAP software package "Business Objects Financial Consolidation" (SAP B.F.C., formerly Magnitude) for the Group financial consolidated statements and Management reporting.

The application is managed jointly by:

- the Accounting IT Center of Expertise, which handles administrative tasks and system configuration and provides operating assistance to users;
- the Information Systems Division, which is in charge of specific underlying infrastructures.

Other information systems used in the preparation of accounting and financial information are managed as appropriate on a decentralized basis by the business lines' and subsidiaries' IT departments.

Preparing and validating the Annual Report

The General Secretary is in charge of preparing the Registration Document filed with the AMF, which includes the Annual Report and involves the following:

- defining the procedures for submitting and validating the information that will appear in the Registration Document;
- overseeing the work of the Registration Document Steering Committee;
- liaising with the AMF and applying its regulations.

The Finance Division is responsible for the "Financial information" section, which includes in particular the consolidated financial statements, the parent company financial statements and the report on the financial position.

Preparing and approving press releases

The Communications Division applies the policies set by the "Communication with the press" procedure. These rules specifically indicate:

- the coordination of activities among the Corporate communications and business line communications teams;
- the implementation of the process for providing information and/or validating press releases;
- a monitoring system and appropriate rules of crisis communication.

Relations with analysts and investors

The Finance Division also uses the current "Missions and operating principles of financial communication" procedure, which sets out management principles for the Group's financial communication and clearly defines its activities in areas concerning analyst and investor relations and market intelligence.

Within the Finance Division, the Investor Relations Division steers and coordinates the market presentations process, including the quarterly, interim and annual financial data, as well as information about major transactions.

Setting objectives and coordination

The General Management updates and communicates the Group's overall objectives and the allocation of resources to the business lines. The Monitoring and Planning Department, which reports to the Finance Division, prepares instruction memos for each of the business lines. These memos specify the macroeconomic assumptions to be applied, including assumptions on commodities prices set by the Strategy Division, the financial and non-financial indicators, the schedule, and the segmentation of the scope of activity. Each business line is responsible for sending these instructions to its subsidiaries and reporting entities within its scope after tailoring them to the specific characteristics of its business activity.

Management control is performed in a decentralized manner to reflect the specific characteristics of each business activity. Its mission is defined by instructions circulated periodically by the Monitoring and Planning Department, the implementation instructions for the SAP B.F.C. software application, and the manual of the Group's accounting policies.

In the fall, the Business Line Committee validates, for each business line, the objectives set for the following year and the corresponding budget, as well as the outlook beyond the current year derived from the budget process and the medium-term plan to be used as the basis for the impairment testing of goodwills and long-term assets. This Committee meeting, prepared by the finance functional line under the responsibility of the Monitoring and Planning Department, brings together representatives from the General Management, the Group functional divisions, and the operational and finance divisions of each business line. The Group's consolidated budget and medium-term business plan are presented to the Audit Committee before being submitted to the Board of Directors.

At subsequent Business Line Committee meetings, actual figures are compared to the budget and any adjustments to annual forecasts are validated by the Group's General Management.

Improving the process for preparing and processing financial information is the responsibility of each business line financial director and each functional director. Feedback is given to verify that the production processes for accounting and financial information are functioning properly. When necessary, internal audits in the reporting entities and at the various organizational levels can also verify process quality.

Continuous improvement

Implementation of internal control in the Group is part of our aim to continuously improve our performance, based on the following principles:

- drawing up and enhancing internal control frameworks, working closely with the functional divisions to support Group policies;
- listening to the various business activities to streamline and optimize the internal control system;
- adapting controls according to changes in risks;
- implementing an excellence initiative to create a coherent system of methods and tools enabling the management to have an effective overview of the issues and associated actions for the activities under its responsibility.

4.1.9 Statutory provisions regarding the participation of Shareholders at Shareholders' Meetings

The Company bylaws stipulate that all shareholders are entitled to attend General Shareholders' Meetings on condition that their shares are fully paid up. Each share entitles the holder to vote and be represented at General Shareholders' Meetings, in accordance with current law and the bylaws. Ownership of one share entails automatic acceptance of these bylaws and of all decisions of the Shareholders' Meetings of the Company. Unless otherwise provided for by law, each shareholder has as many voting rights and may cast as many votes at meetings as he or she holds shares, which are fully paid up.

The terms for the participation of shareholders at General Shareholders' Meetings are detailed in Section 7.1.5 "General Shareholders' Meetings".

Provisions relating to procedures for shareholders' attendance at General Shareholders' Meetings and shareholders' voting rights are set out in Section 7.1.3 "Rights, privileges and restrictions attached to shares" and in the bylaws (Articles 10, 11, 12 and 20).

The information stipulated by Article L. 225-100-3 of the French Commercial Code is published in Sections 3.2 "Social information", 4.5 "Compensation and benefits paid to members of corporate governance bodies", 5.1 "Information on the share capital", 5.2 "Shareholding" and 7.1 "Specific statutory provisions and bylaws".

The Board of Directors has decided to convene the Combined Ordinary and Extraordinary General Meeting of Shareholders, which will take place on 28 April 2015. The agenda will focus on the appointment of 11 directors; more precisely, this involves the ratification of the co-option of a Director, the renewal of 4 Directors' terms of office, and the appointment of 6 Directors.

A proposal will be made to the General Meeting to ratify the co-option of Isabelle Kocher as a Director, decided by the Board of Directors on 21 October 2014, with effect from 12 November 2014, to replace Paul Desmarais for the remainder of her predecessor's term, until the end of the Ordinary General Meeting which will be called in 2016 to approve the accounts of the fiscal year ending 31 December 2015.

The terms of office as Director of Albert Frère, Ann-Kristin Achleitner, Edmond Alphandéry, Aldo Cardoso and Françoise Malrieu will expire at the end of the next General Meeting. Albert Frère has announced his decision not to seek renewal of his term as Director. On the recommendation of the Nomination and Compensation Committee, the Board of Directors proposes to renew the terms of office of Ann-Kristin Achleitner, Edmond Alphandéry, Aldo Cardoso and Françoise Malrieu and to appoint two new independent Directors, Barbara Kux and Marie-José Nadeau (to replace Albert Frère and Jean-François Cirelli).

In addition, the Board of Directors has decided to implement Title II of French Ordinance 2014-948 of 20 August 2014 regarding governance and transactions involving the share capital of companies with a public participation, which modifies rules on the representation of the French State on the Board. As a result, on the recommendation of the Nomination and Compensation Committee, the Board of Directors will submit to the Shareholders' Meeting the appointment of four Directors proposed by the French State: Bruno Bézard, Catherine Guillouard, Mari-Noëlle Jégo-Laveissière and Stéphane Pallez (Astrid Milsan remains a Director representing the French State; Pierre Mongin resigned from the Board of Directors on March 17, 2015).

These Directors will be appointed for a four-year term, expiring at the end of the Ordinary General Meeting which will be called in 2019 to approve the accounts of the fiscal year ending 31 December 2018.

After the vote on these resolutions, the Board of Directors would be composed of 19 members including :

- 8 independent members, representing 53% (pursuant to the Afep-Medef Code, the number of Directors representing employees and employee shareholders is not taken into account in calculating the percentage of independent Directors);
- 11 women, representing 63% (pursuant to the law and the Afep-Medef Code, the number of Directors representing employees - who are not elected by the General Shareholders' Meeting - is not taken into account in calculating the proportion of women and men);
- 4 not French, representing 21%.

4.2 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (CODE DE COMMERCE), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF GDF SUEZ

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with article L. 225-235 of French company law on the report prepared by the Chairman of the Board of Directors on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction and constructed in accordance with French law and the relevant professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of GDF SUEZ and in accordance with article L. 225-235 of the French commercial code (*Code de commerce*), we hereby report on the report prepared by the chairman of your company in accordance with article L. 225-37 of the French commercial code (*Code de commerce*) for the year ended December 31, 2014.

It is the chairman's responsibility to prepare and submit for the board of directors' approval a report on the internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French commercial code (*Code de commerce*) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and;
- confirm that the report also includes the other information required by article L. 225-37 of the French commercial code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the chairman of the board of directors in accordance with article L. 225-37 of the French commercial code (*Code de commerce*).

Other information

We confirm that the report prepared by the chairman of the board of directors also contains the other information required by article L. 225-37 of the French commercial code (*Code de commerce*).

Neuilly-sur-Seine and P*aris-La Défense, March 3,* 2015
The statutory auditors
French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres
Véronique Laurent	Pascal Macioce Charles-Emmanuel Chosson

4.3 GENERAL MANAGEMENT

The Company's General Management is headed up by Gérard Mestrallet, Chairman and Chief Executive Officer, and by Isabelle Kocher, Deputy Chief Executive Officer. Pursuant to the law, the Deputy Chief Executive Officer assists the Chief Executive Officer. The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer have the same powers to represent the Company with regard to third parties. According to internal rules, the respective powers of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer are determined by the Board of Directors and the Internal Regulations of the Board, which sets their limits (see Section 4.1.4.1 "Powers of the Board of Directors").

In a changing and highly competitive environment, combining the functions of Chairman and Chief Executive Officer, supported by the presence of a Deputy Chief Executive Officer, provides for the greatest coherence between strategy and operations and the greatest efficiency in the decision-making processes, while ensuring compliance with the best governance principles. The balance of governance at GDF SUEZ is chiefly based upon:

- balanced Board composition in terms of independence, expertise, diversity and nationality;
- four specialist Board Committees, each chaired by an independent Director and including a substantial proportion of independent Directors;
- a balanced organization of relationships between General Management and the Board, based on (i) limitations on the powers of General Management, as the Board's agreement is required for significant transactions; (ii) regular interaction between the non-executive Directors and members of the General Management Committee and the Executive Committee when there are specific presentations to the Board, particularly during the annual strategy seminar and during Board Committee meetings; and (iii) regular provision of information to Directors, including between meetings;
- an annual assessment of the operations of the Board, carried out under the aegis of the Chairman of the Ethics, Environment and Sustainable Development Committee;
- an annual review of the performance appraisal and compensation of executive corporate officers on the Appointments and Compensation Committee, which takes place without the presence of the executive concerned;
- the powers conferred by the Company bylaws to one-third of the Directors to convene a board meeting and to set the agenda, if the Board has not met for more than two months.

At its meeting of December 17, 2008, upon proposal of the Chairman, the Board of Directors decided to appoint a non-executive Vice-Chairman responsible for chairing the Board of Directors in the Chairman's absence. The current non-executive Vice-Chairman is Albert Frère, whose appointment was renewed on May 2, 2011.

4.3.1 General Management Committee

The General Management Committee of GDF SUEZ, chaired by the Chairman and Chief Executive Officer or the President, has 11 members as of the date of this document. It is responsible for steering the Group. The Committee determines the strategic decisions of GDF SUEZ according to the guidelines set out by the Board of Directors. It meets, in principle, every week.

The General Management Committee has the following members:

Gérard Mestrallet, *Chairman and Chief Executive Officer*
Isabelle Kocher, *Deputy Chief Executive Officer and Chief Operating Officer*(1)
Dirk Beeuwsaert, *Executive Vice-President in charge of the Energy Europe business line*(2)
Valérie Bernis, *Executive Vice-President, Communications, Marketing and Environmental and Societal Responsibility*
Alain Chaigneau, *Executive Vice-President*(3)*, General Secretary*(4)
Jean-Marie Dauger, *Executive Vice-President in charge of the Global Gas & LNG business line*
Jean-Claude Depail, *Executive Vice-President in charge of the Infrastructures business line*
Henri Ducré, *Executive Vice-President in charge of Group Human Resources*
Judith Hartmann, *Executive Vice-President, Chief Financial Officer*(5)
Jérôme Tolot, *Executive Vice-President in charge of the Energy Services business line*
Willem Van Twembeke, *Executive Vice-President in charge of the Energy International business line*

(1) Since November 12, 2014.
(2) Since November 8, 2014.
(3) Since January 1, 2015.
(4) Until June 30, 2015.
(5) Since March 16, 2015.

Pierre Mongin will be appointed Executive Vice-President on May 1, 2015. He will be appointed General Secretary on July 1, 2015.

Jean-François Cirelli was also a member of the General Management Committee until November 11, 2014.

4.3.2 Executive Committee

The Executive Committee reviews issues and decisions regarding the Group's strategy, development, organization, and overall management. At the date of this document it had 21 members, including the members of the General Management Committee and the heads of some functional departments. In principle it meets every month.

The Executive Committee has the following members:

Gérard Mestrallet, *Chairman and Chief Executive Officer*

Isabelle Kocher, *Deputy Chief Executive Officer and Chief Operating Officer*[1]

Dirk Beeuwsaert, *Executive Vice-President in charge of the Energy Europe business line*[2]

Valérie Bernis, Valérie Bernis, *Executive Vice-President, Communications, Marketing and Environmental and Societal Responsibility*

Alain Chaigneau, *Executive Vice-President*[3]*, General Secretary*[4]

Jean-Marie Dauger, *Executive Vice-President in charge of the Global Gas & LNG business line*

Jean-Claude Depail, *Executive Vice-President in charge of the Infrastructures business line*

Henri Ducré, *Executive Vice-President in charge of Group Human Resources*

Judith Hartmann, *Executive Vice-President, Chief Financial Officer*[5]

Jérôme Tolot, *Executive Vice-President in charge of the Energy Services business line*

Willem Van Twembeke, *Executive Vice-President in charge of the Energy International business line*

Jean-Louis Blanc, *member of the Executive Committee, Commercial Director, Innovation and Group New Business*[6]

Claire Brabec-Lagrange, *member of the Executive Committee, Director of Group Purchasing*

Marc Florette, *member of the Executive Committee, Director of Digital*[7]

Philippe Jeunet, *member of the Executive Committee, Advisor to the Chairman and Chief Executive Officer in charge of the City of Energy and Environment project*

Yves Le Gélard, *member of the Executive Committee, Director of Information Systems*[8]

Didier Retali, member of the Executive Committee, Director of Audit and Risks

Paul Rorive, *member of the Executive Committee, Director of Nuclear Development*

Édouard Sauvage, *member of the Executive Committee, Director of Strategy*

Raphaël Schoentgen, *member of the Executive Committee*[7]*, Director of Research and Technology*

Denis Simonneau, *member of the Executive Committee, Director of European and International Relations*

The General Secretariat provides administrative services for the General Management Committee and the Executive Committee.

(1) Since November 12, 2014.
(2) Since November 8, 2014.
(3) Since January 1, 2015.
(4) Until June 30, 2015.
(5) Since March 16, 2015.
(6) Since May 5, 2014.
(7) Since April 1, 2014.
(8) Since March 9, 2015

Pierre Mongin will be appointed Executive Vice-President on May 1, 2015. He will be appointed General Secretary on July 1, 2015.

Jean-François Cirelli was also a member of the Executive Committee until November 11, 2014, as well as Véronique Durand-Charlot until March 8, 2015.

4.4 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS, TRANSACTIONS WITH RELATED PARTIES, SERVICE CONTRACTS

4.4.1 Statutory auditors' special report on regulated agreements and commitments

This is a free translation into English of the statutory auditors' special report on regulated agreements and commitments issued in French and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report to you on its regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R. 225-31 of the French commercial code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225-31 of the French commercial code (Code de commerce) concerning the implementation, during the year, of the agreements and commitments already approved by the general meeting of shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

A. Agreements and commitments submitted for approval to the general meeting of shareholders

We hereby inform you that we have not been advised of any related agreements or commitments authorized in the course of the year to be submitted to the general meeting of shareholders for approval in accordance with article L. 225-38 of the French commercial code (Code de commerce).

B. Agreements and commitments already approved by the general meeting of shareholders

B.1. Agreements and commitments in prior years

B.1.1. whose implementation continued during the year

In accordance with article R. 225-30 of the French commercial code (Code de commerce), we have been advised that the implementation of the following agreements and commitments which were approved by the general meeting of shareholders in prior years continued during the year.

B.1.1.1 With the French State (which has a shareholding of 33.29%)

Shareholders and Directors concerned

The French State, Bruno Bezard since July 28, 2014, Ramon Fernandez until July 28, 2014, and Pierre Mongin, Stéphane Pallez and Astrid Milsan, the directors representing the French State.

Nature, purpose and terms: Public Service Contract

In December 2009, GDF SUEZ signed a public service contract with the French government. The purpose of this contract is to compile and identify the commitments made by GDF SUEZ, with respect to directly managed activities as well as the activities of its natural gas distribution (GrDF) and natural gas transmission (GRTgaz) networks, and its "storage" (Storengy) and "terminal" (Elengy) subsidiaries, in order to ensure the longevity of the public service missions entrusted to the company by French law.

This contract covers the period 2010-2013 and may be extended for a six-month period by lack of signature of a new contract.

This contract sets forth the commitments made by the Group in terms of (i) responsibility towards its users, (ii) safety of people and property, (iii) solidarity and assistance to low-income customers, and (iv) sustainable development and research.

Concerning its tariffs, this contract redefines the overall regulatory framework for setting and changing administrative tariffs for natural gas in France. In addition, a ministerial order specifies the rate-changing mechanism for 2010. The overall mechanism specifies the terms and conditions for changing the regulated tariffs

and establishes the rules and responsibilities of the various parties for the period 2010-2013.

The French government committed to annually publish a ministerial order establishing the conditions according to which the natural gas regulated tariffs could change in the coming year. Between two ministerial orders, GDF SUEZ could request the French Energy Regulation Commission (CRE) to make tariff adjustments to take into account changes in index prices included in the tariff formula.

This contract was automatically extended for a period of six months until June 30, 2014.

At its meeting of December 9, 2009, the board of directors expressly approved this agreement. At its meeting of January 22, 2013, the board of directors expressly authorized the conclusion of an addendum to this contract concerning tariff changes, which will now be monthly rather than quarterly.

B.1.1.2. With Suez Environnement Company (in which an interest of 33.70% is held)

Directors concerned

Gérard Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the board of directors of Suez Environnement Company, Jean-François Cirelli, Vice-Chairman and President of GDF SUEZ and Director of Suez Environnement Company until November 11, 2014, and Isabelle Kocher, Executive Vice-President and Director of Suez Environnement Company since November 12, 2014.

Nature, purpose and terms: Guidelines, industrial cooperation and marketing agreement and agreement relating to the settlement of disputes in Argentina

A shareholders' agreement was signed in June 2008, just before the merger of SUEZ and Gaz de France, for a period of five years from July 22, 2008; it enabled control of 48% of the capital of Suez Environnement Company along with the other shareholders in the agreement, of which 35% was held by SUEZ alone. This agreement expired on July 22, 2013, resulting in the loss of GDF SUEZ's control over Suez Environnement Company.

- A cooperation and shared functions agreement was entered into between SUEZ and Suez Environnement Company. Pursuant to this agreement, SUEZ and Suez Environnement Company agreed to continue their cooperation, mainly in the areas of strategy, accounting, internal control, audit and risk management, finance, tax policy, IT services and communications, it being specified that all of the rights and obligations of SUEZ arising under the agreement had been transferred to GDF SUEZ. The end of the shareholders' agreement also resulted in the termination of this agreement on the same date.

  In view of the non-renewal of the shareholders' agreement and in order to extend the industrial, commercial, and services cooperation agreement, GDF SUEZ and Suez Environnement Company announced on January 23, 2013 that they had concluded an agreement establishing the "Guidelines and industrial and commercial cooperation policies between GDF SUEZ and Suez Environnement Company."

  The agreement, signed on January 17, 2013, is known as the "Guidelines" and focuses on five areas: reciprocal preference in purchasing/sales, development of synergies between industrial activities, development of joint commercial offerings, and the partnership between sustainable development policy and commercial coordination of marketing, innovation and R&D.

  At its meeting of December 5, 2012, the board of directors unanimously approved the signing of the draft guidelines and industrial and commercial cooperation policies presented to it.

- In connection with the spinoff-distribution of SUEZ's environment division (the "Spinoff-Distribution"), SUEZ and Suez Environnement Company entered into an agreement involving the transfer to Suez Environnement Company of the rights and obligations related to the equity interests held by SUEZ in Argentine companies Aguas Argentinas and Aguas Provinciales de Santa Fe, relating thereto to or arising therefrom (the "Argentine Rights").

  This agreement was expressly authorized by SUEZ's board of directors at its meeting of June 4, 2008, and signed on June 5, 2008.

  Suez Environnement Company rebilled €0.9 million in legal and consultancy fees to GDF SUEZ in 2014.

B.1.2. which were not implemented during the year

In addition, we have been advised that the following commitments and agreements which were approved by the general meeting of shareholders in previous years were not implemented during the year.

B.1.2.1. With Crédit Agricole Corporate and Investment Bank ("Crédit Agricole CIB")

Directors concerned

Edmond Alphandéry and Stéphane Pallez, Directors of GDF SUEZ and Crédit Agricole CIB.

Nature, purpose and terms: Nord Stream Guarantees

Nord Stream AG is a Swiss company formed for the purpose of building and operating two offshore natural gas pipelines extending across the Baltic Sea from Russia to Germany. Its current shareholders are OAO Gazprom (51%), E.ON Ruhrgas AG ("E.ON") (15.5%), Wintershall Oil AG (15.5%), NV Nederlandse Gasunie (9%) and GDF SUEZ (9%). The Group acquired an interest in Nord Stream AG on July 1, 2010 through the purchase by GDF SUEZ Holding Switzerland AG (a wholly-owned subsidiary of GDF International, itself is a wholly-owned subsidiary of GDF SUEZ) of a 4.5% stake from E.ON and a 4.5% stake from Wintershall.

The project financing has two phases (Phase I and Phase II), corresponding to the two pipelines.

Project financing for Phase I was authorized by the board of directors on June 23, 2010. This authorization was confirmed by the board of directors on January 13, 2011, following a number of amendments to acknowledge the entry of GDF SUEZ into the project on July 1, 2010 and the implementation of financing for Phase II. Project financing for Phase II was authorized by the board of directors on January 13, 2011.

GDF SUEZ, acting as Sponsor in connection with Phase I project financing, authorized by the board of directors on June 23, 2010, was required to sign:

- an Accession Undertaking to the Subordination Deed, dated July 1, 2010, under which GDF SUEZ acceded, as a new subordinated creditor under the Deed of Subordination, the purpose of which was specifically to subordinate the loans granted by GDF SUEZ to Nord Stream AG to the lenders' credit;
- an independent Completion Guarantee (Phase I Completion) dated July 1, 2010, under which GDF SUEZ guarantees the execution by GDF SUEZ Holding Switzerland AG of its secured obligations for Nord Stream AG to repay the Phase I senior debt

of the gas pipeline. GDF SUEZ's commitment was limited to 9% until the first pipeline entered into service. This guarantee expired on October 11, 2012.

As a result of the financing documentation of Phase I, if the completion guarantee (Phase I Completion Guarantee) were to be extended, under certain conditions, it might be necessary for GDF SUEZ, in its role as "Sponsor", to sign the following contracts if applicable:

- a Change in Law Commitment Agreement - a draft of which was attached to the financing documentation - covering the risk of a change in law (excluding Russian law) between April 16, 2009 (the date on which the Gas Transportation Agreement was signed) and May 14, 2010 (the closing date of the project financing for Phase I), which would prevent Nord Stream AG from providing transportation services for its client, Gazprom Export, under the Gas Transportation Agreement, the only source of income for Nord Stream AG. GDF SUEZ's commitment under the Change in Law Commitment Agreement was limited to 9% of shareholders' contributions required for Nord Stream AG to pay "senior debt obligations" and "operating costs" for the duration of the financing. The draft Change in Law Commitment Agreement was amended to also cover – in favor of the lending banks providing project financing for Phase II - the risk of a change in law (excluding Russian law) between April 16, 2009 (the date on which the Gas Transportation Agreement was signed) and the closing date of the project financing for Phase II, which would prevent Nord Stream AG from providing transportation services for its client Gazprom Export under the Gas Transportation Agreement. Under the terms of the financing documentation, the signature of this guarantee may be required when the first gas pipeline enters into service, in favor of the lending banks providing project financing for Phase I and the lending banks providing project financing for Phase II. The agreement signed is still in place.
- a "Phase I Disputed Claim Commitment Agreement" covering any disputed claims by Nord Stream AG in connection with major construction contracts at the time of completion of Phase I of the gas pipeline. GDF SUEZ's commitment is limited to 9% of such claims. Under the terms of the financing documentation, the signature of this guarantee may be required when the first gas pipeline enters into service, in favor of the lending banks providing project financing for Phase I. It should be noted that this guarantee was not signed;
- a "Decommissioning Commitment Agreement" to cover, in the event of abandonment of the construction of the second pipeline, the potential dismantling costs of any Phase II works that would have been incurred prior to completion of Phase I. GDF SUEZ's commitment is restricted to 9% of such costs. Under the financing documentation, the signature of this guarantee may be required when the first gas pipeline is commissioned, in favor of the lending banks providing project financing for Phase I. This agreement, which was signed, has now expired.
- a "Shareholder Commitment Agreement", to cover, in the event of abandonment of the construction of the second pipeline, the project costs (development, studies, etc.) associated with Phase II. GDF SUEZ's commitment is limited to 9% of such costs. Under the financing documentation, the signature of this guarantee may be required when the first gas pipeline enters into service, in favor of the lending banks providing project financing for Phase I. This contract, which was signed, expired on June 24, 2014.

These guarantees are intended to replace the Phase I Completion Guarantee, dated July 1, 2010.

The guarantees are issued to Nord Stream AG and Société Générale, acting as Security Agent on its behalf and as a trustee for all the financial parties in Phase I and, in relation to the Change in Law Commitment Agreement, in Phase II; these financial parties include Crédit Agricole CIB.

At its meeting of June 27, 2012, the board of directors unanimously authorized the signing and issuance of the aforementioned guarantees, which were signed on October 11, 2012, with the exception of the "Phase I Disputed Claim Commitment Agreement" guarantee, which was not required.

As mentioned in paragraph B.2.1 of "Agreements and commitments approved during the past year", the board of directors, at its meeting of January 22, 2014, unanimously authorized the conclusion of contracts entailing amendments to certain contractual clauses of the aforementioned guarantees; as these contracts were not eventually signed, the guarantees were not amended.

To date, these guarantees have not had any impact.

B.1.2.2. With CNP Assurances, CDC infrastructure, Caisse des Dépôts et Consignations (CDC), Société d'Infrastructures Gazières (SIG) and GRTgaz (75%-held subsidiary of the Group)

Director concerned

Ramon Fernandez, Director of GDF SUEZ and CNP Assurances and member of the Supervisory Board of CDC.

a) Nature, purpose and terms: Equity investment by Société Infrastructure Gazières in GRTgaz

The investment agreement signed on June 27, 2011 by CNP Assurances, CDC Infrastructure, CDC, SIG, GRTgaz and GDF SUEZ sets out the terms and conditions the equity investment by SIG in GRTgaz. This investment was made on July 12, 2011, in part through SIG's subscription to a capital increase by GRTgaz and in part through SIG's concomitant acquisition of GRTgaz shares from GDF SUEZ.

The purchase price for about 18.2% of the capital was set at €810 million, and for the subscription of shares amounting to around 6.8% of the capital at €300 million, bringing the total amount of the transaction to €1,110 million.

Various representations and warranties provided by GDF SUEZ. The duration of the warranties is 18 months, except in respect of the specific warranty relating to the environment, which has a duration of 20 years.

At its meeting of June 22, 2011, the board of directors authorized the conclusion of the investment agreement, having been presented with the draft agreement.

These guarantee agreements had no impact on fiscal year 2014.

b) Nature, purpose and terms: Shareholders Agreement concerning GRTgaz

The shareholders' agreement signed on June 27, 2011 between GDF SUEZ and SIG, in the presence of GRTgaz, CNP Assurances, CDC Infrastructure and CDC, structures the rights and obligations of the GRTgaz shareholders and sets out the rules of governance in compliance with the specific regulations that apply to GRTgaz. This shareholders' agreement was concluded for a term of 20 years (renewable once for a 10-year term).

The Agreement grants SIG the standard rights to which a non-controlling shareholder is entitled.

At its meeting of June 22, 2011, the board of directors authorized the conclusion of the shareholders' agreement, having been presented with the draft agreement.

This shareholders' agreement continued unchanged in 2014.

B.1.2.3. With GDF SUEZ Group companies that are members of the GDF SUEZ Alliance GIE

Director concerned

Gérard Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the board of directors of GDF SUEZ Energy Services.

Nature, purpose and terms: Membership of the Suez Alliance GIE (now the GDF SUEZ Alliance GIE)

In its meeting of July 4, 2001, SUEZ's board of directors authorized the creation of a special-purpose financing vehicle, the Suez Alliance GIE—now the GDF SUEZ Alliance GIE, and the membership of SUEZ of this "groupement d'intérêt économique" (economic interest group (GIE)).

It also approved the guarantee granted by Suez for the benefit of the other members of the GIE that are subsidiaries of Suez. Consequently, GDF SUEZ, as parent company of the Group, will be the ultimate guarantor to other members for any debts they may incur any, and which may exceed their share.

This agreement had no impact on fiscal year 2014.

B.1.2.4. With GDF SUEZ Group companies that are not members of the GDF SUEZ Alliance GIE

Director concerned

Gérard Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ, Chairman of the board of directors of Electrabel and Vice-Chairman of the board of directors of Aguas de Barcelona.

Nature, purpose and terms:

At its meeting of March 9, 2005, the board of directors expressly authorized the extension of the activities of the Suez Alliance GIE (now the GDF SUEZ Alliance GIE) to the most significant SUEZ subsidiaries that are not members of the Suez Alliance GIE, in order to facilitate their financing.

As the lead company of the Group, GDF SUEZ is the ultimate guarantor vis-à-vis its subsidiaries for any debts they may incur and that may exceed the share borne by the member company acting as guarantor.

This agreement had no impact on fiscal year 2014.

B.2. Agreements and commitments approved during the year

In addition, we have been advised of the implementation during the year of the following agreements and commitments, which were approved by the general meeting of shareholders of April 28, 2014, based on the statutory auditors' report dated March 7, 2014.

B.2.1. With Crédit Agricole CIB

Director concerned

Edmond Alphandéry, Director of GDF SUEZ and of Crédit Agricole CIB.

Nature, purpose and terms: Changes to Nord Stream AG guarantees

As mentioned in the paragraph B.1.2.1 "Agreements and commitments approved by the Shareholders' Meeting", Nord Stream AG is a Swiss company formed for the purpose of building and operating two offshore natural gas pipelines extending across the Baltic Sea from Russia to Germany. The project financing has two phases (Phase I and Phase II), corresponding to the two pipelines.

Project financing for Phase I was authorized by the board of directors on June 23, 2010. This authorization was confirmed by the board of directors on January 13, 2011, following a number of amendments to some of the transaction documents to acknowledge the entry of GDF SUEZ into the project on July 1, 2010 and the implementation of financing for Phase II. Project financing for Phase II was authorized by the board of directors on January 13, 2011.

Nord Stream AG planned to refinance the commercial loans for Phase I not covered by export credit agencies for the sum of €729 million via the issue of bonds on the project, in accordance with the Replacement Debt mechanism, as set out in the Phase I Common Terms Agreement and the Phase II Common Terms Agreement (the "Bond Issue"). The Bond Issue would be conducted via a BNP Paribas multi-issuer vehicle ("Aquarius"). Aquarius is an ad hoc vehicle based in Ireland and managed by a BNP Paribas independent board of directors. Aquarius would issue fixed-rate bonds with a maturity of 15 years via its existing bond program and would give Nord Stream AG the proceeds of the Bond Issue in accordance with the Replacement Debt mechanism outlined above. Nord Stream AG would use the sums thus made available to refinance the Phase I commercial loans.

To this end, GDF SUEZ would sign, after prior authorization by the board of directors at its meeting of January 22, 2014:

- An "English Law Global Amendment" agreement, which would amend certain financing documents to which GDF SUEZ is party;
- An "English Law Dispute Resolution" agreement, to amend dispute resolution clauses in English law.

As the refinancing transaction described above was not implemented, the aforementioned agreements were not signed.

B.2.2. With the Suez Environnement Company (in which an interest of 33.70% is held)

Directors concerned

Gérard Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ and Chairman of the board of directors of Suez Environnement Company, Jean-François Cirelli, Vice-Chairman and President of GDF SUEZ and Director of Suez Environnement Company until November 11, 2014, and Isabelle Kocher, Executive Vice-President and Director of Suez Environnement Company since November 12, 2014.

a) Nature, purpose and terms: Sharing of pension obligations between GDF SUEZ and Suez Environnement Company

In connection with the non-renewal of the Shareholders' Agreement, which expired on July 22, 2013 and had been approved by the board of directors at its meeting of December 5, 2012, GDF SUEZ no longer controls Suez Environnement Company and its subsidiaries ("Suez Environnement Company").

The change in the relationship between GDF SUEZ and Suez Environnement made it necessary to conclude an agreement to avoid a situation whereby no account is taken, when calculating the pension rights resulting from the supplementary defined benefit plans, known as "TC and TD", of a portion of the working periods of employees who spent their careers at both the GDF SUEZ and the Suez Environnement groups.

This agreement stipulates that working periods completed at the GDF SUEZ Group until July 22, 2013 will be taken into account in the calculation of rights by the Suez Environnement Group, and that those working periods at the Suez Environnement Group until July 22, 2013 will be taken into account in the calculation of rights by the GDF SUEZ Group, provided that these working periods created rights pursuant to pension regulations under the version in effect on July 22, 2013.

This agreement provides for the evaluation of employee benefits for each of the two groups and outlines the procedures used to transfer the credit balance to the Suez Environnement Group in the amount of €59,266.

At its meeting of February 26, 2014, the board of directors unanimously approved the conclusion of the aforementioned agreement, giving full powers to the Chairman and Chief Executive Officer and to the Vice-Chairman and President, with the authority to sub-delegate, to sign said agreement, to sign any other related documents and, generally, to do whatever is necessary as regards the sharing of pension obligations between GDF SUEZ and Suez Environnement.

The agreement was signed on March 5, 2014 and the credit balance was transferred in 2014.

b) Nature, purpose and terms: Amendment to the trademark license agreement and transition agreement regarding external purchases

A shareholders' agreement was signed in June 2008, just before the merger of Suez and Gaz de France, for a period of five years from July 22, 2008; it enabled control of 48% of the capital of Suez Environnement Company along with the other shareholders in the agreement, of which 35% was held by SUEZ alone.

As mentioned in paragraph B.1.1.2 "Agreements and commitments approved in previous years", from part B of this report, this agreement expired on July 22, 2013, resulting in the loss of control of Suez Environnement Company by GDF SUEZ. This change in the situation led to a revision of the governance of Suez Environnement Company, which was reviewed by the board of directors at its meeting of July 31, 2013. The Board also made plans to sign two important agreements relating to the "Suez" brand and external purchasing.

The board of directors' meeting of September 25, 2013 examined and unanimously authorized these agreements signed on October 1, 2013, which respectively provide for:

- an addendum to the trademark license agreement, under whose specific terms GDF SUEZ has the right to terminate the trademark license agreement if GDF SUEZ ceases to hold an interest of more than 20% in Suez Environnement Company, or if another shareholder (or several shareholders acting together) holds more than 20% of the capital and said other shareholder holds more than the GDF SUEZ interest. In this event, the Group would have the right to terminate the trademark license agreement after providing 12 months' notice, and thus to withdraw the right to use the name "Suez";

  As a reminder, the trademark license agreement, signed in 2008, concerned the concession by SUEZ to Suez Environnement for five years, with automatic renewal, the right to use on a non-exclusive and free basis the "Suez" trademark under its corporate name, and in other specific trademarks;
- the transition agreement concerning external purchases for a limited period, i.e. until July 31, 2015, which will allow both companies to retain their critical mass, generating significant reductions, and to leverage both volumes and synergies with regard to external suppliers.

Neuilly-sur-Seine and Paris-La Défense, March 3, 2015
The statutory auditors
French original signed by

DELOITTE & ASSOCIES

Véronique Laurent

ERNST & YOUNG et Autres

Pascal Macioce
Charles-Emmanuel Chosson

4.4.2 Transactions with related parties

See Note 25 of the Consolidated Financial Statements.

4.4.3 Service contracts binding members of corporate governance bodies

To GDF SUEZ' knowledge, there is no service contract binding members of the Company's management bodies or any of its subsidiaries that provides for benefits to be granted under such a contract

4.5 COMPENSATION AND BENEFITS OF MEMBERS OF CORPORATE GOVERNANCE AND MANAGEMENT BODIES

This chapter was prepared in coordination with the Appointments and Compensation Committee.

4.5.1 Compensation of executive management and corporate officers

Compensation of corporate officers is determined by the Board of Directors based on the Appointments and Compensation Committee's proposals. It is the subject of a presentation and an advisory vote ("*say on pay*") at the Annual Shareholders' Meeting in accordance with the recommendations of the Afep-Medef Code.

The compensation policy is reviewed annually by the Appointments and Compensation Committee, and relies in particular on specific studies undertaken by an external specialist firm in this field.

In its recommendations to the Board of Directors, the Appointments and Compensation Committee seeks to propose a compensation policy in line with the practices of comparable major international groups for similar positions, based on a benchmark carried out by a specialized external firm, which includes companies listed on the CAC40, Eurostoxx 50 (excluding companies in the financial sector), and Eurostoxx Utilities indices.

Stringent quantitative and qualitative performance criteria are set, both for the variable portion of compensation and for long-term incentive plans, helping to maintain a link between the Group's performance and the compensation of its directors in the short, medium and long-term.

In accordance with the recommendations of the Afep-Medef Code on compensation policy, to which the Company adheres, the compensation of the two corporate officers includes:

- a fixed portion (see 4.5.1.1); this fixed amount remains unchanged, unless the Board of Directors, upon recommendation of the Appointments and Compensation Committee, decides otherwise;
- a variable portion, balanced relative to total compensation, which aims to reflect the executive's personal contribution to the Group's development and results (see 4.5.1.2);
- a long term incentive in the form of Performance Units (see 4.5.1.3), subject to performance conditions.

Isabelle Kocher was appointed Deputy CEO on November 12, 2014. The Board decided to maintain the compensation and benefits package awarded to her as Chief Financial Officer until the end of the year. Her compensation was therefore not changed following her appointment as Deputy CEO on November 12, 2014 and her employment contract remained in force through December 31, 2014. Details of the compensation and benefits awarded to Isabelle Kocher in 2014, as well as her elements of compensation for 2015, can be found in section 4.5.1.9 below.

4.5.1.1 Fixed compensation

Fixed compensation in 2014

The 2014 fixed compensation of Gérard Mestrallet remains unchanged since 2009 (€1,400,000).

The suspended employment contract of Gérard Mestrallet was terminated on his initiative upon his reappointment as Chairman and CEO on April 23, 2012. He requested the liquidation of his retirement benefit rights and, at his request, the total of his retirement benefit rights under the general State retirement scheme from the Caisse Nationale d'Assurance Vieillesse (CNAV) and the mandatory supplementary State schemes from ARRCO and AGIRC are deducted from the amount paid by GDF SUEZ; thus, the total fixed compensation paid in 2014 by GDF SUEZ to Gérard Mestrallet was €1,309,531, plus the mandatory State retirement amount (€90,469), making a total of €1,404,533 including benefits in kind of €4,533.

The fixed compensation of Jean-François Cirelli remained unchanged in 2014 (€1,000,000). Jean-François Cirelli's role as Vice-Chairman and President ended on November 11, 2014; therefore, his total fixed compensation in 2014, paid on a prorated basis for the actual term of corporate office, amounted to €866,915, including benefits in kind of €2,883.

Since November 12, Jean-François Cirelli has, through a consulting firm, undertaken a three-month assignment to facilitate the succession into his previous role as manager of the Energy Europe business line. For this assignment, he received, in 2014, consultancy fees amounting to €192,000. In addition, as part of a fixed-term arrangement, the Group continues to benefit from Jean-François Cirelli's expertise, specifically on issues of securing gas supplies.

Fixed compensation in 2015

The fixed compensation of Gérard Mestrallet for 2015 remains unchanged (€1,400,000).

4.5.1.2 Variable compensation

Variable compensation for 2013

The structure of the variable compensation paid in 2014 for the 2013 fiscal year is broken down into two components: a quantitative component (70%) and a qualitative component (30%).

For the quantitative component, the criteria used are based 50% on Recurring net income, Group Share per share and 50% free cash flow, ROCE and net debt (each for one-sixth). The quantitative targets for 2013 were based on the Group's projected budget as presented to the Board of Directors on December 5, 2012.

For the qualitative component, the criteria used are:

- for Gérard Mestrallet: monitoring the ROCE per business line; establishing a proactive R&D policy involving the business lines; overseeing the Group's social and environmental responsibilities; managing CAPEX and general and administrative expenses (G&A); and meeting Group health and safety targets;
- for Jean-François Cirelli: redefining the business model of the Energy Europe business line; establishing a proactive R&D policy involving the business lines; and overseeing the contribution by the Energy Europe business line and the Purchasing organization to the Perform 2015 performance plan.

In 2013, Gérard Mestrallet's target bonus was set at 130% of his fixed compensation and capped at 150%. JeanFrançois Cirelli's target bonus was set at 100% and capped at 120%.

At its meeting of February 26, 2014, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, set – based on the above - the variable compensation for 2013 as follows:

- for Gérard Mestrallet: €1,630,174[1] compared with €1,600,000 for 2012;
- for Jean-François Cirelli: €892,700[2] compared with €840,000 for 2012.

However, in light of the difficult situation of the energy sector in Europe, and its impact on the Group (including the efforts required from employees under the Perform 2015 performance plan) and on its shareholders, the two corporate officers waived 50% of their variable compensation for 2013, which therefore amounted to:

- for Gérard Mestrallet: €815,000;
- for Jean-François Cirelli: €446,000.

Variable compensation for 2014

Variable compensation for 2014, to be paid in 2015, is structured into two components: a quantitative component (70%) and a qualitative component (30%).

For the quantitative component, the criteria used are based 50% on Recurring net income, Group Share per share and 50% on free cash flow, ROCE and net debt (each for one-sixth). The quantitative targets for 2014 were based on the Group's projected budget as presented to the Board of Directors on February 26, 2014.

For the qualitative component, the criteria used are:

- for Gérard Mestrallet: effectiveness in driving forward a strong European energy policy; development of new corporate social responsibility initiatives for the Group; establishment of a determined and proactive innovation policy, also involving the business lines, with the creation of major Group-wide programs with clearly-stated priorities; setting up of an "Innovation and New Business" policy and assessment of the preliminary results; establishment of a global renewable energy organization; definition and implementation of a Group "Services" strategy;
- for Jean-François Cirelli: effective restructuring and reorganization of the Energy Europe business line's activities; definition of the future scope of this business and steps to achieve it; establishment of a determined and proactive innovation policy also involving the business lines, with the creation of major Group-wide programs with clearly-stated priorities.

(1) *For the quantitative component (representing 70% of variable compensation), the results achieved were:*
Recurring net income, Group share per share (1/2): 92.3%
ROCE (1/6): 90.3%
Free cash flow (1/6): 120%
Net debt (1/6): 59.5%
In total, the variable portion for quantitative elements amounted to 91.1% of 70%. For the qualitative component (representing 30% of variable compensation), the Board of Directors determined that Gérard Mestrallet had met his criteria at a rate of 86%.

(2) *The quantitative criteria and results achieved are identical to those presented in Note 1 above for Gérard Mestrallet. For the qualitative component (representing 30% of variable compensation), the Board of Directors determined that Jean-François Cirelli had met his criteria at a rate of 85%.*

In 2014, Gérard Mestrallet's target bonus was set at 130% of his fixed compensation and capped at 150%. JeanFrançois Cirelli's target bonus was set at 100% and capped at 120%.

Based on the above, and on the recommendation of the Appointments and Compensation Committee, the Board of Directors at its meeting of February 25, 2015, set the variable compensation for 2014 as follows:

- for Gérard Mestrallet: €1,723,830[(1)] versus €1,630,174 for 2013 (€815,000 actually paid after waiver of 50% of his variable compensation);
- for Jean-François Cirelli: €977,160[(2)] versus €892,700 for 2013 (€446,000 actually paid after waiver of 50% of his variable compensation).

However, in light of the difficult situation of the energy sector in Europe, and its impact on the Group (including the efforts required from employees under the Perform 2015 performance plan) and on its shareholders, the two corporate officers waived 30% of their total target compensation for 2014, with this amount being deducted in the first instance from the variable portion, which then came to:

- for Gérard Mestrallet: €379,830 against €815,000 in 2013;
- for Jean-François Cirelli: €125,160 against €446,000 in 2013.

Variable compensation for 2015

At its meeting of December 10, 2014, the Board of Directors decided to set the following target variable compensation in respect of 2015, after waiver by Gérard Mestrallet of a portion of his variable compensation: €476,000 (after waiver of €1,344,000).

In addition, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to increase the proportion of the two corporate officers' 2015 variable compensation that is based on qualitative criteria to 40%, (from 30% previously), and to reduce the quantitative component to 60% (from 70% previously).

The quantitative criteria and the percentages of target and maximum variable compensation for 2014 have been renewed for 2015.

4.5.1.3 Long-term incentive compensation (Performance Units)

The Appointments and Compensation Committee, following the recommendations of the Afep-Medef Code which seeks to increase the long-term engagement of corporate leaders, recommended to the Board of Directors that the compensation of corporate officers should include a long-term incentive, provided that it is reasonable and subject to stringent performance conditions, comparable to those of other beneficiaries. On December 6, 2011, the Board of Directors decided that the long-term incentive may not exceed 40% of the total compensation of the corporate officers.

The Appointments and Compensation Committee proposed a long-term incentive plan to the Board for 2014 in the form of Performance Units with the same characteristics as the plans for 2012 and 2013 (which the corporate officers had fully waived in 2012 and partially waived in 2013).

Performance Units for 2014

On December 10, 2014 the Board of Directors awarded 150,000 Performance Units (valuation of €1,672,500) to Gerard Mestrallet as part of his 2014 package.

The valuation of Performance Units is explained in note (1) under section 4.5.1.7 below.

The characteristics of the Performance Units Plan are:

- Performance Units vest in full after three years (March 2018), after which the beneficiary may freely exercise them, with fractional exercises being possible;

(1) For the quantitative component (representing 70% of variable compensation), the results achieved were:
Recurring net income, Group share per share (1/2): 107.59%
ROCE (1/6): 64.25%
Free cash flow (1/6): 103.65%
Net debt (1/6): 102.66%
In total, the variable portion for quantitative elements amounted to 98.8% of 70%. For the qualitative component (representing 30% of variable compensation), the Board of Directors decided that Gérard Mestrallet had met his criteria at a rate of 85%.

(2) The quantitative criteria and results achieved are identical to those presented above for Gérard Mestrallet. For the qualitative component (representing 30% of variable compensation) and taking into consideration changes that have occurred in 2014 as well as his role in the GDF SUEZ merger and his subsequent contribution, the Board of Directors has set the quantitative rate for Jean-François Cirelli at 95%.

- final vesting is subject to a three-fold performance condition, with each criterion counting for one-third[1]:
  - Total Shareholder Return (TSR: stock market performance, reinvested dividend) of the GDF SUEZ share compared to the TSR of companies included in the Eurostoxx Utilities index (Eurozone) for the period December 2017 - January 2018 compared to November - December 2014,
  - Recurring net income, Group Share for the 2016 and 2017 fiscal years, compared to the budgeted Recurring net income, Group Share for these same years (*pro forma*),
  - 2017 ROCE, compared to the target 2017 ROCE of the medium-term business plan presented to the Board of Directors on February 25, 2015;
- upon exercise, the Performance Unit's value is based on the weighted average daily share price published after the request to exercise. This method reduces the effects of volatility inherent in a closing or opening price;
- obligation to reinvest, in GDF SUEZ shares, two-thirds of the net amount paid, until the shareholding target (equal to two years' fixed compensation for corporate officers, see 4.5.5.1 below) has been met;
- maintenance of rights in the event of death, retirement, disability (2nd or 3rd category under Article L. 341-4 of the French Social Security Code); it is expressly indicated that the end of the term of office resulting from reaching the maximum age provided in the company's bylaws shall be treated as retirement;
- in case of death, the performance conditions shall be deemed fully satisfied. The heirs would have a period of six months from the date of death to exercise the Performance Units. After this period the Performance Units will irrevocably lapse;
- in case of termination of office or of an employment contract for any other reason, the rights will lapse, unless otherwise decided by the Board of Directors.

Performance units for 2015

On December 10, 2014 the Board of Directors decided an award of 150,000 Performance Units to Gerard Mestrallet for 2015.

4.5.1.4 Retirement plans

Gérard Mestrallet is not covered by an individual retirement benefit plan. In addition to mandatory State retirement schemes, he benefits from collective supplementary pension benefits given to employees of the former SUEZ Group, which he joined in 1984. Gérard Mestrallet was reappointed as Chairman and CEO on April 23, 2012 and therefore his employment contract, which was automatically suspended when he became corporate officer, was terminated at his initiative, in accordance with the Afep-Medef Code. Gérard Mestrallet requested the liquidation of his retirement pension rights under the general State retirement scheme from the CNAV, the mandatory supplementary State schemes from ARRCO and AGIRC and the collective supplementary company pension plans, but, for the duration of his current position, he declined to receive any annuity payments due under the collective supplementary pension plans. The annual annuity resulting from collective supplementary pension plans from which Gérard Mestrallet shall benefit (once he no longer holds his current position) will amount to €831,641, or 28% of his reference compensation in 2012 (reference year for the liquidation of rights).

Jean-François Cirelli is covered by a mandatory statutory retirement plan, which is defined by the national statute of employees of the Electricity and Gas Industries (EGI), implemented under the Nationalization Act of April 8, 1946, and the Decree of June 22, 1946. This retirement plan is managed by the Caisse Nationale des Industries Électriques et Gazières. The amount of retirement benefits paid based on a career affiliated with the EGI's special retirement plan is proportional to the end-of-career compensation, excluding bonuses, in the Electricity and Gas Industries. The proportionality coefficient is equal to the number of years' service in the Electricity and Gas Industries, multiplied by 75% of the required length of service (currently 41 years and 6 months), *i.e.*, 1.81% per year of service in the Electricity and Gas Industries.

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(1) *Details of the performance conditions:*
(a) external condition related to the Total Shareholder Return (TSR) (stock market performance, reinvested dividend) of the GDF SUEZ share compared with the TSR of companies included in the Eurostoxx Utilities Index (Eurozone)
GDF SUEZ TSR ≤ 90% of TSR of Eurostoxx Utilities (Eurozone) companies: success rate of 0%.
GDF SUEZ TSR = 100% of TSR of Eurostoxx Utilities (Eurozone) companies: success rate of 70%.
GDF SUEZ TSR ≥ 103% of TSR of Eurostoxx Utilities (Eurozone) companies: success rate of 100%.
For intermediary results (from 90% to 100% and from 100% to 103%): progressive and linear success rate.
To smooth out the possible effects of volatility (gain or loss), the TSR will be calculated by taking the average of the GDF SUEZ TSR (stock market performance, reinvested dividend) and that of the Eurostoxx Utilities (Eurozone) companies over two months, namely December 2017 to January 2018, versus November to December 2014.
(b) Internal condition related to recurring net income, Group share for 2016 and 2017 vs. the target recurring net income, Group share for the same years (pro forma):
Recurring net income, Group share 2016+2017 < Recurring net income, Group share threshold 2016+2017 (Recurring net income, Group share threshold = 90% of the target Recurring net income, Group share): success rate of 0%.
Recurring net income, Group share 2016+2017 = Recurring net income, Group share threshold 2016+2017: success rate of 33%.
Recurring net income, Group share 2016+2017 ≥ target Recurring net income, Group share 2016+2017: success rate of 100%.
(c) Internal condition related to the 2017 ROCE compared to the target 2017 ROCE in the medium term business plan (MTBP) presented to the Board of Directors on February 25, 2015:
ROCE 2017 < 2017 ROCE threshold (ROCE threshold = 90% of target ROCE): success rate of 0%.
2017 ROCE = 2017 ROCE threshold: success rate of 33%.
2017 ROCE = target 2017 ROCE: success rate of 100%.
Progressive and linear success rate from 33%.
Success rates (from 0% to 100%) will be calculated for each condition and an overall rate established by an arithmetic mean of the three conditions.

4.5.1.5 Employment contract, special retirement plans, severance pay and no-competition clause

	Employment contract	Supplementary retirement plan	Compensation or benefits due or that may become due on termination or change of function	Compensation due under a no-competition clause
Gérard Mestrallet *Chairman and Chief Executive Officer*	No	No[1]	No	No
Jean-François Cirelli[2] *Vice-Chairman and President*	No	No[1]	No	No

(1) See 4.5.1.4.
(2) Corporate officer until November 11, 2014.

GDF SUEZ does not currently offer any signing bonus or compensation for the loss of office to corporate officers. Neither is any compensation payable to corporate officers under no-competition clauses.

4.5.1.6 Summary of compensation of each corporate officer

	2014		2013	
In euros	**Amount due in 2014**	**Amount paid in 2014**	**Amount due for 2013**	**Amount paid in 2012**
Gérard Mestrallet *Chairman and Chief Executive Officer*				
Fixed compensation	1,400,000[1]	1,400,000[1]	1,400,000[1]	1,400,000[1]
Variable compensation[2]	379,830	815,000	815,000	1,600,000
Exceptional compensation	0	0	0	0
Directors' fees	0	0	0	0
Benefits in kind[3]	4,533	4,533	4,533	4,533
TOTAL	**1,784,363**	**2,219,533**	**2,219,533**	**3,004,533**
Jean-François Cirelli *Vice-Chairman and President* *(until November 11, 2014)*				
Fixed compensation	864,032	864,032	1,000,000	1,000,000
Variable compensation[2]	125,160	446,000	446,000	840,000
Exceptional compensation	0	0	0	0
Directors' fees	0	0	0	0
Benefits in kind[4]	2,883	2,883	3,836	3,836
TOTAL	**992,075**	**1,312,915**	**1,449,836**	**1,843,836**

(1) Including CNAV, ARRCO and AGIRC.
(2) The total amount of variable compensation due for 2013 was determined on February 26, 2014 and paid in March 2014. The total amount of variable compensation due for 2014 was determined on February 25, 2015 and paid in March 2015.
(3) Benefits in kind include: vehicle.
(4) Benefits in kind include: energy and vehicle.

4.5.1.7 Summary of compensation for each corporate officer

In euros	2014	2013
Gérard Mestrallet *Chairman and Chief Executive Officer*		
Compensation due for the fiscal year *(detailed in the preceding table)*	1,784,363	2,219,533
Valuation of options granted for the fiscal year	0	0
Valuation of Performance Shares granted for the fiscal year	0	0
Valuation of Performance Units granted during the year	1,672,500[1]	630,000[2]
TOTAL	**3,456,863**	**2,849,533**
Jean-François Cirelli *Vice-Chairman and President* *(until November 11, 2014)*		
Compensation due for the fiscal year *(detailed in the preceding table)*	992,075	1,449,836
Valuation of options granted for the fiscal year	0	0
Valuation of Performance Shares granted for the fiscal year	0	0
Valuation of Performance Units granted during the year	0	420,000[2] [3]
TOTAL	**992,075**	**1,869,836**

(1) The valuation of Performance Units, based on a model provided by an external specialist firm, is based on an approach used for all of its client companies to obtain comparable valuations. It uses the parameters and assumptions consistent with the principles of IFRS, but takes into account all possible performance conditions (external and internal), not limited to "market" performance conditions as in IFRS 2. This valuation also takes into account the share price, the annual expected dividend yield, historical share price volatility, the risk-free rate, a three-year maturity, a three-year vesting period and an estimated lifespan of 4.5 years. Thus, the valuation used for Performance Units granted in 2014 is €11.15. This valuation is theoretical, to the extent that the final vesting of Performance Units (three years after the grant date) depends on the achievement of stringent and demanding performance conditions. Thus, 87,000 Performance Shares granted to Gérard Mestrallet for 2010 were at the time of grant valued at €1,706,070; in reality, only 12,711 Performance Shares were delivered to Gérard Mestrallet in March 2014, for a value of €240,937.

(2) The main terms of the Performance Units grant for 2013 are presented on pages 140 and 141 of the 2013 Registration Document.

(3) It was decided that the rights of Jean-François Cirelli to Performance Units that had been granted to him for 2013 will be maintained despite the termination of his duties as a corporate officer.

4.5.1.8 Elements of compensation due or awarded for 2014 to each corporate officer of the Company, subject to the consultative vote of shareholders

In accordance with the recommendations of Article 24.3 of the Afep-Medef Code to which the Company adheres pursuant to Article L. 225-37 of the French Commercial Code, the following elements of compensation due or awarded to each corporate officer of the Company, for the fiscal year ended, are subject to the shareholders' consultative vote:

- the fixed portion;
- the annual variable portion and, where appropriate, the multi-year variable portion, together with the objectives contributing to the determination of this variable portion;
- exceptional compensation;
- stock options, performance shares and any other long-term compensation;
- compensation associated with the commencement or termination of duties;
- supplementary retirement plan; and;
- benefits of any kind.

Accordingly, it will be proposed at the Annual Shareholders' Meeting of April 28, 2015 to express an opinion on the following elements of the compensation due or awarded for 2014:

- Gérard Mestrallet, Chairman and Chief Executive Officer;
- Jean-François Cirelli, Vice-Chairman and President until November 11, 2014.

ELEMENTS OF COMPENSATION DUE OR AWARDED FOR 2014 TO GÉRARD MESTRALLET, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Type of compensation	Amount	Comments
Fixed compensation	€1,400,000	The fixed compensation of Gérard Mestrallet remained unchanged in 2014. The suspended employment contract of Gérard Mestrallet was terminated on his initiative upon his reappointment as Chairman and CEO on April 23, 2012. He requested the liquidation of his retirement benefit rights and, at his request, the total of his retirement benefit rights under the general State retirement scheme from the Caisse Nationale d'Assurance Vieillesse (CNAV) and the mandatory supplementary State schemes from ARRCO and AGIRC is deducted from the amount paid by GDF SUEZ in such a way that the total fixed compensation paid in 2014 by GDF SUEZ to Gérard Mestrallet was €1,309,531, plus the mandatory retirement amount (€90,469), making a total of €1,404,533 including benefits in kind of €4,533.
Variable compensation	€379,830	The structure of variable compensation of Gérard Mestrallet for 2014, and to be paid in 2015, is broken down into two components: a quantitative component (70%) and a qualitative component (30%). For the quantitative component, the criteria used are based 50% on Recurring net income, Group Share per share and 50% free cash flow, ROCE and net debt (each for one-sixth). The quantitative targets for 2014 were included in the Group's projected budget as presented to the Board of Directors on February 26, 2014. For the qualitative component, the criteria used are: effectiveness in driving forward a strong European energy policy; development of new corporate social responsibility initiatives for the Group; establishment of a determined and proactive innovation policy also involving the business lines, with the creation of major Group-wide programs with clearly-stated priorities; setting up of an "Innovation and New Business" policy and assessment of the preliminary results; establishment of a global renewable energy organization; definition and implementation of a Group "Services" strategy. In 2014, Gérard Mestrallet's target variable compensation was set at 130% of his fixed compensation, and capped at 150%. At its meeting of February 25, 2015, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, set the variable compensation for 2014 of Gérard Mestrallet at €1,723,830. However, in light of the difficult situation of the energy sector in Europe, and its impact on the Group (including the efforts required from employees under the Perform 2015 performance plan) and on its shareholders, Gérard Mestrallet waived 30% of his total target compensation for 2014, or €1,344,000. This amount was deducted in the first instance from his variable compensation, which then came to €379,830, compared to €815,000 for 2013.
Variable multi-year compensation	None	Gérard Mestrallet receives no variable multi-year compensation.
Directors' fees	None	Gérard Mestrallet receives no Directors' fees.
Exceptional compensation	None	Gérard Mestrallet receives no exceptional compensation.

Type of compensation	Amount	Comments
Allocation of stock options, performance shares and any other long-term compensation	Valuation[(1)]: €1,672,500	On December 10, 2014 the Board of Directors awarded 150,000 Performance Units (valued at €1,672,500) to Gerard Mestrallet as part of his 2014 package. Performance Units vest in full after three years (March 2018), after which the beneficiary may freely exercise them, with fractional exercises being possible. Final vesting is subject to a three-fold performance condition, with each criterion counting for one-third: • Total Shareholder Return (TSR: stock market performance, reinvested dividend) of the GDF SUEZ share compared to the TSR of companies included in the Eurostoxx Utilities index (Eurozone) for the period December 2017-January 2018 compared to November-December 2014; • Recurring net income, Group Share for fiscal years 2016 and 2017, compared to the budgeted Recurring net income, Group Share for these same years (*pro forma*); • 2017 ROCE, compared to the target 2017 ROCE of the medium-term business plan presented to the Board of Directors on February 25, 2015. Success rates (from 0% to 100%) will be calculated for each condition and an overall rate established by an arithmetic mean of the three conditions. On December 6, 2011, the Board of Directors decided that the value of this component of compensation should not exceed 40% of the total compensation.
Compensation associated with the commencement or termination of office	None	Gérard Mestrallet receives no compensation associated with the commencement or termination of office. Isabelle Kocher's employment contract, which has been suspended with effect January 1,2015, does not contain any specific compensation under a non competition clause or associated with termination of office. Any GDF SUEZ Management Commpany employee is entitled to compensation upon termination of the employment contract, as provided by the terms of the GDF SUEZ Management Company social agreement.
Supplementary retirement plan	No payments	Gérard Mestrallet is not covered by an individual retirement benefit plan. In addition to mandatory State retirement schemes, he benefits from collective supplementary pension benefits given to employees of the former SUEZ Group, which he joined in 1984. Gérard Mestrallet was reappointed as Chairman and CEO on April 23, 2012 and therefore his employment contract, which was automatically suspended when he became corporate officer, was terminated at his initiative, in accordance with the Afep-Medef Code. Gérard Mestrallet requested the liquidation of his retirement pension rights under the general State retirement scheme from the CNAV, the mandatory State supplementary schemes from ARRCO and AGIRC and the collective company supplementary pension plans, but, for the duration of his current position, he declined to collect any annuity payments resulting from collective supplementary pension plans. The annual annuity resulting from collective supplementary pension plans from which Gérard Mestrallet shall benefit (once he no longer holds his current position) will amount to €831,641, representing 28% of his 2012 reference compensation (reference year for the liquidation of rights).
Benefits in kind	€4,533	Gérard Mestrallet has the beneficial use of a company vehicle.

(1) See note on this theoretical valuation in Section 4.5.1.7 of the 2014 Registration Document.

ELEMENTS OF COMPENSATION DUE OR AWARDED FOR 2014 TO JEAN-FRANÇOIS CIRELLI, VICE-CHAIRMAN AND PRESIDENT (UNTIL NOVEMBER 11, 2014)

Type of compensation	Amount	Comments
Fixed compensation	€866,915	The fixed compensation of Jean-François Cirelli remained unchanged in 2014 (€1,000,000). Jean-François Cirelli's role as Vice-Chairman and President ended on November 11, 2014; therefore, his total fixed compensation in 2014, paid on a prorated basis for the actual term of his duties as a corporate officer, amounted to €866,915, including benefits in kind of €2,883.
Variable compensation	€125,160	The structure of variable compensation of Jean-François Cirelli for 2014, and to be paid in 2015, is broken down into two components: a quantitative component (70%) and a qualitative component (30%). For the quantitative component, the criteria used are based 50% on Recurring net income, Group Share per share and 50% free cash flow, ROCE and net debt (each for one-sixth). The quantitative targets for 2014 were included in the Group's projected budget as presented to the Board of Directors on February 26, 2014. For the qualitative component, the criteria used are: effective restructuring and reorganization of the Energy Europe business line's activities; definition of the future scope of this business and steps to achieve it (type of activity and geographical location); establishment of a determined and proactive innovation policy also involving the business lines, with the creation of major Group-wide programs with clearly-stated priorities. In 2014, Jean-François Cirelli's target variable compensation was set at 100% of his fixed compensation and capped at 120%. At its meeting of February 25, 2015, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, set the variable compensation of Jean-François Cirelli for 2014 at €977,160. However, in light of the difficult situation of the energy sector in Europe, and its impact on the Group (including the efforts required from employees under the Perform 2015 performance plan) and on its shareholders, Jean-François Cirelli waived 30% of his total target compensation for 2014, or €852,000. This amount was deducted primarily from his variable compensation, which then came to €125,160, compared to €446,000 for 2013.
Variable multi-year compensation	None	Jean-François Cirelli receives no variable multi-year compensation.
Directors' fees	None	Jean-François Cirelli receives no Directors' fees.
Exceptional compensation	None	Jean-François Cirelli receives no exceptional compensation.
Allocation of stock options, performance shares and any other long-term compensation	None	None
Compensation associated with the commencement or termination of office	None	Jean-François Cirelli receives no compensation associated with the commencement or termination of office.
Supplementary retirement plan	No payments	Jean-François Cirelli is covered by a mandatory, special statutory retirement plan, which is defined by the national statute of employees of the Electricity and Gas Industries (EGI), implemented under the Nationalization Act of April 8, 1946, and the Decree of June 22, 1946. This retirement plan is managed by the Caisse Nationale des Industries Électriques et Gazières. The amount of retirement benefits paid based on a career affiliated with the EGI's special retirement plan is proportional to the end-of-career compensation, excluding bonuses, in the Electricity and Gas Industries. The proportionality coefficient is equal to the number of years' service in the Electricity and Gas Industries, multiplied by 75% of the required length of service (currently 41 years and 6 months), *i.e.*, 1.81% per year of service in the Electricity and Gas Industries.
Benefits in kind	€2,883	Jean-François Cirelli benefits from an energy price discount and a vehicle.

4.5.1.9 Compensation and benefits due or awarded to Isabelle Kocher

Isabelle Kocher was appointed Deputy CEO and Chief Operating Officer on November 12, 2014. The Board decided to maintain the compensation and benefits package awarded to her as Chief Financial Officer until the end of the year. Her compensation was therefore not changed following her appointment as Deputy CEO on November 12, 2014 and her employment contract remained in force through December 31, 2014.

In 2014, the compensation and benefits awarded to Isabelle Kocher for the full year were as follows:

- Fixed compensation of €601,708, including benefits in kind (company vehicle) totaling €1,708.
- Variable compensation of €690,000.
- An award of 35,000 Performance Shares (valued at €414,400). These Performance Shares were granted under the 2014 stock option plan, the main features of which are described in section 4.5.5.3 below.
- In addition to legally-mandated retirement plans (CNAMTS, CNAV, ARRCO and AGIRC), the benefit of supplementary group retirement plans (similar to those of the former SUEZ Group), healthcare and other benefits applicable to all employees of GDF SUEZ Management Company[1].

Isabelle Kocher's employment contract was suspended as of January 1, 2015. As stated in the annual report of the High Corporate Governance Committee (October 2014), the recommendation of Article 22 of the AFEP-MEDEF Code to terminate the employment contract of an employee when he or she becomes a corporate officer does not apply to deputy chief executive officers. Isabelle Kocher's suspended employment contract does not provide for any particular non-compete consideration or severance pay. All employees of GDF SUEZ Management Company benefit from employment contract termination payments, in accordance with the GDF SUEZ Management Company labor agreements. It is reiterated that there is no system of hiring bonuses or golden parachutes for corporate officers at GDF SUEZ and no compensation due under the non-compete clauses.

The Board of Directors has approved maintaining the supplementary group retirement, healthcare and benefits plans awarded to Isabell Kocher before her employment contract was suspended.

Isabelle Kocher's rights will be aligned with France's draft law on growth, activity and equality of economic opportunity (Macron Act). Pending the definitive adoption and implementation of this law, it is specifically stated that the annual increase in the conditional rights to the defined-benefit supplementary pension annuity that Isabelle Kocher will benefit from as of January 1, 2015, will be capped at 3% of the annual compensation used as the basis for the annuity calculation. In addition, the increase for 2015 of the defined-benefit pension plan that will apply to Isabelle Kocher is subject to performance conditions defined and assessed by the Board on an annual basis. Accordingly, the increase for 2015 is subject to the arithmetic mean obtained after applying the following four criteria, all equally weighted: Recurring net income per share, ROCE, FCF after interest, and Net Debt[2].

For 2015, the Board of Directors decided to set Isabelle Kocher's compensation as follows, after she waived a portion of her variable compensation:

- Fixed compensation of €900,000
- Target variable compensation of €681,500 (after waiver of €418,500)
- An allocation of 61,121 Performance Units (after waiver of 38,879 Performance Units).

The Board decided to raise the share of corporate officers' variable compensation for 2015 based on qualitative criteria accounting for 40% (compared to 30% previously) and therefore reducing the share of quantitative criteria to 60% (compared to 70% previously). The quantitative criteria applicable to corporate officers for 2014 will be used to define the variable compensation for 2015.

Isabelle Kocher's compensation and benefits package for 2015 will be submitted to a consultative vote at the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2015.

(1) These plans are as follows:
- a defined-benefit plan based on gross annual compensation, with the following contribution rates: 5% bracket A (once the social security ceiling is reached), 8% bracket B (three times the social security ceiling), 5% bracket C (four times the social security ceiling) until June 30, 2014 and 8% from July 1, 2014 (uniform rates under Decree No. 2012-25 of January 9, 2012 and Circular No. DSS/SD5B/2013/344 of September 25, 2013); and
- a defined-benefit plan that provides for payment of an annuity equal to the sum of the annual components of the annuity, based on 2% of the portion (referred to as bracket C) of gross annual compensation between four and eight times the social security ceiling, plus 4% of the portion (referred to as bracket D) of gross annual compensation between four and 50 times the social security ceiling, minus any annuities paid under other supplementary retirement plans, calculated on the basis of bracket C of the compensation.
The annuity from the plan cannot be less than a minimum of 20% of Bracket C and 30% of Bracket D of the average of the last 5 gross annual compensation amounts received by the beneficiary, or more than a maximum of 30% of Bracket C and 40% of Bracket D of the average of the same compensation amounts.
The application with no reduction of the minimum and maximum amounts is subject to the existence of at least 10 elements of annual annuity as defined above. Otherwise, the minimum and maximum amounts are reduced in proportion to 10.
The rights are "conditional" as the employees must be on the Group's payroll when the benefit is awarded under a legally mandated pension plan. This plan complies with the recommendations of the AFEP-MEDEF Code.

(2) If this average is (i) above 100%, the annual increase will be capped at 3%, (ii) equal to or less than 40%, the annual increase will be capped at 1% and (iii) above 40% but less than 100%, the percentage cap will be calculated on a straight-line basis between 1 and 3%.

4.5.2 Compensation of other senior officers (members of the General Management Committee and other members of the Executive Committee)

Compensation of executives who are not corporate officers (members of the General Management Committee and other members of the Executive Committee) is composed of a fixed portion and a variable portion.

Changes in the fixed portion of compensation are linked to specific changes in situation, expansion or significant change in responsibilities and to relative repositioning made necessary in view of internal equity or a clear discrepancy vis-à-vis the external market.

The main purpose of the variable portion is to reward the contribution of executives to the Group's results.

The variable portion paid in 2014 for 2013 was calculated based 50% on economic criteria (recurring net income, Group share per share, ROCE, free cash flow and operating expenses), and 50% on qualitative criteria.

SUMMARY TABLE OF GROSS COMPENSATION, INCLUDING BENEFITS IN KIND, FOR EXECUTIVE DIRECTORS WHO ARE NOT EXECUTIVE CORPORATE OFFICERS (MEMBERS OF THE GENERAL MANAGEMENT COMMITTEE AND OTHER MEMBERS OF THE EXECUTIVE COMMITTEE) [(1)]

	2014	2013
Fixed *(in euros)*	7,007,822	8,542,432
Variable *(in euros)*	7,121,667	7,785,250
TOTAL *(IN EUROS)*	**14,129,489**	**16,327,682**
Number of members	19	27

(1) Compensation for the Executive Committee members is calculated excluding severance pay and taking into account the time served on the Executive Committee during the year (in 2013, one member for one month, six members for two months, one member for three months, one member for seven months, one member for eight months, one member for nine months, and one member for ten months; in 2014, one member for two months, one member for three months, and one member for ten months). The FTE number of Executive Committee members was 21.17 in 2013 and 19.77 in 2014.

4.5.3 Retirement provision

The total amount of retirement commitments for members of the Executive Committee was €114.2 million at December 31, 2014. Note that this is an estimated amount, as these commitments are, in principle, not made at an individual level.

The Group has a policy of funding pension obligations *via*

managed assets without these being solely dedicated to the pension liabilities of specific Executive Committee members.

4.5.4 Compensation of non-executive directors and non-voting directors

4.5.4.1 Directors and non-voting Directors appointed by the Shareholders' Meeting

Upon motion of the Board of Directors, the Shareholders' Meeting sets the total annual amount of directors' fees to be distributed by the Board among its members.

At the recommendation of the Appointments and Compensation Committee, the Board of Directors, at its meetings of August 29, 2008, January 20, 2010 and December 6, 2011, established the rules for distributing the overall annual ceiling of directors' fees set by the Gaz de France Shareholders' Meeting of July 16, 2008 amounting to €1.4 million, in line with an individual distribution system of directors' fees, combining a fixed portion with a variable portion based on the attendance of Directors at Board and Committee meetings. The same system applies to non-voting Directors' fees, which are deducted from the budget for directors' fees.

At its meeting of December 11, 2013, the Board of Directors decided, on the recommendation of the Appointments and Compensation Committee, with effect from January 1, 2014 and without change to the overall celing of Directors' fees, to update Directors' fees allocation rules in accordance with Article 21.1 of the AFEP-MEDEF Code, which stipulates that the allocation rules must include a predominant variable portion.

The distribution rules are indicated below. (Note that the executive corporate officers receive no Directors' fees for their participation in meetings of GDF SUEZ's Board of Directors). The distribution rules relating to 2013 and previous years are set out in the respective registration documents for these periods.

DISTRIBUTION OF DIRECTORS' FEES TO NON-EXECUTIVE DIRECTORS AND NON-VOTING DIRECTORS APPOINTED BY THE SHAREHOLDERS' MEETING

Director	
• Fixed fee	15,000€ per year
• Variable fee, dependent on attendance	50,000€ if 100% attendance
Audit Committee	
Chairman:	
• Fixed fee	15,000€ per year
• Variable fee, dependent on attendance	40,000€ if 100% attendance
Committee member:	
• Fixed fee	5,000€ per year
• Variable fee, dependent on attendance	20,000€ for 100% attendance
Strategy, Investment and Technology Committee	
Chairman:	
• Fixed fee	10,000€ per year
• Variable fee, dependent on attendance	25,000€ for 100% attendance
Committee member:	
• Fixed fee	5,000€ per year
• Variable fee, dependent on attendance	15,000€ for 100% attendance
Ethics, Environment and Sustainable Development Committee	
Chairman:	
• Fixed fee	5,000€ per year
• Variable fee, dependent on attendance	20,000€ for 100% attendance
Committee member:	
• Fixed fee	5,000€ per year
• Variable fee, dependent on attendance	15,000€ euros for 100% attendance
Appointments and Compensation Committee	
Chairman:	
• Fixed fee	5,000€ per year
• Variable fee, dependent on attendance	20,000€ for 100% attendance
Committee member:	
• Fixed fee	5,000€ per year
• Variable fee, dependent on attendance	15,000€ for 100% attendance
Non-voting Director	
• Fixed fee	20,000€ per year
• Variable fee, dependent on attendance	2,571€ per meeting, limited to seven meetings The maximum variable amount per Director is capped at 17,997€ per year

On the basis of the above, the non-executive corporate officers and non-voting Directors received the directors' fees shown in the above table for fiscal 2014. (Note that, unless otherwise indicated, no other compensation was paid to these officers by the Company or by its subsidiaries for the said fiscal year.)

TOTAL COMPENSATION PAID TO NON-EXECUTIVE DIRECTORS AND NON-VOTING DIRECTORS APPOINTED BY THE SHAREHOLDERS' MEETING

In euros	Fiscal year 2014 (1)	Fiscal year 2013 (1)
Albert Frère	27,500(2)(5)	45,284(2)(5)
Ann-Kristin Achleitner	96,900(2)	84,997(2)
Edmond Alphandéry	116,500(3)	95,997(3)
Jean-Louis Beffa	81,500(3)	60,284(3)
Aldo Cardoso	136,700(2)	110,997(3)
Paul Desmarais Jr	10,500(2)(4)	46,796(2)
Françoise Malrieu	135,000(3)	97,997(3)
Lord Simon of Highbury	93,050(2)	75,997(2)
Gérard Lamarche (non-voting Director)	37,997(6)	35,426(2)(6)
TOTAL	**735,647**	**653,775**

(1) Directors' fees due for a given fiscal year are paid during the fiscal year concerned.
(2) Before deduction of withholding tax levied on directors' fees paid to Directors residing outside France.
(3) Before deduction of withholding tax relating to tax and social contributions.
(4) Director until April 28, 2014.
(5) These directors' fees are paid to Groupe Bruxelles Lambert.
(6) This compensation is paid to Groupe Bruxelles Lambert.

4.5.4.2 Directors representing the French State

Directors representing the French State received no personal compensation (directors' fees or other) from the Company or from companies controlled by the Company in consideration of their service as Directors. (Note that the amount of directors' fees corresponding to their service on the Board (€282,175) is paid directly to the Public Treasury in accordance with the regulations).

They are: Bruno Bézard (since July 28, 2014), Ramon Fernandez (until July 28, 2014), Astrid Milsan, Pierre Mongin and Stéphane Pallez.

4.5.4.3 Directors representing employees and employee shareholders

Directors representing employees and employee shareholders on the Board of Directors of GDF SUEZ received no compensation (directors' fees or other) from the Company or from companies controlled by the Company in consideration of their service as Directors.

They are: Alain Beullier, Philippe Lepage (since April 28, 2014), Anne-Marie Mourer, Patrick Petitjean (until April 28, 2014) and Caroline Simon.

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4.5.5 Information on stock options or the award of performance shares

4.5.5.1 Availability of shares resulting from the exercise of stock options and of Performance Shares

The French Act No. 2006-1770 of December 30, 2006 for the development of profit-sharing and employee shareholding and covering various economic and social provisions (the "Balladur Act") imposes restrictions on the free availability of shares resulting from the exercise of options and of performance shares granted to executive corporate officers under share allocation plans implemented on or after January 1, 2007.

In accordance with these provisions, a system was established specifying the obligation to hold as registered shares, a certain percentage (set by the Board of Directors) of options exercised and of acquired Performance Shares, so that after a certain point, the corporate officers and, by extension, Executive Committee members, would hold a portfolio of GDF SUEZ shares corresponding to a fraction of their compensation.

At its meeting of September 25, 2013, the Board of Directors decided, on the recommendation of the Appointments and Compensation Committee, to update the existing system as follows:

- objective: To build a share portfolio equivalent to two years' fixed compensation for executive corporate officers, one and a half years for other members of the General Management Committee and one year for other members of the Executive Committee. This objective is set in terms of the number of shares for each person concerned, and is calculated based on fixed compensation for 2013 and the average share price over the previous three years. These bases are revised every two years;
- until the objective is met: Reinvestment of two-thirds of the gross capital gains arising from the exercise/sale of options, or holding of the corresponding number of shares arising from the simple exercise of options, and holding of two-thirds of acquired Performance Shares [1].

(1) Given this restriction, no requirement is made to acquire additional shares at the time performance shares are delivered (Art. 23.2.4 of the Afep-Medef Code).

At its meeting of February 26, 2014, the Board of Directors decided to extend this mechanism to Performance Units awarded to the executive corporate officers (see 4.5.1.3 above), by requiring them to reinvest in GDF SUEZ shares two-thirds of the net amount paid until the shareholding target (equal to two years' fixed compensation) referred to above is met.

4.5.5.2 Programmed management of stock options

At its meeting of November 12, 2008, the GDF SUEZ Board of Directors decided to continue the programmed management of stock options granted to the executives of the former SUEZ SA. This mechanism largely anticipated the AMF's recommendations of November 3, 2010 regarding the prevention of insider trading by management. The principle of such programmed management is that the interested parties give an irrevocable power of attorney to a financial institution to exercise the GDF SUEZ stock options, in their name and on their behalf, at the dates and under the conditions previously established by annual instruction, and to sell the corresponding shares on the market, with or without determining a reserve unit price. This annual instruction will include the number and quarterly allocation of transactions to be executed, plan by plan, over the next 12 months. Within each quarterly period, the financial proxy acts freely at the dates and for the volumes that it judges appropriate within the framework and the limits of the annual instruction, to exercise options and sell shares. The annual instruction is sent to the financial proxy every year within 15 days following the date of publication of the annual financial statements and on condition that the interested parties are not in possession of inside information at that date. Once this instruction has been given, it is irrevocable, and the interested party undertakes not to exercise the options other than through the delegated power of attorney. The ban on exercising options and selling shares during the black-out periods preceding the publication of the annual and half-yearly financial statements and quarterly information is maintained.

The Board of Directors of GDF SUEZ also decided that this system is mandatory for the executive corporate officers and for the other members of the General Management Committee and optional for the other members of the Executive Committee.

4.5.5.3 Stock option plans and bonus share or Performance Share plans implemented during fiscal year 2014

Authorization of the Shareholders' Meeting of April 23, 2013

The twelfth resolution of the GDF SUEZ Combined General Shareholders' Meeting of April 23, 2013 authorized the Board of Directors to award performance shares to employees and/or corporate officers of the Company and/or companies belonging to the Group up to the limit of 0.5% of the Company's share capital on the date of the decision to allocate shares. Also note that the Shareholders' Meeting was not asked to grant an authorization for stock options.

Performance Share Plan for 2013 (Board meeting of February 26, 2014)

Under the authorization granted by the Shareholders' Meeting of April 23, 2013, the Board of Directors, at its meeting of February 26, 2014, decided to implement a Performance Share Plan for certain employees of GDF SUEZ Trading, a subsidiary of GDF SUEZ, in accordance with the order of November 3, 2009, with European Directives CRD3 and CRD4 regarding the compensation of financial market professionals, and with the order of December 13, 2010. The main features of this plan and other plans granted for 2013 are listed on pages 150 *et seq*. of the 2013 Registration Document filed with the AMF on March 20, 2014.

Authorization of the Shareholders' Meeting of April 28, 2014

The twenty-first resolution of the GDF SUEZ Combined Shareholders' Meeting of April 28, 2014 authorized the Board of Directors to award performance shares to certain employees and/or corporate officers of companies belonging to the Group (with the exception of corporate officers of the Company) up to the limit of 0.5% of the Company's share capital on the date of the decision to allocate shares [(1)]. Also note that the Shareholders' Meeting was not asked to grant an authorization for stock options.

(1) A combined ceiling of 0.5%, the same as in the twentieth resolution, applying both to free share allocation to all of the Group's employees, and an allocation (equivalent to a matching contribution) to employees taking part in a Group international employee shareholding plan.

Performance Share Plan for 2014 (Board meetings of December 10, 2014 and February 25, 2015)

Under the authorization granted by the Shareholders' Meeting of April 28, 2014, the Board of Directors, at its meeting of December 10, 2014, decided to implement a performance share plan, for certain employees of GDF SUEZ and its subsidiaries (excluding corporate officers of GDF SUEZ). The main features of this plan, which involves 3,388,540 shares for 6,960 people, are as follows:

Acquisition period	December 10, 2014 to March 14, 2018 (2019 for some countries)
Condition of presence[1]	March 14, 2018 (2019 for some countries)
Final acquisition date	March 15, 2018 (2019 for some countries)
Holding period[2]	March 15, 2018 to March 14, 2020 (no holding period if acquired in 2019)
Transferable from	From March 15, 2020 (from March 15, 2019, if acquisition in 2019)
Performance conditions[3]:	• 50% based on the recurring net income, Group share (RNIGS), for 2016 and 2017 compared to the budgeted RNIGS for the same years (pro forma); and • 50% based on Total Shareholder Return (TSR: stock market performance, reinvested dividend) of the GDF SUEZ share compared with the TSR of companies included in the Eurostoxx Utilities Index (Eurozone) over the period December 2017-January 2018 compared to November-December 2014

(1) Current employment contract with a Group company at these dates (except in cases of retirement, death or disability, or exceptional decision).
(2) Mandatory holding period for acquired shares (except in the case of death or disability).
(3) Performance conditions
(a) Internal condition related to RNIGS for 2016 and 2017 vs the budgeted RNIGS for the same years (pro forma):
- *RNIGS 2016+2017 < 90% budgeted RNIGS 2016+2017: success rate of 0%;*
- *RNIGS 2016+2017 = 90% budgeted RNIGS 2016+2017: success rate of 33%;*
- *RNIGS 2016+2017 > 90% budgeted RNIGS 2016+2017 and < budgeted RNIGS 2016+2017: progressive and linear success rate from 33%;*
- *RNIGS 2016+2017 >= budgeted RNIGS 2016+2017: success rate of 100%.*

(b) external condition related to the TSR of the GDF SUEZ share compared with the TSR of companies on the Eurostoxx Utilities (Eurozone) index:
- *GDF SUEZ TSR <= 90% of TSR of Eurostoxx Utilities (Eurozone) companies: success rate of 0%;*
- *GDF SUEZ TSR = 100% of TSR of Eurostoxx Utilities (Eurozone) companies: success rate of 70%;*
- *GDF SUEZ TSR >= 103% of TSR of Eurostoxx Utilities (Eurozone) companies: success rate of 100%.*

For interim results (from 90% to 100% and from 100% to 103%): progressive and linear success rate.
To smooth the possible effects of volatility (gain or loss), the TSR will be calculated by taking the average of the GDF SUEZ TSR (stock market performance, reinvested dividend) and that of the Eurostoxx Utilities (Eurozone) companies over two months, namely December 2017 to January 2018, versus November to December 2014.
The sum of the success rate of (a) and (b) is divided by two to obtain a total success rate.

In addition, under the authorization given by the Shareholders' Meeting of April 28, 2014, the Board of Directors, at its meeting of February 25, 2015, decided to implement a Performance Share Plan for certain employees of GDF SUEZ Trading, a subsidiary of GDF SUEZ, in accordance with the order of November 3, 2009 and with European Directives CRD3 and CRD4 regarding the compensation of financial market professionals, and with the order of December 13, 2010.

The allocation concerned 66 people within GDF SUEZ Trading, for a total of 141,929 GDF SUEZ Performance Shares; its features are similar to those of the plan of February 26, 2014 (continuous service and performance conditions). The Board of Directors set the following schedule and general conditions for the plans:

Acquisition period	February 25, 2015 to March 14, 2017 for around half the shares February 25, 2015 to March 14, 2018 for the remaining shares
Condition of presence[1]	March 14, 2017 for around half the shares March 14, 2018 for the remaining shares
Final acquisition date	March 15, 2017 for around half the shares March 15, 2018 for the remaining shares
Holding period[2]	March 15, 2017 to March 14, 2019 for around half the shares March 15, 2018 to March 14, 2020 for the remaining shares
Transferable from	March 15, 2019 for around half the shares March 15, 2020 for the remaining shares
Performance conditions	• Based on GDF SUEZ Trading's profit before tax for fiscal year 2016 for around half the shares • Based on GDF SUEZ Trading's profit before tax for fiscal year 2017 for the remaining shares

(1) Current employment contract with a Group company at these dates (except in cases of retirement, death, disability or exceptional decision).
(2) Mandatory holding period for acquired shares (except in the case of death or disability).

4.5.6 Stock subscription and purchase options granted to, and exercised by, each executive corporate officer – Summary of stock option plans in force

4.5.6.1 GDF SUEZ stock subscription and purchase options granted to executive corporate officers by GDF SUEZ and all GDF SUEZ Group companies in fiscal year 2014

None.

4.5.6.2 GDF SUEZ stock subscription and purchase options exercised by the executive corporate officers of GDF SUEZ in fiscal year 2014

None, including the subscription and purchase options for Suez Environnement stock held by Isabelle Kocher (see 4.5.6.7).

4.5.6.3 Summary of current GDF SUEZ stock purchase option plans

	Plan of Dec. 12, 2008	Plan of Nov. 10, 2009
Date of authorizing General Shareholders' Meeting	Jul. 16, 2008	May 4, 2009
Start date for the exercise of options[(1)]	Nov. 12, 2012	Nov. 10, 2013
Expiry date	Nov. 11, 2016	Nov. 9, 2017
Total number of shares purchasable at December 31, 2013	6,075,314	4,960,665
Total number of shares purchasable by corporate officers:		
• Gérard Mestrallet	0[(2)]	0[(2)]
• Jean-François Cirelli	0[(2)]	0[(2)]
• Isabelle Kocher	12,800	6,196
Exercise conditions	[(3)]	[(6)]
Purchase price (in euros)	32.74	29.44
Number of options exercised[(4)]	0	0
Number of options cancelled[(5)]	76,250	101,940
Balance at December 31, 2014	5,999,064	4,858,725

(1) Stock options may also be exercised early in the event of retirement or death.

(2) Gérard Mestrallet and Jean-François Cirelli waived their stock options for fiscal years 2008 and 2009.

(3) For the other members of the Executive Committee, 45% of the options are subject to "simple" conditions and 10% to "enhanced" conditions. For other Group senior managers, 50% of the options are subject to "simple" conditions. The enhanced condition was not met in November 2012 and all the options subject to this condition were cancelled. Application of the "simple" condition determined a target price of €18.68; as this target price was achieved at market closing on September 24, 2013; the options subject to this condition could be exercised.

(4) Exercised from January 1 to December 31, 2014.

(5) Cancelled from January 1 to December 31, 2014.

(6) For other Group senior managers, 50% of the options are subject to "simple" conditions. These conditions were tested in November 2013 to establish a target price of €20.13. This target price was achieved at stock market closing on May 22, 2014; options subject to this condition may be exercised.

4.5.6.4 Summary of current GDF SUEZ stock subscription option plans

The stock subscription option plans previously granted by the former SUEZ SA and still valid were adopted by GDF SUEZ in accordance with the commitments made at the Gaz de France Shareholders' Meeting of July 16, 2008, which, in its fourth resolution, approved the merger with SUEZ.

For year	2006	2007
Date of authorizing General Shareholders' Meeting	Apr. 27, 2004	May 4, 2007
Date of authorizing Shareholders' Meeting	Jan. 17, 2007	Nov. 14, 2007
Total number of shares purchasable as of December 31, 2013	5,672,033	4,411,672
Of which: Total number of shares purchasable by executive corporate officers at December 31, 2013		
• Gérard Mestrallet	403,504	0
• Jean-François Cirelli	0	0
• Isabelle Kocher	15,928	17,312
Start date for the exercise of options[1]	Jan. 17, 2011	Nov. 14, 2011
Expiry date	Jan. 16, 2015	Nov. 13, 2015
Exercise conditions	[2]	[3]
Subscription price in euros	36.62	41.78
Options exercised from January 1, 2014 to December 31, 2014	0	0
Options cancelled from January 1, 2014 to December 31, 2014	64,174	54,097
Balance at December 31, 2014	5,607,859	4,357,575

(1) Stock options may also be exercised early in the event of retirement or death.

(2) For the members of the Executive Committee at the time, 45% of the options were subject to "simple" conditions and 10% to "enhanced" conditions; these conditions were met in January 2011. For other Group executive managers, 50% are subject to "simple" conditions; these conditions were met in January 2011.

(3) For the members of the Executive Committee at the time, 45% of the options were subject to "simple" conditions and 10% to "enhanced" conditions; these conditions were met in November 2011. For other Group executive managers, 50% are subject to "simple" conditions; these conditions were met in November 2011.

4.5.6.5 Summary of stock subscription or purchase options held by Gérard Mestrallet at December 31, 2014

Plan	Jan. 17, 2007
Exercise starting date	**Jan. 17, 2011**
Expiry date	**Jan. 16, 2015**
Exercise price in euros	**36.62**
Balance of options at December 31, 2014:	
• Condition of presence only	180,515
• Performance condition	185,824[1]
• "Enhanced" performance condition	37,165[2]

(1) Options were subject to a performance condition, which was met in January 2011.

(2) Options were subject to an "enhanced" performance condition, which was met in January 2011.

4.5.6.6 Summary of stock subscription or purchase options held by Jean-François Cirelli at December 31, 2014

None.

4.5.6.7 Summary of stock subscription and purchase options held by Isabelle Kocher at December 31, 2014

Plan	Jan. 17, 2007	Nov. 14, 2007	Nov. 12, 2008	Nov. 10, 2009	Dec. 17, 2009[5]
Exercise starting date	Jan. 17, 2011	Nov. 14, 2011	Nov. 12, 2012	Nov. 10, 2013	Dec. 17, 2013
Expiry date	Jan. 16, 2015	Nov. 13, 2015	Nov. 11, 2016	Nov. 9, 2017	Dec. 16, 2017
Exercise price in euros	36.62	41.78	32.74	29.44	15.49
Balance of options at December 31, 2014:					
• Condition of presence only	7,964	8,656	6,400	3,098	11,700
• Performance condition	7,964[1]	8,656[2]	6,400[3]	3,098[4]	0[6]

(1) Options were subject to a performance condition, which was met in January 2011.
(2) Options were subject to a performance condition, which was met in November 2011.
(3) Options were subject to a performance condition, which was met in September 2013.
(4) Options were subject to a performance condition, which was met in May 2014.
(5) A Suez Environnement plan, when Isabelle Kocher was CEO of Lyonnaise des Eaux.
(6) 27,298 Suez Environnement options subject to a performance condition were cancelled in December 2013.

Note that the executive corporate officers have made a formal undertaking not to make use of hedging instruments in respect of options or Performance Shares.

4.5.7 Performance shares awarded to and available for sale by each executive corporate officer - Summary of current plans

4.5.7.1 GDF SUEZ Performance Shares allocated to each GDF SUEZ executive corporate officer by GDF SUEZ and all other companies of the GDF SUEZ Group in 2014

	Plan	Number of shares allocated	Valuation of shares *(in euros)*[2]	Acquisition date	Date of availability	Performance conditions
Gérard Mestrallet *Chairman and Chief Executive Officer*	None					
Jean-François Cirelli *Vice-Chairman and President*	None					
Isabelle Kocher[1] *President, Chief Operating Officer*	Dec. 10, 2014	35,000	414,400	Mar. 15, 2018	Mar. 15, 2020	½ RNIGS ½ TSR

(1) As part of her salaried activities as Executive Vice-President, Chief Financial Officer in 2014.
(2) According to the method used for the consolidated financial statements.

4.5.7.2 GDF SUEZ Performance Shares that became available for sale by each executive corporate officer of GDF SUEZ in fiscal year 2014

	Plan	Acquisition date	Date of availability	Number of shares becoming available[1]
Gérard Mestrallet *Chairman and Chief Executive Officer*	None			
Jean-François Cirelli *Vice-Chairman and President*	None			
Isabelle Kocher *President, Chief Operating Officer*	Nov. 10, 2009	Mar. 15, 2012	Mar. 15, 2014	770

(1) These shares are subject to the conditions set forth in section 4.5.5.1.

4.5.7.3 Summary of current GDF SUEZ Performance Share plans

The Performance Share plans previously granted by the former SUEZ SA and still valid were adopted by GDF SUEZ in accordance with the commitments made at the Gaz de France Combined Shareholders' Meeting of July 16, 2008, which, in its fourth resolution, approved the merger with SUEZ.

For year:		2009		2010		2011
	2009 plan	**Mar. 3, 2010 traders' plan**	**2010 plan**	**Mar. 2, 2011 traders' plan**	**2011 plan**	**Feb. 29, 2012 traders' plan**
Date of authorizing General Shareholders' Meeting	May 4, 2009	May 4, 2009	May 3, 2010	May 3, 2010	May 2, 2011	May 2, 2011
Date of authorizing Shareholders' Meeting	Nov. 10, 2009	Mar. 3, 2010	Jan. 13, 2011	Mar. 2, 2011	Dec. 6, 2011	Feb. 29, 2012
Share value in euros[(1)]	24.8	21.5	18.1	23.3	11.3	15.1
Start of acquisition period[(2)]	Nov. 10, 2009	Mar. 3, 2010	Jan. 13, 2011	Mar. 2, 2011	Dec. 6, 2011	Feb. 29, 2012
End of acquisition period	Mar. 14, 2012[(3)]	Mar. 14, 2012[(7)] Mar. 14, 2013[(8)]	Mar. 14, 2014[(10)]	Mar. 14, 2013[(7)] Mar. 14, 2014[(8)]	Mar. 14, 2015[(13)]	Mar. 14, 2014[(7)] Mar. 14, 2015[(8)]
Start of holding period	Mar. 15, 2012[(4)]	Mar. 15, 2012[(7)] Mar. 15, 2013[(8)]	Mar. 15, 2014[(10)]	Mar. 15, 2013[(7)] Mar. 15, 2014[(8)]	Mar. 15, 2015[(13)]	Mar. 15, 2014[(7)] Mar. 15, 2015[(8)]
End of holding period	Mar. 15, 2014[(5)]	Mar. 15, 2014[(7)] Mar. 15, 2015[(8)]	Mar. 15, 2016[(10)]	Mar. 15, 2015[(7)] Mar. 15, 2016[(8)]	Mar. 15, 2017[(13)]	Mar. 15, 2016[(7)] Mar. 15, 2017[(8)]
Related conditions	[(6)]	[(9)]	[(11)]	[(12)]	[(14)]	[(15)]
Shares being acquired as of Dec. 31, 2013	299,891	0	3,325,699	28,375	2,952,135	70,098
Shares delivered from Jan. 1, 2014 to Dec. 31, 2014	279,476	0	639,154	28,375	1,300	34,536
Shares cancelled from Jan. 1, 2014 to Dec. 31, 2014	20,415	0	2,543,567	0	54,055	1,020
Balance at Dec. 31, 2014	0	0	142,978	0	2,896,780	34,542

(1) Weighted average price (according to the method used for the consolidated financial statements).
(2) Early acquisition possible in the event of death or permanent disability. Condition of presence at the acquisition date.
(3) For France, Belgium, Italy and Spain; for other countries, March 14, 2013.
(4) For France, Belgium, Italy and Spain; for other countries, no holding period.
(5) For France and Belgium; for Italy and Spain, March 14, 2015; for other countries, no holding period.
(6) Condition on 2011 EBITDA 89.4% met.
(7) For 50% of shares (1/3 of the shares under the plan of March 3, 2010).
(8) For 50% of shares (2/3 of the shares under the plan of March 3, 2010).
(9) GDF SUEZ Trading 2011 ROE for 1/3 (condition met in full) and GDF SUEZ Trading 2012 ROE for 2/3 (condition met in full).
(10) For France, Belgium, Spain and Romania; for other countries, acquisition on March 14, 2015 with no holding period.
(11) For 3,367 beneficiaries, dual condition: 50% based on 2013 EBITDA and 50% on the share price performance compared with the Eurostoxx Utilities Index (dual condition met at 21.92%); for 3,480 beneficiaries, a single condition based on 2013 EBITDA (met at 43.84%); for corporate officers, triple condition: 1/3 based on 2013 EBITDA, 1/3 on TSR compared with Eurostoxx Utilities companies, 1/3 on 2013 ROCE (triple condition met at 14.61%).
(12) 50% based on 2012 GDF SUEZ Trading EBITDA (met in full) and 50% based on 2013 GDF SUEZ Trading EBITDA (met in full).
(13) For France, Belgium and Spain, with a holding period from March 15, 2015 to March 14, 2017 inclusive and transferable from March 15, 2017; for other countries, acquisition on March 14, 2016 with no holding period.
(14) For 464 beneficiaries, dual condition: 50% based on 2014 EBITDA and 50% on the TSR of GDF SUEZ compared with the TSR of the Eurostoxx Utilities (Eurozone) countries; for 5,531 beneficiaries, simple condition based on the TSR of GDF SUEZ compared with the TSR of Eurostoxx Utilities (Eurozone) companies.
(15) 50% based on 2013 GDF SUEZ Trading EBITDA (met in full) and 50% based on 2014 GDF SUEZ Trading EBITDA.

2012			2013		2014
2012 plan	**Feb. 27, 2013 traders' plan**	**2013 plan**	**Feb. 26, 2014 traders' plan**	**2014 plan**	**2014 traders' plan**
Apr. 23, 2012	Apr. 23, 2012	Apr. 23, 2013	Apr. 23, 2013	Apr. 28, 2014	Apr. 20, 2014
Dec. 5, 2012	Feb. 27, 2013	Dec. 11, 2013	Feb. 26, 2014	Dec. 10, 2014	Feb. 25, 2015
8.1	9.2	7.6	13.3	12.1	14.7
Dec. 5, 2012	Feb. 27, 2013	Dec. 11, 2013	Feb. 26, 2014	Dec. 10, 2014	Feb. 25, 2015
Mar. 14, 2016[16]	Mar. 14, 2015[7] Mar. 14, 2016[8]	Mar. 14, 2017[19]	Mar. 14, 2016[7] Mar. 14, 2017[8]	Mar. 14, 2018[22]	Mar. 14, 2017[7] Mar. 14, 2018[8]
Mar. 15, 2016[16]	Mar. 15, 2015[7] Mar. 15, 2016[8]	Mar. 15, 2017[19]	Mar. 15, 2016[7] Mar. 15, 2017[8]	Mar. 15, 2018[22]	Mar. 15, 2019[7] Mar. 15, 2020[8]
Mar. 15, 2018[16]	Mar. 15, 2017[7] Mar. 15, 2018[8]	Mar. 15, 2019[19]	Mar. 15, 2018[7] Mar. 15, 2019[8]	Mar. 15, 2020[22]	Mar. 15, 2019[7] Mar. 15, 2020[8]
(17)	(18)	(20)	(21)	(23)	(24)
3,521,420	94,764	2,801,690	none	none	none
1,250	0	0	0	0	0
51,905	0	43,980	0	0	0
3,468,265	94,764	2,757,710	89,991	3,388,540	0

(16) For France, Belgium and Spain, with a holding period from March 15, 2016 to March 14, 2018 inclusive and transferable from March 15, 2018; for other countries, acquisition on March 14, 2017 with no holding period.

(17) For 547 beneficiaries, dual condition: 50% based on 2014 and 2015 recurring net income, Group share, and 50% on the TSR of GDF SUEZ compared with the TSR of the Eurostoxx Utilities (Eurozone) countries; for 6,437 beneficiaries, simple condition based on the TSR of GDF SUEZ compared with the TSR of Eurostoxx Utilities (Eurozone) companies.

(18) 50% based on 2014 GDF SUEZ Trading EBITDA and 50% based on 2015 GDF SUEZ Trading EBITDA.

(19) For France, Belgium and Spain, with a holding period from March 15, 2017 to March 14, 2019 inclusive and transferable from March 15, 2019; for other countries, acquisition on March 14, 2018 with no holding period.

(20) For 519 beneficiaries, dual condition: 50% based on 2015 and 2016 recurring net group profit and 50% on the TSR of GDF SUEZ compared with the TSR of the Eurostoxx Utilities (Eurozone) countries; for 6,356 beneficiaries, simple condition based on the TSR of GDF SUEZ compared with the TSR of Eurostoxx Utilities (Eurozone) companies.

(21) 50% based on 2015 GDF SUEZ Trading profit before taxes and 50% based on 2016 GDF SUEZ Trading profit before taxes.

(22) For France, Belgium and Spain, with a holding period from March 15, 2018 to March 14, 2020 inclusive and transferable from March 15, 2020; for other countries, acquisition on March 14, 2019, with no holding period.

(23) For all beneficiaries, a dual condition: 50% based on recurring net income Group share for 2016 and 2017, and 50% on the TSR of GDF SUEZ compared with the TSR of Eurostoxx Utilities (Eurozone) companies.

(24) 50% based on 2016 GDF SUEZ Trading profit before taxes and 50% on 2017 GDF SUEZ Trading profit before taxes.

4.5.7.4 Summary of Free and Performance Shares held by Gérard Mestrallet at December 31, 2014

Plan	SUEZ Feb. 13, 2006	SUEZ Feb. 12, 2007	SUEZ Jul. 16, 2007	SUEZ Jun. 16, 2008	GDF SUEZ Nov. 12, 2008	GDF SUEZ Jan. 13, 2011
Conditions	2007 ROCE	2008 ROCE	None[6]	None[6]	2010 EBITDA	2013 EBITDA (1/3) TSR (1/3) 2013 ROCE (1/3)
Acquisition date[1]	Mar. 15, 2008	Mar. 15, 2009[3]	Jul. 16, 2009	Jun. 1, 2010	Mar. 15, 2011[3]	Mar. 15, 2014[3]
Shares under acquisition	0	0	0	0	0	87,000
Shares delivered	2,000[2]	3,186[4]	15	10	3,469[5]	12,711[5]
Transferable from	Mar. 15, 2010	Mar. 15, 2011	Jul. 16, 2011	Jun. 1, 2012	Mar. 15, 2013	Mar. 15, 2016

(1) Subject to dual condition of performance and presence.
(2) Following the distribution of 65% of SUEZ Environnement Company and the merger with Gaz de France, these 2,000 SUEZ shares were converted to:
- *1,890 GDF SUEZ shares;*
- *500 SUEZ Environnement Company shares; and*
- *20 SUEZ ("fractional") shares, entitling the allocation of GDF SUEZ shares (compensated in August 2010 in accordance with the SUEZ and Gaz de France merger prospectus).*

(3) Acquired shares are subject to a holding period under the Balladur rules (see 4.5.5.1).
(4) Condition met.
(5) Condition partially met.
(6) Worldwide plans for all employees.

4.5.7.5 Summary of Free and Performance Shares held by Jean-François Cirelli at December 31, 2014

Plan	Gaz de France Jun. 20, 2007*	Gaz de France May 28, 2008*	GDF SUEZ Nov. 12, 2008	GDF SUEZ Jan. 13, 2011
Conditions	EBO 2007 and EBO 2008[1]	EBO 2008 and EBO 2009[3]	2010 EBITDA[4]	2013 EBITDA (1/3) TSR / Eurostoxx Utilities (Eurozone) (1/3) 2013 ROCE (1/3)
Acquisition date	Jun. 23, 2009	Jun. 1, 2010	Mar. 15, 2011	Mar. 15, 2014[6]
Shares under acquisition	0	0	0	60,000
Shares delivered	30	15[5]	2,312[5]	8,766[5]
Transferable from	Jul. 1, 2011[2]	Jun. 1, 2012[2]	Mar. 15, 2013[6]	Mar. 15, 2016

** Global bonus share plans for all employees and corporate officers of Gaz de France.*
(1) Condition met.
(2) These shares may not be sold during the term of office.
(3) Subject to a presence condition and, for 50% of shares, a performance condition.
(4) Subject to a dual condition of performance and presence.
(5) Performance condition partially met.
(6) Acquired shares are subject to a holding period under the Balladur rules (see 4.5.5.1).

4.5.7.6 Summary of Bonus and Performance Shares held by Isabelle Kocher at December 31, 2014

Plan	SUEZ Feb. 13, 2006	SUEZ Feb. 12, 2007	SUEZ Jul. 16, 2007[(1)]	SUEZ Nov. 14, 2007	SUEZ Jun. 1, 2008[(1)]	GDF SUEZ Nov. 12, 2008
Conditions	2007 ROCE	2008 ROCE	2008 ROCE	20009 EBITDA	20009 EBITDA	2010 EBITDA
Acquisition date	Mar. 15, 2008[(2)]	Mar. 15, 2009[(2)]	Jul. 16, 2009[(2)]	Mar. 15, 2010[(2)]	Jun. 1, 2010[(2)]	Mar. 15, 2011[(2)]
Shares under acquisition	0	0	0	0	0	0
Shares delivered	1,428	2,124	15	1,493	10	786
Transferable from	Mar. 15, 2010	Mar. 15, 2011	Jul. 16, 2011	Mar. 15, 2012	Jun. 1, 2012	Mar. 15, 2013

(1) Worldwide plans for all employees.
(2) Subject to dual condition of performance and presence.
(3) As part of her salaried activities as Executive Vice-President, Chief Financial Officer in 2014.

	GDF SUEZ Jul. 8, 2009 [(1)]	GDF SUEZ Nov. 10, 2009	SUEZ Environnement	GDF SUEZ Jun. 6, 2011 [(1)]	GDF SUEZ Dec. 6, 2011	GDF SUEZ Dec. 5, 2012	GDF SUEZ Dec. 12, 2013	GDF SUEZ Dec. 10, 2014
Conditions	None	2010 EBITDA	2010-2014 net income and change in share price	None	TSR and recurring net income, Group share	TSR and recurring net income, Group share	TSR and recurring net income, Group share	TSR and recurring net income, Group share
Acquisition date	Jul. 8, 2011	Mar. 15, 2012[(2)]	Dec. 16, 2014[(2)]	Jun. 24, 2013	Mar. 15, 2015[(2)]	Mar. 15, 2016[(2)]	Mar. 15, 2017[(2)]	Mar. 15, 2018[(2)]
Shares under acquisition	0	0	0	0	15,000	21,250	17,000	35,000[(3)]
Shares delivered	20	770	2,100	10	0	0	0	0
Transferable from	Jul. 8, 2013	Mar. 15, 2014	Dec. 16, 2016	Jun. 24, 2015	Mar. 15, 2017	Mar. 15, 2018	Mar. 15, 2019	Mar. 15, 2020

Note that the executive corporate officers have made a formal undertaking not to make use of hedging instruments in respect of options or Performance Shares.

4.5.8 Stock subscription or purchase options granted to the ten employees, who are not executive company officers, who received and exercised the most options

4.5.8.1 Stock subscription or purchase options granted by GDF SUEZ and by all companies included in the GDF SUEZ scope in fiscal year 2014 to the ten non-executive employees of the issuer and its companies, and to whom the greatest number of stock options were allocated

None.

4.5.8.2 GDF SUEZ stock subscription or purchase options exercised in fiscal year 2014 by the ten non-executive employees of GDF SUEZ with the greatest number of stock subscription or purchase options

None.

4.5.9 Free and Performance shares granted to the ten employees, who are not executive company officers, who received the most performance shares

FREE AND PERFORMANCE SHARES GRANTED BY GDF SUEZ AND BY ALL COMPANIES INCLUDED IN THE GDF SUEZ SCOPE IN FISCAL YEAR 2014 TO THE TEN NON-EXECUTIVE EMPLOYEES OF THE ISSUER AND ITS COMPANIES TO WHOM THE GREATEST NUMBER OF BONUS SHARES WERE GRANTED

Total number of shares granted	Share value* *(in euros)*	Issuers	Plans
233,000	11.84	GDF SUEZ	Dec. 10, 2014

* *Weighted average price, according to the method used for the consolidated financial statements.*
Includes 35,000 Performance Shares granted to Isabelle Kocher in her role as Executive Vice-President, Chief Financial Officer in 2014

4.5.10 Summary of transactions disclosed by executive management and corporate officers in the fiscal year 2014

	Date of transaction	Type of transaction	Quantity	Unit price *(in euros)*	Transaction price (in euros)
Legal entity connected to Albert Frère	Mar. 6, 2014	Sale of call options	(1)	0.2743	68,575
Legal entity connected to Albert Frère	Mar. 11, 2014	Sale of call options	(1)	0.2769	69,225
Legal entity connected to Albert Frère	Mar. 14, 2014	Sale of call options	(1)	2.7547	688,675
Legal entity connected to Albert Frère	Mar. 14, 2014	Sale of call options	(1)	2.5575	1,278,750
Legal entity connected to Albert Frère	Mar. 17, 2014	Sale of call options	(1)	2.3	427,921.9
Legal entity connected to Albert Frère	Mar. 17, 2014	Sale of call options	(1)	1.6	1,200,000
Legal entity connected to Albert Frère	Mar. 18, 2014	Sale of call options	(1)	2.6	1,950,000
Legal entity connected to Albert Frère	Mar. 19, 2014	Sale of call options	(1)	2.0784	652,500
Legal entity connected to Albert Frère	Nov. 27, 2014	Disposal of shares	(1)	19.692	4,923,000
Jean-Marie Dauger	Dec. 11, 2014	Subscription(2)	(1)	14.68	120,000
Jean-Claude Depail	Dec. 11, 2014	Subscription(3)	(1)	14.68	15,000
Henri Ducré	Dec. 11, 2014	Subscription(3)	(1)	14.68	25,400
Jérôme Tolot	Dec. 11, 2014	Subscription(3)	(1)	14.68	60,000

(1) Not provided.
(2) Subscription to units of "classic formula" employer-sponsored mutual funds as part of the "Link 2014" employee shareholding plan.
(3) Subscription to units of "classic formula" and "multiple formula" employer-sponsored mutual funds as part of the "Link 2014" employee shareholding plan.

5

INFORMATION ON THE SHARE CAPITAL AND SHAREHOLDING

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5.1 INFORMATION ON THE SHARE CAPITAL AND NON-EQUITY INSTRUMENTS

5.1.1 Share capital and voting rights

5.1.1.1 Share capital

Shares of GDF SUEZ are listed on Euronext Paris Compartment A and Euronext Brussels, under ISIN Code FR0010208488 and ticker GSZ. GDF SUEZ shares are included in the CAC 40 index, the main index published by NYSE Euronext Paris, and are eligible for the Deferred Settlement Service (SRD). GDF SUEZ is also included in the following stock indexes: BEL 20, Euro STOXX 50, STOXX Europe 600, MSCI Europe, EURO STOXX Utilities, STOXX Europe 600 Utilities, Euronext Vigeo World 120, Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120 and Euronext Vigeo France 20.

At December 31, 2014, the share capital of GDF SUEZ stood at €2,435,285,011 divided into 2,435,285,011 fully paid-up shares with a par value of €1.

5.1.1.2 Pledges, guarantees and collateral

Pledges of assets

The percentage of shares pledged is not significant.

OTHER PLEDGES

In millions of euros	Total value	2015	2016	2017	2018	2019	2020 to 2024	> 2024	Account total	Corresponding %
Intangible assets	5	1	0	0	0	-	0	4	7,569	0.1%
Property, plant and equipment	5,068	165	70	157	67	58	1,329	3,223	64,032	7.9%
Equity investments	3,426	86	11	177	5	6	461	2,679	9,947	34.4%
Bank accounts	397	8	-	103	-	-	40	246	8,546	4.6%
Other assets	222	17	-	115	-	-	66	24	37,055	0.6%
TOTAL	**9,118**	**278**	**81**	**552**	**72**	**63**	**1,897**	**6,175**	**127,150**	**7.2%**

Note: the total amount of the pledge relating to equity instruments may relate to consolidated equity instruments with zero value in the consolidated balance sheet (elimination of these equity instruments upon consolidation).

5.1.1.3 Voting rights

Under Article 11 of the Company's bylaws, unless otherwise provided for by law, each shareholder has as many voting rights and may cast as many votes at meetings as he or she holds shares which are fully paid up.

On December 31, 2014, after adjusting for treasury stock, the Company held 2,390,455,214 shares representing the same number of eligible voting rights.

The Board of Directors of February 25, 2015 has decided to submit to the Shareholders' Meeting of April 28, 2015 a resolution aiming at maintaining the "one share-one vote" principle, as permitted by Act n°2014-384 of March 29, 2014 which grants double voting rights to shareholders that have been registered for two years, unless otherwise provided by the bylaws. The French State, the largest GDF SUEZ shareholder, has stated its intention not to vote in favor of such resolution

Pursuant to the French Energy Code and Act No. 2014-384 of March 29, 2014, the French State must hold over one-third of the Company's capital or voting rights; the State's holding may fall below this threshold provided it returns to the threshold of one-third of the capital or voting rights within two years.

In addition, pursuant to the French Energy Code and Decree No. 2007-1790 of December 20, 2007, the share capital of GDF SUEZ includes a golden share (for details on the State's golden share, see Section 5.2.4 "Golden Share").

5.1.2 Potential capital and share equivalents

As of December 31, 2014, there were 9,965,434 stock options outstanding that if exercised would result in the issue of 9,965,434 GDF SUEZ shares. With the exception of the options mentioned above, as of December 31, 2014, there were no share equivalents conferring direct or indirect access to the share capital of GDF SUEZ.

At that date, the potential capital in the event of the exercise of these stock options would represent 100.41% of the GDF SUEZ share capital at December 31, 2014, and the dilution percentage would represent 0.41% of the share capital.

The tables detailing the various stock option plans are provided in Note 24 of Section 6.2 “Consolidated Financial Statements” below.

5.1.3 Authorizations and their utilization related to share capital and share equivalents

The Company’s shareholders delegated the following powers and authorizations in relation to financial matters to the Board of Directors:

AUTHORIZATIONS GRANTED BY THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL SHAREHOLDERS’ MEETING OF APRIL 23, 2012

Resolution	Type of authorization or delegation of authority	Validity and expiration	Maximum nominal amount per authorization	Amounts utilized	Remaining balance
12th	Issue, with preferential subscription rights, of shares and/or share equivalents of the Company or subsidiaries, and/or issue of securities entitling the allocation of debt instruments	26 months (until June 22, 2014)	€225 million for shares(1)(2) +€5 billion for debt securities(1)	None	Authorization expired (cancelled by the 10th resolution of the Combined Shareholders’ Meeting of April 28, 2014)
13th	Issue, without preferential subscription rights, of shares and/or share equivalents of the Company or subsidiaries, and/or issue of securities entitling the allocation of debt instruments, with preferential subscription rights waived.	26 months (until June 22, 2014)	€225 million for shares(1)(2) +€5 billion for debt securities(1)	None	Authorization expired (cancelled by the 11th resolution of the Combined Shareholders’ Meeting of April 28, 2014)
14th	Issue, without preferential subscription rights, of shares or share equivalents giving access to the capital of the Company, as part of an offer referred to in Article L. 411-2 II of the French Monetary and Financial Code	26 months (until June 22, 2014)	€225 million for shares(1)(2) +€5 billion for debt securities *	None	Authorization expired (cancelled by the 12th resolution of the Combined Shareholders’ Meeting of April 28, 2014)
15th	Increase in the number of shares or other securities to be issued in the event of a securities issue with or without preferential subscription rights, in application of the 12th, 13th and 14th resolutions, limited to 15% of the initial issue	26 months (until June 22, 2014)	€225 million for shares(1)(2) +€5 billion for debt securities (1)	None	Authorization expired (cancelled by the 13th resolution of the Combined Shareholders’ Meeting of April 28, 2014)
16th	Issue of shares and/or share equivalents of the Company limited to 10% of the share capital in consideration for contributions in kind granted to the Company and comprised of capital securities	26 months (until June 22, 2014)	€225 million for shares(1)(2) +€5 billion for debt securities(1)	None	Authorization expired (cancelled by the 14th resolution of the Combined Shareholders’ Meeting of April 28, 2014)
20th	Capital increase by incorporation of premiums, reserves, profits or other	26 months (until June 22, 2014)	Aggregate amount that may be capitalized	None	Authorization expired (cancelled by the 18th resolution of the Combined Shareholders’ Meeting of April 28, 2014)
21st	Authorization to reduce the share capital by canceling treasury stock	26 months (until June 22, 2014)	10% of the share capital per 24 month period	None	Authorization expired (cancelled by the 19th resolution of the Combined Shareholders’ Meeting of April 28, 2014)

(1) This is a ceiling set by the Combined Shareholders’ Meeting of April 23, 2012 for the issues decided pursuant to the 12th, 13th, 14th, 15th and 16th resolutions.
(2) The overall ceiling for the issues decided in application of the 12th, 13th, 14th, 15th and 16th resolutions of the Combined Shareholders’ Meeting of April 23, 2012 and of the 9th and 10th resolutions of the Combined Shareholders’ Meeting of April 23, 2013 was set at €275 million by the 19th resolution of the Combined Shareholders’ Meeting of April 23, 2012.

AUTHORIZATIONS GRANTED BY THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING OF APRIL 23, 2013

Resolution	Type of authorization or delegation of authority	Validity and expiration	Maximum nominal amount per authorization	Amounts utilized	Remaining balance
5th	Authorization to trade in the Company's shares	18 months (until October 22, 2014)	Maximum purchase price: €40 Maximum shareholding: 10% of the share capital. Aggregate amount of purchases: ≤ €9.6 billion	GDF SUEZ holds 2.10% of its share capital as of April 28, 2014	Authorization expired (cancelled by the 5th resolution of the Combined Shareholders' Meeting of April 28, 2014)
9th	Capital increase reserved for members of the Group Employee Savings Plan	26 months (until June 22, 2015)	€40 million(1)	None	Authorization expired (cancelled by the 15th resolution of the Combined Shareholders' Meeting of April 28, 2014)
10th	Capital increase reserved for any entity formed as part of the implementation of the international employee shareholding plan offered by the Group	18 months (until October 22, 2014)	€10 million(1)	None	Authorization expired (cancelled by the 16th resolution of the Combined Shareholders' Meeting of April 28, 2014)
11th	Authorization to award bonus shares to all employees and officers of Group companies (excluding officers of the parent company)	18 months (until October 22, 2014)	Maximum shareholding: 0.5% of the share capital(2)	None	Authorization expired (cancelled by the 20th resolution of the Combined Shareholders' Meeting of April 28, 2014)
12th	Authorization to award bonus shares to certain employees and officers of Group companies (excluding officers of the parent company)	18 months (until October 22, 2014)	Maximum shareholding: 0.5% of the share capital(2)	Allocation of 2.8 million Performance Shares on December 11, 2013 and 0.1 million Performance Shares on February 26, 2014, i.e. 0.12% of share capital at February 26, 2014	Authorization expired (cancelled by the 21st resolution of the Combined Shareholders' Meeting of April 28, 2014)

(1) The overall ceiling for the issues decided in application of the 12th, 13th, 14th, 15th and 16th resolutions of the Combined Shareholders' Meeting of April 23, 2012 and of the 9th and 10th resolutions of the Combined Shareholders' Meeting of April 23, 2013 was set at €275 million by the 19th resolution of the Combined Shareholders' Meeting of April 23, 2012.

(2) This is a ceiling set by the Combined Shareholders' Meeting of April 23, 2013 for the awards decided pursuant to the 11th and 12th resolutions.

AUTHORIZATIONS GRANTED BY THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING OF APRIL 28, 2014

Resolution	Type of authorization or delegation of authority	Validity and expiration	Maximum nominal amount per authorization	Amounts utilized	Remaining balance
5th	Authorization to trade in the Company's shares	18 months (until October 27, 2015)	Maximum purchase price: €40 Maximum shareholding: 10% of the share capital. Aggregate amount of purchases: ≤ €9.6 billion	GDF SUEZ holds 1.84% of its share capital as of December 31, 2014	8.16% of the share capital
10th	Issue, with preferential subscription rights, of shares and/or share equivalents of the Company or subsidiaries, and/or issue of securities entitling the allocation of debt instruments	26 months (until June 27, 2016)	€225 million for shares(1)(2) +€5 billion for debt securities(1)	None	Full amount of the authorization
11th	Issue, without preferential subscription rights, of shares and/or share equivalents of the Company or subsidiaries, and/or issue of securities entitling the allocation of debt instruments	26 months (until June 27, 2016)	€225 million for shares(1) (2) +€5 billion for debt securities(1)	None	Full amount of the authorization
12th	Issue, without preferential subscription rights, of shares or share equivalents giving access to the capital of the Company as part of an offer referred to in Article L. 411-2 II of the French Monetary and Financial Code	26 months (until June 27, 2016)	€225 million for shares(1)(2) +€5 billion for debt securities(1)	None	Full amount of the authorization
13th	Increase in the number of shares or other securities to be issued in the event of a securities issue with or without preferential subscription rights, in application of the 10th, 11th and 12th resolutions, limited to 15% of the initial issue	26 months (until June 27, 2016)	€225 million for shares(1)(2) +€5 billion for debt securities(1)	None	Full amount of the authorization
14th	Issue of shares and/or share equivalents of the Company limited to 10% of the share capital in consideration for contributions in kind granted to the Company and comprised of capital securities	26 months (until June 27, 2016)	€225 million for shares(1)(2) +€5 billion for debt securities(1)	None	Full amount of the authorization
15th	Capital increase reserved for members of the Group Employee Savings Plan	26 months (until June 27, 2016)	€30 million(2)	Capital increase of December 11, 2014 (20,636,262 shares issued of which 20,307,623 shares subscribed by employees and 328,639 newly issued bonus shares)	€9.3 million
16th	Capital increase reserved for any entity formed as part of the implementation of the international employee shareholding plan offered by the Group	18 months (until October 27, 2015)	€10 million(2)	Capital increase of December 11, 2014 (1,824,660 shares issued)	€8.2 million
18th	Capital increase by incorporation of premiums, reserves, profits or other	26 months (until June 27, 2016)	Aggregate amount that may be capitalized	None	Full amount of the authorization
19th	Authorization to reduce the share capital by canceling treasury stock	26 months (until June 27, 2016)	10% of the share capital per 24 month period	None	Full amount of the authorization

(1) This is a ceiling set by the Combined Shareholders' Meeting of April 28, 2014 for the issues decided pursuant to the 10th, 11th, 12th, 13th and 14th resolutions.
(2) The overall ceiling for the issues decided by virtue of the 10th, 11th, 12th, 13th, 14th, 15th and 16th resolutions was set at €265 million by the 17th resolution of the Combined Shareholders' Meeting of April 28, 2014.

Resolution	Type of authorization or delegation of authority	Validity and expiration	Maximum nominal amount per authorization	Amounts utilized	Remaining balance
20th	Authorization to award bonus shares (a) to all employees and officers of Group companies (excluding officers of the parent company) and (b) to employees who are members of the international employee shareholding plan offered by the Group	18 months (until October 27, 2015)	Maximum shareholding: 0.5% of the share capital(3)	Allocation on December 11, 2014 of 0.1 shares, i.e. 0.01% of the share capital at February 27, 2015.	0.35% of the share capital(3)
21st	Authorization to award bonus shares to certain employees and officers of Group companies (except for officers of the parent company)	18 months (until October 27, 2015)	Maximum shareholding: 0.5% of the share capital(3)	Allocation of 3.4 million Performance Shares on December 10, 2014, of 0.1 million Performance Shares on February 25, 2015, and of 0.1 million shares under the offer reserved for employees on February 27, 2015, i.e 0.15% of share capital at February 27, 2015	0.35% of the share capital(3)

(3) This is a ceiling set by the Combined Shareholders' Meeting of April 28, 2014 for the awards decided pursuant to the 20th and 21st resolutions.

5.1.4 Five-year summary of changes in the share capital

ISSUANCE OF SHARES

Date	Event	Nominal amount *(in euros)*	Premium *(in euros)*	Share capital *(in euros)*	Number of shares	Par value per share *(in euros)*
Jan. 20, 2010	Increase of the share capital resulting from the exercise of 1,348,559 stock options	1,348,559(1)	21,122,672.59	2,260,976,267	2,260,976,267	1.00
Aug. 9, 2010	Increase of the share capital resulting from the exercise of 395,068 stock options	395,068	6,150,334.28	2,261,371,335	2,261,371,335	1.00
Aug. 9, 2010	Reduction of the share capital resulting from the cancellation of 36,898,000 treasury shares	36,898,000	1,377,800,021	2,224,473,335	2,224,473,335	1.00
Aug. 24, 2010	Increase of the share capital resulting from the subscription of 22,165,290 shares under the capital increase reserved for participants in an employee savings plan offered by the Group	22,165,290	416,264,146.20	2,246,638,625	2,246,638,625	1.00
Aug. 24, 2010	Increase of the share capital resulting from 521,056 bonus shares issued by deduction from the €416,264,146.20 in additional paid-in capital mentioned above, under the capital increase reserved for participants in an employee savings plan offered by the Group	521,056	(521,056.00)	2,247,159,681	2,247,159,681	1.00
Aug. 24, 2010	Increase of the share capital resulting from the subscription of 2,016,272 shares following capital increases reserved for entities whose sole purpose is to purchase, hold and dispose of GDF SUEZ shares as part of the international employee shareholding plan offered by the Group	2,016,272	37,865,588.16	2,249,175,953	2,249,175,953	1.00
Jan. 13, 2011	Increase of the share capital resulting from the exercise of 1,119,804 stock options	1,119,804(2)	17,772,036.01	2,250,295,757	2,250,295,757	1.00
Aug. 9, 2011	Increase of the share capital resulting from the exercise of 871,535 stock options	871,535	14,816,093.98	2,251,167,292	2,251,167,292	1.00
Jan. 11, 2012	Increase of the share capital resulting from the exercise of 1,468,916 stock options	1,468,916(3)	17,838,829.31	2,252,636,208	2,252,636,208	1.00

Date	Event	Nominal amount *(in euros)*	Premium *(in euros)*	Share capital *(in euros)*	Number of shares	Par value per share *(in euros)*
May 21, 2012	Increase of the share capital resulting from the issue of 69,002,807 shares resulting from subscriptions related to the optional payment of a portion of the 2011 dividend in shares	69,002,807	1,057,241,969.05	2,321,639,015	2,321,639,015	1.00
Aug. 1, 2012	Increase of the share capital resulting from the exercise of 134,434 stock options	134,434	2,070,175.10	2,321,773,449	2,321,773,449	1.00
Oct. 22, 2012	Increase of the share capital resulting from the issue of 86,580,374 shares resulting from subscriptions related to the optional payment of the 2012 interim dividend in shares	86,580,374	1,362,479,204.55	2,408,353,823	2,408,353,823	1.00
Jan. 22, 2013	Increase of the share capital resulting from the exercise of 4,470,266 stock options	4,470,266[4]	69,395,152.92	2,412,824,089	2,412,824,089	1.00
Dec. 11, 2014	Increase of the share capital resulting from the subscription of 20,307,623 shares under the capital increase reserved for participants in an employee savings plan offered by the Group	20,307,623	277,808,282.64	2,433,131,712	2,433,131,712	1.00
Dec. 11, 2014	Increase of the share capital resulting from the issue of 328,639 bonus shares by deduction from the additional paid-in capital under the capital increase reserved for participants in an employee savings plan offered by the Group	328,639	(328,639.00)	2,433,460,351	2,433,460,351	1.00
Dec. 11, 2014	Increase of the share capital resulting from the subscription of 1,824,660 shares following the capital increases reserved for any entity constituted in the course of the implementation of the international employee shareholding plan offered by the Group	1,824,660	24,961,348.80	2,435,285,011	2,435,285,011	1.00

(1) These new shares were recorded in GDF SUEZ's financial statements at December 31, 2009.
(2) These new shares were recorded in GDF SUEZ's financial statements at December 31, 2010.
(3) These new shares were recorded in GDF SUEZ's financial statements at December 31, 2011.
(4) These new shares were recorded in GDF SUEZ's financial statements at December 31, 2012.

5.1.5 Stock repurchase

5.1.5.1 Treasury stock

The 5th resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of April 28, 2014 authorized the Company to trade in its own shares with a view to managing its shareholders' equity according to the applicable laws and regulations.

Terms:

- maximum purchase price: €40 per share (excluding transaction costs);
- maximum number of shares that may be purchased for the duration of the program: 10% of the share capital;
- maximum total amount of acquisitions, net of fees: €9.6 billion.

A one-year liquidity agreement, renewable by tacit agreement, of an initial value of €55 million was signed on May 2, 2006, on Euronext Paris with Rothschild & Cie Banque. The amount of this agreement was increased to €150 million on July 22, 2008.

The main purpose of this agreement is to reduce the volatility of the GDF SUEZ share and therefore the risk perceived by investors. This agreement complies with the Code of Conduct drawn up by the Association Française des Entreprises d'Investissement (French Association of Investment Companies). This agreement continued to apply in 2014.

Between January 1, and December 31, 2014, under the liquidity agreement, the Company purchased 20,932,267 shares, for a total of €403.2 million (€19.26 per share). Over the same period, and also under this agreement, GDF SUEZ sold 27,657,267 shares for a total price of €539.0 million (€19.49 per share).

Furthermore, between January 1 and December 31, 2014, GDF SUEZ did not purchase any shares intended to cover its commitments to the beneficiaries of stock options, bonus shares or company savings plans.

Between January 1 and February 24, 2015, under the liquidity agreement, GDF SUEZ purchased 5,263,500 shares, for a total of €100.1 million (€19.02 per share). Over the same period, and also under this agreement, GDF SUEZ sold 4,763,500 shares for a total price of €90.8 million (€19.07 per share).

Furthermore, between January 1 and February 24, 2015, GDF SUEZ did not purchase any shares intended to cover its commitments to the beneficiaries of stock options, bonus shares or company savings plans.

On February 24, 2015, the Company held 1.86% of its share capital, or 45,328,710 shares, including 950,000 shares under the liquidity agreement and 44,378,710 shares to cover its commitments to the beneficiaries of stock options, bonus shares or company savings plans.

5.1.5.2 Description of the stock repurchase program to be submitted to the ordinary and extraordinary shareholders' meeting of April 28, 2015

Pursuant to Articles 241-1 to 241-6 of the AMF's General Regulations, the purpose of the following program description is to set out the objectives, terms and conditions of GDF SUEZ's stock repurchase program, as it will be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting to be held on April 28, 2015.

A. Main features of the program

The main features and goals of the program are summarized below:

- relevant securities: shares listed on Eurolist – SRD at the Paris Stock Exchange or on Eurolist at the Brussels Stock Exchange;
- maximum capital repurchase percentage authorized by the Shareholders' Meeting: 10%;
- maximum purchase price: €40 per share (excluding transaction costs).

B. Objectives of the stock repurchase program

The objectives of the GDF SUEZ stock repurchase program are summarized below:

- to ensure liquidity in the Company's shares by an investment service provider under liquidity agreements;
- to provide for the subsequent cancellation of the repurchased shares under a decision or authorization to reduce the share capital by the Extraordinary Shareholders' Meeting;
- to allocate or assign such shares to employees or former employees and corporate officers or former corporate officers of the Group;
- to set up stock purchase plans, bonus share plans on existing shares, or employee shareholding plans under company savings plans; in the latter case, for a maximum nominal amount of 1% of the share capital;
- to allocate or sell such shares to any entity as part of implementing an international employee shareholding plan for a maximum nominal amount of 0.5% of the share capital (these shares are allocated to the ceiling of 1% mentioned above);
- to provide for the holding and subsequent delivery of shares (as exchange, payment or otherwise) in the context of external growth transactions within the limit of 5% of the share capital;
- to provide for the hedging of securities conferring entitlement to Company share allocations upon the exercise of the rights attached to securities conferring entitlement by conversion, redemption, exchange, upon presentation of a warrant or other means of allocation of Company shares;
- to implement any other market practices previously or subsequently authorized or to be authorized by market authorities.

C. Terms and conditions

Maximum percentage of share capital that may be repurchased and maximum amount payable by GDF SUEZ

The maximum number of shares that may be purchased by GDF SUEZ may not exceed 10% of the share capital of the Company on the date of the General Shareholders' Meeting, i.e. approximately 243.5 million shares, for a maximum theoretical amount of €9.7 billion. GDF SUEZ reserves the right to hold the maximum amount authorized.

On February 24, 2015, GDF SUEZ directly held: 45,328,710 shares, or 1.86% of the share capital.

Therefore, based on the estimated share capital at the date of the Meeting, the stock repurchase program could cover up to 198 million shares, representing 8.14% of the share capital, for a maximum amount payable of €7.9 billion.

Maximum term of the stock repurchase program

The stock repurchase program will be in effect for a period of 18 months beginning on the date of this Shareholders' Meeting, i.e. until October 27, 2016.

5.1.6 Non-equity

5.1.6.1 Irredeemable and non-voting securities

Gaz de France issued irredeemable and non-voting securities in 1985 and 1986 in two tranches, A and B. At January 1, 2014, only 194,440 Tranche A securities were still outstanding; Tranche B securities were fully repaid in 2000. In 2014, all the Tranche A irredeemable and non-voting securities were repaid.

5.1.6.2 Deeply subordinated securities

Following the first transaction in July 2013, GDF SUEZ initiated an new issue of deeply subordinated perpetual securities in May 2014. On May 28, 2014, the prospectus for the transaction was approved by the French Financial Markets Authority (AMF) under number 14-251. This transaction allowed the Group to raise an amount equivalent to €2.0 billion in two tranches with an average coupon of 3.4%.

Issuer	Currency	Coupon rate	Issue date	Maturity	First option for redemption	Amount issued *(in stated currency) (in millions)*	Exchange	ISIN Code
GDF SUEZ	EUR	3.875%	July 10, 2013	Perpetual	July 10, 2018	600	Paris	FR0011531714
GDF SUEZ	GBP	4.625%	July 10, 2013	Perpetual	Jan. 10, 2019	300	Paris	FR0011531722
GDF SUEZ	EUR	4.750%	July 10, 2013	Perpetual	July 10, 2021	750	Paris	FR0011531730
GDF SUEZ	EUR	3.000%	June 2, 2014	Perpetual	June 2, 2019	1000	Paris	FR0011942226
GDF SUEZ	EUR	3.875%	June 2, 2014	Perpetual	June 2, 2024	1000	Paris	FR0011942283

These securities are rated A3 by Moody's and BBB+ by Standard & Poor's.

In accordance with the provisions of IAS 32, and given their characteristics, these instruments are recognized in equity in the Group's consolidated financial statements (see Section 6.2, "Consolidated financial statements" - Notes 16.3.2.2 and 18.2.1).

5.1.6.3 Euro Medium Term Notes (EMTN) Program

GDF SUEZ has a €25 billion EMTN program. This program was updated on October 2, 2014 and approved by the AMF under number 14-534.

5.1.6.4 Bonds

The main features of bond issues outstanding at December 31, 2014 by the Company and issued or guaranteed by GIE GDF SUEZ ALLIANCE, of which the Company is a member, are listed in the table below.

Issuer	Currency	Coupon rate	Issue date	Maturity	Amount issued *(in stated currency) (in millions)*	Exchange	ISIN Code
GDF SUEZ	EUR	5.125%	Feb. 19, 2003	Feb. 19, 2018	687	Paris Luxembourg	FR0000472334
Belgelec Finance	EUR	5.125%	June 24, 2003	June 24, 2015	450	Luxembourg	FR0000475741
GDF SUEZ Alliance	EUR	5.750%	June 24, 2003	June 24, 2023	1,000	Luxembourg	FR0000475758
Electrabel	EUR	4.750%	April 10, 2008	April 10, 2015	454	Luxembourg	BE0934260531
GDF SUEZ[(1)]	EUR	6.875%	Oct. 24, 2008	Jan. 24, 2019	834	Luxembourg	FR0010678185
GDF SUEZ[(1)]	GBP	7.000%	Oct. 30, 2008	Oct. 30, 2028	500	Luxembourg	FR0010680041
GDF SUEZ[(1)]	JPY	3.180%	Dec. 18, 2008	Dec. 18, 2023	15,000	None	FR0010697193
GDF SUEZ[(1)]	EUR	5.625%	Jan. 16, 2009	Jan. 18, /2016	1,043	Luxembourg	FR0010709279
GDF SUEZ[(1)]	EUR	6.375%	Jan. 16, 2009	Jan. 18, /2021	1,000	Luxembourg	FR0010709451
GDF SUEZ[(1)]	GBP	6.125%	Feb. 11, 2009	Feb. 11, 2021	611	Luxembourg	FR0010721704
GDF SUEZ[(1)]	EUR	5.000%	Feb. 23, 2009	Feb. 23, 2015	750	Luxembourg	FR0010718189
GDF SUEZ[(1)]	GBP	5.000%	Oct. 1, 2010	Oct. 1, 2060	1,100	Paris	FR0010946855
GDF SUEZ[(1)]	EUR	2.750%	Oct. 18, 2010	Oct. 18, 2017	564	Paris	FR0010952739
GDF SUEZ[(1)]	EUR	3.500%	Oct. 18, 2010	Oct. 18, 2022	762	Paris	FR0010952770
GDF SUEZ[(1)]	EUR	5.950%	March 16, 2011	March 16, 2111	300	Paris	FR0011022474
GDF SUEZ[(1)]	EUR	3.046%	Oct. 17, 2011	Oct. 17, 2018	150	Paris	FR0011131846
GDF SUEZ[(1)]	CHF	1.500%	Oct. 20, 2011	Oct. 20, 2017	300	SIX	CH013975685-9
GDF SUEZ[(1)]	EUR	3.896%	Oct. 24, 2011	Oct. 24, 2023	100	Paris	FR0011133495
GDF SUEZ[(1)]	EUR	3.125%	Nov. 21, 2011	Jan. 21, 2020	424	Paris	FR0011147305
GDF SUEZ[(1)]	EUR	1.500%	June 1, 2012	Feb. 1, 2016	1,000	Paris	FR0011261890
GDF SUEZ[(1)]	EUR	2.250%	June 1, 2012	June 1, 2018	729	Paris	FR0011261916
GDF SUEZ[(1)]	EUR	3.000%	June 1, 2012	Feb. 1, 2023	1,000	Paris	FR0011261924
GDF SUEZ[(1)]	EUR	2.500%	July 2, 2012	Jan. 21, 2020	400	None	FR0011278506
GDF SUEZ[(1)]	JPY	1.260%	July 6, 2012	July 6, 2022	10,000	Paris	FR0011283134
GDF SUEZ[(1)]	EUR	1.500%	July 20, 2012	July 20, 2017	750	Paris	FR0011289222
GDF SUEZ[(1)]	EUR	2.625%	July 20, 2012	July 20, 2022	661	Paris	FR0011289230
GDF SUEZ[(1)]	CHF	1.125%	Oct. 9, 2012	Oct. 9, 2020	275	SIX	CH0195288102
GDF SUEZ[(1)]	CHF	1.625%	Oct. 9, 2012	Oct. 9, 2024	175	SIX	CH0195288193
GDF SUEZ	USD	1.625%	Oct. 10, 2012	Oct. 10, 2017	750	None	US36160BAB18
GDF SUEZ	USD	2.875%	Oct. 10, 2012	Oct. 10, 2022	750	None	US36160BAA35
GDF SUEZ[(1)]	EUR	Eur3M + 58 bps	April 16, 2013	April 16, 2020	200	Paris	FR0011464171
GDF SUEZ[(1)]	NOK	4.02%	April 22, 2013	April 22, 2024	500	Paris	FR0011470822
GDF SUEZ[(1)]	EUR	3.375%	March 25, 2013	March 25, 2033	100	None	FR0011450964
GDF SUEZ[(1)]	USD	3.75%	April 18, 2013	April 18, 2033	50	Paris	FR0011469006
GDF SUEZ	EUR	0.00%	April 2, 2013	April 2, 2038	80	None	-
GDF SUEZ[(1)(2)]	EUR	1.375%	May 19, 2014	May 19, 2020	1,200	Paris	FR0011911239
GDF SUEZ[(1)(2)]	EUR	2.375%	May 19, 2014	May 19, 2026	1,300	Paris	FR0011911247

(1) Issued under the EMTN program.
(2) Green Bond (see Section 5.1.6.5 “Green Bond”).

On March 4th 2015, GDF SUEZ achieved a four-tranche €2.5 billion bond issue. The average coupon rate of the issue is 0.75% and the average maturity is 9.8 years.

5.1.6.5 Green Bond

5.1.6.5.1 Description of the bond

In its will to reduce greenhouse gas emissions, GDF SUEZ is developing a diversified portfolio comprised of facilities allowing the production of energy from renewable sources and the implementation of energy efficiency solutions, thus reducing the energy consumption level of its facilities and customers. The Group's investment strategy is based on becoming a key leader in energy transition.

To fund these developments, on May 19, 2014, GDF SUEZ issued a green bond for a total of €2.5 billion, in two tranches comprised of €1.2 billion for 6 years and €1.3 billion for 12 years. The funds raised by this bond are intended to support the Group's investments in projects that satisfy environmental, social and societal criteria, specifically projects that are "eligible" as defined in the use of proceeds clause in the final terms of the Green Bond issue.

Until the funds raised are entirely allocated to eligible projects (or after in case of change in allocations), GDF SUEZ is commited to provide information in its Registration Document on the fund allocations made during the period concerned.

As part of the Green Bond, GDF SUEZ is commited to fulfill the following conditions:

- eligible projects must respect the criteria determined by GDF SUEZ in conjunction with Vigeo. Eligible projects include new projects that meet the eligibility criteria and/or investments made since January 1, 2013 on existing projects that meet the eligibility criteria. The amounts allocated are calculated after deduction of any funding already dedicated to these projects.
- at December 31 of the year in question, the Group must hold cash (or cash equivalents) of an amount at least equal to the funds raised by the Green Bond, less amounts allocated to fund eligible projects as of that date.

5.1.6.5.2 Eligibility criteria

The eligibility criteria are described below and are also available in a dedicated section of the GDF SUEZ website (http://www.gdfsuez.com/en/investors/fixed-income/green-bond-fight-climate-change). These criteria were drawn up together with Vigeo and were used to select the projects funded in the two-year period from January 1, 2013 to December 31, 2014.

Category of projects	Indicators
Renewable energy	Installed capacity in MW
Energy efficiency	Percentage of reduction in energy consumption

Criteria	Principles of action
Fight against climate change	The project is not linked to energy production by fossil fuels or nuclear sources and contributes to the decrease of GHG emissions of the business area
Environmental management	Project specifications include environmental requirements
	Environmental impact assessment (Environmental Impact Analysis or equivalent) and implementation of appropriate measures to limit, mitigate or compensate negative impacts Implementation of environmental reporting on the project
Protection of biodiversity and natural resources	Impact analysis on biodiversity and natural resources (included in the EIA or equivalent) and implementation of appropriate measures if the site is classified as a priority
Promotion of local economic development	Actions taken to foster economic development through local purchases and/or opportunities generated for local employment, e.g. direct and indirect jobs created
Local consultation and communities well-being	Assessment of project impacts on local population, health problems and/or cultural heritage (social impact assessment or equivalent) and implementation of appropriate measures to limit, mitigate or compensate negative impacts (when appropriate)
	Consultation actions carried out and conduction of a satisfaction survey with local stakeholders
Promotion of business ethics	Promotion of ethical practices with suppliers and subcontractors via “Ethics and CSR” contractual clause
	Training of the purchasers about business ethics (responsibilities, competition rules, anti-corruption measures)
	Analysis and approval of subcontractors on their positive records for similar projects and on verification of any reputation risk
Responsible procurement	Traceability of the project’s purchasing process, with request for proposal process (except if justification)
	Integration of CSR and compliance issues in the evaluation of the project’s suppliers
	E-learning for purchasers on responsible procurement
Protection of health and safety conditions	Health & Safety approbation of the project covering risk analysis and prevention plan (or equivalent) for the construction phase
	Promotion of health and safety protection to suppliers via contractual clause
	Appointment of Health and Safety Coordinator (or equivalent) for the project duration
Quality of employment conditions	Salaries analysis to ensure that the salaries of all employees involved in the project are higher than the legal minimum wage of the project country[1]
ESG assessment	Positive recommendation of GDF SUEZ Sustainability Department based on the project ESG assessment through the GDF SUEZ Internal Sustainable Development Investment Criteria

(1) This principle of action only applies to GDF SUEZ Group employees.

Note: In 2014, the arrangememnts in place within the Group have been strenghtened to improve the consideration for "Promotion of business ethics" and "Responsible procurement" criteria in contracts.

5.1.6.5.3 Eligible projects

At December 31, 2014, the eligible projects financed by the Green Bond issue and which meet the above conditions are listed in the following table:

Project Name	Region/Country	Project category	Indicators [(1)]	Expected year of commissioning
Ecova[(2)]	North America / USA	Energy efficiency	3% [(3)]	N/A
Jirau	Latin America / Brazil	Hydropower	3 750 MW	2013 to 2016
Laja	Latin America / Chile	Hydropower	34 MW	2014
Quitaracsa	Latin America / Peru	Hydropower	112 MW	2015
Locheristi, Poperinge, and Sint Gillis waas	Europe / Belgium	Onshore wind	21 MW	2013/14
Besse sur Issole	Europe / France	Solar	14 MW	2013
Hangest	Europe / France	Onshore wind	21 MW	2015
SHEM	Europe / France	Hydropower	10 MW	2013/14/15
Somme-Soude	Europe / France	Onshore wind	21 MW	2014
Heating networks with biomass generation	Europe / France and Italy	Biomass	12 MW+344 MW(th)	2015/16/17
Santa Chiara	Europe / Italy	Solar	3 MW	2014
Alizeu	Europe / Romania	Onshore wind	50 MW	2013

(1) Renewable energy projects: the total installed capacity is the projected capacity upon full commissioning of facilities.
(2) Ecova is a service company whose activities include reducing consumer's energy consumption.
(3) Number of kWh saved in 2014 by final consumers after Ecova's services, relative to total annual consumption.

The total amount of funds allocated to eligible projects listed above amounted to €866.7 million at December 31, 2014. Note that this amount includes investments made in 2014 and in 2013 in these projects.

The Green Bond contributes to the funding or acquisition of eligible projects in (1) renewable energy (wind, solar, hydroelectric and/or biomass) and (2) energy efficiency:

1) Renewable energy

Renewable energy forms a large part of GDF SUEZ's power generation portfolio. With installed production capacity of 16,838 MW at the end of 2012, GDF SUEZ is one of the leaders in this sector, which includes hydroelectricity, biomass, biogas, and wind and solar power. These low-carbon resources play an essential role in energy transition and combatting climate change.

At December 31, 2014, 11 eligible projects were financed in renewable energy for a total of €814.5 million, thanks to funds raised through the Green Bond. The Group plans to invest an equivalent amount over the next three years.

In full operational mode, these projects should help to reduce greenhouse gas emissions by a minimum of 6 million tons of CO_2 eq. per year. The contributions of the two projects listed as meeting the criteria of the Kyoto Protocol's "Clean Development Mechanism" (UNFCCC) are as follows:

- Jirau (hydroelectric) 6,180,620 tons of CO_2 eq. per year (in full operational phase – data available at:

http://cdm.unfccc.int/Projects/DB/LRQA%20Ltd1356533361.56/view

- Quitaracsa (hydroelectric): 249,463 metric tons of CO2 eq. per year (in full operational phase – data available at:

http://cdm.unfccc.int/Projects/DB/TUEV-SUED1169475557.62/view

2) Energy efficiency

In May 2014, GDF SUEZ announced the acquisition of Ecova, a company specialized in implementing sustainable energy solutions for energy suppiers and industrial and business customers in North America. Its activities also include solutions that help end-consumers to reduce their energy consumption. Only the portion of the Ecova acquisition price corresponding to this activity was financed through the Green Bond (€52.2 million).

In 2014, Ecova's eligible activities contributed to a total reduction of 8.1 million tons of CO_2 emissions, the equivalent of 922,034 tons of CO_2 emissions per year[(1)]. This reduction directly reflects the reduction of energy use described above and is calculated on the basis of the program developed by the U.S. Environmental Protection Agency's (EPA), Greenhouse Gas Equivalencies Calculator, available on the website: http://www.epa.gov/cleanenergy/energy-resources/refs.html.

(1) In the United States, electric power operators trade energy efficiency gains as alternative resources to the construction of new generation units. To measure these efficiency gains, the operators, in agreement with the regulators, define the components of the reference portfolio (energy mix), its lifetime and evolution over time. Other assumptions are integrated into the model. This measurement process is very precisely monitored by the operators and regulators. The total CO_2 reduction plus energy efficiency gains is estimated on the basis of the CO_2 which would have been produced in the event of implementation and operation of a generation unit, taking into account the average lifetime of all the constituent elements of this unit.

The amount shown on the line Cash and cash equivalents on the consolidated balance sheet at December 31, 2014 exceeds the amount of funds raised from the issue and not allocated to eligible projects, or €1,633.3 million.

In line with the commitments made in the use of proceeds clause, GDF SUEZ asked one of the Statutory Auditors of GDF SUEZ SA, Deloitte & Associés, to provide a statement certifying compliance of the undertaken projects with the eligibility criteria, the amounts allocated to thoses projects, and the amount held by the Group in "Cash and cash equivalents", and representing the balance of the Green Bond amount not already allocated to eligible projects.

5.1.6.5.4 Attestation from one of the Statutory Auditors of GDF SUEZ SA on the information related to the allocation, as of December 31, 2014, of funds raised through the Green Bond issued on May 19, 2014

This is a free translation into English of the attestation from one of the Statutory Auditors of GDF SUEZ SA on the information related to the allocation, as of December 31, 2014, of funds raised through the Green Bond issued on May 19, 2014 originally issued in French and is provided solely for the convenience of English speaking readers.

This attestation should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Group's Chairman and Chief Executive Officer,

In our capacity as statutory auditor of GDF Suez SA (the "Company") and in accordance with your request, we have prepared this attestation on the information related to the allocation, as of December 31, 2014, of funds raised through the Green Bond issued on May 19, 2014 (the "Issue"), in two tranches totaling 2.5 billion euros, contained in the attached document "Green Bond", and prepared pursuant to the use of proceeds of the final terms, signed on May 15, 2014, of each of the two tranches (the "Final Terms").

This document, prepared for the purposes of informing the Green Bond debt securities holders, presents an allocation of the funds raised from the Issue to eligible projects ("Eligible Projects"), over the period from January 1, 2013 to December 31, 2014, for a total amount of 866.7 million euros.

This information was prepared under your responsibility, based on the accounting records used for the preparation of the consolidated financial statements for the years ended December 31, 2013 and 2014.

Our role is to report on:

- the compliance, in all material respects, of the Eligible Projects referred to in the attached document, with the eligibility criteria defined and approved jointly by both the Company and Vigeo, referred to in the attached document and in the appendices to the Final Terms (the "Eligibility Criteria");
- the consistency of the amount raised from the Issue allocated to Eligible Projects, as of December 31, 2014, with data underlying the accounting records.
- the consistency with the consolidated financial statements for the year ended December 31, 2014, of an amount of cash, cash equivalent and money market instruments higher than the remaining balance of net proceeds not allocated to Eligible Projects.

However, we have no responsibility:

- for challenging the Eligibility Criteria, and, in particular, we give no interpretation on the Final Terms;
- for forming an opinion on the use of the funds allocated to Eligible Projects after such funds have been allocated.

In the context of our role as Statutory Auditor, we have audited, jointly with the other Statutory Auditor, the consolidated financial statements of the Company for the years ended December 31, 2013 and 2014. Our audits were conducted in accordance with professional standards applicable in France, and were planned and performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole and not on any individual component of the accounts used to determine the information. Accordingly, our audit tests and samples were not carried out with this objective and we do not express any opinion on any component of the accounts taken individually. These consolidated financial statements, which have not yet been approved by the Shareholders' Meeting, have been audited and our report thereon is dated March 3, 2015.

Our engagement, which constitutes neither an audit nor a review, was performed in accordance with professional standards applicable in France. For the purposes of this attestation, our work consisted, using sampling techniques or other methods of selection, in:

- understanding the procedures implemented by the Company for producing the information contained in the attached document;
- verifying the compliance, in all material respects, of the Eligible Projects referred to in the attached document to Eligible Criteria;
- verifying the consistency of the amount raised from the Issue allocated to Eligible Projects with data underlying the accounting records;
- verifying that the cash, cash equivalent and money market instruments balance as in the consolidated financial statements for the year ended December 31, 2014 is higher than the remaining balance of net proceeds not allocated to Eligible Projects, as of December 31, 2014.

On the basis of our work, we have no matters to report on:

- the compliance, in all material respects, of the Eligible Projects to Eligible Criteria;
- the consistency of the amount raised from the Issue allocated to Eligible Projects with data underlying the accounting records;
- the consistency with the consolidated financial statements for the year ended December 31, 2014, of an amount of cash, cash equivalent and money market instruments higher than the remaining balance of net proceeds not allocated to Eligible Projects, as of December 31, 2014.

Without modifying the conclusion expressed above, we draw your attention to the note included in section "5.1.6.5.2 Eligibity Criteria" which states that, in 2014, the arrangements in place within the Group have been strengthened to improve the consideration for "Promoting Business Ethics" and "Responsible Purchasing" criteria in contracts.

This attestation has been prepared solely for your attention within the context described above and may not be used, distributed or referred to for any other purpose.

Neuilly-sur-Seine, March 3, 2015
One of the Statutory Auditors

DELOITTE & ASSOCIES

Véronique Laurent

5.1.6.6 Commercial paper

The Company has short-term financing programs (commercial paper and US commercial paper).

GDF SUEZ set up a €5 billion commercial paper program on August 13, 2008. This program was updated on June 17, 2014 and was approved by the Banque de France. At December 31, 2014 the amount outstanding was €3,729.5 million.

The Company also implemented a US commercial paper program in place for US$4.5 billion. The amount outstanding on December 31, 2014 was US$1,808.4 million.

5.2 SHAREHOLDING

5.2.1 Stock exchange quotation

TRADING VOLUMES AND HIGH AND LOW PRICES OF GDF SUEZ SHARES IN PARIS

	Low[1] *(in euros)*	Low[1] *(in euros)*	Volume of transactions[2]
2014			
January	17.435	16.255	5,276,067
February	18.615	16.330	5,847,727
March	19.960	18.225	6,173,326
April	19.995	18.175	5,732,223
May	20.485	18.545	5,732,998
June	21.090	20.105	5,195,632
July	20.395	19.250	4,924,815
August	19.060	18.445	5,133,904
September	19.860	18.940	5,114,561
October	19.715	16.935	7,475,191
November	19.900	18.395	5,759,088
December	20.520	18.275	5,693,983

(1) Rates obtained from daily closing prices.
(2) Daily average (source: Bloomberg).

Subsequent to the deregistration of GDF SUEZ with the US Securities & Exchange Commission on October 30, 2009, GDF SUEZ maintains an unlisted Level 1 American Depositary Receipt (ADR) program on a U.S. stock exchange. These ADRs are traded on the NASDAQ over-the-counter market.

5.2.2 Breakdown of share capital – Changes in shareholding

At December 31, 2014, the Company held 2,435,285,011 shares, including 44,829,797 in treasury stock.

In fiscal 2014, the Company's share capital was increased by 22,460,922 shares with a par value of €1 through the issue of 22,460,922 shares under the "Link 2014" employee shareholding plan.

MAJOR CHANGES IN GDF SUEZ SHAREHOLDINGS DURING THE PAST THREE FISCAL YEARS

	December 31, 2014			December 31, 2013		December 31, 2012	
	Number of shares	% of share capital	% of voting rights[1]	% of share capital	% of voting rights	% of share capital	% of voting rights
French State	810,797,264	33.29	33.92	36.71	37.53	36.71	37.58
Employee shareholding	77,460,675	3.18	3.24	2.35	2.40	2.26	2.31
Groupe Bruxelles Lambert (GBL)	57,701,905	2.37	2.41	2.40	2.46	5.10	5.22
CDC Group	45,894,091	1.88	1.92	1.90	1.94	1.90	1.95
CNP Assurances	24,670,003	1.01	1.03	1.03	1.06	1.03	1.06
Sofina	9,158,904	0.38	0.38	0.53	0.54	0.53	0.54
Treasury stock	44,829,797	1.84	-	2.18	-	2.30	-
Management	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
Public		56.05	57.10	52.90	54.07	50.17	51.34
		100%	100%	100%	100%	100%	100%

(1) Calculated based on the number of shares and voting rights outstanding at December 31, 2014.

After the transferral by the French government of 1.36 million shares of GDF SUEZ to the Group's employees on February 27, 2015, pursuant to the applicable regulations, the State's interest in the share capital as of this date was 33.24%.

5.2.3 Disclosure thresholds

NOTIFICATIONS OF LEGAL DISCLOSURE THRESHOLDS RECEIVED SINCE JANUARY 1, 2014

Dec. 11, 2014	Lowering	33.29%	French State

The French State fell below the threshold of one-third of the share capital of GDF SUEZ when the capital increase reserved for employees of GDF SUEZ was carried out on December 11, 2014. This transaction had been authorized in advance by Decree No. 2014-1084 of September 25, 2014, in accordance with the provisions of Order No. 2014-948 of August 20, 2014 on the governance and capital transactions of state-owned companies.

To the Company's knowledge, as of the date of this Registration Document, only the French State holds share capital and/or voting rights in GDF SUEZ that exceed one of the legal thresholds.

The Company has no knowledge of any shareholders owning 5% or more of GDF SUEZ's share capital that have notified it of crossing legal disclosure thresholds.

5.2.4 Golden share

Pursuant to the French Energy Code and Act No. 2014-384 of March 29, 2014, the French State must hold over one-third of the Company's capital or voting rights; the State's holding may fall below this threshold provided it returns to the threshold of one-third of the capital or voting rights within two years.

Pursuant to the French Energy Code and Decree No. 2007-1790 of December 20, 2007, the share capital of GDF SUEZ includes a golden share (resulting from the conversion of one ordinary share) which is held by the French State, and is aimed at protecting France's critical interests in the energy sector and ensuring the continuity and safeguarding of energy supplies. The golden share is granted to the French State indefinitely and entitles it to veto decisions made by GDF SUEZ, or its French subsidiaries, which directly or indirectly seek to sell in any form whatsoever, transfer the operation, assign as collateral or guarantee, or change the intended use of certain assets covered by the Decree, if it considers they could harm French energy interests as regards the continuity and safeguarding of supplies.

Under the terms of Article 2 of Decree No. 2007-1790 of December 20, 2007, and its Appendix, the assets covered by the French State's right of veto pursuant to the golden share are:

- natural gas transmission pipelines located in France;
- assets related to the distribution of natural gas in France;
- underground natural gas storage located in France;
- liquefied natural gas facilities located in France.

In accordance with Decree No. 93-1296 of December 13, 1993 applied pursuant to Article 10 of Act No. 86-912 (as amended) relating to privatizations and concerning certain rights attached to the golden share, and to Decree No. 2007-1790 of December 20, 2007, all decisions of this nature must be reported to the Minister of the Economy.

The decisions mentioned above are deemed to be authorized if the Minister of the Economy does not veto them within one month of the date of their disclosure, as recorded by a receipt issued by the administration. This period may be extended for a period of 15 days by order of the Minister of the Economy. Before the expiration of the aforementioned one-month period, the Minister of the Economy may waive the right to veto. If there is a veto, the Minister of the Economy will communicate the reasons of his or her decision to the company in question. The decision of the Minister of the Economy may be appealed.

Pursuant to Decree 93-1296 of December 13, 1993, any transaction executed in violation of Decree 2007-1790 of December 20, 2007 is automatically null and void.

As of the date of this Registration Document, to GDF SUEZ's knowledge, there is no agreement relating to an option on any entity that is a member of the GDF SUEZ Group and is subject to these provisions or any agreement which, if implemented, could lead to a change in its control.

5.2.5 Dividend distribution policy

GDF SUEZ seeks to pursue a dynamic and attractive dividend distribution policy. To encourage and reward shareholder loyalty, the General Shareholders' Meeting of April 28, 2014 instituted a 10% dividend mark-up for shareholders who have held their shares in registered form for at least two years, this 10% being the maximum amount authorized by Article L. 232-14 of the French Commercial Code. This measure will apply for the first time to the dividend payment for fiscal year 2016 and will be capped at 0.5% of the share capital for a single shareholder, as stipulated in Article 232-14 of the French Commercial Code.

The Group's objectives described in Section 6.1.1.8 "Outlook" do not, however, constitute a commitment by the Company, and future dividends will be assessed on a year-by-year basis depending on the Company's performance, financial position and any other factor considered relevant by the Board of Directors when preparing its proposals to the General Shareholders' Meetings.

The Board of Directors will propose to the General Shareholders' Meeting of April 28, 2015 the payment of a full dividend for fiscal year 2014 of €1.0 per share, including the €0.50 per share already paid as an interim dividend.

Dividend per share

GDF SUEZ DIVIDENDS OVER THE LAST FIVE YEARS

Fiscal year (fully paid-up shares)	Net dividend per share *(in euros)*
2009	1.47
2010	1.50
2011	1.50
2012	1.50
2013	1.50

After a period of five years, unclaimed dividends are automatically paid to the French Treasury.

6

MANAGEMENT REPORT

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6.1 MANAGEMENT REPORT

6.1.1 Management report

Data included in the income statement, statement of financial position and statement of cash flows for the year ended December 31, 2013 are based on unaudited pro forma figures[1], calculated as if SUEZ Environnement had been accounted for using the equity method as of January 1, 2013. The basis used to prepare this pro forma data is disclosed in Section 6 of this report. In addition, the 2013 data have been restated due to the application of the new consolidation standards and incorporate the new definition of EBITDA *(see Note 2 to the consolidated financial statements)*.

2014 was marked by a particularly mild climate in Europe as well as the shutdown of the Doel 3 and Tihange 2 nuclear power plants on March 26, 2014, followed by the Doel 4 plant between August 5 and December 19.

Revenues fell by 6.6% on a reported basis to €74.7 billion (down by 7.2% on an organic basis) compared with 2013. This decrease is due in particular to the impact of climatic conditions on sales of natural gas in France (2014 was particularly mild compared with 2013) and lower electricity market prices in Europe. Adjusted for climate impacts in France and the gas price “catch-up” recorded in 2013, which had a €2.3 billion impact, revenues were down by 4.4% on an organic basis.

EBITDA, which amounted to €12.1 billion for the year, was down 6.7% on a reported basis (organic decrease of 4.2%). Adjusted for climatic conditions in France and the gas price “catch-up” recorded in 2013 with a total €815 million year-on-year impact, EBITDA was up 2.4% on an organic basis. This indicator was boosted by the positive impact of the commissioning of new assets, a strong operating performance, the positive results of the Group’s Perform 2015 plan and the positive variation in net additions to provisions compared with 2013, which were partially offset by outages at certain nuclear power plants, the fall in electricity market prices in Europe and adverse hydrological conditions in Latin America.

Current operating income after share in net income of entities accounted for using the equity method declined by 6.6% on a reported basis and 3.4% on an organic basis to €7.2 billion. The decrease in EBITDA was mitigated by lower depreciation and amortization charges mainly owing to the significant impairment losses recognized at end-2013. Adjusted for climatic conditions in France and the gas price “catch-up”, this indicator was up 8.2% on an organic basis.

Net income Group share totaled €2.4 billion in 2014, up €12.1 billion on a reported basis compared with 2013. 2013 was heavily impacted by impairment losses, which reduced net income Group share by €12.7 billion.

Net recurring income Group share amounted to €3.1 billion in 2014, down €0.3 billion year on year. The decline in current operating income after share in net income of entities accounted for using the equity method was offset to a large extent by lower recurring financial expenses thanks to more active debt management and a lower recurring tax expense.

Cash flow from operations amounted to €7.9 billion, down €2.4 billion compared with 2013. This decrease is mainly due to the fall in cash generated from operations before income tax and working capital requirements, and the change in working capital requirements, which was related in particular to the impact of changes in oil prices on margin calls. This was partially offset by lower interest payments thanks to the decrease in average net debt.

Net debt stood at €27.5 billion at end-December 2014, down €1.3 billion year on year, reflecting the following items: (i) cash generated from operations before income tax and working capital requirements for the year (€11.8 billion) and the issue of hybrid notes also called deeply-subordinated perpetual notes by GDF SUEZ SA at the beginning of June (€2.0 billion); (ii) this was offset by the change in working capital requirements (€1.2 billion), net investments (including changes in scope of consolidation) carried out by the Group (€3.9 billion) as well as dividends paid to GDF SUEZ SA shareholders (€2.8 billion) and to non-controlling interests (€0.8 billion).

(1) *The IFRS consolidated financial statements presented in Section II were approved and authorized for issue by the Board of Directors on February 25, 2015. They have been audited by the Group’s Statutory Auditors.*

6.1.1.1 Revenues and earnings trends

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	74,686	79,985	-6.6%	-7.2%
EBITDA	12,138	13,017	-6.7%	-4.2%
Net depreciation and amortization charges/Other	(4,977)	(5,351)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	7,161	7,665	-6.6%	-3.4%

Consolidated **revenues** for the year ended December 31, 2014 amounted to €74.7 billion, down 6.6% compared with 2013. On an organic basis (excluding the impact of changes in the scope of consolidation and exchange rates), revenues fell by 7.2%. Adjusted for the impacts of climatic conditions in France and the gas price "catch-up" adjustments recorded in 2013 (€2.3 billion impact), revenues were down 4.4% on an organic basis.

Changes in the scope of consolidation had a net positive €689 million impact, mainly corresponding to Energy Services' acquisition of Balfour Beatty Workplace in the United Kingdom (positive €847 million impact) and Ecova in the United States (positive €68 million impact), the full consolidation of GTT by Global Gas & LNG (positive €186 million impact) and Energy International's acquisition of Meenakshi in India (positive €83 million impact). These positive impacts were partly offset by the decline in revenues resulting from disposals carried out in Europe (negative €280 million impact) and the United States (negative €164 million impact), mainly by Energy International and Energy Europe.

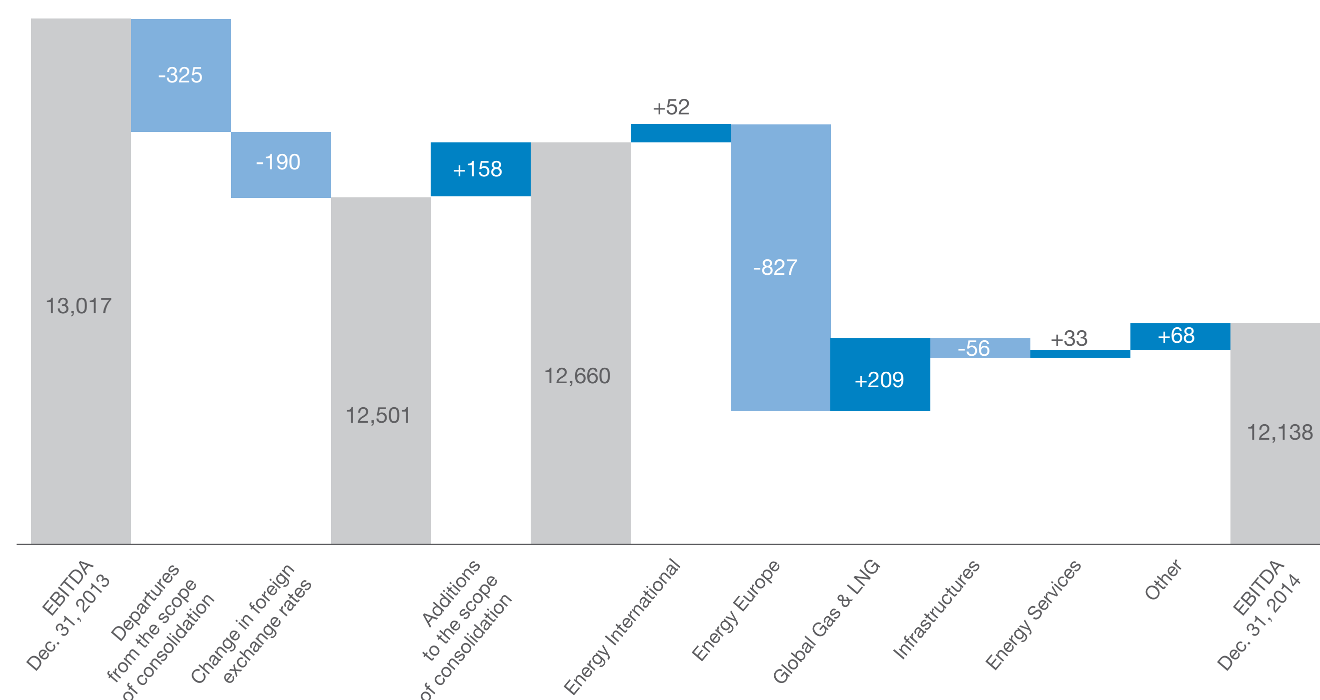
Exchange rates had a negative €302 million impact on Group revenues, mainly reflecting the appreciation of the euro against the Brazilian real, the Norwegian krone, the Australian dollar and the Thai baht. This was partly offset by the euro's depreciation against the pound sterling. The euro/dollar exchange rate, however, remained stable on average compared with 2013.

Organic revenue performance varied across the Group's business lines: Global Gas & LNG and Infrastructures reported growth for the year, while revenues remained stable at Energy International and Energy Services and were down at Energy Europe.

EBITDA declined by 6.7% to €12.1 billion over the year. Excluding the impact of changes in the scope of consolidation and exchange rates, the decrease in EBITDA came out at 4.2%.

EBITDA TRENDS

In millions of euros



Departures from the scope of consolidation had a negative €325 million impact on EBITDA, largely due to the sale of power generation assets in France, Italy, Portugal and the United States. Conversely, additions to the scope of consolidation had a positive €158 million impact, largely thanks to the acquisitions made by Energy Services (mainly Balfour Beatty Workplace in the United Kingdom and Ecova in the United States) and Energy International's acquisition of Meenakshi in India, as well as the full consolidation of GTT further to its initial public offering at the end of February 2014.

Changes in exchange rates had a negative €190 million impact, mainly due to the appreciation of the euro against the Brazilian real and the Norwegian krone.

On an organic basis, EBITDA was down 4.2%, or €521 million, but up 2.4%, or €294 million, when adjusted for climate impacts in France and the gas price "catch-up" recorded in 2013. Excluding the positive impact of the Group's performance plan across all business lines, this reflects the following trends:

- EBITDA for Energy International amounted to €3,716 million, up by 1.4% on an organic basis. This was driven by improved performances in the United States, Thailand, Chile, the United Kingdom, Peru and Pakistan, despite a decline in results in Australia and weaker results in Brazil due to adverse hydrological conditions;
- EBITDA for Energy Europe totaled €2,020 million, down 29.2% on an organic basis, adversely impacted by unfavorable climatic conditions, partial outages at three nuclear power plants in Belgium, the decrease in electricity market prices and the gas price "catch-up" adjustments in France recorded in 2013. Adjusted for climatic conditions in France and the gas price "catch-up", this decrease was contained at 11.5% on an organic basis;
- EBITDA for Global Gas & LNG of €2,225 million was up 10.9% on an organic basis, thanks to a strong performance in the LNG sector in Europe and Asia and the increase in production recorded by the Group's Exploration & Production business as a result of the commissioning of new assets that took place over the year;
- EBITDA for Infrastructures declined 1.7% on an organic basis to €3,274 million year on year, due to the milder climate compared with the previous year, which weakened the positive impact of higher gas prices and of increases in transport and storage capacities marketed in Europe. Adjusted for climatic conditions in France, EBITDA for Infrastructures was up 6.8% on an organic basis;
- EBITDA for Energy Services advanced 3.2% on an organic basis to €1,127 million.

Current operating income after share in net income of entities accounted for using the equity method amounted to €7.2 billion, down 3.4% on an organic basis compared with 2013, but up 8.2% on an organic basis when adjusted for climatic conditions and the gas price "catch-up" in France. This indicator shows trends by business line comparable to those of EBITDA and is positively impacted by lower depreciation and amortization charges following the significant impairment losses recognized at end-2013.

6.1.1.2 Business trends

6.1.1.2.1 Energy International

In millions of euros	Dec. 31, 2014					
	Total[(1)]	Latin America	Asia-Pacific	North America	UK - Turkey	South Asia, Middle East & Africa
Revenues	**13,977**	**3,818**	**2,740**	**3,782**	**2,957**	**679**
EBITDA	**3,716**	**1,343**	**857**	**956**	**380**	**298**
Net depreciation and amortization charges/Other	(971)	(361)	(218)	(268)	(109)	(11)
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**2,745**	**982**	**638**	**688**	**271**	**286**

(1) The Energy International business line also has a "headquarters" function, the costs for which are not broken down in the table above.

In millions of euros	Dec. 31, 2013							
	Total[(1)]	Latin America	Asia-Pacific	North America	UK - Turkey	South Asia, Middle East & Africa	% change (reported basis)	% change (organic basis)
Revenues	**14,393**	**3,627**	**2,891**	**3,818**	**3,527**	**531**	**-2.9%**	**+0.7%**
EBITDA	**4,029**	**1,473**	**928**	**941**	**488**	**320**	**-7.8%**	**+1.4%**
Net depreciation and amortization charges/Other	(1,093)	(368)	(233)	(327)	(153)	(6)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**2,937**	**1,105**	**695**	**615**	**335**	**314**	**-6.5%**	**+4.1%**

(1) The Energy International business line also has a "headquarters" function, the costs for which are not broken down in the table above.

Energy International's **revenues**, at €13,977 million, fell 2.9% on a reported basis (up 0.7% on an organic basis). These movements reflect, on the one hand, the negative €313 million impact of changes in the scope of consolidation and the negative €195 million impact of changes in exchange rates (due mostly to the Brazilian real, but also the Australian dollar and Thai baht, partly offset by a stronger pound sterling), and on the other hand, a limited organic increase. The organic increase results chiefly from the impact of higher prices in North and Latin America and the commissioning of new plants in Latin America, South Asia, the Middle East and Africa, offset by lower sales volumes in the UK retail business.

EBITDA amounted to €3,716 million, down 7.8% based on reported figures (up 1.4% on an organic basis), after taking into account the negative €249 million impact of changes in the scope of consolidation and the negative €116 million impact of exchange rate fluctuations. The organic increase mainly reflects improved performances in North America, the United Kingdom, Peru, Chile, Thailand and Pakistan, partly offset by exceptionally unfavorable hydrological conditions in Brazil.

Current operating income after share in net income of entities accounted for using the equity method, at €2,745 million, decreased by 6.5% on a reported basis and improved by 4.1% on an organic basis, in line with EBITDA trends.

Latin America

Revenues for the Latin America region rose by 5.3% based on reported figures to €3,818 million, and moved up 11.1% on an organic basis. In Brazil, sales growth resulted from an increase in average bilateral sales contract prices, primarily due to inflation indexation, an increase in transactions in the short-term market and the progressive commissioning of the Trairi wind farm complex (115 MW). Peru trended upwards thanks to the commissioning of the Ilo Cold Reserve thermal plant (560 MW) in June 2013. In Chile, slightly higher revenues were mostly driven by improved energy prices linked to fuel price indexation.

Electricity sales increased by 1.4 TWh to 56.2 TWh, while gas sales were down 1.8 TWh, particularly in Chile, coming in at 9.5 TWh.

EBITDA totaled €1,343 million, down 4.2% on an organic basis. The decline in EBITDA mainly results from:

- a weaker performance in Brazil, mainly due to the unfavorable hydrological conditions which affected the entire hydro generation system (shortfall) and led to a significant increase in spot prices. This decline was partly offset by an increase in activity at thermal power plants, the completion of the commissioning of the Trairi wind farm complex and the increase in average bilateral sales contract prices, mainly due to inflation;
- a robust performance in Chile, driven by wider margins thanks to higher electricity prices and a strong operating performance from E-CL; and for GNLM Mejillones, the commissioning of the onshore LNG storage tank in February 2014;
- positive trends in Peru, mainly reflecting the commissioning of the Ilo Cold Reserve thermal plant and higher energy demand, particularly from regulated customers.

Current operating income after share in net income of entities accounted for using the equity method amounted to €982 million, down 5.9% on an organic basis in line with EBITDA trends.

Asia-Pacific

Revenues for the region totaled €2,740 million, down 5.2% based on reported figures and down 0.6% on an organic basis, chiefly reflecting a decline in revenues for coal facilities in Australia on the back of lower market prices, weaker demand and less availability (following maintenance outages). These factors were partly offset by improved activity in Thailand, spurred by an increase in demand from industrial customers and higher prices, along with growth in the Australian retail business.

Electricity sales remained stable at 42.8 TWh, with lower volumes in Australia fully offsetting the 1.1 TWh increase in Thailand. Natural gas sales rose by 0.6 TWh to 3.7 TWh.

EBITDA came in at €857 million, down 7.7% on a reported basis and down 2.7% based on organic figures. The strong performance from the Thailand facilities, driven mainly by the good availability of the Gheco-1 plant and improved margins on industrial customers was more than offset by the lower performance from Australian coal facilities, which suffered depressed market conditions and lower availability, and a weaker contribution from Singapore reflecting pressure on market prices and volumes.

Current operating income after share in net income of entities accounted for using the equity method came out at €638 million, decreasing by 3.3% on an organic basis in line with EBITDA trends.

North America

Revenues for the North America region totaled €3,782 million, representing a decrease on 2013 of 0.9% based on reported figures and an increase of 4.0% on an organic basis. This performance was driven primarily by the impact of the strong operating performance of US power generation activities, aided further by extreme weather events in the north-east of the country in the first quarter of 2014.

Electricity sales decreased 1.1 TWh on a reported basis to 64.9 TWh, reflecting lower sales volumes in the US retail business. Prior-year volumes included 3.4 TWh from assets subsequently sold.

Natural gas sales[1], excluding intra-group transactions, fell by 9.6 TWh to 31.6 TWh as a consequence of increased LNG diversions performed by the Global Gas & LNG business line.

EBITDA came in at €956 million, up 10.2% on an organic basis, mainly due to the strong year-round performance from the US power business, which benefited from the extreme weather in the north-east of the country in the first quarter. This was partly offset by weaker overall performances in the LNG business due to a decline in average cargo diversion margins.

Current operating income after share in net income of entities accounted for using the equity method totaled €688 million, representing an organic increase of 23.3% due to a combination of EBITDA growth and lower depreciation and amortization charges.

United Kingdom & Turkey

Revenues for the United Kingdom & Turkey region totaled €2,957 million, down 16.2% on a reported basis partly due to asset disposals in Continental Europe. On an organic basis, revenues for the region fell 14.5%, hit by lower sales volumes from UK retail activities.

Electricity sales fell 5.9 TWh to 30.1 TWh, mainly due to lower volumes in the UK generation and retail business. The decline also reflects a reduction of 1.0 TWh due to the impact of the asset portfolio optimization program in Continental Europe. Gas sales were 35.2 TWh, down 4.3 TWh on an organic basis due to lower volumes for the UK and Turkish retail businesses.

EBITDA came in at €380 million, up 10.6% on an organic basis due to an improvement in captured spreads compared to 2013. Favorable one-off items in the UK retail business offset the fall in sales volumes.

Current operating income after share in net income of entities accounted for using the equity method was €271 million, up 22.1% on an organic basis, spurred by a rise in EBITDA coupled with lower depreciation and amortization charges due to the impairment losses recognized against certain assets in 2013.

(1) Natural gas total sales volumes increased by 3.5 TWh to 72.7 TWh, primarily due to higher LNG cargo diversion volumes.

South Asia, Middle East & Africa

Revenues for the South Asia, Middle East & Africa region ("SAMEA") totaled €679 million, an increase of 28.0% on a reported basis and 16.9% on an organic basis. This organic growth is mainly related to the commissioning of Uch II (Pakistan, 375 MW) in April 2014 and to higher development fees earned on projects. Growth in reported revenues also reflects the acquisition of Meenakshi (India, 300 MW) in December 2013, mitigated by the equity consolidation of Sohar in Oman (the interest in the company decreased from 45% to 35% in May 2013).

Electricity sales amounted to 8.7 TWh, representing an increase of 1.4 TWh. This is mainly due to the acquisition of Meenakshi (positive 1.3 TWh impact) at the end of 2013 and the commissioning of Uch II (positive 2 TWh impact), offset to some extent by the partial sale of Sohar and resulting change of consolidation method (negative 1.3 TWh impact).

EBITDA came in at €298 million, representing an increase of 1.6% on an organic basis. This increase comes mainly from the commissioning of Uch II and a rise in the development fees earned in 2014, and is partly offset by higher maintenance costs and one-off items.

Current operating income after share in net income of entities accounted for using the equity method amounted to €286 million, up 1.7% on an organic basis. This increase is explained by the same factors that impacted EBITDA trends.

6.1.1.2.2 Energy Europe

	Dec. 31, 2014			Dec. 31, 2013				
In millions of euros	Total[1]	Central Western Europe	Southern & Eastern Europe	Total[1]	Central Western Europe	Southern & Eastern Europe	% change (reported basis)	% change (organic basis)
Revenues	**35,158**	**29,285**	**5,873**	**42,713**	**36,090**	**6,623**	**-17.7%**	**-17.5%**
EBITDA	**2,020**	**1,571**	**585**	**2,877**	**2,592**	**398**	**-29.8%**	**-29.2%**
Net depreciation and amortization charges/Other	(1,107)	(909)	(195)	(1,447)	(1,178)	(264)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**913**	**662**	**390**	**1,430**	**1,414**	**134**	**-36.2%**	**-36.4%**

(1) Of which business line corporate function costs.

VOLUMES SOLD BY THE BUSINESS LINE

In TWh	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)
Gas sales	605.8	686.3	-11.7%
Electricity sales	159.9	181.4	-11.9%

Energy Europe's **revenues** totaled €35,158 million, down 17.7%, or 17.5% on an organic basis. This decrease chiefly reflects the impact of climatic conditions on gas sales (2014 was a particularly mild year whereas 2013 had been a particularly cold one), the fall in sales prices, and periods of outages at certain nuclear facilities. Gas sales amounted to 606 TWh, including 95 TWh to key accounts. Electricity sales amounted to 160 TWh. At end-December 2014, Energy Europe had almost 13.8 million individual customers for gas and almost 5.7 million electricity customers.

The business line's **EBITDA** dropped 29.8% to €2,020 million (down 29.2% on an organic basis). 2014 was penalized by unfavorable weather conditions, the shutdown of the Doel 3 and Tihange 2 power plants as from March 26, 2014 and the Doel 4 plant between August 5 and December 19, the fall in prices on the electricity market, and the price "catch-up" adjustments in France recognized in 2013 (relating to 2011 and 2012, and concerning natural gas). These impacts were partly offset by performance efforts within the business line and by the fall in net additions to provisions compared to 2013.

Current operating income after share in net income of entities accounted for using the equity method also fell, reflecting the decline in EBITDA. This was partially offset by lower depreciation and amortization charges following the impairment losses recognized against certain assets at December 31, 2013.

Central Western Europe (CWE)

The contribution of CWE to Group **revenues** amounted to €29,285 million, down 18.9%, or 18.8% lower on an organic basis.

CWE's **EBITDA** declined by 39.4% (38.9% on an organic basis), due to unfavorable climatic conditions, lower prices, outages at the three nuclear reactors Doel 3, Tihange 2 and Doel 4, and the impact of price "catch-up" adjustments recorded in France in 2013.

Current operating income after share in net income of entities accounted for using the equity method also fell in line with the decline in EBITDA, partially offset by lower depreciation and amortization charges following the impairment losses recognized against certain assets at December 31, 2013.

CWE FRANCE

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**13,698**	**17,676**	**-22.5%**	**-22.3%**
EBITDA	**633**	**1,494**	**-57.7%**	**-57.2%**
Net depreciation and amortization charges/Other	(380)	(466)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**252**	**1,028**	**-75.5%**	**-76.0%**

VOLUMES SOLD IN FRANCE

In TWh	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)
Gas sales[1]	205.7	280.5	-26.7%
Electricity sales	46.3	51.7	-10.5%

(1) Business line contribution data.

FRANCE CLIMATIC ADJUSTMENT

In TWh	Dec. 31, 2014	Dec. 31, 2013	Total change in TWh
Climate adjustment volumes (negative figure = warm climate, positive figure = cold climate)	(21.7)	17.3	(39.0)

France's contribution to Group revenues amounted to €13,698 million in 2014, down 22.5% (down 22.3% on an organic basis), notably due to less favorable climatic conditions in 2014 and the price "catch-up" adjustments recorded in 2013.

Natural gas sales were down 74.9 TWh; mild weather during the year reduced sales by 21.7 TWh, whereas the very cold weather in 2013 added 17.3 TWh to sales. The decline in sales was also linked to competitive pressure and weaker demand due to energy saving efforts. GDF SUEZ still holds around 80% of the retail market and around 42% of the business market.

Electricity sales declined by 5.4 TWh despite higher sales to direct customers which were more than offset by the fall in market sales, chiefly as a result of lower gas-fired power plant production and lower levels of hydroelectricity.

EBITDA was down €861 million due to a fall in volumes sold, price "catch-up" adjustments recorded in 2013 and the decrease in electricity market prices.

Current operating income after share in net income of entities accounted for using the equity method decreased in line with EBITDA.

CWE BENELUX & GERMANY

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**9,964**	**12,273**	**-18.8%**	**-19.1%**
EBITDA	**826**	**1,167**	**-29.3%**	**-33.0%**
Net depreciation and amortization charges/Other	(461)	(624)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**365**	**543**	**-32.7%**	**-40.4%**

Revenues from the Benelux & Germany region amounted to €9,964 million, a drop of 18.8% (down 19.1% on an organic basis) compared to 2013.

Electricity sales in Belgium and Luxembourg were down 7.9 TWh. This mainly reflects a decrease in wholesale market sales due to lower electricity production (down 8.8 TWh) resulting from the extended outage at certain nuclear reactors, and the erosion of market share in 2013 (retail market share has since stabilized at around 49%).

Electricity sales fell 0.7 TWh in the Netherlands and held firm in Germany, slipping 0.1 TWh.

Natural gas volumes sold fell 31.7 TWh, or 25%, in the Benelux & Germany region due to unfavorable climatic conditions in 2014 and the erosion of market share. Market share has stabilized since the beginning of the year, at around 45% of the retail market in Belgium.

EBITDA for the region was down 33.0% on an organic basis, reflecting the unavailability of certain nuclear reactors, falling electricity prices and spreads, and a decline in natural gas volumes sold.

Current operating income after share in net income of entities accounted for using the equity method declined in line with EBITDA despite a fall in net depreciation and amortization charges.

SOUTHERN & EASTERN EUROPE

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**5,873**	**6,623**	**-11.3%**	**-10.6%**
EBITDA	**585**	**398**	**+47.2%**	**+45.5%**
Net depreciation and amortization charges/Other	(195)	(264)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**390**	**134**	**NA**	**NA**

Southern & Eastern Europe region **revenues** dropped by 11.3% (down 10.6% on an organic basis), mainly due to lower sales of electricity and gas in Italy (wholesale market and end customers).

EBITDA for Southern & Eastern Europe jumped 45.5% driven by the increase in prices for green certificates in Poland, a rise in tariffs in Romania and one-off impacts in Italy.

Current operating income after share in net income of entities accounted for using the equity method mirrored EBITDA growth and benefited from lower depreciation and amortization charges.

6.1.1.2.3 Global Gas & LNG

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**6,883**	**5,644**	**+22.0%**	**+21.5%**
Total revenues *(incl. intra-group transactions)*	**9,551**	**8,404**	**+13.6%**	
EBITDA	**2,225**	**2,028**	**+9.7%**	**+10.9%**
Net depreciation and amortization charges/Other	(1,162)	(1,056)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**1,064**	**973**	**+9.4%**	**+10.0%**

Global Gas & LNG's contribution to Group **revenues** for the year ended December 31, 2014 amounted to €6,883 million, up 22.0% on a reported basis compared to 2013. Organic growth came in at 21.5%.

The sharp increase in the contribution to revenues was driven by:

- growth of 40 TWh in external LNG sales with volumes of 119 TWh for 2014, representing 142 cargoes (of which 75 shipped to Asia), compared to volumes of 79 TWh for 2013, representing 87 cargoes (of which 67 shipped to Asia);
- an increase in the Exploration & Production hydrocarbon production contribution (48.9 Mboe for 2014 versus 45.4 Mboe for 2013), following the recent commissioning of facilities, offset by the negative impact of the decrease in commodity prices;
- the full consolidation of GTT further to its initial public offering (IPO) in late February 2014.

Hydrocarbon production for 2014 was up 3.6 Mboe to 55.5 Mboe versus 51.9 Mboe in 2013. The level of hydrocarbon production over the full year was boosted by the restart of Njord and the commissioning of the Amstel field in the Netherlands (February), and Gudrun and H-North in Norway (April and September, respectively).

EBITDA for the Global Gas & LNG business line in 2014 amounted to €2,225 million, up 9.7% on a reported basis compared to 2013. Organic growth came in at 10.9%, spurred by a fall in net additions to provisions, strong LNG activity in Europe and Asia, and the rise in total hydrocarbon production (newly commissioned facilities), partially offset by the fall in commodity prices.

Current operating income after share in net income of entities accounted for using the equity method was €1,064 million in 2014, up 9.4% based on reported figures and up 10.0% on an organic basis, in line with EBITDA trends.

6.1.1.2.4 Infrastructures

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**2,994**	**2,557**	**+17.1%**	**+17.1%**
Total revenues *(incl. intra-group transactions)*	**6,812**	**6,775**	**+0.5%**	
EBITDA	**3,274**	**3,334**	**-1.8%**	**-1.7%**
Net depreciation and amortization charges/Other	(1,280)	(1,264)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**1,994**	**2,069**	**-3.6%**	**-3,5%**

Total **revenues** for the Infrastructures business line, including intra-group transactions, remained stable year on year at €6,812 million in 2014, reflecting:

- the annual review in France of distribution infrastructure access tariffs (2.9% increase on July 1, 2014 and 4.1% increase on July 1, 2013) and of transport infrastructure tariffs (3.9% increase on April 1, 2014 and 8.3% increase on April 1, 2013);
- additional transport capacity offered in the South through JTS (Joint Transport Storage), enabling combined reservations of transport and storage capacity on the North-South link ("*PEG Nord-Sud*");
- improved marketing of storage capacity in France linked to the start of sales operations for new storage caverns in Germany (Peckensen 4 and 5) and the United Kingdom (Stublach);
- and despite the 55.1 TWh fall in volumes[1] distributed by GrDF due to milder climatic conditions in 2014 compared to 2013.

In this climatic and regulatory context, the business line's contribution to Group revenues was €2,994 million, up 17.1% year on year as a result of:

- growth in distribution, transportation and storage activities for third parties in an increasingly deregulated market;
- solid natural gas purchase and sale activities to maintain technical storage performance.

EBITDA for the Infrastructures business line amounted to €3,274 million for the period, down 1.8% year on year (down 1.7% on an organic basis). This decline mainly concerns the distribution business, which was hit by a milder climate. Apart from this climate effect, EBITDA was up 6.8% on an organic basis.

Current operating income after share in net income of entities accounted for using the equity method for the Infrastructures business line came in at €1,994 million for the period, down 3.6% year on year (down 3.5% on an organic basis), with net depreciation and amortization charges edging up 1.4%. The decrease in these charges following the impairment losses recorded at December 31, 2013 is offset by the commissioning of new facilities.

(1) 23 TWh distributed due to cold weather conditions in 2013 versus a negative 32.1 TWh during the milder 2014.

6.1.1.2.5 Energy Services

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**15,673**	**14,678**	**+6.8%**	**+0.4%**
EBITDA	**1,127**	**1,041**	**+8.2%**	**+3.2%**
Net depreciation and amortization charges/Other	(335)	(333)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**791**	**708**	**+11.8%**	**+5.5%**

Revenues for the Energy Services business line climbed 6.8% on a reported basis to €15,673 million for 2014, buoyed by the acquisitions carried out in late 2013 and in 2014 of Balfour Beatty Workplace and Lend Lease in the United Kingdom (€847 million) and Ecova in the United States (€68 million).

Organic revenue growth came in at 0.4%, chiefly reflecting the growth in installation activities in France and Benelux countries, particularly in electrical and climatic engineering activities. However, revenue growth was partly offset by the unfavorable impact of mild weather conditions in 2014 and the final impacts of the expiration of gas cogeneration contracts in France and Italy resulting from the termination of the purchasing agreements for electricity produced by these plants.

EBITDA for Energy Services rose 8.2% to €1,127 million on a reported basis, due chiefly to the acquisitions made in the United Kingdom and the United States. Organic growth came out at 3.2%, chiefly reflecting:

- a positive volume impact on installation activities, particularly in France, Benelux countries and Germany;
- cost-reduction measures – especially on overheads – and measures to boost operating performance;
- the positive impact of the commissioning of new heating networks and services in France.

These items were partially offset by:

- the final impacts of the expiration of gas cogeneration contracts in France and Italy;
- exceptionally mild weather in Europe in 2014 which had an adverse impact on the urban heating networks activity and on energy sales.

Current operating income after share in net income of entities accounted for using the equity method amounted to €791 million, up 5.5% on an organic basis.

6.1.1.2.6 Other

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
EBITDA	**(224)**	**(292)**	**+23.2%**	**+23.2%**
Net depreciation and amortization charges/Other	(121)	(159)		
CURRENT OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**(346)**	**(451)**	**+23.3%**	**+23.3%**

EBITDA for this business line came in at a negative €224 million for 2014, an improvement on 2013 due mainly to the increase in the income of SUEZ Environnement attributable to GDF SUEZ, the effects of the Perform 2015 plan, and reversals of provisions in the Group's reinsurance subsidiary.

Current operating loss after share in net income of entities accounted for using the equity method narrowed in 2014, on the back of improved EBITDA and the positive adjustment of expenses in relation to share-based payments (IFRS 2).

6.1.1.3 Other income statement items

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)
Current operating income after share in net income of entities accounted for using the equity method	**7,161**	**7,665**	**-6.6%**
Mark-to-market on commodity contracts other than trading instruments	(298)	(225)	
Impairment losses	(1,037)	(14,773)	
Restructuring costs	(167)	(285)	
Changes in scope of consolidation	562	(41)	
Other non-recurring items	353	535	
Income/(loss) from operating activities	**6,574**	**(7,124)**	**NA**
Net financial income/(loss)	(1,876)	(1,715)	
Income tax expense	(1,588)	(641)	
NET INCOME/(LOSS)	**3,110**	**(9,481)**	**NA**
o/w net income/(loss) Group share	2,440	(9,646)	
o/w non-controlling interests	669	165	

Income/(loss) from operating activities amounted to €6,574 million in 2014 versus a loss of €7,124 million in 2013.

Impairment losses totaling €14,773 million had been recognized in 2013 (€1,037 million in 2014), of which €5,689 million against goodwill (including goodwill on entities accounted for using the equity method) and €8,994 million against property, plant and equipment and intangible assets. In recognizing these impairment losses, the Group acknowledged the profound change in the energy paradigm in Europe.

The €1,037 million in impairment losses for 2014 were recognized chiefly in respect of the Global Gas & LNG business line (€362 million), the Energy International business line (€306 million) and the Energy Europe business line (€291 million). The impairment losses chiefly concern (i) exploration and production assets in the North Sea (€261 million) which have been affected by the fall in proven and probable production reserves and by the decline in gas prices in Europe, and (ii) thermal power plants in the UK (€181 million) as a result of a deterioration in the market outlook.

Income/(loss) from operating activities was also affected by:

- changes in the fair value of commodity derivatives (mark-to-market) that had a negative impact of €298 million on income from operating activities (reflecting the impact of transactions not eligible for hedge accounting), compared with a negative impact of €225 million in 2013. The impact for the period results chiefly from negative overall price effects, partly offset by the net positive impact of unwinding positions with a negative market value at December 31, 2013;
- restructuring costs of €167 million, compared with €285 million the previous year;
- "Changes in scope of consolidation" (gains and losses on the disposal of consolidated equity interests or on remeasurements of previously held interests in accordance with IFRS 3) which had a positive impact of €562 million in 2014, compared with a negative impact of €41 million in 2013. Changes in the scope of consolidation mainly relate to gains on remeasuring the previous interest in GTT (after the Group acquired control of the company) totaling €359 million and in Walloon inter-municipal companies (loss of significant influence) totaling €174 million;
- "Other non-recurring items" representing income of €353 million (chiefly reflecting the gain on the disposal of interests in Flemish mixed inter-municipal companies), compared with income of €535 million in 2013 (primarily resulting from the reversal of a provision for the back-end of the nuclear fuel cycle in Belgium).

The Group reported a net financial loss of €1,876 million for 2014, compared to a loss of €1,715 million the previous year. The €266 million decrease in the cost of debt resulting from the fall in outstanding borrowings and the average cost of gross debt was more than offset by the negative €328 million impact of non-recurring expenses compared to 2013 (negative €236 million impact of changes in the fair value of derivatives not eligible for hedge accounting and negative €69 million impact of debt restructuring transactions), and by the €114 million increase in the discounting expense relating to provisions.

The 2013 income tax charge included an income tax benefit of €1,593 million arising on non-recurring income statement items (versus €659 million in 2014). The non-recurring items essentially related to the impairment losses recognized against property, plant and equipment and intangible assets in 2013. Adjusted for these items, the effective recurring tax rate was 35.0%, slightly down on the 35.7% rate for 2013.

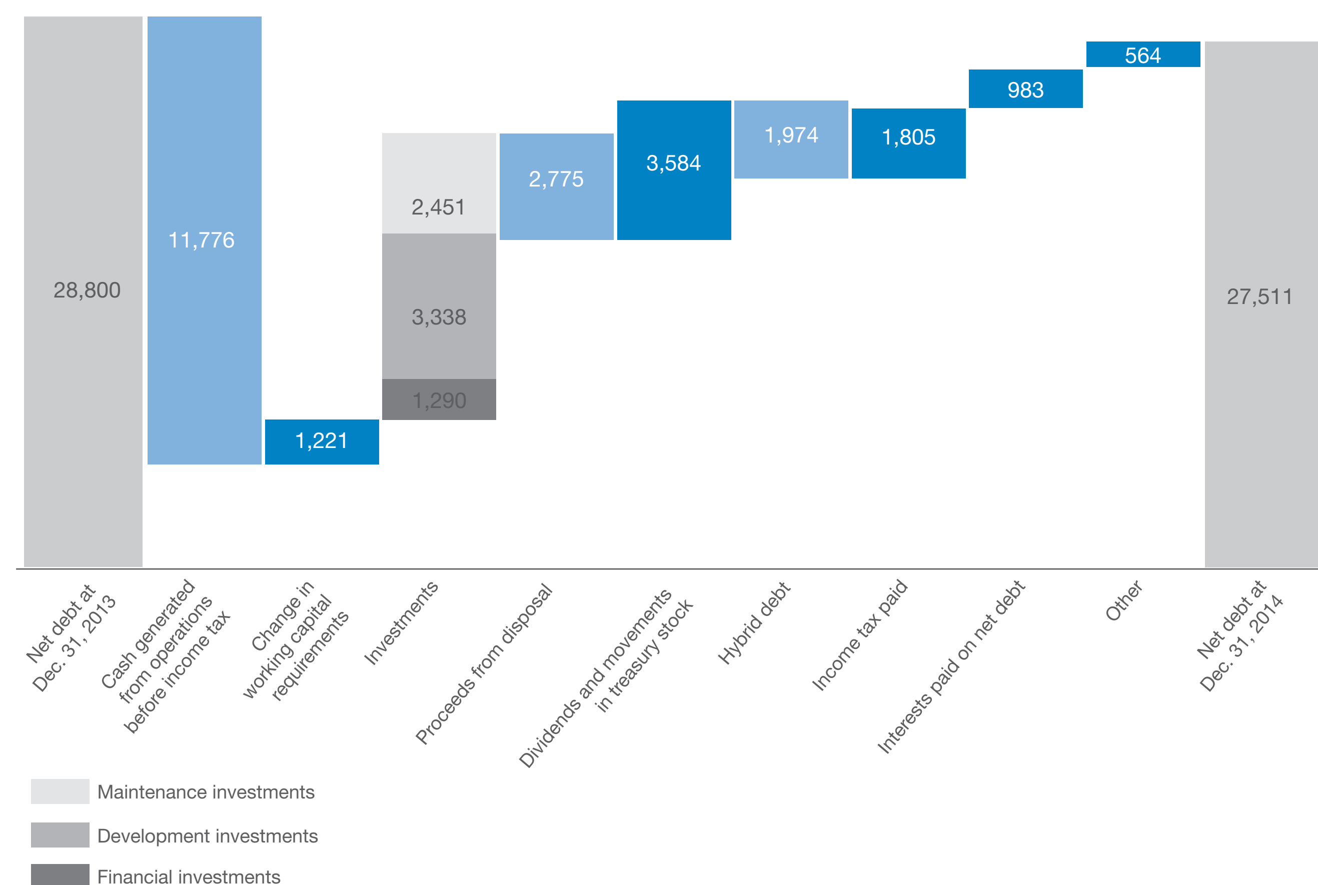
Net income attributable to non-controlling interests was up sharply year-on-year, at €669 million, owing to the impairment losses recognized in 2013.

6.1.1.4 Changes in net debt

Net debt stood at €27.5 billion at end-December 2014 and was down €1.3 billion compared to net debt at end-December 2013, reflecting the following items: (i) cash generated from operations before income tax and working capital requirements for the period (€11.8 billion) and the issue of hybrid notes by GDF SUEZ SA at the beginning of June (€2.0 billion); (ii) offset by the change in working capital requirements (€1.2 billion), net investments (including changes in Group structure) carried out by the Group (€3.9 billion) as well as dividends paid to GDF SUEZ SA shareholders (€2.8 billion) and to non-controlling interests (€0.8 billion).

Changes in net debt break down as follows:

In millions of euros



The net debt to EBITDA ratio came out at 2.27 at December 31, 2014.

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Net debt	27,511	28,800
EBITDA	12,138	13,017
Net debt/EBITDA ratio	**2.27**	**2.21**

6.1.1.4.1 Cash generated from operations before income tax and working capital requirements

Cash generated from operations before income tax and working capital requirements amounted to €11,776 million in 2014, down €1,349 million compared with 2013.

The fall was in line with the EBITDA performance and also reflected net changes in additions to provisions since these are now taken into account in the revised definition of EBITDA.

6.1.1.4.2 Change in working capital requirements

The change in working capital requirements represents a negative impact of €1.2 billion, mainly related to the impact of fluctuations in commodity prices (Brent crude) on margin calls.

6.1.1.4.3 Net investments

Gross investments during the period amounted to €7,079 million and included:

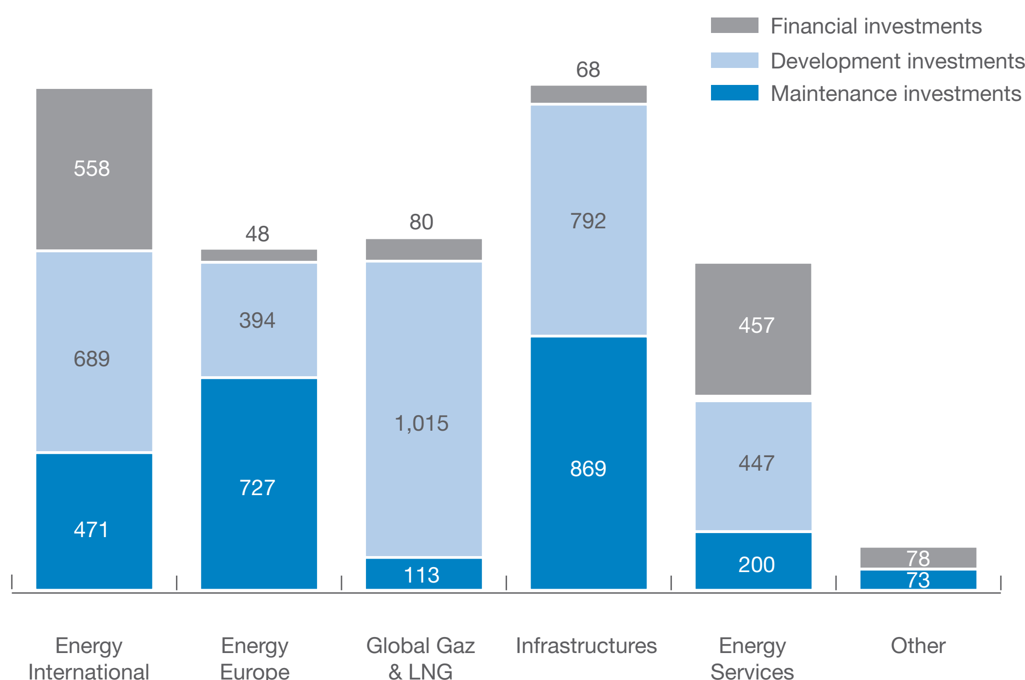
- financial investments for €1,290 million, relating chiefly to the acquisition of Ecova (United States) by Cofely; payments for the capital increases subscribed in Jirau (€213 million); Synatom investments which rose by €171 million, loans and capitalization transactions for the Los Ramones pipeline construction project (Mexico) for €134 million; and the acquisition of Flemish municipalities' non-controlling interests in Electrabel Customer Solutions (Belgium) for €101 million;
- development investments totaling €3,338 million. Most of this amount was invested by the Global Gas & LNG business line (€1,015 million) to develop gas fields in the United Kingdom, Indonesia, the Netherlands, Norway and Algeria; by the Infrastructures business line (€792 million) in respect of the natural gas transport network in France and the Gazpar project to develop communicating "smart" meters; and by the Energy International business line (€689 million) in connection with the construction of facilities in Peru, India and Brazil;
- maintenance investments for an amount of €2,451 million.

Disposals represented a cash amount of €2,775 million and related essentially to the sale of interests in Flemish mixed inter-municipal companies (Belgium) for €911 million; the sale of the power generation asset portfolio in Panama and Costa Rica and the repayment of loans granted by the Group to these entities for €455 million; the sale of 20% of Jirau (Brazil) for €318 million; the sale of ISAB (Italy) for €153 million; and the early repayment of the residual SPP sale price (Slovakia) for €122 million.

Including changes in the scope of consolidation resulting from these acquisitions and disposals, net investments represent €3,879 million.

Capital expenditure breaks down as follows by business line:

In millions of euros



6.1.1.4.4 Dividends and movements in treasury stock

Dividends and movements in treasury stock during the period amounted to €3,584 million and included:

- €2,767 million in dividends paid by GDF SUEZ SA to its shareholders, consisting of the outstanding balance on the 2013 dividend (€0.67 per share) paid in May 2014, and an interim dividend in respect of 2014 (€0.50 per share) paid in October 2014;
- dividends paid by various subsidiaries to their non-controlling shareholders in an amount of €761 million, payment of interest on hybrid debt, withholding tax and movements in treasury stock.

6.1.1.4.5 Net debt at December 31, 2014

Excluding amortized cost but including the impact of foreign currency derivatives, at December 31, 2014 a total of 69% of net debt was denominated in euros, 13% in US dollars and 6% in pounds sterling.

Including the impact of financial instruments, 80% of net debt is at fixed rates.

The average maturity of the Group's net debt is 9.1 years.

At December 31, 2014, the Group had total undrawn credit lines of €13.3 billion.

6.1.1.5 Other items in the statement of financial position

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	Net change
Non-current assets	**109,999**	**105,813**	**4,187**
of which goodwill	21,222	20,420	802
of which property, plant and equipment and intangible assets, net	71,601	70,154	1,447
of which investments in entities accounted for using the equity method	7,055	6,799	255
Current assets	**55,306**	**50,120**	**5,186**
Total equity	**55,959**	**53,659**	**2,299**
Provisions	18,539	16,098	2,441
Borrowings	38,321	38,892	(570)
Other liabilities	52,486	47,283	5,203

The carrying amount of property, plant and equipment and intangible assets was €71.6 billion, an increase of €1.4 billion compared to December 31, 2013. This increase was primarily the result of investments made over the period (positive €5.8 billion impact) and translation adjustments (positive €1.7 billion impact), partially offset by depreciation and amortization (negative €4.7 billion impact).

Goodwill increased by €0.8 billion to €21.2 billion, mainly as a result of the controlling interest acquired in GTT (positive €0.4 billion impact), along with the acquisitions of Ecova (positive €0.2 billion impact) and Lahmeyer (positive €0.1 billion impact).

Total equity amounted to €56.0 billion, an increase of €2.3 billion compared to December 31, 2013. This increase chiefly reflects net income for the period (positive €3.1 billion impact), the hybrid notes issue (positive €2.0 billion impact), the controlling interest acquired in GTT (positive €0.5 billion impact), the effect of employee share issues carried out as part of the Link 2014 worldwide employee share ownership plan (positive €0.3 billion impact), and the payment of cash dividends (negative €3.5 billion impact).

Regarding other items of comprehensive income, actuarial losses and net investment or cash flow hedges net of tax representing a negative €1.9 billion impact are virtually offset by translation adjustments with a positive impact of €1.8 billion.

Provisions increased by €2.4 billion due chiefly to actuarial differences arising in the period on provisions for post-employment benefits (positive €1.8 billion impact), and to unwinding discounts on provisions (positive €0.6 billion impact).

6.1.1.6 Pro forma financial statements including the SUEZ Environnement company group as an associate

Further to the expiration of the shareholders' agreement on July 22, 2013, GDF SUEZ no longer controls SUEZ Environnement Company, which has been accounted for using the equity method as from that date in GDF SUEZ's consolidated financial statements *(see Note 5.7.1)*.

To allow better operational and financial performance comparability between the two reporting periods, the Group has prepared pro forma information as at December 31, 2013.

The tables below and hereafter show the transition from a reported income statement and statement of cash flows to a pro forma income statement and statement of cash flows for the year ended December 31, 2013, including SUEZ Environnement as an equity-accounted associate as from January 1, 2013.

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

In millions of euros	Dec. 31, 2013[1]	Exclusion of SUEZ Environnement Group contribution and presentation as an associate	Intra-group and others	Pro forma GDF SUEZ: SUEZ Environnement as investment in associates
Revenues	87,898	(7,922)	9	79,985
Purchases	(50,396)	1,642	(4)	(48,758)
Personnel costs	(11,615)	2,091	-	(9,524)
Depreciation, amortization and provisions	(6,426)	537	-	(5,889)
Other operating expenses	(13,853)	3,219	(14)	(10,648)
Other operating income	2,077	(153)	10	1,933
CURRENT OPERATING INCOME	**7,685**	**(587)**	**-**	**7,098**
Share in net income of entities accounted for using the equity method	570	(3)	-	567
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**8,254**	**(589)**	**-**	**7,665**
Mark-to-market on commodity contracts other than trading instruments	(226)	1	-	(225)
Impairment losses	(14,770)	(4)	-	(14,773)
Restructuring costs	(302)	17	-	(285)
Changes in scope of consolidation[2]	405	2	(448)	(41)
Other non-recurring items	544	(10)	-	535
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**(6,093)**	**(583)**	**(448)**	**(7,124)**
Financial expenses	(2,444)	269	(3)	(2,177)
Financial income	498	(40)	3	461
NET FINANCIAL INCOME/(LOSS)	**(1,945)**	**230**	**-**	**(1,715)**
Income tax expense	(745)	104	-	(641)
NET INCOME/(LOSS)	**(8,783)**	**(249)**	**(448)**	**(9,481)**
Net income/(loss) Group share	(9,198)	-	(448)	(9,646)
Non-controlling interests	414	(249)	-	165
EBITDA	**14,223**	**(1,206)**	**-**	**13,017**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards and to the presentation changes in the income statement (see Note 2).
(2) The €448 million impact is related to the net revaluation gain recognized in the consolidated financial statements following the accounting for SUEZ Environnement using the equity method.
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2013

In millions of euros	Dec. 31, 2013[1]	Exclusion of SUEZ Environnement Group contribution and presentation as an associate	Intra-group and others	Pro forma GDF SUEZ: SUEZ Environnement as investment in associates
NET INCOME	**(8,783)**	**(249)**	**(448)**	**(9,481)**
- Share in net income of entities accounted for using equity method	(570)	3	-	(567)
+ Dividends received from entities accounted for using equity method	433	89	-	522
- Net depreciation, amortization, impairment and provisions	20,519	(505)	-	20,014
- Impact of changes in scope of consolidation and other non-recurring items	(479)	8	448	(23)
- Mark-to-market on commodity contracts other than trading instruments	226	(2)	-	225
- Other items with no cash impact	93	(14)	-	79
- Income tax expense	745	(104)	-	641
- Net financial expense	1,945	(230)	-	1,715
Cash generated from operations before income tax and working capital requirements	**14,129**	**(1,004)**	**-**	**13,125**
+ Tax paid	(2,058)	97	-	(1,961)
Change in working capital requirements	**(91)**	**259**	**-**	**169**
CASH FLOW FROM OPERATING ACTIVITIES	**11,980**	**(648)**	**-**	**11,333**
Acquisitions of property, plant and equipment and intangible assets	(6,518)	580	-	(5,938)
Acquisitions of controlling interest in entities, net of cash and cash equivalents acquired	(363)	14	-	(349)
Acquisitions of investments in entities accounted for using equity method and joint operations	(688)	5	-	(683)
Acquisitions of available-for-sale securities	(143)	14	-	(128)
Disposals of property, plant and equipment, and intangible assets	267	(24)	-	243
Loss of controlling interest in entities, net of cash and cash equivalents sold	468	(17)	-	451
Disposals of investments in entities accounted for using equity method and joint operations	1,569	(17)	-	1,552
Disposals of available-for-sale securities	171	(1)	-	171
Interest received on non-current financial assets	74	3	3	80
Dividends received on non-current financial assets	127	(8)	-	119
Change in loans and receivables originated by the Group and other	(69)	40	143	114
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(5,103)**	**588**	**146**	**(4,368)**
Dividends paid	(4,694)	348	-	(4,346)
Repayment of borrowings and debt	(5,640)	505	-	(5,135)
Change in financial assets at fair value through income	(435)	28	-	(407)
Interest paid	(1,553)	228	(3)	(1,328)
Interest received on cash and cash equivalents	116	(25)	-	91
Cash flow on derivatives qualifying as net investment hedges and compensation payments on derivatives and on early buyback of borrowings	(184)	(11)	-	(195)
Increase in borrowings	3,393	(951)	(143)	2,299
Increase/decrease in capital	388	(2)	-	387
Hybrid issue of perpetual subordinated notes	1,657	-	-	1,657
Purchase and/or sale of treasury stock	(5)	-	-	(5)
Changes of ownership interests in controlled entities	(71)	12	-	(59)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(7,027)**	**132**	**(146)**	**(7,041)**
Effects of changes in exchange rates and other	(2,083)	2,056	-	(27)
TOTAL CASH FLOW FOR THE PERIOD	**(2,233)**	**2,129**	**-**	**(103)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**10,939**	**(2,129)**	**-**	**8,809**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8,706**	**-**	**-**	**8,706**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

6.1.1.7 Parent company financial statements

The figures provided below relate to the financial statements of GDF SUEZ SA, prepared in accordance with French GAAP and applicable regulations.

Revenues for GDF SUEZ SA totaled €24,562 million in 2014, down 14% on 2013 due mainly to less favorable weather conditions.

The Company posted a net operating loss of €1,354 million versus a net operating loss of €676 million in 2013, chiefly reflecting the decrease in energy margins, partly offset by a reduction in external expenses, and in depreciation, amortization and provisions.

The Company reported net financial income of €1,590 million, compared with €1,054 million one year earlier. This mainly includes dividends received from subsidiaries for €2,297 million compared to €1,778 million in 2013, the cost of debt which remained stable at €859 million, chiefly consisting of the interest expense on bond issues.

Non-recurring items included €203 million in non-recurring expenses, chiefly due to the combined effect of debt restructuring (expense of €267 million), impairment losses on securities, net of reversals (expense of €30 million), offset by the reversal of the provision for price increases (income of €54 million) and capital gains on disposals of buildings and property (income of €20 million).

The income tax benefit amounts to €378 million compared to €768 million in 2013. These two amounts include a tax consolidation benefit of €368 million and €441 million in 2014 and 2013, respectively.

Net income for the year came out at €411 million.

Shareholders' equity amounted to €41,896 million at end-2014, versus €43,984 million at December 31, 2013, reflecting the dividend payout, partially offset by the capital increase in respect of the LINK 2014 plan and by net income for the period.

At December 31, 2014, net debt stood at €29,695 million, and cash and cash equivalents totaled €7,079 million.

INFORMATION RELATING TO SUPPLIER PAYMENT DEADLINES

The law in favor of the modernization of the economy ("LME" law No. 2008-776 of August 4, 2008) and its implementing decree (No. 2008-1492 of December 30, 2008), provide that companies whose annual financial statements are certified by a Statutory Auditor must publish information regarding supplier payment deadlines. The purpose of publishing this information is to demonstrate that there are no significant delays in the payment of suppliers.

The breakdown by maturity of outstanding amounts payable by GDF SUEZ SA to its suppliers over the last two reporting periods is as follows:

	Dec. 31, 2014			Dec. 31, 2013		
In millions of euros	External	Group	Total	External	Group	Total
Past due	33	94	127	142	114	256
30 days	414	28	442	614	40	654
45 days	8	251	259	15	6	21
More than 45 days	23	-	23	17	-	17
TOTAL	**478**	**373**	**851**	**788**	**160**	**948**

6.1.1.8 Outlook

2015 financial targets[1]: a resilient net recurring income despite the drop in oil/gas price thanks to the implementation of a targeted "Quick Reaction Plan"

Given the recent major drop in oil and gas price, which has a significant impact, in the short term, on the Group's businesses (estimated at around -€900 million on EBITDA 2015 and -€350 million on Net recurring income, Group share, based on forward prices as of December 31, 2014), the Group has decided to launch a **quick operational reaction plan** in addition to *Perform 2015*, focused on **targeted reductions** in opex (€250 million impact on EBITDA 2015) combined with a shift of some growth capex (€2 billion over 2015-2016).

This plan enables the Group to announce for 2015 **a Net recurring income, Group share between €3.0 and 3.3 billion**, at average weather in France, **in line with the figure published for 2014**. This guidance is based on estimates for EBITDA and current operating income[2] of, respectively, €11.7 to 12.3 billion and €6.8 to 7.4 billion.

In addition, given its medium term growth perspectives and cash generation for 2015-2016, the Group reaffirms its capital allocation policy for the period 2014-2016 as follows:

- **net capex**[3] between €6 and 7 billion per year on average;
- **net debt/EBITDA** ratio below or equal to 2.5x and "A" category credit rating;
- and **a stable dividend policy** with a pay-out ratio[4] of 65-75% and a minimum of 1 euro per share, payable in cash.

6.1.2 Cash and shareholder's equity

6.1.2.1 Borrowing conditions and financial structure applicable to the Issuer

Debt structure

Gross debt (excluding bank overdrafts, amortized cost and financial derivative instruments) amounted to €36.4 billion on December 31, 2014, down from the previous year, and was primarily made up of €22.9 billion in bond issues and €6.6 billion in bank loans (including finance leases). Other loans and drawdowns on credit lines accounted for a total of €1.7 billion. Short-term loans (commercial paper) accounted for 14% of total gross debt at the end of 2014.

77% of the gross debt was issued on financial markets (bond issues and commercial paper).

Net debt, excluding amortized costs, the effect of financial derivative instruments and cash collateral, came to €27.5 billion at the end of 2014.

At the end of 2014, the net debt was 69% denominated in euros, 13% in US dollars and 6% in British pounds, excluding amortized cost but after the foreign exchange impact of derivatives.

After the impact of derivatives, 80% of the net debt was at a fixed rate. On December 31, 2014, the average cost of gross debt stood at 3.14%, down 26 points compared to 2013. The average maturity of net debt was 9.1 years.

Main transactions in 2014

The main transactions in 2014 affecting financial debt are described in Note 16.3.2 of Section 6.2 "Consolidated financial statements". In addition, the Group renewed €5 billion in pooled credit lines ahead of schedule, extending their maturity to April 2019.

The list of projects financed under the Green Bond issued in May 2014 for a total of €2.5 billion is found in Section 5.1.6.5 "Green Bond".

In 2014, the annual update of the prospectus for GDF SUEZ's €25 billion EMTN program received approval No. 14-534 from the AMF (October 2, 2014).

Ratings

GDF SUEZ has been rated A/A-1 by Standard & Poor's and A1/P-1 by Moody's with a stable outlook since July 2014 and April 2014, respectively.

6.1.2.2 Restrictions on the use of capital

On December 31, 2014, the Group had total undrawn confirmed credit lines (usable, among other things, as back-up lines for the commercial paper programs) of €13.3 billion. Of these lines, 91% are managed in a pooled fashion and are not subject to any financial covenant or bound by a credit risk rating. The counterparties of these lines are well diversified, with no single counterparty holding more than 6% of the total of these pooled lines. No pooled credit facility was in use as of the end of 2014.

Furthermore, the Group has set up credit lines in some subsidiaries, for which the documentation includes ratios related to their financial standing. These lines of credit are not guaranteed by GDF SUEZ SA or GIE GDF SUEZ Alliance.

The definition, as well as the level of these ratios, also known as "financial covenants", are determined by agreement with the lenders and may be reviewed during the life of the loan.

The most frequent ratios are:

(1) Targets assume average weather conditions in France, full pass through of supply costs in French regulated gas tariffs, restart of Doel 3 and Tihange 2 as of July 1, 2015, no significant regulatory and macro-economic changes, commodity price assumptions based on market conditions as of December 31, 2014 for the non-hedged part of the production, and average foreign exchange rates as follows for 2015: €/$: 1.22, €/BRL: 3.23.

(2) After share in net income of entities accounted for using the equity method.

(3) Net capex = gross capex – disposals (cash and net debt impact).

(4) Based on net recurring income, Group share.

- Debt Service Coverage Ratio = Cashflow available to meet annual interest and principal payments on debt, or for servicing interest (Interest Coverage Ratio = EBIT/interest expense in the period);
- Loan Life Coverage Ratio (= Net Present Value of Cashflow Available for Debt Service ("CFADS") / Outstanding Debt in the period);
- Debt/Equity ratio or maintenance of a minimum amount of equity.

At December 31, 2014, all Group companies whose debt is consolidated were compliant with the covenants and representations contained in their financial documentation.

In 2014, a default was declared on a participating interest of the Energy Europe business line, with no impact on the lines available to the Group. A debt restructuring agreement is being negotiated with the lenders and could be concluded by the end of the first half of 2015.

6.1.2.3 Expected sources on financing to honor commitments relative to investment decisions

The Group believes that its funding needs will be covered by available cash and the possible use of its existing credit facilities. However, it may call upon the capital markets on an ad hoc basis.

If necessary, dedicated financing could be established for very specific projects.

The Group has a total of €3.4 billion in credit lines or loans expiring in 2015 (excluding the maturity of €5.2 billion in commercial paper). In addition, at December 31, 2014 it had €8.9 billion in cash (net of bank overdrafts) and a total of €13.3 billion in available lines (not net of the amount of commercial paper issued), including €1 billion expiring in 2015.

6.2 FINANCIAL STATEMENTS

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6.2.1 Consolidated financial statements

Income statement

In millions of euros	Notes	Dec. 31, 2014	Dec. 31, 2013[1] [2]
Revenues	7.1	74,686	87,898
Purchases		(44,155)	(50,396)
Personnel costs	7.2	(9,779)	(11,615)
Depreciation, amortization and provisions	7.3	(4,797)	(6,426)
Other operating expenses		(10,999)	(13,853)
Other operating income		1,764	2,077
CURRENT OPERATING INCOME	**7**	**6,720**	**7,685**
Share in net income of entities accounted for using the equity method	4	441	570
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD		**7,161**	**8,254**
Mark-to-market on commodity contracts other than trading instruments	8.1	(298)	(226)
Impairment losses	8.2	(1,037)	(14,770)
Restructuring costs	8.3	(167)	(302)
Changes in scope of consolidation	8.4	562	405
Other non-recurring items	8.5	353	544
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**8**	**6,574**	**(6,093)**
Financial expenses		(2,462)	(2,444)
Financial income		586	498
NET FINANCIAL INCOME/(LOSS)	**9**	**(1,876)**	**(1,945)**
Income tax expense	10	(1,588)	(745)
NET INCOME/(LOSS)		**3,110**	**(8,783)**
Net income/(loss) Group share		2,440	(9,198)
Non-controlling interests		669	414
BASIC EARNINGS/(LOSS) PER SHARE *(EUROS)*	**12**	**1.00**	**(3.90)**
DILUTED EARNINGS/(LOSS) PER SHARE *(EUROS)*	**12**	**1.00**	**(3.90)**

(1) Comparative data at December 31, 2013 have been restated due to the application of standards on consolidation and to the presentation changes in the income statement (see Note 2).

(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

Statement of comprehensive income

In millions of euros	Notes	Dec. 31, 2014	Dec. 31, 2014 Owners of the parent	Dec. 31, 2014 Non-controlling interests	Dec. 31, 2013[(1) (2)]	Dec. 31, 2013 Owners of the parent[(1) (2)]	Dec. 31, 2013 Non-controlling interests[(1) (2)]
NET INCOME/(LOSS)		**3,110**	**2,440**	**669**	**(8,783)**	**(9,198)**	**414**
Available-for-sale financial assets	16	47	47	-	(47)	(41)	(6)
Net investment hedges		(442)	(442)	-	375	327	48
Cash flow hedges (excl. commodity instruments)	17	(717)	(702)	(15)	494	405	89
Commodity cash flow hedges	17	298	234	64	(262)	(256)	(6)
Deferred tax on items above	10	182	211	(29)	(201)	(169)	(32)
Share of entities accounted for using the equity method in recyclable items, net of tax		(128)	(128)	-	156	122	34
Translation adjustments		1,836	1,546	290	(2,054)	(1,590)	(464)
TOTAL RECYCLABLE ITEMS		**1,076**	**767**	**310**	**(1,539)**	**(1,202)**	**(337)**
Actuarial gains and losses	20	(1,762)	(1,658)	(105)	624	595	29
Deferred tax on actuarial gains and losses	10	516	482	33	(199)	(189)	(11)
Share of entities accounted for using the equity method in actuarial gains and losses, net of tax		7	7	(1)	(4)	(10)	6
TOTAL NON-RECYCLABLE ITEMS		**(1,240)**	**(1,168)**	**(72)**	**420**	**397**	**24**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**2,946**	**2,039**	**907**	**(9,902)**	**(10,003)**	**101**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

Statement of financial position

ASSETS

In millions of euros	Notes	Dec. 31, 2014	Dec. 31, 2013[(1)]	Jan. 1, 2013[(1) (2)]
Non-current assets				
Intangible assets, net	14	7,569	7,042	12,663
Goodwill	13	21,222	20,420	29,535
Property, plant and equipment, net	15	64,032	63,112	81,761
Available-for-sale securities	16	2,893	3,015	3,341
Loans and receivables at amortized cost	16	2,960	1,898	3,051
Derivative instruments	16	2,733	2,351	3,109
Investments in entities accounted for using the equity method	4	7,055	6,799	6,158
Other assets	27	557	685	933
Deferred tax assets	10	980	490	1,333
TOTAL NON-CURRENT ASSETS		**109,999**	**105,813**	**141,884**
Current assets				
Loans and receivables at amortized cost	16	925	1,470	1,974
Derivative instruments	16	7,886	3,833	4,292
Trade and other receivables, net	16	21,558	21,057	24,797
Inventories	27	4,891	4,973	5,332
Other assets	27	10,049	8,157	8,811
Financial assets at fair value through income	16	1,450	1,001	431
Cash and cash equivalents	16	8,546	8,706	10,939
Assets classified as held for sale	5	-	922	2,754
TOTAL CURRENT ASSETS		**55,306**	**50,120**	**59,329**
TOTAL ASSETS		**165,305**	**155,932**	**201,213**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

LIABILITIES

In millions of euros	Notes	Dec. 31, 2014	Dec. 31, 2013[1]	Jan. 1, 2013[1] [2]
Shareholders' equity		49,527	47,971	59,760
Non-controlling interests		6,432	5,689	11,672
TOTAL EQUITY	**18**	**55,959**	**53,659**	**71,432**
Non-current liabilities				
Provisions	19	16,402	14,066	15,405
Long-term borrowings	16	28,024	28,576	41,945
Derivative instruments	16	3,020	2,062	2,657
Other financial liabilities	16	286	213	624
Other liabilities	27	1,078	1,147	2,025
Deferred tax liabilities	10	9,039	9,466	11,697
TOTAL NON-CURRENT LIABILITIES		**57,849**	**55,530**	**74,353**
Current liabilities				
Provisions	19	2,137	2,032	2,042
Short-term borrowings	16	10,297	10,316	12,069
Derivative instruments	16	5,895	4,043	4,066
Trade and other payables	16	18,799	16,398	19,019
Other liabilities	27	14,370	13,521	16,749
Liabilities directly associated with assets classified as held for sale	5	-	434	1,483
TOTAL CURRENT LIABILITIES		**51,498**	**46,743**	**55,428**
TOTAL EQUITY AND LIABILITIES		**165,305**	**155,932**	**201,213**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

Statement of changes in equity

In millions of euros	Number of shares	Share capital	Additional paid-in capital	Consolidated reserves	Deeply-subordinated perpetual notes	Changes in fair value and other	Translation adjustments	Treasury stock	Shareholder's equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2012	**2,412,824,089**	**2,413**	**32,207**	**26,427**	**-**	**(242)**	**235**	**(1,206)**	**59,834**	**11,468**	**71,303**
IFRS 10 & 11 impact *(see Note 2)*				(79)		3	1		(74)	204	130
EQUITY AT JANUARY 1, 2013[(1)]	**2,412,824,089**	**2,413**	**32,207**	**26,349**	**-**	**(239)**	**236**	**(1,206)**	**59,760**	**11,672**	**71,432**
Net income/(loss)[(1)]				(9,198)					(9,198)	414	(8,783)
Other comprehensive income[(1)]				397		388	(1,590)		(805)	(313)	(1,119)
TOTAL COMPREHENSIVE INCOME[(1)]				**(8,801)**	**-**	**388**	**(1,590)**	**-**	**(10,003)**	**101**	**(9,902)**
Employee share issues and share-based payment				88					88	5	93
Dividends paid in cash				(3,539)					(3,539)	(1,071)	(4,610)
Acquisitions/disposals of treasury stock				(101)				97	(5)	-	(5)
Loss of control of SUEZ Environnement *(see Note 5.7)*									-	(5,225)	(5,225)
Issuance of deeply-subordinated perpetual notes *(see Note 18.2.1)*					1,657				1,657	-	1,657
Transactions between owners				19		3			22	(187)	(165)
Share capital increases subscribed by non-controlling interests									-	379	379
Other changes				(8)					(8)	15	7
EQUITY AT DECEMBER 31, 2013[(1)]	**2,412,824,089**	**2,413**	**32,207**	**14,005**	**1,657**	**152**	**(1,353)**	**(1,109)**	**47,971**	**5,689**	**53,659**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

In millions of euros	Number of shares	Share capital	Additional paid-in capital	Consolidated reserves	Deeply-subordinated perpetual notes	Changes in fair value and other	Translation adjustments	Treasury stock	Shareholder's equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2013(1)	**2,412,824,089**	**2,413**	**32,207**	**14,005**	**1,657**	**152**	**(1,353)**	**(1,109)**	**47,971**	**5,689**	**53,659**
Net income/(loss)				2,440					2,440	669	3,110
Other comprehensive income				(1,168)		(779)	1,546		(401)	238	(163)
TOTAL COMPREHENSIVE INCOME				**1,273**	**-**	**(779)**	**1,546**	**-**	**2,039**	**907**	**2,946**
Employee share issues and share-based payment	22,460,922	22	299	35					357	-	357
Dividends paid in cash *(see Note 18.2.3)*				(2,767)					(2,767)	(761)	(3,527)
Acquisitions/disposals of treasury stock *(see Note 18.1.2)*				(17)				152	136	-	136
Issuance of deeply-subordinated perpetual notes *(see Note 18.2.1)*					1,974				1,974	-	1,974
Coupons of deeply-subordinated perpetual notes *(see Note 18.2.1)*					(67)				(67)	-	(67)
Transactions between owners				(114)					(114)	12	(102)
Acquisition of control over Gaztransport & Technigaz *(see Note 5.1)*									-	476	476
Share capital increases subscribed by non-controlling interests									-	60	60
Other changes				(1)					(1)	49	48
EQUITY AT DECEMBER 31, 2014	**2,435,285,011**	**2,435**	**32,506**	**12,414**	**3,564**	**(627)**	**193**	**(957)**	**49,527**	**6,432**	**55,959**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

Statement of cash flows

In millions of euros	Notes	Dec. 31, 2014	Dec. 31, 2013[(1) (2)]
NET INCOME/(LOSS)		**3,110**	**(8,783)**
- Share in net income of entities accounted for using the equity method		(441)	(570)
+ Dividends received from entities accounted for using the equity method		526	433
- Net depreciation, amortization, impairment and provisions		5,722	20,519
- Impact of changes in scope of consolidation and other non-recurring items		(924)	(479)
- Mark-to-market on commodity contracts other than trading instruments		298	226
- Other items with no cash impact		21	93
- Income tax expense		1,588	745
- Net financial expense		1,876	1,945
Cash generated from operations before income tax and working capital requirements		**11,776**	**14,129**
+ Tax paid		(1,805)	(2,058)
Change in working capital requirements	**27.1**	**(1,221)**	**(91)**
CASH FLOW FROM OPERATING ACTIVITIES		**8,751**	**11,980**
Acquisitions of property, plant and equipment and intangible assets	6.4.3	(5,790)	(6,518)
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	6.4.3	(340)	(363)
Acquisitions of investments in entities accounted for using the equity method and joint operations	6.4.3	(398)	(688)
Acquisitions of available-for-sale securities	6.4.3	(246)	(143)
Disposals of property, plant and equipment, and intangible assets		241	267
Loss of controlling interests in entities, net of cash and cash equivalents sold		565	468
Disposals of investments in entities accounted for using the equity method and joint operations		822	1,569
Disposals of available-for-sale securities		1,064	171
Interests received on non-current financial assets		29	74
Dividends received on non-current financial assets		107	127
Change in loans and receivables originated by the Group and other	6.4.3	8	(69)
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES		**(3,939)**	**(5,103)**
Dividends paid[(3)]		(3,720)	(4,694)
Repayment of borrowings and debt		(6,394)	(5,640)
Change in financial assets at fair value through income		(412)	(435)
Interests paid		(1,079)	(1,553)
Interests received on cash and cash equivalents		100	116
Cash flow on derivatives qualifying as net investment hedges and compensation payments on derivatives and on early buyback of borrowings		(873)	(184)
Increase in borrowings		5,033	3,393
Increase/decrease in capital		388	388
Hybrid issue of perpetual subordinated notes	18.2.1	1,974	1,657
Purchase and/or sale of treasury stock		136	(5)
Changes of ownership interests in controlled entities	6.4.3	(126)	(71)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		**(4,973)**	**(7,027)**
Effects of changes in exchange rates and other		1	(2,083)
TOTAL CASH FLOW FOR THE PERIOD		**(160)**	**(2,233)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**8,706**	**10,939**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**8,546**	**8,706**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date. The impact of the change in accounting method on "Cash and cash equivalents" is presented under the line "Effect of changes in exchange rates and other" and amounts to a negative €2,056 million (see Note 5.7).

(3) The line "Dividends paid" includes the coupons paid to the owners of the deeply subordinated perpetual notes for an amount of €67 million at December 31, 2014.

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

6.2.2 Notes to the consolidated financial statements

GDF SUEZ SA, the parent company of the GDF SUEZ Group, is a French *Société Anonyme* with a Board of Directors that is subject to the provisions of Book II of the French Commercial Code (*Code de Commerce*), as well as all other provisions of French law applicable to commercial companies. GDF SUEZ was incorporated on November 20, 2004 for a period of 99 years.

It is governed by current and future laws and by regulations applicable to *sociétés anonymes* and its bylaws.

The Group is headquartered at 1 place Samuel de Champlain, 92400 Courbevoie (France).

GDF SUEZ shares are listed on the Paris, Brussels and Luxembourg stock exchanges.

The Group is one of the world's leading energy providers, active across the entire energy value chain – upstream and downstream – in both electricity and natural gas. It develops its businesses (energy and energy services) around a responsible growth model in order to meet the challenges of satisfying energy needs, safeguarding supplies, combating climate change and optimizing the use of resources.

On February 25, 2015, the Group's Board of Directors approved and authorized for issue the consolidated financial statements of the Group for the year ended December 31, 2014.

NOTE 1 Accounting standards and methods

1.1 Accounting standards

Pursuant to European Regulation (EC) 809/2004 on prospectuses dated April 29, 2004, financial information concerning the assets, liabilities, financial position, and profit and loss of GDF SUEZ has been provided for the last two reporting periods (ended December 31, 2013 and 2014). This information was prepared in accordance with European Regulation (EC) 1606/2002 on international accounting standards (IFRS) dated July 19, 2002. The Group's consolidated financial statements for the year ended December 31, 2014 have been prepared in accordance with IFRS as published by the International Accounting Standards Board (IASB) and endorsed by the European Union [(1)].

The accounting standards applied in the consolidated financial statements for the year ended December 31, 2014 are consistent with the policies used to prepare the consolidated financial statements for the year ended December 31, 2013, except for those described in § 1.1.1 below.

1.1.1 IFRS standards, amendments and IFRIC interpretations applicable in 2014

- IFRS 10 – *Consolidated Financial Statements*.
- IFRS 11 – *Joint Arrangements*.
- Amendment to IAS 28 – *Investments in Associates and Joint Ventures*.

Modifications introduced by these new consolidation standards are briefly described in § 1.4.1. For the impact on the Group's consolidated financial statements, see Note 2.

- IFRS 12 – *Disclosure of Interests in Other Entities*.

  This standard requires the disclosure of information that enables to evaluate the risks associated with the Group's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities, as well as the impact of those interests on the Group's financial position, financial performance and cash flows. Thus, information has to be provided about significant assumptions and judgments made to determine that the Group has control, joint control and the type of joint arrangement (i.e. joint operation or joint venture) or significant influence. The first application of this standard implies an extension of the information reflected in the Notes to the annual consolidated financial statements.

- Amendments to IAS 32 – *Financial Instruments: Presentation – Offsetting financial assets and financial liabilities*; these amendments have no material impact on the Group's consolidated financial statements.
- Amendments to IAS 36 – *Impairment of Assets – Recoverable amount disclosures for non-financial assets*; these amendments have been early adopted at December 31, 2013.
- Amendments to IAS 39 – *Financial Instruments: Recognition and Measurement – Novation of derivatives and continuation of hedge accounting*; these amendments have no material impact on the Group's consolidated financial statements.

1.1.2 IFRS standards, amendments and IFRIC interpretations effective in 2015 and that the Group has elected not to early adopt in 2014

- Annual Improvements to IFRSs 2011-2013.
- IFRIC 21 – *Levies;* this interpretation has no material impact on the Group's annual consolidated financial statements.

1.1.3 IFRS standards and amendments applicable after 2015

- IFRS 9 – *Financial Instruments* [(2)].
- IFRS 15 – *Revenue from Contracts with Customers* [(2)].
- Amendments to IFRS 11 – *Joint Arrangements: Accounting for acquisitions of interests in Joint Operations* [(2)].
- Amendments to IAS 16 – *Property, Plant and Equipment and IAS 38 – Intangible Assets: Clarification of acceptable methods of depreciation and amortization* [(2)].

(1) *Available on the European Commission's website: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.*

(2) *These standards and amendments have not yet been adopted by the European Union.*

- Amendments to IFRS 10 and IAS 28 – *Sale or contribution of assets between an investor and its associate or joint venture* [(2)].
- Amendments to IAS 1 – *Disclosure initiative* [(2)].
- Amendments to IAS 19 – *Employee Benefits – Defined benefit plans: employee contributions*.
- *Annual Improvements to IFRSs 2010-2012*.
- *Annual Improvements to IFRSs 2012-2014* [(1)].

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

1.1.4 Reminder of IFRS 1 transition options

The Group used some of the options available under IFRS 1 for its transition to IFRS in 2005. The options that continue to have an effect on the consolidated financial statements are:

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

1.2 Measurement and presentation basis

The consolidated financial statements have been prepared using the historical cost convention, except for financial instruments that are accounted for according to the financial instrument categories defined by IAS 39.

Assets or group of assets held for sale

In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", assets or groups of assets held for sale are presented separately on the face of the statement of financial position, at the lower of their carrying amount and fair value less costs to sell.

Assets are classified as "held for sale" when they are available for immediate sale in their present condition, their sale is highly probable within twelve months from the date of classification, management is committed to a plan to sell the asset and an active program to locate a buyer and complete the plan has been initiated. To assess whether a sale is highly probable, the Group takes into consideration among other items, indications of interest and offers received from potential buyers and specific risks to the execution of certain transactions.

1.3 Use of estimates and judgment

The economic and financial crisis prompted the Group to step up its risk oversight procedures and include an assessment of these risks in measuring financial instruments and performing impairment tests. The Group's estimates used in business plans and determination of discount rates used in impairment tests and for calculating provisions take into account the crisis situation and the resulting important market volatility.

1.3.1 Estimates

The preparation of consolidated financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities and contingent assets and liabilities at the reporting date, as well as revenues and expenses reported during the period.

Due to uncertainties inherent in the estimation process, the Group regularly revises its estimates in light of currently available information. Final outcomes could differ from those estimates.

The key estimates used in preparing the Group's consolidated financial statements relate mainly to:

- measurement of the fair value of assets acquired and liabilities assumed in a business combination *(see Note 5)*;
- measurement of the recoverable amount of goodwill and other intangible assets, property, plant and equipment *(see § 1.4.4 and 1.4.5)*;
- measurement of provisions, particularly for nuclear waste processing and storage, dismantling obligations, disputes, pensions and other employee benefits *(see § 1.4.15)*;
- financial instruments *(see § 1.4.11)*;
- measurement of revenues not yet metered, so called un-metered revenues *(see § 1.3.1.6)*;
- measurement of recognized tax loss carry-forwards *(see Note 10.3)*.

1.3.1.1 Measurement of the fair value of assets acquired and liabilities assumed in a business combination

The key assumptions and estimates used to determine the fair value of assets acquired and liabilities assumed include the market outlook for the measurement of future cash flows, and the applicable discount rate.

These assumptions reflect management's best estimates.

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

The recoverable amount of goodwill, intangible assets and property, plant and equipment is based on estimates and assumptions, regarding in particular the expected market outlook and the evolution of the regulatory framework, which are used for the measurement of cash flows, whose sensitivity varies depending on the activity, and the determination of the discount rate. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in adjustments to the impairment losses to be recognised.

The key assumptions used in the impairment tests on material goodwill CGUs are as follows:

- Energy – Central Western Europe (CWE) CGU (Energy Europe business line)

  The cash flow projections for the electricity and gas activities in the CWE region are based on a large number of key assumptions, such as the long-term prices for fuel and CO_2, expected trends in gas and electricity demand and in power prices, the market outlook, as well as changes in the regulatory environment (especially concerning nuclear capacities in Belgium and the extension of drawing rights agreements for French nuclear plants), and the prospects of renewal of the Group's hydro concessions in France. The key assumptions also include

(1) *These standards and amendments have not yet been adopted by the European Union.*

the discount rate used to calculate the value in use of this goodwill CGU.

- Distribution CGU (Infrastructures business line)

  The cash flow projections are drawn up based on the tariff for public natural gas distribution networks (known as "ATRD 4"), which entered into effect for a period of four years on July 1, 2012, and on the overall level of investments agreed by the French Energy Regulatory Commission (Commission de Régulation de l'Énergie – CRE) as part of its decision on the ATRD 4 tariff. The terminal value calculated at the end of the medium-term business plan corresponds to the expected Regulated Asset Base (RAB) with no premium at the end of 2020. The RAB is the value assigned by the regulator to the assets operated by the distributor.

- Global Gas & LNG CGU

  The main assumptions and key estimates primarily include the discount rates, expected trends in hydrocarbon prices, changes in the euro/US dollar exchange rate, proven and probable reserve estimates, expected trends in liquefied natural gas supply and demand, as well as the market outlook.

- Energy – North America CGU (Energy International business line).

  The main assumptions and key estimates primarily include the values assigned to long-term power and fuel prices, the market outlook and the discount rates.

1.3.1.3 Estimates of provisions

Parameters having a significant influence on the amount of provisions, and particularly, but not solely, those relating to the back-end of nuclear fuel cycle and to the dismantling of nuclear facilities, as well as those relating to the dismantling of gas infrastructures in France, include:

- cost forecasts (notably the retained scenario for reprocessing and storage of radioactive nuclear fuel consumed),
- the timing of expenditure (notably, for nuclear power generation activities, the timetable for reprocessing of radioactive nuclear fuel consumed and for dismantling facilities as well as the timetable for the end of gas operations regarding the gas infrastructure businesses in France),
- and the discount rate applied to cash flows.

These parameters are based on information and estimates deemed to be appropriate by the Group at the current time.

The modification of certain parameters could involve a significant adjustment of these provisions.

1.3.1.4 Pensions

Pension commitments are measured on the basis of actuarial assumptions. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

1.3.1.5 Financial instruments

To determine the fair value of financial instruments that are not listed on an active market, the Group uses valuation techniques that are based on certain assumptions. Any change in these assumptions could have a material impact on the resulting calculations.

1.3.1.6 Revenues

Revenues generated from types of customers whose energy consumption is metered during the accounting period, particularly customers supplied with low-voltage electricity or low-pressure gas, are estimated at the reporting date based on historical data, consumption statistics and estimated selling prices. For sales on networks used by a large number of grid operators, the Group is allocated a certain volume of energy transiting through the networks by the grid managers. The final allocations are sometimes only known several months down the line, which means that revenue figures are only an estimate.

However, the Group has developed measuring and modeling tools allowing it to estimate revenues with a satisfactory degree of accuracy and subsequently ensure that risks of error associated with estimating quantities sold and the resulting revenues can be considered as not material. In France, delivered unbilled natural gas ("gas in the meter") is calculated using a direct method taking into account estimated customers consumption since the last metering not yet billed. These estimates are in line with the volume of energy allocated by the grid managers over the same period. The average price is used to measure the "gas in the meter". The average price used takes account of the category of customer and the age of the delivered unbilled "gas in the meter". The portion of unbilled revenues at year-end is sensitive to the assumptions about volume and average price.

1.3.1.7 Measurement of recognized tax loss carry-forwards

Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. The probability that taxable profit will be available against which the unused tax losses can be utilized, is based on taxable temporary differences relating to the same taxation authority and the same taxable entity and estimates of future taxable profits. These estimates and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts as included in the medium-term business plan and, if necessary, on the basis of additional forecasts.

1.3.2 Judgment

As well as relying on estimates, Group management also makes judgments to define the appropriate accounting policies to apply to certain activities and transactions, particularly when the effective IFRS standards and interpretations do not specifically deal with the related accounting issues.

In particular, the Group exercised its judgment in determining the nature of control, the classification of arrangements which contain a lease, the recognition of acquisitions of non-controlling interests prior to January 1, 2010 and the identification of "own use" contracts, as defined by IAS 39, within non-financial purchase and sale contracts (electricity, gas, etc.).

Entities for which judgment has been exercised are listed in Notes 3 "Main subsidiaries at December 31, 2014" and 4 "Investments in entities accounted for using the equity method".

In accordance with IAS 1, the Group's current and non-current assets and liabilities are shown separately on the consolidated statement of financial position. For most of the Group's activities, the breakdown into current and non-current items is based on when

assets are expected to be realized, or liabilities extinguished. Assets expected to be realized or liabilities extinguished within 12 months of the reporting date are classified as current, while all other items are classified as non-current.

1.4 Accounting methods

1.4.1 Scope and methods of consolidation

IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements* and amendments to IAS 28 – *Investments in Associates and Joint Ventures*, were endorsed by the European Union in May 2012 and have to be applied since January 1, 2014.

IFRS 10 – Consolidated Financial Statements

IFRS 10 supersedes IAS 27 – *Consolidated and separate Financial Statements* and SIC 12 – *Consolidation – Special purpose entities*. This standard introduces a new definition of control. An investor (the Group) controls an entity and therefore must consolidate it as a subsidiary, if it has all the following:

- the ability to direct the relevant activities of the entity;
- rights to variable returns from its involvement with the entity;
- the ability to use its power over the entity to affect the amount of the investor's return.

IFRS 11 – Joint Arrangements

IFRS 11 supersedes IAS 31 – *Interests in Joint Ventures* and SIC 13 – *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*.

The new standard distinguishes between two types of joint arrangements: joint ventures and joint operations.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

Amendments to IAS 28 – Investments in Associates and Joint Ventures

The amendments to IAS 28 mainly concern the following points:

- when a portion of an investment in an associate or a joint venture meets the criteria to be classified as held for sale, the accounting treatment of the retained portion is now clarified. IFRS 5 applies to the portion that is held for sale, whereas the retained portion continues to be accounted for using the equity method;
- if an investment in an associate becomes an investment in a joint venture because the ownership interest has increased, previously held interests can no longer be remeasured at fair value. Likewise, when an investment in a joint operation becomes an investment in an associate due to a decrease of the ownership interest, the retained interest can no longer be remeasured at fair value.

Applying these new standards has the following consequences for the Group:

- controlled entities (subsidiaries) are fully consolidated in accordance with IFRS 10;
- interests in associates and joint ventures:

  The Group accounts for its investments in associates (entities over which the Group has significant influence) and joint ventures, using the equity method;
- interests in joint operations:

  The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to these assets, liabilities, revenues and expenses.

  Production sharing contracts, in particular in oil and gas exploration and production activities, are considered to be outside the scope of IFRS 11. Contractors account for their rights to a portion of production and reserves, based on the contractual clauses.

The impact of these new consolidation standards on the comparative 2013 financial statements is disclosed in Note 2 “Impact of applying the new consolidation standards to the comparative 2013 financial statements”.

The lists of the main entities accounted for using the full consolidation method and the equity method are respectively listed in Note 3 "Main subsidiaries at December 31, 2014" and Note 4 "Investments in entities accounted for using the equity method".

1.4.2 Foreign currency translation methods

1.4.2.1 Presentation currency of the consolidated financial statements

The Group's consolidated financial statements are presented in euros (€).

1.4.2.2 Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates, which in most cases corresponds to local currency. However, certain entities may have a functional currency different from local currency when that other currency is used for an entity's main transactions and better reflects its economic environment.

1.4.2.3 Foreign currency transactions

Foreign currency transactions are recorded in the functional currency at the exchange rate prevailing on the date of the transaction. At each reporting date:

- monetary assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. The related translation gains and losses are recorded in the consolidated statement of income for the year to which they relate;
- non-monetary assets and liabilities denominated in foreign currencies are recognized at the historical cost applicable at the date of the transaction.

1.4.2.4 Translation of the financial statements of subsidiaries with a functional currency other than the euro (the presentation currency)

The statements of financial position of these subsidiaries are translated into euros at the official year-end exchange rates. Income statement and cash flow statement items are translated using the average exchange rate for the year. Any differences arising from the translation of the financial statements of these subsidiaries are recorded under "Cumulative translation differences" as other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are classified as assets and liabilities of those foreign entities and are therefore denominated in the functional currencies of the entities and translated at the year-end exchange rate.

1.4.3 Business combinations

Business combinations carried out prior to January 1, 2010 have been accounted for in accordance with IFRS 3 prior to the revision. In accordance with IFRS 3 revised, these business combinations have not been restated.

Since January 1, 2010, the Group applied the purchase method as defined in IFRS 3 revised, which consists in recognizing the identifiable assets acquired and liabilities assumed at their fair values at the acquisition date, as well as any non-controlling interest in the acquiree. Non-controlling interests are measured either at fair value or at the entity's proportionate interest in the net identifiable assets of the acquiree. The Group determines on a case-by-case basis which measurement option to be used to recognize non-controlling interests.

1.4.4 Intangible assets

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

1.4.4.1 Goodwill

Recognition of goodwill

Due to the application of IFRS 3 revised at January 1, 2010, the Group is required to separately identify business combinations carried out before or after this date.

Business combinations carried out prior to January 1, 2010

Goodwill represents the excess of the cost of a business combination (acquisition price of shares plus any costs directly attributable to the business combination) over the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognized at the acquisition date (except if the business combination is achieved in stages).

For a business combination achieved in stages – i.e. where the Group acquires a subsidiary through successive share purchases – the amount of goodwill is determined for each exchange transaction separately based on the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of each exchange transaction.

Business combinations carried out after January 1, 2010

Goodwill is measured as the excess of the aggregate of:

(i) the consideration transferred;

(ii) the amount of any non-controlling interests in the acquiree; and

(iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree;

over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

The amount of goodwill recognized at the acquisition date cannot be adjusted after the end of the measurement period.

Goodwill relating to interests in associate companies is recorded under "Investments in entities accounted for using the equity method".

Measurement of goodwill

Goodwill is not amortized but tested for impairment each year, or more frequently where an indication of impairment is identified. Impairment tests are carried out at the level of cash-generating units (CGUs) or groups of CGUs which constitute groups of assets generating cash inflows that are largely independent of the cash inflows from other CGUs.

The methods used to carry out these impairment tests are described in § 1.4.8 "Impairment of property, plant and equipment and intangible assets".

Impairment losses in relation to goodwill cannot be reversed and are shown under "Impairment losses" in the consolidated income statement.

1.4.4.2 Other intangible assets

Development costs

Research costs are expensed as incurred.

Development costs are capitalized when the asset recognition criteria set out in IAS 38 are met. Capitalized development costs are amortized over the useful life of the intangible asset recognized.

Other internally-generated or acquired intangible assets

Other intangible assets include mainly:

- amounts paid or payable as consideration for rights relating to concession contracts or public service contracts;
- customer portfolios acquired on business combinations;
- capacity rights, in particular regarding power stations; the Group helped finance the construction of certain nuclear power stations operated by third parties and in consideration received the right to purchase a share of the production over the life of the assets. Said capacity rights are amortized over the useful life of the related assets, not exceeding 40 years;
- concession assets;
- the GDF Gaz de France brand and gas supply contracts acquired as part of the business combination with Gaz de France in 2008.

Intangible assets are amortized on the basis of the expected pattern of consumption of the estimated future economic benefits embodied in the asset. Amortization is calculated mainly on a straight-line basis over the following useful lives:

	Useful life	
Main amortization periods (years)	**Minimum**	**Maximum**
Concession rights	10	30
Customer portfolio	10	40
Other intangible assets	1	40

Some intangible assets (brand, etc.) with an indefinite useful life are not amortized but an impairment test has to be performed annually.

1.4.5 Property, plant and equipment

1.4.5.1 Initial recognition and subsequent measurement

Items of property, plant and equipment are recognized at historical cost less any accumulated depreciation and any accumulated impairment losses.

The carrying amount of these items is not revalued as the Group has elected not to apply the allowed alternative method, which consists of regularly revaluing one or more categories of property, plant and equipment.

Investment subsidies are deducted from the gross value of the assets concerned.

In accordance with IAS 16, the initial cost of the item of property, plant and equipment includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has a present, legal or constructive obligation to dismantle the item or restore the site. A corresponding provision for this obligation is recorded for the amount of the asset component.

Property, plant and equipment acquired under finance leases is carried in the consolidated statement of financial position at the lower of market value and the present value of the related minimum lease payments. The corresponding liability is recognized under borrowings. These assets are depreciated using the same methods and useful lives as set out below.

Borrowing costs that are directly attributable to the construction of the qualifying asset are capitalized as part of the cost of that asset.

Cushion gas

"Cushion" gas injected into underground storage facilities is essential for ensuring that reservoirs can be operated effectively, and is therefore inseparable from these reservoirs. Unlike "working" gas which is included in inventories, cushion gas is reported in property, plant and equipment.

1.4.5.2 Depreciation

In accordance with the components approach, each significant component of an item of property, plant and equipment with a different useful life from that of the main asset to which it relates is depreciated separately over its own useful life.

Property, plant and equipment is depreciated mainly using the straight-line method over the following useful lives:

	Useful life	
Main depreciation periods (years)	**Minimum**	**Maximum**
Plant and equipment		
• Storage – Production – Transport – Distribution	5	60(*)
• Installation – Maintenance	3	10
• Hydraulic plant and equipment	20	65
Other property, plant and equipment	2	33

(*) Excluding cushion gas.

The range of useful lives is due to the diversity of the assets in each category. The minimum periods relate to smaller equipment and furniture, while the maximum periods concern network infrastructures and storage facilities. In accordance with the law of January 31, 2003 adopted by the Belgian Chamber of Representatives with respect to the gradual phase-out of nuclear energy for the industrial production of electricity, the useful lives of nuclear power stations were reviewed and adjusted prospectively to 40 years as from 2003, except Tihange 1 the operating life of which has been extended by 10 years by the law of December 18, 2013.

Fixtures and fittings relating to the hydro plant operated by the Group are depreciated over the shorter of the contract term and useful life of the assets, taking into account the renewal of the concession period if such renewal is considered to be reasonably certain.

1.4.6 Assets relating to the exploration and production of mineral resources

The Group applies IFRS 6 – Exploration for and Evaluation of Mineral Resources.

Geological and geophysical studies are expensed in the year in which they are incurred.

Exploration costs (other than geological and geophysical studies) are temporarily capitalized in "pre-capitalized exploration costs" before the confirmation of the technical feasibility and commercial viability of extracting resources. These exploration drilling costs are temporarily capitalized when the following two conditions are met:

- sufficient reserves have been found to justify completion as a producing well assuming the required capital expenditure is made;
- the Group has made significant progress in determining that reserves exist and that the project is technically and economically viable. This progress is assessed based on criteria such as whether any additional exploratory work (drilling, seismic studies or other significant surveys) is underway or firmly planned for the near future. Progress is also assessed based on any expenses incurred in conducting development studies and on the fact that the Group may be required to wait for the relevant government or third party authorizations for the project, or for available transport capacity or treatment capacity at existing facilities.

In accordance with this method known as "successful efforts" method, when the exploratory phase has resulted in proven, commercially viable reserves, the related costs are reported in property, plant and equipment and depreciated over the period during which the reserves are extracted. Otherwise, the costs are expensed as incurred.

The depreciation of production assets, including site rehabilitation costs, starts when the oil or gas field is brought into production, and is based on the unit of production method (UOP). According to this method, the depletion rate is equal, since January 1, 2014, to the ratio of oil and gas production for the period to probable reserves. Before this date, the ratio was based on proven developed reserves.

This change of estimate has been decided in view of the evolution of the Group's portfolio of production assets. This change aims to improve the economic vision of benefits consumption of the production assets, given the new production cycle that considerably affected the profile of the portfolio.

The estimated annual impact resulting from this change is an increase of the current operating income after share in net income of entities accounted for using the equity method of €250 million, and an increase of net income Group share of €75 million.

1.4.7 Concession arrangements

SIC 29 – *Service Concession Arrangements:* Disclosures, prescribes the information that should be disclosed in the notes to the financial statements of a concession grantor and concession operator, while IFRIC 12 deals with the treatment to be applied by the concession operator in respect of certain concession arrangements.

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 following two conditions are met:

- 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.

Concessions outside the scope of IFRIC 12

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

This is the case of the distribution of gas in France. The related assets are recognized in accordance with IAS 16, since GrDF operates its network under long-term concession arrangements, most of which are mandatorily renewed upon expiration pursuant to French law no. 46-628 of April 8, 1946.

1.4.8 Impairment of property, plant and equipment and intangible assets

In accordance with IAS 36, impairment tests are carried out on items of property, plant and equipment and intangible assets where there is an indication that the assets may be impaired. Such indications may be based on events or changes in the market environment, or on internal sources of information. Intangible assets that are not amortized are tested for impairment annually.

Impairment indicators

Property, plant and equipment and intangible assets with finite useful lives are only tested for impairment when there is an indication that they may be impaired. This is generally the result of significant changes to the environment in which the assets are operated or when economic performance is worse than expected.

The main impairment indicators used by the Group are described below:

- external sources of information:
  - significant changes in the economic, technological, political or market environment in which the entity operates or to which an asset is dedicated,
  - fall in demand,
  - changes in energy prices and US dollar exchange rates;
- internal sources of information:
  - evidence of obsolescence or physical damage not budgeted for in the depreciation/amortization schedule,
  - worse-than-expected performance,
  - fall in resources for exploration & production activities.

Impairment

Items of property, plant and equipment and intangible assets are tested for impairment at the level of the individual asset or cash-generating unit (CGU) as appropriate, determined in accordance with IAS 36. If the recoverable amount of an asset is lower than its carrying amount, the carrying amount is written down to the recoverable amount by recording an impairment loss. Upon recognition of an impairment loss, the depreciable amount and possibly the useful life of the assets concerned is revised.

Impairment losses recorded in relation to property, plant and equipment or intangible assets may be subsequently reversed if the recoverable amount of the assets is once again higher than their carrying value. The increased carrying amount of an item of property, plant or equipment attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined (net of depreciation/amortization) had no impairment loss been recognized in prior periods.

Measurement of recoverable amount

In order to review the recoverable amount of property, plant and equipment and intangible assets, the assets are grouped, where appropriate, into cash-generating units (CGUs) and the carrying amount of each unit is compared with its recoverable amount.

For operating entities which the Group intends to hold on a long-term and going concern basis, the recoverable amount of an asset corresponds to the higher of its fair value less costs to sell and its value in use. Value in use is primarily determined based on the present value of future operating cash flows and a terminal value. Standard valuation techniques are used based on the following main economic data:

- discount rates based on the specific characteristics of the operating entities concerned;
- terminal values in line with the available market data specific to the operating segments concerned and growth rates associated with these terminal values, not to exceed the inflation rate.

Discount rates are determined on a post-tax basis and applied to post-tax cash flows. The recoverable amounts calculated on the basis of these discount rates are the same as the amounts obtained by applying the pre-tax discount rates to cash flows estimated on a pre-tax basis, as required by IAS 36.

For operating entities which the Group has decided to sell, the related recoverable amount of the assets concerned is based on market value less costs of disposal. Where negotiations are ongoing, this value is determined based on the best estimate of their outcome as of the reporting date.

In the event of a decline in value, the impairment loss is recorded in the consolidated income statement under “Impairment losses”.

1.4.9 Leases

The Group holds assets for its various activities under lease contracts.

These leases are analyzed based on the situations and indicators set out in IAS 17 in order to determine whether they constitute operating leases or finance leases.

A finance lease is defined as a lease which transfers substantially all the risks and rewards incidental to the ownership of the related asset to the lessee. All leases which do not comply with the definition of a finance lease are classified as operating leases.

The following main factors are considered by the Group to assess if a lease transfers substantially all the risks and rewards incidental to ownership: whether (i) the lessor transfers ownership of the asset to the lessee by the end of the lease term; (ii) the lessee has an option to purchase the asset and if so, the conditions applicable to exercising that option; (iii) the lease term is for the major part of the economic life of the asset; (iv) the asset is of a highly specialized nature; and (v) the present value of minimum lease payments amounts to at least substantially all of the fair value of the leased asset.

1.4.9.1 Accounting for finance leases

On initial recognition, assets held under finance leases are recorded as property, plant and equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments.

1.4.9.2 Accounting for operating leases

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

1.4.9.3 Accounting for arrangements that contain a lease

IFRIC 4 deals with the identification of services and take-or-pay sales or purchasing contracts that do not take the legal form of a lease but convey rights to customers/suppliers to use an asset or a group of assets in return for a payment or a series of fixed payments. Contracts meeting these criteria should be identified as either operating leases or finance leases. In the latter case, a finance receivable should be recognized to reflect the financing deemed to be granted by the Group where it is considered as acting as lessor and its customers as lessees.

The Group is concerned by this interpretation mainly with respect to:

- some energy purchase and sale contracts, particularly where the contract conveys to the purchaser of the energy an exclusive right to use a production asset;
- certain contracts with industrial customers relating to assets held by the Group.

1.4.10 Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value corresponds to the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is determined based on the first-in, first-out method or the weighted average cost formula.

Nuclear fuel purchased is consumed in the process of producing electricity over a number of years. The consumption of this nuclear fuel inventory is recorded based on estimates of the quantity of electricity produced per unit of fuel.

Gas inventories

Gas injected into underground storage facilities includes working gas which can be withdrawn without adversely affecting the operation of the reservoir, and cushion gas which is inseparable from the reservoirs and essential for their operation (see § 1.4.5.1).

Working gas is classified in inventory and measured at weighted average purchase cost upon entering the transportation network regardless of its source, including any regasification costs.

Group inventory outflows are valued using the weighted average unit cost method.

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

Greenhouse gas emissions rights

European Directive 2003/87/EC establishes a greenhouse gas (GHG) emissions allowance trading scheme within the European Union. Under the Directive, each year the sites concerned have to surrender a number of allowances equal to the total emissions from the installations during the previous calendar year.

As there are no specific rules under IFRS dealing with the accounting treatment of GHG emissions allowances, the Group decided to apply the following principles:

- emission rights are classified as inventories, as they are consumed in the production process;
- emission rights purchased on the market are recognized at acquisition cost;
- emission rights granted free of charge are recorded in the statement of financial position at a value of nil.

The Group records a liability at year-end in the event that it does not have enough emission rights to cover its GHG emissions during the period. This liability is measured at the market value of the allowances required to meet its obligations at year-end or based on the contracts price concluded to hedge this lack of emission rights.

Energy savings certificates (ESC)

In the absence of current IFRS standards or interpretations on accounting for energy savings certificates, the following principles are applied:

- in the event that the number of ESC's held exceeds the obligation at the reporting date this is accounted for as inventory; otherwise, a liability is recorded;
- ESC inventories are valued at weighted average cost (acquisition cost for those ESC's acquired or cost incurred for those ESC's generated internally).

1.4.11 Financial instruments

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

1.4.11.1 Financial assets

Financial assets comprise available-for-sale securities, loans and receivables carried at amortized cost including trade and other receivables, and financial assets measured at fair value through income, including derivative financial instruments. Financial assets are broken down into current and non-current assets in the consolidated statement of financial position.

Available-for-sale securities

"Available-for-sale securities" include the Group's investments in non-consolidated companies and equity or debt instruments that do not satisfy the criteria for classification in another category (see below). Cost is determined using the weighted average cost formula.

These items are measured at fair value on initial recognition, which generally corresponds to the acquisition cost plus transaction costs.

At each reporting date, available-for-sale securities are measured at fair value. For listed securities, fair value is determined based on the quoted market price at the reporting date. For unlisted securities, fair value is measured using valuation models based primarily on recent market transactions, discounted dividends and future cash flows or net asset value. Changes in fair value are recorded directly in other comprehensive income, except when the decline in the value of the investment below its historical acquisition cost is judged significant or prolonged enough to require an impairment loss to be recognized. In this case, the loss is recognized in income under "Impairment losses". Only impairment losses recognized on debt instruments (debt securities/bonds) may be reversed through income.

Loans and receivables carried at amortized cost

This item primarily includes loans and advances to associates or non-consolidated companies, guarantee deposits, trade and other receivables.

On initial recognition, these loans and receivables are recorded at fair value plus transaction costs. At each statement of financial position date, they are measured at amortized cost using the effective interest rate method.

Leasing guarantee deposits are recognized at their nominal value.

On initial recognition, trade and other receivables are recorded at fair value, which generally corresponds to their nominal value. Impairment losses are recorded based on the estimated risk of non-recovery. This item also includes amounts due from customers under construction contracts.

Financial assets at fair value through income

These financial assets meet the qualification or designation criteria set out in IAS 39.

This item mainly includes trading securities and short-term investments which do not meet the criteria for classification as cash or cash equivalents (see § 1.4.12). The financial assets are measured at fair value at the statement of financial position date and

changes in fair value are recorded in the consolidated income statement.

1.4.11.2 Financial liabilities

Financial liabilities include borrowings, trade and other payables, derivative financial instruments and other financial liabilities.

Financial liabilities are broken down into current and non-current liabilities in the consolidated statement of financial position. Current financial liabilities primarily comprise:

- financial liabilities with a settlement or maturity date within 12 months after the reporting date;
- financial liabilities in respect of which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date;
- financial liabilities held primarily for trading purposes;
- derivative financial instruments qualifying as fair value hedges where the underlying is classified as a current item;
- all commodity trading derivatives not qualifying as hedges.

Measurement of borrowings and other financial liabilities

Borrowings and other financial liabilities are measured at amortized cost using the effective interest rate method.

On initial recognition, any issue or redemption premiums and discounts and issuing costs are added to/deducted from the nominal value of the borrowings concerned. These items are taken into account when calculating the effective interest rate and are therefore recorded in the consolidated income statement over the life of the borrowings using the amortized cost method.

As regards structured debt instruments that do not have an equity component, the Group may be required to separate an "embedded" derivative instrument from its host contract. The conditions under which these instruments must be separated are detailed below. When an embedded derivative is separated from its host contract, the initial carrying amount of the structured instrument is broken down into an embedded derivative component, corresponding to the fair value of the embedded derivative, and a financial liability component, corresponding to the difference between the amount of the issue and the fair value of the embedded derivative. The separation of components upon initial recognition does not give rise to any gains or losses.

The debt is subsequently recorded at amortized cost using the effective interest method, while the derivative is measured at fair value, with changes in fair value taken to income.

Put options on non-controlling interests

Other financial liabilities primarily include put options granted by the Group in respect of non-controlling interests.

Put options on non-controlling interests granted prior to January 1, 2010

As no specific guidance is provided by IFRS, and based on recommendations issued by the AMF for the 2009 reporting period, the Group decided to continue accounting for instruments recognized prior to January 1, 2010 using its previous accounting policies:

- when the put option with a variable price is initially granted, the present value of the exercise price is recognized as a financial liability, with a corresponding reduction in non-controlling interests. When the value of the put option is greater than the carrying amount of the non-controlling interests, the difference is recognized as goodwill;
- at each reporting date, the amount of the financial liability is revised and any changes in the amount are recorded with a corresponding adjustment to goodwill;
- payments of dividends to non-controlling interests result in an increase in goodwill;
- in the consolidated income statement, non-controlling interests are allocated their share in income. In the consolidated statement of financial position, the share in income allocated to non-controlling interests reduces the carrying amount of goodwill. No finance costs are recognized in respect of changes in the fair value of liabilities recognized against goodwill.

1.4.11.3 Derivatives and hedge accounting

The Group uses financial instruments to manage and reduce its exposure to market risks arising from fluctuations in interest rates, foreign currency exchange rates and commodity prices, mainly for gas and electricity. The use of derivative instruments is governed by a Group policy for managing interest rate, currency and commodity risks.

Definition and scope of derivative financial instruments

Derivative financial instruments are contracts: (i) whose value changes in response to the change in one or more observable variables; (ii) that do not require any material initial net investment; and (iii) that are settled at a future date.

Derivative instruments therefore include swaps, options, futures and swaptions, as well as forward commitments to purchase or sell listed and unlisted securities, and firm commitments or options to purchase or sell non-financial assets that involve physical delivery of the underlying.

For purchases and sales of electricity and natural gas, the Group systematically analyzes whether the contract was entered into in the "normal" course of operations and therefore falls outside the scope of IAS 39. This analysis consists firstly of demonstrating that the contract is entered into and held for the purpose of making or taking physical delivery of the commodity in accordance with the Group's expected purchase, sale or usage requirements.

The second step is to demonstrate, in particular, that:

- the Group has no practice of settling similar contracts on a net basis. In particular, forward purchases or sales with physical delivery of the underlying that are carried out with the sole purpose of balancing Group energy volumes are not considered by the Group as contracts that are settled net;
- the contract is not negotiated with the aim of realizing financial arbitration;
- the contract is not equivalent to a written option. In particular, in the case of electricity and gas sales allowing the buyer a certain degree of flexibility concerning the volumes delivered, the Group distinguishes between contracts that are equivalent to capacity sales considered as transactions falling within the scope of ordinary operations and those that are equivalent to written financial options, which are accounted for as derivative financial instruments.

Only contracts that meet all of the above conditions are considered as falling outside the scope of IAS 39. Adequate specific documentation is compiled to support this analysis.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

The main Group contracts that may contain embedded derivatives are contracts with clauses or options affecting the contract price, volume or maturity. This is the case primarily with contracts for the purchase or sale of non-financial assets, whose price is revised based on an index, the exchange rate of a foreign currency or the price of an asset other than the contract's underlying.

Embedded derivatives are separated from the host contract and accounted for as derivatives when:

- the host contract is not a financial instrument measured at fair value through income;
- if separated from the host contract, the embedded derivative fulfills the criteria for classification as a derivative instrument (existence of an underlying, no material initial net investment, settlement at a future date); and
- its characteristics are not closely related to those of the host contract. The analysis of whether or not the characteristics of the derivative are "closely related" to the host contract is made when the contract is signed.

Embedded derivatives that are separated from the host contract are recognized in the consolidated statement of financial position at fair value, with changes in fair value recognized in income (except when the embedded derivative is part of a designated hedging relationship).

Hedging instruments: recognition and presentation

Derivative instruments qualifying as hedging instruments are recognized in the consolidated statement of financial position and measured at fair value. However, their accounting treatment varies according to whether they are classified as:

- a fair value hedge of an asset or liability;
- a cash flow hedge;
- a hedge of a net investment in a foreign operation.

Fair value hedges

A fair value hedge is defined as a hedge of the exposure to changes in fair value of a recognized asset or liability such as a fixed-rate loan or borrowing, or of assets, liabilities or an unrecognized firm commitment denominated in a foreign currency.

The gain or loss from remeasuring the hedging instrument at fair value is recognized in income. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in income even if the hedged item is in a category in respect of which changes in fair value are recognized through other comprehensive income. These two adjustments are presented net in the consolidated income statement, with the net effect corresponding to the ineffective portion of the hedge.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that could affect the Group's income. The hedged cash flows may be attributable to a particular risk associated with a recognized financial or non-financial asset or a highly probable forecast transaction.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income, net of tax, while the ineffective portion is recognized in income. The gains or losses accumulated in equity are reclassified to the consolidated income statement under the same caption as the loss or gain on the hedged item – i.e., current operating income for operating cash flows and financial income or expenses for other cash flows – in the same periods in which the hedged cash flows affect income.

If the hedging relationship is discontinued, in particular because the hedge is no longer considered effective, the cumulative gain or loss on the hedging instrument remains separately recognized in equity until the forecast transaction occurs. However, if a forecast transaction is no longer expected to occur, the cumulative gain or loss on the hedging instrument is recognized in income.

Hedge of a net investment in a foreign operation

In the same way as for a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge of the currency risk is recognized directly in other comprehensive income, net of tax, while the ineffective portion is recognized in income. The gains or losses accumulated in other comprehensive income are transferred to the consolidated income statement when the investment is sold.

Identification and documentation of hedging relationships

The hedging instruments and hedged items are designated at the inception of the hedging relationship. The hedging relationship is formally documented in each case, specifying the hedging strategy, the hedged risk and the method used to assess hedge effectiveness. Only derivative contracts entered into with external counterparties are considered as being eligible for hedge accounting.

Hedge effectiveness is assessed and documented at the inception of the hedging relationship and on an ongoing basis throughout the periods for which the hedge was designated. Hedges are considered to be effective when changes in fair value or cash flows between the hedging instrument and the hedged item are offset within a range of 80%-125%.

Hedge effectiveness is demonstrated both prospectively and retrospectively using various methods, based mainly on a comparison between changes in the fair value or cash flows between the hedging instrument and the hedged item. Methods based on an analysis of statistical correlations between historical price data are also used.

Derivative instruments not qualifying for hedge accounting: recognition and presentation

These items mainly concern derivative financial instruments used in economic hedges that have not been – or are no longer – documented as hedging relationships for accounting purposes.

When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, changes in fair value are recognized directly in income, under "Mark-to-market" or "Mark-to-market on commodity contracts other than trading instruments" below the current operating income for derivative instruments with

non-financial assets as the underlying, and in financial income or expenses for currency, interest rate and equity derivatives.

Derivative instruments used by the Group in connection with proprietary energy trading activities and energy trading on behalf of customers and other derivatives expiring in less than 12 months are recognized in the consolidated statement of financial position in current assets and liabilities, while derivatives expiring after this period are classified as non-current items.

Fair value measurement

The fair value of instruments listed on an active market is determined by reference to the market price. In this case, these instruments are presented in level 1 of the fair value hierarchy.

The fair value of unlisted financial instruments for which there is no active market and for which observable market data exist is determined based on valuation techniques such as option pricing models or the discounted cash flow method.

Models used to evaluate these instruments take into account assumptions based on market inputs:

- the fair value of interest rate swaps is calculated based on the present value of future cash flows;
- the fair value of forward foreign exchange contracts and currency swaps is calculated by reference to current prices for contracts with similar maturities by discounting the future cash flow spread (difference between the forward exchange rate under the contract and the forward exchange rate recalculated in line with the new market conditions applicable to the nominal amount);
- the fair value of currency and interest rate options is calculated using option pricing models;
- commodity derivatives contracts are valued by reference to listed market prices based on the present value of future cash flows (commodity swaps or commodity forwards) or option pricing models (options), which may factor in market price volatility. Contracts with maturities exceeding the depth of transactions for which prices are observable, or which are particularly complex, may be valued based on internal assumptions;
- exceptionally, for complex contracts negotiated with independent financial institutions, the Group uses the values established by its counterparties.

These instruments are presented in level 2 of the fair value hierarchy except when the evaluation is based mainly on data that are not observable; in this case they are presented in level 3 of the fair value hierarchy. Most often, this is the case for derivatives with a maturity that falls outside the observability period for market data relating to the underlying or when some parameters such as the volatility of the underlying are not observable.

Except in case of enforceable master netting arrangements or similar agreements, counterparty risk is included in the fair value of financial derivative instrument assets and liabilities. It is calculated according to the "expected loss" method and takes into account the exposure at default, the probability of default and the loss given default.

The probability of default is determined on the basis of credit ratings assigned to each counterparty ("historical probability of default" approach).

1.4.12 Cash and cash equivalents

These items include cash equivalents as well as short-term investments that are considered to be readily convertible into a known amount of cash and where the risk of a change in their value is deemed to be negligible based on the criteria set out in IAS 7.

Bank overdrafts are not included in the calculation of cash and cash equivalents and are recorded under "Short-term borrowings".

1.4.13 Treasury shares

Treasury shares are recognized at cost and deducted from equity. Gains and losses on disposals of treasury shares are recorded directly in equity and do not therefore impact income for the period.

1.4.14 Share-based payment

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

The Group share-based payments are equity-settled instruments (currently no cash-settled instruments).

Equity-settled instruments: bonus share plans and performance shares granted to employees

The fair value of bonus share plans is estimated by reference to the share price at the grant date, taking into account the fact that no dividends are payable over the vesting period, and based on the estimated turnover rate for the employees concerned and the probability that the Group will meet its performance targets. The fair value measurement also takes into account the non-transferability period associated with these instruments. The cost of shares granted to employees is expensed over the vesting period of the rights and offset against equity.

A Monte Carlo pricing model is used for performance shares granted on a discretionary basis and subject to external performance criteria.

1.4.15 Provisions

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

Depending on the laws and practices in force in the countries where GDF SUEZ operates, Group companies have obligations in terms of pensions, early retirement payments, retirement bonuses and other benefit plans. Such obligations generally apply to all of the employees within the companies concerned.

The Group's obligations in relation to pensions and other employee benefits are recognized and measured in compliance with IAS 19. Accordingly:

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

Provisions are recorded when commitments under these plans exceed the fair value of plan assets. Where the value of plan assets (capped where appropriate) is greater than the related commitments, the surplus is recorded as an asset under "Other current assets" or "Other non-current assets".

As regards post-employment benefit obligations actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income. Where appropriate, adjustments resulting from applying the asset ceiling to net assets relating to overfunded plans are treated in a similar way.

However, actuarial gains and losses on other long-term benefits such as long-service awards, are recognized immediately in income.

Net interest on the net defined benefit liability (asset) is presented in net financial expense (income).

1.4.15.2 Other provisions

The Group records a provision where it has a present obligation (legal or constructive), the settlement of which is expected to result in an outflow of resources embodying economic benefits with no corresponding consideration in return.

A provision for restructuring costs is recorded when the general criteria for setting up a provision are met, i.e., when the Group has a detailed formal plan relating to the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Provisions with a maturity of over 12 months are discounted when the effect of discounting is material. The Group's main long-term provisions are provisions for nuclear waste reprocessing and storage, provisions for dismantling facilities and provisions for site restoration costs. The discount rate (or rates) used reflects current market assessments of the time value of money and the risks specific to the liability concerned. Expenses corresponding to the reversal of discounting adjustments to long-term provisions are recorded under other financial income and expenses.

A provision is recognized when the Group has a present legal or constructive obligation to dismantle facilities or to restore a site. An asset is recorded simultaneously by including this dismantling obligation in the carrying amount of the facilities concerned. Adjustments to the provision due to subsequent changes in the expected outflow of resources, the dismantling date or the discount rate are deducted from or added to the cost of the corresponding asset in a symmetrical manner. The impacts of unwinding the discount are recognized in expenses for the period.

1.4.16 Revenues

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

- energy sales;
- rendering of services;
- lease and construction contracts.

Revenues on sales of goods are recognized on delivery, i.e., when the significant risks and rewards of ownership are transferred to the buyer. For services and construction contracts, revenues are recognized using the percentage-of-completion method. In both cases, revenues are recognized solely when the transaction price is fixed or can be reliably determined and the recovery of the amounts due is probable.

Revenues are measured at the fair value of the consideration received or receivable. Where deferred payment has a material impact on the measurement of the fair value of this consideration, this is taken into account by discounting future receipts.

1.4.16.1 Energy sales

These revenues primarily include sales of electricity and gas, transport and distribution fees relating to services such as electricity and gas distribution network maintenance, and heating network sales.

Part of the price received by the Group under certain long-term energy sales contracts may be fixed rather than being based on volumes. In rare cases, the fixed amount can change over the term of the contract. In accordance with IAS 18, revenues from such components are recognized on a straight-line basis because, in substance, the fair value of the services rendered does not vary from one period to the next.

In accordance with IAS 1 and IAS 18, both proprietary energy trading transactions and energy trading carried out on behalf of customers are recorded within "Revenues" after netting off sales and purchases. Under the same principle, when sale contracts are offset by similar purchase contracts, or if the sale contracts are entered into as part of an offset strategy, the contribution of operational energy trading activities (wholesale or arbitrage) relating to assets, aimed at optimizing production assets and fuel purchase energy sale portfolios, is recognized in revenues based on the net amount.

1.4.16.2 Rendering of services

These revenues relate mainly to installation, maintenance and energy services, and are recognized in accordance with IAS 18, which requires services to be accounted for on a percentage-of-completion basis.

1.4.16.3 Lease and construction contracts

Revenues from construction contracts are determined using the percentage-of-completion method and more generally according to the provisions of IAS 11. Depending on the contract concerned, the stage of completion may be determined either based on the proportion that costs incurred to date bear to the estimated total costs of the transaction, or on the physical progress of the contract based on factors such as contractually defined stages.

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

1.4.17 Current operating income

Current operating income is an indicator used by the Group to present "a level of operational performance that can be used as part of an approach to forecast recurring performance" (this complies with ANC Recommendation 2013-03 on the format of financial statements of entities applying 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 GDF SUEZ, such elements relate to mark-to-market on commodity contracts other than trading instruments, impairment losses, restructuring costs, changes in the scope of consolidation and other non-recurring items, and are defined as follows:

- mark-to-market on commodity contracts other than trading instruments corresponds to changes in the fair value (marked-to-market) of financial instruments relating to commodities, gas and electricity, which do not qualify as either trading or hedging instruments. These contracts are used in economic hedges of operating transactions in the energy sector. Since changes in the fair value of these instruments which must be recognized through income in IAS 39 can be material and difficult to predict, they are presented on a separate line of the consolidated income statement;
- impairment losses include impairment losses on goodwill, property, plant and equipment, and intangible assets, investments in entities accounted for using the equity method and available-for-sale securities;
- restructuring costs concern costs corresponding to a restructuring program planned and controlled by management that materially changes either the scope of a business undertaken by the entity, or the manner in which that business is conducted, based on the criteria set out in IAS 37;
- changes in the scope of consolidation. This line includes:
  - costs related to acquisitions of controlling interests,
  - in the event of a business combination achieved in stages, impacts of the remeasurement of the previously held equity interest at acquisition-date fair value,
  - subsequent changes in the fair value of contingent consideration,
  - gains or losses from disposals of investments which result in a change in consolidation method, as well as any impact of the remeasurement of retained interests;
- other non-recurring items notably include capital gains and losses on disposals of non-current assets and available-for-sale securities.

Since January 1, 2014 "Share in net income of entities accounted for using the equity method", is now presented after "Current operating income" and before a new sub-total, called "Current operating income after share in net income of entities accounted for using the equity method".

This change in presentation and its impacts on the comparative financial statements 2013 are disclosed in Note 2.2 "Changes in the presentation of the income statement and certain key indicators" and Note 2.3 "Restatement of 2013 comparative data".

1.4.18 Consolidated statement of cash flows

The consolidated statement of cash flows 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 Group's internal organization, where debt and cash are managed centrally by the treasury department.

As impairment losses on current assets are considered to be definitive losses, changes in current assets are presented net of impairment.

Cash flows relating to the payment of income tax are presented on a separate line of the consolidated statement of cash flows.

1.4.19 Income tax expense

The Group computes taxes in accordance with prevailing tax legislation in the countries where income is taxable.

In accordance with IAS 12, deferred taxes are recognized according to the liability method on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases, using tax rates that have been enacted or substantively enacted by the reporting date. However, under the provisions of IAS 12, no deferred taxes are recognized for temporary differences arising from goodwill for which impairment losses are not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting income nor taxable income. In addition, deferred tax assets are only recognized to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilized.

Temporary differences arising on restatements of finance leases result in the recognition of deferred taxes.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates, joint ventures and branches, except if the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Net balances of deferred tax are calculated based on the tax position of each company or on the total income of companies included within the consolidated tax group, and are presented in assets or liabilities for their net amount per tax entity.

Deferred taxes are reviewed at each reporting date to take into account factors including the impact of changes in tax laws and the prospects of recovering deferred tax assets arising from deductible temporary differences.

Deferred tax assets and liabilities are not discounted.

Tax effects relating to coupon payments on deeply-subordinated perpetual notes are recognised in profit or loss.

1.4.20 Earnings per share

Basic earnings per share are calculated by dividing net income Group share for the year by the weighted average number of ordinary shares outstanding during the year. The average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year.

The weighted average number of shares and basic earnings per share are adjusted to take into account the impact of the conversion or exercise of any dilutive potential ordinary shares (options, warrants and convertible bonds, etc.).

NOTE 2 Impact of applying the new consolidation standards to the comparative 2013 financial statements

The new consolidation standards, IFRS 10 – *Consolidated Financial Statements* and IFRS 11 – *Joint Arrangements* and amendments to IAS 28 – *Investments in Associates and Joint Ventures*, were applicable from January 1, 2014. In accordance with the transitional provisions provided for by these new standards, the restatement of comparative data is limited to the period that immediately precedes the year during which these standards are applied for the first time. As a result, the Group's comparative data have been restated at January 1, 2013. The main changes in consolidation method introduced by the application of these new standards as well as their quantified impact on the financial statements are described in Notes 2.1 and 2.3 below.

The Group also adapted the presentation of its income statement and the definition of certain key performance indicators following the implementation of IFRS 11 – *Joint Arrangements*. These presentation changes, described in Note 2.2 below, were also applied retrospectively as of January 1, 2013 to ensure the comparability of financial information with financial year 2013. The quantified impacts on the comparative financial statements of these presentation changes are described in Note 2.3.

2.1 Impacts of the application of IFRS 10 and IFRS 11 and amendments to IAS 28

IFRS 11 – Joint Arrangements

In accordance with IAS 31 – *Interests in Joint Ventures*, the Group accounted for its interests in jointly controlled entities using the proportionate method. Pursuant to IFRS 11, joint ventures must now be accounted for using the equity method. Joint arrangements classified as joint operations within the Group are not material.

The main joint ventures at December 31, 2013 were as follows:

Entity	% interest	Country	Operating segment	Activity
Energia Sustentável do Brasil - "Jirau"	60.0	Brazil	Energy International	Created to build, own and operate a 3,750 MW hydroelectric power plant
EcoEléctrica	35.0	Puerto Rico	Energy International	Operates a 507 MW combined-cycle gas-fired power plant and an LNG terminal
Portfolio of power generation assets in Portugal held by NPIH holding[(1)]	50.0	Portugal	Energy Europe	Operates a portfolio of thermal power generation and wind farm assets (3,108 MW)
WSW Energie und Wasser AG	33.1	Germany	Energy Europe	A municipal utility company (*Stadtwerk*) for the sale and distribution of electricity, gas and heat
MEGAL GmbH	36.8	Germany	Infrastructures	Owns a 1,167 km natural gas transmission network
Tirreno Power	50.0	Italy	Energy Europe	Operates a portfolio of thermal power generation assets (3,274 MW)
Maia Eolis	49.0	France	Energy Europe	Operates a portfolio of wind farm assets (229 MW)
Tihama Power Generation Co	60.0	Saudi Arabia	Energy International	Operates a portfolio of thermal power generation assets (1,595 MW)

(1) *The joint venture NPIH was created as part of the transaction with Marubeni Corporation on October 13, 2013 (see Note 5.7.2.2 "Sale of 50% of the portfolio of power generation assets in Portugal").*

In the published financial statements for the year ended December 31, 2013, the Group's entire share in the assets and liabilities of Energia Sustentável do Brasil (ESBR) was classified under "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale", respectively, subsequent to the Group's decision to sell a portion of its interest in ESBR to Mitsui & Co. Ltd *(see Note 5.4.1)*. In accordance with the provisions of IAS 28 Revised – *Investments in Associates and Joint Ventures* and IFRS 11 – *Joint Arrangements*, only the portion of the interest held for sale, i.e., 20%, is classified under "Assets classified as held for sale" in the comparative statement of financial position at December 31, 2013 while the residual 40% interest is recorded under "Investments in entities accounted for using the equity method". Following the disposal of the 20% interest on January 16, 2014, the residual interest in ESBR has been accounted for as an associate.

Contributions made by joint ventures to the income statement for 2014 and the statement of financial position at December 31, 2014 as well as the comparative financial statements for the year ended December 31, 2013 are presented in Note 4.

The Group also carried out the following transactions in accordance with the transitional provisions of IFRS 11:

- the Group determined the equity-accounted carrying amount of each joint venture at January 1, 2013 and allocated to each joint venture a share of the goodwill of the CGU to which it belongs in accordance with the provisions defined by IFRS 11. Goodwill reclassified under "Investments in entities accounted for using the equity method" amounted to €495 million at January 1, 2013;
- the joint ventures to which goodwill was allocated at January 1, 2013 were tested for impairment. These tests resulted in the recognition by the Group of €127 million in total impairment losses, Group share, on the joint ventures' equity-accounted values. These losses are attributable to the goodwill allocated to the joint ventures in accordance with the transitional provisions of IFRS 11 and were recognized as a deduction from shareholders' equity at January 1, 2013.

IFRS 10 - Consolidated Financial Statements

As a result of the analyses carried out in light of the criteria set out in IFRS 10 – Consolidated Financial Statements, the Group modified the consolidation method used for a very limited number of entities. The impacts were not material.

2.2 Changes in the presentation of the income statement and certain key indicators

In view of the application of IFRS 11 and the growing importance of activities and new projects carried out with partners within joint ventures or associates, the Group adapted the presentation of its income statement and the definition of the financial indicator EBITDA.

The income statement line item "Share in net income of associates", which is now "Share in net income of entities accounted for using the equity method", is now presented within "Current operating income after share in net income of entities accounted for using the equity method". The Group also continues to present "Current operating income" before share in net income of entities accounted for using the equity method.

Similarly, the calculation method for the financial indicator EBITDA has been broadened to include the contribution of entities accounted for using the equity method, net disbursements under concession contracts, net additions to provisions and "Net write-downs of inventories, trade receivables and other assets". In view of this new definition, reconciling items between EBITDA and "Current operating income after share in net income of entities accounted for using the equity method" are now limited to net additions to depreciation and amortization and share-based payments (IFRS 2).

Note 2.3.6 "Impacts on certain key indicators" presents the quantified reconciliation of current operating income and EBITDA as published in the consolidated financial statements at December 31, 2013 and the comparative data at this date taking into account the presentation changes.

The Group considers that the inclusion of the share in net income of entities accounted for using the equity method under the new line item "Current operating income after share in net income of entities accounted for using the equity method" and in EBITDA provides a more accurate presentation of the performance of the Group's operating activities and its operating segments. Following the application of the new consolidation standards, the Management Committee regularly reviews the Group's operating performance with regard to "Current operating income after share in net income of entities accounted for using the equity method" and the new definition of EBITDA, which are key performance indicators and are therefore presented in Note 6 "Segment information" as well as in the annual management report.

2.3 Restatement of 2013 comparative data

2.3.1 Income statement for the year ended December 31, 2013

In millions of euros	Dec. 31, 2013 (published)[1]	Presentation changes in the income statement	First-time application of consolidation standards	Dec. 31, 2013 (restated)[1]
Revenues	89,300	-	(1,402)	87,898
Purchases	(51,216)	-	820	(50,396)
Personnel costs	(11,704)	-	89	(11,615)
Depreciation, amortization and provisions	(6,600)	-	174	(6,426)
Other operating expenses	(14,058)	-	205	(13,853)
Other operating income	2,107	-	(30)	2,077
CURRENT OPERATING INCOME	**7,828**	**-**	**(144)**	**7,685**
Share in net income of entities accounted for using the equity method	-	490	80	570
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,828**	**490**	**(64)**	**8,254**
Mark-to-market on commodity contracts other than trading instruments	(226)	-	-	(226)
Impairment losses[2]	(14,943)	-	173	(14,770)
Restructuring costs	(305)	-	3	(302)
Changes in scope of consolidation	406	-	-	405
Other non-recurring items	545	-	(1)	544
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**(6,695)**	**490**	**112**	**(6,093)**
Financial expenses	(2,487)	-	44	(2,444)
Financial income	510	-	(12)	498
NET FINANCIAL INCOME/(LOSS)	**(1,977)**	**-**	**32**	**(1,945)**
Income tax expense	(727)	-	(18)	(745)
Share in net income of associates	490	(490)	-	-
NET INCOME/(LOSS)	**(8,909)**	**-**	**126**	**(8,783)**
Net income/(loss) Group share	(9,289)	-	92	(9,198)
Non-controlling interests	380	-	35	414
BASIC EARNINGS/(LOSS) PER SHARE *(EUROS)*	**(3.94)**	**-**	**-**	**(3.90)**
DILUTED EARNINGS/(LOSS) PER SHARE *(EUROS)*	**(3.94)**	**-**	**-**	**(3.90)**

(1) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and then accounted for using the equity method as from that date (see Note 5.7).

(2) The decrease of €173 million under "Impairment losses" resulting from the first-time application of the consolidation standards, is mainly due to:

(i) the €80 million impairment loss attributable to the goodwill allocated to a joint venture of the Energy - Central Western Europe (CWE) CGU in accordance with the transitional provisions of IFRS 11 described in Note 2.1 and recognized as a deduction from shareholders' equity at January 1, 2013. The impairment loss recognized within the CWE goodwill CGU in the reported income statement for 2013 has been reduced by €80 million. This adjustment led to an increase for the same amount in net income/(loss) Group share.

(ii) the reclassification of impairment losses on property, plant and equipment and intangible assets of joint ventures from "Impairment losses" to "Share in net income of entities accounted for using the equity method". These reclassifications had no impact on net income for the year ended December 31, 2013.

2.3.2 Statement of comprehensive income for the year ended December 31, 2013

In millions of euros	Dec. 31, 2013 (published)[1]	First-time application of consolidation standards	Dec. 31, 2013 (restated)[1]
NET INCOME/(LOSS)	**(8,909)**	**126**	**(8,783)**
Available-for-sale financial assets	(51)	4	(47)
Net investment hedges	375	-	375
Cash flow hedges (excl. commodity instruments)	537	(43)	494
Commodity cash flow hedges	(261)	(1)	(262)
Deferred tax on items above	(212)	11	(201)
Share of entities accounted for using the equity method in recyclable items, net of tax	128	28	156
Translation adjustments	(2,043)	(11)	(2,054)
TOTAL RECYCLABLE ITEMS	**(1,527)**	**(12)**	**(1,539)**
Actuarial gains and losses	633	(9)	624
Deferred tax on actuarial gains and losses	(200)	1	(199)
Share of entities accounted for using the equity method in non-recyclable items from actuarial gains and losses, net of tax	(12)	8	(4)
TOTAL NON-RECYCLABLE ITEMS	**420**	**-**	**420**
TOTAL COMPREHENSIVE INCOME/(LOSS)	**(10,016)**	**114**	**(9,902)**
o/w Owners of the parent	(10,093)	90	(10,003)
o/w Non-controlling interests	77	24	101

(1) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and then accounted for using the equity method as from that date (see Note 5.7).

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2.3.3 Statement of financial position at January 1, 2013

In millions of euros	January 1, 2013 (published)[1]	First-time application of consolidation standards	January 1, 2013 (restated)[1]
Non-current assets			
Intangible assets, net	13,020	(357)	12,663
Goodwill	30,035	(500)	29,535
Property, plant and equipment, net	86,597	(4,835)	81,761
Available-for-sale securities	3,398	(57)	3,341
Loans and receivables at amortized cost	3,541	(490)	3,051
Derivative instruments	3,108	1	3,109
Investments in entities accounted for using the equity method	2,961	3,197	6,158
Other assets	962	(28)	933
Deferred tax assets	1,487	(154)	1,333
TOTAL NON-CURRENT ASSETS	**145,109**	**(3,225)**	**141,884**
Current assets			
Loans and receivables at amortized cost	1,630	344	1,974
Derivative instruments	4,280	12	4,292
Trade and other receivables, net	25,034	(238)	24,797
Inventories	5,423	(91)	5,332
Other assets	9,012	(201)	8,811
Financial assets at fair value through income	432	(1)	431
Cash and cash equivalents	11,383	(444)	10,939
Assets classified as held for sale	3,145	(391)	2,754
TOTAL CURRENT ASSETS	**60,339**	**(1,009)**	**59,329**
TOTAL ASSETS	**205,448**	**(4,234)**	**201,213**
Shareholder's equity[2]	59,834	(74)	59,760
Non-controlling interests	11,468	204	11,672
TOTAL EQUITY	**71,303**	**130**	**71,432**
Non-current liabilities			
Provisions	15,480	(75)	15,405
Long-term borrowings	45,247	(3,302)	41,945
Derivative instruments	2,751	(94)	2,657
Other financial liabilities	343	281	624
Other liabilities	2,063	(38)	2,025
Deferred tax liabilities	11,959	(262)	11,697
TOTAL NON-CURRENT LIABILITIES	**77,843**	**(3,490)**	**74,353**
Current liabilities			
Provisions	2,071	(29)	2,042
Short-term borrowings	11,962	108	12,069
Derivative instruments	4,092	(26)	4,066
Trade and other payables	19,481	(462)	19,019
Other liabilities	16,820	(71)	16,749
Liabilities directly associated with assets classified as held for sale	1,875	(392)	1,483
TOTAL CURRENT LIABILITIES	**56,302**	**(873)**	**55,428**
TOTAL EQUITY AND LIABILITIES	**205,448**	**(4,234)**	**201,213**

(1) The Group's interest in SUEZ Environnement was fully consolidated at January 1, 2013 (see Note 5.7).

(2) This negative €74 million impact on shareholders' equity resulted from (i) the €127 million impairment loss recognized at January 1, 2013, on the equity-accounted values of certain joint ventures, to which goodwill was allocated at January 1, 2013 in accordance with the transitional provisions of IFRS 11 described in Note 2.1 and (ii) the reversal of the joint venture Tirreno Power's negative net equity (€53 million at January 1, 2013), which was accounted for using the proportionate method until December 31, 2012 and the equity method as from January 1, 2013. At that date, the Group did not consider that it had any legal, contractual or constructive obligation to make any payments in respect of these accumulated losses and therefore did not recognize a liability corresponding to the negative net equity of €53 million.

2.3.4 Statement of financial position at December 31, 2013

In millions of euros	Dec. 31, 2013 (published)	First-time application of consolidation standards	Dec. 31, 2013 (restated)
Non-current assets			
Intangible assets, net	7,286	(244)	7,042
Goodwill	20,697	(277)	20,420
Property, plant and equipment, net	65,037	(1,925)	63,112
Available-for-sale securities	3,015	-	3,015
Loans and receivables at amortized cost	2,368	(471)	1,898
Derivative instruments	2,351	1	2,351
Investments in entities accounted for using the equity method	4,636	2,163	6,799
Other assets	723	(38)	685
Deferred tax assets	662	(172)	490
TOTAL NON-CURRENT ASSETS	**106,775**	**(963)**	**105,813**
Current assets			
Loans and receivables at amortized cost	1,078	393	1,470
Derivative instruments	3,825	9	3,833
Trade and other receivables, net	21,318	(261)	21,057
Inventories	5,070	(97)	4,973
Other assets	8,229	(72)	8,157
Financial assets at fair value through income	1,004	(3)	1,001
Cash and cash equivalents	8,691	15	8,706
Assets classified as held for sale	3,620	(2,699)	922
TOTAL CURRENT ASSETS	**52,836**	**(2,716)**	**50,120**
TOTAL ASSETS	**159,611**	**(3,678)**	**155,932**
Shareholder's equity	47,955	16	47,971
Non-controlling interests	5,535	154	5,689
TOTAL EQUITY	**53,490**	**170**	**53,659**
Non-current liabilities			
Provisions	14,129	(64)	14,066
Long-term borrowings	29,424	(848)	28,576
Derivative instruments	2,101	(39)	2,062
Other financial liabilities	158	55	213
Other liabilities	1,187	(40)	1,147
Deferred tax liabilities	9,792	(326)	9,466
TOTAL NON-CURRENT LIABILITIES	**56,792**	**(1,262)**	**55,530**
Current liabilities			
Provisions	2,050	(18)	2,032
Short-term borrowings	10,490	(175)	10,316
Derivative instruments	4,062	(19)	4,043
Trade and other payables	16,599	(201)	16,398
Other liabilities	13,606	(85)	13,521
Liabilities directly associated with assets classified as held for sale	2,521	(2,088)	434
TOTAL CURRENT LIABILITIES	**49,329**	**(2,586)**	**46,743**
TOTAL EQUITY AND LIABILITIES	**159,611**	**(3,678)**	**155,932**

2.3.5 Statement of cash flows for the year ended December 31, 2013

In millions of euros	Dec. 31, 2013 (published)(1)	First-time application of consolidation standards	Dec. 31, 2013 (restated)(1)
NET INCOME/(LOSS)	**(8,909)**	**126**	**(8,783)**
Cash generated from operations before income tax and working capital requirements	14,313	(184)	14,129
Change in working capital requirements	(186)	95	(91)
CASH FLOW FROM OPERATING ACTIVITIES	**12,024**	**(44)**	**11,980**
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(5,611)**	**508**	**(5,103)**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(6,982)**	**(45)**	**(7,027)**
Effects of changes in exchange rates and other	(2,123)	39	(2,083)
TOTAL CASH FLOW FOR THE PERIOD	**(2,691)**	**458**	**(2,233)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**11,383**	**(444)**	**10,939**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8,691**	**15**	**8,706**

(1) *The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and then accounted for using the equity method as from that date (see Note 5.7).*

2.3.6 Impacts on certain key indicators

RECONCILIATION OF EBITDA – CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

In millions of euros	Dec. 31, 2013 (published)(1)	Incorporation of income of entities accounted for using the equity method	First-time application of consolidation standards	New EBITDA definition	Dec. 31, 2013 (restated)(1)
CURRENT OPERATING INCOME	**7,828**	**-**	**(144)**	**-**	**7,685**
Share in net income of entities accounted for using the equity method	-	490	80	-	570
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,828**	**490**	**(64)**	**-**	**8,254**
Net depreciation, amortization and provisions	6,600	-	(174)	(551)	5,875
Share-based payments (IFRS 2) and other	99	-	-	(6)	93
Net disbursements under concession contracts	247	-	(1)	(247)	-
EBITDA	**14,775**	**490**	**(239)**	**(804)**	**14,223**

(1) *The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and then accounted for using the equity method as from that date (see Note 5.7).*

NET DEBT

In millions of euros	January 1, 2013 (published)(1)	First-time application of consolidation standards	January 1, 2013 (restated)(1)
GROSS DEBT	**57,489**	**(3,196)**	**54,292**
ASSETS RELATED TO FINANCING	**(295)**	**-**	**(295)**
NET CASH	**(13,279)**	**445**	**(12,834)**
NET DEBT	**43,914**	**(2,751)**	**41,163**

(1) *The Group's interest in SUEZ Environnement was fully consolidated at January 1, 2013 (see Note 5.7).*

In millions of euros	Dec. 31, 2013 (published)	First-time application of consolidation standards	Dec. 31, 2013 (restated)
GROSS DEBT	40,421	(1,028)	39,393
ASSETS RELATED TO FINANCING	(91)	-	(91)
NET CASH	(10,490)	(11)	(10,502)
NET DEBT	29,840	(1,039)	28,800

NOTE 3 Main subsidiaries at December 31, 2014

3.1 List of main subsidiaries at December 31, 2014

The list of main subsidiaries presented below was determined, as regards operating entities, based on their contribution to Group revenues, EBITDA and net debt. The main equity-accounted investments (associates and joint ventures) are presented in Note 4 “Investments in entities accounted for using the equity method”.

“FC” indicates the full consolidation method, “EM” designates the equity method and “NC” indicates non-consolidated entities.

GDF SUEZ SA comprises both operating activities and headquarters functions which report to management teams of different business lines. In the following tables, these operating activities and headquarters functions are shown under GDF SUEZ SA (*) within the respective business lines.

ENERGY INTERNATIONAL BUSINESS LINE

			% interest		Consolidation method	
Company name	**Activity**	**Country**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**
E-CL Group	Electricity production	Chile	52.8	52.8	FC	FC
Enersur	Electricity production	Peru	61.8	61.8	FC	FC
Tractebel Energia Group	Electricity production	Brazil	68.7	68.7	FC	FC
GLOW Group	Electricity distribution and production	Thailand	69.1	69.1	FC	FC
Hazelwood Power Partnership	Electricity production	Australia	72.0	72.0	FC	FC
Loy Yang B Consolidated	Electricity production	Australia	70.0	70.0	FC	FC
GDF SUEZ Energy Generation North America Group	Electricity production	United States	100.0	100.0	FC	FC
GDF SUEZ Gas NA LLC Group	Natural gas/LNG	United States	100.0	100.0	FC	FC
GDF SUEZ Energy Resources North America Group	Energy sales	United States	100.0	100.0	FC	FC
FHH (Guernsey) Ltd	Electricity production	United Kingdom	75.0	75.0	FC	FC
Rugeley Power Limited	Electricity production	United Kingdom	75.0	75.0	FC	FC
Saltend	Electricity production	United Kingdom	75.0	75.0	FC	FC
Baymina Enerji A.S.	Electricity production	Turkey	95.0	95.0	FC	FC
GDF SUEZ Energy UK Retail	Energy sales	United Kingdom	100.0	100.0	FC	FC
International Power plc	Energy International business line headquarters	United Kingdom	100.0	100.0	FC	FC

ENERGY EUROPE BUSINESS LINE

Company name	Activity	Country	% interest Dec. 31, 2014	% interest Dec. 31, 2013	Consolidation method Dec. 31, 2014	Consolidation method Dec. 31, 2013
GDF SUEZ Energie Deutschland AG	Electricity production/Energy sales	Germany	100.0	100.0	FC	FC
Electrabel SA	Electricity production	Belgium/France	100.0	100.0	FC	FC
Electrabel Customer Solutions	Energy sales	Belgium	98.8	95.8	FC	FC
Synatom	Managing provisions relating to nuclear power plants and nuclear fuel	Belgium	100.0	100.0	FC	FC
GDF SUEZ Nederland N.V.	Electricity production/Energy sales	Netherlands	100.0	100.0	FC	FC
GDF SUEZ Trading	Energy management trading	France/Belgium	100.0	100.0	FC	FC
GDF SUEZ Energy Management Trading	Energy management trading	France/Belgium	100.0	100.0	FC	FC
Compagnie Nationale du Rhône	Electricity production	France	49.9	49.9	FC	FC
GDF SUEZ SA (*)	Energy management trading/Energy sales	France	100.0	100.0	FC	FC
GDF SUEZ Cartagena Energia	Electricity production	Spain	100.0	100.0	FC	FC
GDF SUEZ Energia Italia Spa	Electricity production	Italy	100.0	100.0	FC	FC
GDF SUEZ Energia Polska SA	Electricity production	Poland	100.0	100.0	FC	FC
GDF SUEZ Energy Romania SA	Natural gas distribution/Energy sales	Romania	51.0	51.0	FC	FC

GLOBAL GAS & LNG BUSINESS LINE

Company name	Activity	Country	% interest Dec. 31, 2014	% interest Dec. 31, 2013	Consolidation method Dec. 31, 2014	Consolidation method Dec. 31, 2013
GDF SUEZ E&P International Group	Exploration-production	France and other countries	70.0	70.0	FC	FC
GDF SUEZ E&P International	*Holding company - parent company*	*France*	*70.0*	*70.0*	*FC*	*FC*
GDF SUEZ E&P Nederland B.V.	*Exploration-production*	*Netherlands*	*70.0*	*70.0*	*FC*	*FC*
GDF SUEZ E&P Deutschland GmbH	*Exploration-production*	*Germany*	*70.0*	*70.0*	*FC*	*FC*
GDF SUEZ E&P Norge AS	*Exploration-production*	*Norway*	*70.0*	*70.0*	*FC*	*FC*
GDF SUEZ E&P UK Ltd	*Exploration-production*	*United Kingdom*	*70.0*	*70.0*	*FC*	*FC*
Gaztransport & Technigaz (GTT)	Engineering	France	40.4	40.0	FC	EM
GDF SUEZ SA (*)	LNG/Global Gas & LNG business line headquarters	France	100.0	100.0	FC	FC

INFRASTRUCTURES BUSINESS LINE

Company name	Activity	Country	% interest Dec. 31, 2014	% interest Dec. 31, 2013	Consolidation method Dec. 31, 2014	Consolidation method Dec. 31, 2013
ELENGY	LNG terminals	France	100.0	100.0	FC	FC
GrDF	Natural gas distribution	France	100.0	100.0	FC	FC
GRTgaz Group	Natural gas transmission	France	75.0	75.0	FC	FC
STORENGY SA	Underground natural gas storage	France	100.0	100.0	FC	FC

ENERGY SERVICES BUSINESS LINE

			% interest		Consolidation method	
Company name	**Activity**	**Country**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**
Cofely Fabricom SA	Systems, Facilities and Maintenance	Belgium	100.0	100.0	FC	FC
Cofely Nederland N.V.	Energy services	Netherlands	100.0	100.0	FC	FC
Axima Concept	Systems, Facilities and Maintenance	France	100.0	100.0	FC	FC
Endel Group	Systems, Facilities and Maintenance	France	100.0	100.0	FC	FC
INEO Group	Systems, Facilities and Maintenance	France	100.0	100.0	FC	FC
Tractebel Engineering	Engineering	Belgium	100.0	100.0	FC	FC
Ecova	Energy services	United States	100.0	-	FC	NC
Cofely Italia Spa	Energy services	Italy	100.0	100.0	FC	FC
Cofely UK Ltd	Energy services	United Kingdom	100.0	100.0	FC	FC
Cofely Workplace Limited	Energy services	United Kingdom	100.0	100.0	FC	FC
Cofely Réseaux	Heating networks	France	100.0	100.0	FC	FC
CPCU	Heating networks	France	64.4	64.4	FC	FC

OTHER BUSINESS LINE

			% interest		Consolidation method	
Company name	**Activity**	**Country**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**
GDF SUEZ SA (*)	Holding company - parent company	France	100.0	100.0	FC	FC
GDF SUEZ CC	Central functions	Belgium	100.0	100.0	FC	FC
GDF SUEZ Finance SA	Financial subsidiaries	France	100.0	100.0	FC	FC

3.2 Significant judgments exercised when assessing control

The Group primarily considers the following information and criteria when determining whether it has control over an entity:

- governance arrangements: voting rights and whether the Group is represented on the governing bodies, majority, rights of veto;
- whether substantive or protective rights are granted to shareholders, particularly in relation to the entity's relevant activities;
- the consequences of a "*deadlock*" clause;
- whether the Group is exposed, or has rights, to variable returns from its involvement with the entity.

The Group exercised its judgment regarding the entities and sub-groups described below.

Entities in which the Group has the majority of the voting rights

This category mainly comprises the GDF SUEZ E&P International (70%) and GRTgaz (75%) sub-groups.

GDF SUEZ E&P International (Global Gas & LNG): 70%

On October 31, 2011, GDF SUEZ and China Investment Corporation (CIC) signed a partnership agreement for the acquisition by CIC of a 30% stake in the Group's exploration-production activities (GDF SUEZ E&P). The shareholder agreement provides that certain investment decisions relating to major development projects require a unanimous decision from the two shareholders, after a consultation period.

The GDF SUEZ Group considered that it continued to control GDF SUEZ E&P, as the rights granted to CIC represent minority protective rights, regarding in particular the risks to which all shareholders are exposed when undertaking exploration-production activities.

GRTgaz (Infrastructures): 75%

In addition to the analysis of the shareholder agreement with Société d'Infrastructures Gazières, a subsidiary of *Caisse des Dépôts et Consignations* (CDC), which owns 25% of the share capital of GRTgaz, the Group also assessed the rights granted to the French Energy Regulatory Commission (*Commission de régulation de l'énergie* – CRE). As a regulated activity, GRTgaz has a dominant position on the gas transportation market in France. Accordingly, since the transposition of the Third European Directive of July 13, 2009 into French law (Energy code of May 9, 2011), GRTgaz has been subject to independence rules as concerns its directors and senior management team. The French energy code confers certain powers on the CRE in the context of its duties to control the proper functioning of the gas markets in France, including verifying the independence of the members of the board of directors and senior management and assessing its choice of investments. The Group considers that it exercises control over GRTgaz in view of its current ability to appoint the majority of the members of the board of directors and take decisions about the relevant activities, especially in terms of the level of investment and planned financing.

Entities in which the Group does not have the majority of the voting rights

In the entities in which the Group does not have a majority of the voting rights, judgment is exercised with regard to the following items, in order to assess whether there is a situation of de facto control:

- dispersion of shareholding structure: number of voting rights held by the Group relative to the number of rights held respectively by the other vote holders and their dispersion;
- voting patterns at shareholders' meetings: the percentages of voting rights exercised by the Group at shareholders' meetings during recent years;
- governance arrangements: representation on the governing body with strategic and operational decision-making power over the relevant activities, as well as the rules for appointing key management personnel;
- contractual relationships and material transactions.

The main fully consolidated entities in which the Group does not have the majority of the voting rights are Compagnie Nationale du Rhône (49.98%) and Gaztransport & Technigaz (40.4%).

Compagnie Nationale du Rhône (CNR): 49.98%

The Group holds 49.98% of the share capital of CNR, with CDC holding 33.2%, and the balance (16.82%) being dispersed among around 200 local authorities. In view of the current provisions of the French "Murcef" law, under which a majority of CNR's share capital must remain under public ownership, the Group is unable to hold more than 50% of the share capital of CNR. However, the Group considers that it exercises de facto control as it holds the majority of the voting rights exercised at shareholders' meetings owing to the widely dispersed shareholding structure and the absence of evidence of minority shareholders acting in concert.

Gaztransport & Technigaz (GTT): 40.4%

As described in Note 5.1.1, further to GTT's initial public offering, the GDF SUEZ Group became the largest shareholder in that company with a 40.4% stake. The free float represented around 44% of the share capital at December 31, 2014. The Group considers that it exercises de facto control over GTT. Indeed, at the time of its stock market listing, GDF SUEZ held the majority of the seats on the Board of Directors and, in view of the widely dispersed shareholding structure and the absence of evidence of minority shareholders acting in concert, GDF SUEZ considers that it will have the majority of the voting rights exercised at forthcoming shareholders' meetings.

3.3 Subsidiaries with material non-controlling interests

The following table shows the non-controlling interests in Group entities that are deemed to be material, the respective contributions to equity and attributable net income at December 31, 2014 and December 31, 2013, as well as the dividends paid to non-controlling interests of these significant subsidiaries:

		% interest of non-controlling interests		Net income of non-controlling interests		Equity of non-controlling interests		Dividends paid to non-controlling interests	
In millions of euros	**Activity**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**
GDF SUEZ E&P International Group (Global Gas & LNG, France and other countries)[1]	Portfolio of exploration-production assets and oil and gas field operation assets	30.0	30.0	80	108	940	954	171	196
GRTgaz Group (Infrastructures, France)	Regulated gas transmission activities in France	25.0	25.0	91	70	938	941	70	60
E-CL Group (BEI, Chile)[2]	Electricity production - thermal power plants	47.2	47.2	15	9	741	625	34	2
GLOW Group (BEI, Thailand)[2]	Electricity distribution and production	30.9	30.9	109	85	490	392	57	27
GDF SUEZ Energy Romania (BEE, Romania)[2]	Distribution of natural gas/Energy sales	49.0	49.0	50	44	418	396	31	21
GTT (Global Gas & LNG, France)	Engineering	59.6	-	19	-	418	-	78	-
Other subsidiaries with non-controlling interests[3]				307	100	2,486	2,380	319	767
TOTAL				**669**	**414**	**6,432**	**5,689**	**761**	**1,073**

(1) The main subsidiaries of the GDF SUEZ E&P International group are shown in Note 3.1.

(2) The E-CL and GLOW groups, along with GTT, are listed on the stock markets in their respective countries. The non-controlling interests in the E-CL group and GTT correspond to the free float.

(3) In 2013, the amount of €767 million in dividends includes the dividends paid to non-controlling interests of SUEZ Environnement and the subsidiaries of SUEZ Environnement for an amount of €396 million.

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3.3.1 Condensed financial information on subsidiaries with material non-controlling interests

The condensed financial information concerning these subsidiaries presented in the table below is based on a 100% interest, and is shown before intragroup eliminations.

	GDF SUEZ E&P International Group		GRTgaz Group		E-CL Group		GLOW Group		GDF SUEZ Energy Romania		GTT[2]	
In millions of euros	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Income statement												
Revenues	2,863	2,903	2,051	1,889	933	908	1,681	1,659	951	914	186	-
Net income/(loss)	246	366	363	278	24	9	260	226	101	89	33	-
Net income/(loss) Group share	166	259	272	209	9	-	152	142	52	46	13	-
Other comprehensive income/(loss) - Owners of the parent	41	(24)	(72)	22	(2)	7	(7)	15	-	2	-	-
TOTAL COMPREHENSIVE INCOME - OWNERS OF THE PARENT	**208**	**234**	**200**	**231**	**7**	**8**	**145**	**157**	**51**	**47**	**13**	**-**
Statement of financial position												
Current assets	2,112	2,434	557	601	554	726	628	656	408	394	182	-
Non-current assets	7,042	6,656	8,855	8,553	1,970	1,628	2,644	2,413	748	738	755	-
Current liabilities	(1,302)	(1,897)	(798)	(885)	(170)	(433)	(493)	(598)	(219)	(215)	(122)	-
Non-current liabilities	(4,879)	(4,172)	(4,864)	(4,507)	(861)	(676)	(1,483)	(1,436)	(101)	(120)	(114)	-
TOTAL EQUITY	**2,972**	**3,020**	**3,750**	**3,763**	**1,494**	**1,245**	**1,297**	**1,036**	**836**	**797**	**701**	**-**
TOTAL NON-CONTROLLING INTERESTS	**940**	**954**	**938**	**941**	**741**	**625**	**490**	**392**	**418**	**396**	**418**	**-**
Statement of cash flows												
Cash flow from operating activities	956	1,044	884	868	202	164	429	286	204	119	98	-
Cash flow from (used in) investing activities	(896)	(756)	(720)	(777)	(39)	(88)	(21)	(15)	(61)	(106)	116	-
Cash flow from (used in) financing activities	(631)	61	(292)	(96)	(105)	(49)	(404)	(447)	(97)	(50)	(135)	-
TOTAL CASH FLOW FOR THE PERIOD[1]	**(571)**	**349**	**(128)**	**(5)**	**57**	**26**	**3**	**(176)**	**47**	**(38)**	**80**	**-**

(1) *Excluding effects of changes in exchange rates and other.*
(2) *Data presented in the table correspond to the GTT's contribution in the Group's financial statements since March 3, 2014, date on which it was fully consolidated for the first time. Before that date, GTT was accounted for using the equity method in the Group's financial statements.*

3.3.2 Other information on material non-controlling interests

The main transactions with non-controlling interests in 2014 and 2013 concern the repurchase in 2014 of interests in Electrabel Customer Solutions held by the public sector in Flanders *(see Note 5 "Main changes in Group structure")* and the sale in 2013 of a 28% interest in a power production asset portfolio in Australia to Mitsui & Co. Ltd *(see Note 2 "Main changes in Group structure" to the consolidated financial statements for the year ended December 31, 2013)*.

NOTE 4 Investments in entities accounted for using the equity method

The respective contributions of associates and joint ventures in the statement of financial position at December 31, 2014 and December 31, 2013, and in the income statement and statement of comprehensive income for the years then ended, are as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Statement of financial position		
Investments in associates	5,191	4,522
Investments in joint ventures	1,864	2,277
INVESTMENTS IN ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,055**	**6,799**
Income statement		
Share in net income of associates	196	493
Share in net income of joint ventures	246	77
SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**441**	**570**
Statement of comprehensive income		
Share of associates in "Other comprehensive income"	(98)	127
Share of joint ventures in "Other comprehensive income"	(23)	25
SHARE OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD IN "OTHER COMPREHENSIVE INCOME"	**(121)**	**152**

Significant judgments

The Group primarily considers the following information and criteria in determining whether it has joint control or significant influence over an entity:

- governance arrangements: whether the Group is represented on the governing bodies, majority rules, rights of veto;
- whether substantive or protective rights are granted to shareholders, particularly in relation to the entity's relevant activities.

  This can be difficult to determine in the case of "project management" or "one-asset" entities, as certain decisions concerning the relevant activities are made upon the creation of the joint arrangement and valid throughout the project. Accordingly, the decision-making analysis concerns the relevant residual activities of the entity (those that significantly affect the returns of the entity);
- the consequences of a "*deadlock*" clause;
- whether the Group is exposed, or has rights, to variable returns from its involvement with the entity.

  This can also involve analyzing the Group's contractual relations with the entity, and in particular the conditions in which contracts are entered into, contract terms and the management of any conflicts of interest that may arise when the entity's governing body casts votes.

The Group exercised its judgment regarding the following entities and sub-groups:

Project management entities in the Middle East

The significant judgments made in determining the consolidation method to be applied to these project management entities concerned the risks and rewards relating to a contract between GDF SUEZ and the entity concerned, as well as an analysis of the residual relevant activities over which the entity retains control after its creation. The Group considers that it has significant influence or joint control over these entities, since the decisions taken throughout the term of the project about the relevant activities such as refinancing, or the renewal or amendment of significant contracts (sales, purchases, operating and maintenance services), require, depending on the case, the unanimous consent of two or more of parties sharing control.

SUEZ Environnement (33.7%)

With effect from July 22, 2013, the date on which the SUEZ Environnement shareholders' agreement expired, GDF SUEZ no longer controls SUEZ Environnement but exercises significant influence over the company. In particular, this is because: a) the Group does not have a majority of members on SUEZ Environnement's Board of Directors; b) at Shareholders' Meetings, although SUEZ Environnement's shareholder base is fragmented and GDF SUEZ holds a large interest, past voting shows that GDF SUEZ alone did not have the majority at Ordinary and Extraordinary Shareholders' Meetings between 2010 and 2014; and c) the operational transition agreements (essentially relating to a framework agreement governing purchases and IT) were entered into on an arm's length basis.

Associates in which the Group holds an interest of less than 20%

Cameron Holding LNG LLC (16.6%)

GDF SUEZ entered into a partnership agreement with Sempra (50.2%), Mitsubishi (16.6%) and Mitsui (16.6%) to develop the Cameron LNG project in the US. Pursuant to these agreements, GDF SUEZ has held a 16.6% stake in the project management entity Cameron Holding LNG LLC since October 1, 2014 and will have a long-term liquefaction capacity of 4 million tonnes per year (mtpa). Construction work has begun on the project and the facility should be operational for commercial purposes as from 2018. The agreement grants all shareholders the right to participate in all decisions about the relevant activities, on the basis of qualified majorities. Accordingly, GDF SUEZ has significant influence over this entity, which it has accounted for as an associate.

Joint ventures in which the Group holds an interest of more than 50%

Tihama (60%)

GDF SUEZ holds a 60% stake in the Tihama cogeneration plant in Saudi Arabia and its partner Saudi Oger holds 40%. The Group considers that it has joint control of Tihama since the decisions about its relevant activities, including for example preparation of the budget and amendments to major contracts, require the unanimous consent of the parties sharing control.

Joint control - difference between joint ventures and joint operations

Classifying a joint arrangement requires the Group to use its judgment to determine whether the entity in question is a joint venture or a joint operation. IFRS 11 requires an analysis of “other facts and circumstances” when determining the classification of jointly controlled entities.

The IFRS Interpretations Committee (“IFRS IC”) (November 2014) decided that for an entity to be classified as a joint operation, other facts and circumstances must give rise to direct enforceable rights to the assets, and obligations for the liabilities, of the joint arrangement.

In view of this position and its application to our analyses, the Group has no material joint operation at December 31, 2014.

4.1 Investments in associates

4.1.1 Contribution of material associates and of associates that are not material to the Group taken individually

The table hereafter shows the contribution of each material associate along with the aggregate contribution of associates deemed not material taken individually, in the consolidated statement of financial position, income statement, statement of comprehensive income, and the “Dividends received from companies accounted for using the equity method” line of the statement of cash flows.

The Group used qualitative and quantitative criteria to determine material associates. These criteria include the contribution to the consolidated line items “Share in net income of associates” and “Investments in associates”, the total assets of associates in Group share, and associates carrying major projects in the study or construction phase for which the related investment commitments are material.

Corporate name	Activity	% interest		Carrying amount of investments in associates		Share in net income/(loss) of associates		Other comprehensive income/(loss) of associates		Dividends received from associates	
In millions of euros		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
SUEZ Environnement Group (Other, Europe/Asia/Latin America)	Water and waste processing	33.70	35.68	1,996	1,882	118	106	60	35	118	30
Paiton (BEI, Indonesia)	Coal-fired power plant (2,035 MW)	40.51	40.51	726	581	65	64	(5)	7	-	67
Energia Sustentável Do Brasil (BEI, Brazil)[(1)]	Hydro power plant (3,750 MW)	40.00	-	676	-	(165)	-	(1)	-	-	-
Project management entities in the Middle East (BEI, Saudi Arabia, Bahrain, Qatar, United Arab Emirates, Oman)[(2)]	Gas-fired power plants and seawater desalination facilities			459	485	121	127	(71)	77	82	77
Senoko (BEI, Singapore)	Gas-fired power plants (3,201 MW)	30.00	30.00	302	319	10	33	(50)	4	1	4
GASAG (BEE, Germany)	Gas and heat networks	31.58	31.58	295	316	9	21	(12)	5	18	10
Canadian renewable energy activities (BEI, Canada)	Wind farm (679 MW)	40.00	40.00	191	210	12	-	(7)	8	32	2
Cameron (Global Gas & LNG, United States)	Gas liquefaction terminal	16.60	-	166	-	(1)	-	(15)	-	-	-
Astoria Energy, Phase I (BEI, United States)	Gas-fired power plant (575 MW)	44.80	44.80	124	171	10	1	-	-	-	-
ISAB Energy (BEE, Italy/BEI, Italy)[(3)]	Integrated gasification combined cycle plant (532 MW)	-	49.00	-	212	8	29	-	-	26	7
Other investments in associates that are not material taken individually				257	347	9	114	3	(9)	29	84
INVESTMENTS IN ASSOCIATES				**5,191**	**4,522**	**196**	**493**	**(98)**	**127**	**306**	**281**

(1) At December 31, 2013, the 60% interest in Energia Sustentável do Brasil (ESBR) was recognized as a joint venture. The 20% interest held for sale to Mitsui & Co. Ltd was recognized within "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" in the statement of financial position. ESBR has been accounted for as an associate since the Group completed the sale of the 20% interest in January 2014.

(2) Investments in associates operating gas-fired power plants and seawater desalination facilities in the Arabian peninsula have been grouped together under "Project management entities in the Middle East". This includes around 40 associates operating thermal power plants with a total installed capacity of 24,943 MW (at 100%) and a further 2,032 MW (at 100%) in capacity under construction.

These associates have fairly similar business models and joint arrangements: the project management entities selected as a result of a competitive bidding process develop, build and operate power generation plants and seawater desalination facilities. The entire output of these facilities is sold to government-owned companies under power and water purchase agreements, over periods generally spanning 20 to 30 years.

In accordance with their contractual arrangements, the corresponding plants are recognized as property, plant and equipment or as financial receivables whenever substantially all of the risks and rewards associated with the assets are transferred to the buyer of the output. This treatment complies with IFRIC 4 and IAS 17. The shareholding structure of these entities systematically includes a government-owned company based in the same country as the project management entity. The Group's percent interest and percent voting rights in each of these entities varies between 20% and 50%.

(3) On June 16, 2014, the Group sold its interest in ISAB Energy to the ERG group (see Note 5 "Main changes in Group structure").

The share in net income/(loss) of associates includes net non-recurring expenses for a total amount of €17 million in 2014 (compared to net non-recurring income of €14 million in 2013), mainly including changes in the fair value of derivative instruments and disposal gains and losses, net of taxes *(see Note 11 "Net recurring income Group share")*.

4.1.2 Financial information regarding material associates

The tables below provide condensed financial information for the Group's main associates.

The amounts shown have been determined in accordance with IFRS, before the elimination of intragroup items and after (i) adjustments made in line with Group accounting policies, and (ii) fair value measurements of the assets and liabilities of the associate at the level of GDF SUEZ, as required by IAS 28. All amounts are presented based on a 100% interest with the exception of "Total equity attributable to GDF SUEZ".

In millions of euros	Revenues	Net income/ (loss)	Other compre-hensive income/ (loss)	Total compre-hensive income/ (loss)	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Total equity	% interest of Group	Total equity attributable to GDF SUEZ
AT DECEMBER 31, 2014											
SUEZ Environnement Group[(1)]	14,324	417	(31)	386	7,863	18,992	9,086	10,773	6,996	33.70	1,996
Paiton	657	161	(54)	107	483	3,260	478	1,473	1,791	40.51	726
Energia Sustentável do Brasil	233	(413)	(1)	(414)	481	5,897	1,278	3,409	1,690	40.00	676
Project management entities in the Middle East	2,957	510	(328)	182	2,254	20,445	3,119	17,706	1,873		459
Senoko	1,976	32	(167)	(135)	312	2,944	353	1,895	1,007	30.00	302
GASAG	1,099	30	(39)	(9)	969	1,964	1,782	217	934	31.58	295
Canadian renewable energy activities	171	39	(18)	21	86	1,384	70	924	476	40.00	191
Cameron	13	(6)	(91)	(97)	34	1,497	429	104	998	16.60	166
Astoria Energy, Phase I	222	(28)	-	(28)	37	819	28	551	277	44.80	124
ISAB Energy[(2)]	233	16	-	16	-	-	-	-	-	-	-
AT DECEMBER 31, 2013											
SUEZ Environnement Group	14,323	352	93	445	7,988	18,433	9,077	9,863	6,951	35.68	1,882
Paiton	706	157	16	174	405	2,984	493	1,463	1,433	40.51	581
Project management entities in the Middle East	2,812	514	282	796	1,695	17,861	2,472	15,355	1,729		485
Senoko	2,339	109	12	121	319	2,810	645	1,421	1,063	30.00	319
GASAG	1,285	65	16	81	1,001	1,987	1,786	202	1,000	31.58	316
ISAB Energy	593	59	-	59	411	264	187	56	433	49.00	212
Canadian renewable energy activities	115	(1)	19	18	81	1,378	74	861	524	40.00	210
Astoria Energy, Phase I	165	6	-	6	37	748	38	366	381	44.80	171

(1) The data indicated in the table for SUEZ Environnement correspond to financial information published by SUEZ Environnement. Total SUEZ Environnement equity attributable to the Group amounts to €5,478 million based on the published financial statements of SUEZ Environnement and €5,923 million based on the financial statements of GDF SUEZ. The €445 million difference in these amounts chiefly reflects the fair value measurement of the assets and liabilities of SUEZ Environnement at the date the Group changed its consolidation method (July 22, 2013).

(2) ISAB Energy was sold on June 16, 2014.

SUEZ Environnement is the only material listed associate. Based on the closing share price at December 31, 2014, the market value of this interest was €2,628 million.

4.1.3 Transactions between the Group and its associates

The data below set out the impact of transactions with associates on the Group's 2014 consolidated financial statements.

In millions of euros	Purchases of goods and services	Sales of goods and services	Net financial income (excluding dividends)	Trade and other receivables	Loans and receivables at amortized cost	Trade and other payables	Borrowings and debt
Ores Assets[1]	270	4	-	7	-	-	-
Project management entities in the Middle East	-	255	-	12	434	-	-
Paiton	-	-	25	-	256	-	-
Contassur[2]	-	-	-	176	-	-	-
Energia Sustentável do Brasil	29	-	-	-	-	-	-
Other	19	111	-	20	6	-	1
AT DECEMBER 31, 2014	**318**	**370**	**25**	**215**	**696**	**-**	**1**

(1) *The Walloon mixed inter-municipal company Ores Assets manages the electricity and gas distribution network in Wallonia. Following changes in governance arrangements in first-half 2014, as of June 26, 2014 the Group no longer exercised significant influence over the Walloon distribution network operator. The table above only shows transactions with Ores Assets in the first half of the year. The transportation costs incurred by Electrabel Customer Solutions (ECS) in connection with the use of Ores Assets' gas and electricity distribution network amounted to €270 million in first-half 2014 (€865 million in the year to December 31, 2013).*

(2) *Contassur is a life insurance company accounted for using the equity method. Contassur offers insurance contracts, chiefly with pension funds that cover post-employment benefit obligations for Group employees and also employees of other companies mainly engaged in regulated activities in the electricity and gas sector in Belgium. Insurance contracts entered into by Contassur represent reimbursement rights recorded within "Other assets" in the statement of financial position. These reimbursement rights totaled €176 million at December 31, 2014 (€167 million at December 31, 2013).*

4.2 Investments in joint ventures

4.2.1 Contribution of material joint ventures and of joint ventures that are not material to the Group taken individually

The table below shows the contribution of each material joint venture along with the aggregate contribution of joint ventures deemed not material taken individually, in the consolidated statement of financial position, income statement, statement of comprehensive income, and the "Dividends received from entities accounted for using the equity method" line of the statement of cash flows.

The Group used qualitative and quantitative criteria to determine material joint ventures. These criteria include the contribution to the lines "Share in net income of joint ventures" and "Investments in joint ventures", the total assets of joint ventures in Group share, and joint ventures carrying major projects in the study or construction phase for which the related investment commitments are material.

Corporate name	**Activity**	**% interest**		**Carrying amount of investments in joint ventures**		**Share in income/(loss) of joint ventures**		**Other comprehensive income/(loss) of joint ventures**		**Dividends received from joint ventures**	
In millions of euros		**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
EcoEléctrica (BEI, Puerto Rico)	Combined-cycle gas-fired power plant and LNG terminal (507 MW)	50.00	50.00	458	388	33	35	-	-	17	27
Portfolio of power generation assets in Portugal (BEE, Portugal)	Electricity production (3,108 MW)	50.00	50.00	348	331	45	44	(10)	17	15	9
WSW Energie und Wasser AG (BEE, Germany)	Electricity distribution and production	33.10	33.10	199	205	3	(13)	-	1	7	8
NELP (BEI, United States)	Gas-fired power plants (591 MW)	50.00	50.00	145	87	59	17	-	-	19	-
Megal GmbH (BEE, Germany)	Gas transmission network	49.00	49.00	122	125	7	1	-	-	10	16
Maia Eolis (BEE, France)	Wind farm (229 MW)	49.00	49.00	97	98	-	(1)	-	-	-	-
Tihama Power Generation Co (BEI, Saudi Arabia)	Gas-fired power plants (1,595 MW)	60.00	60.00	72	62	5	16	-	6	3	-
PTT Natural Gas Distribution Co Ltd (BEI, Thailand)	Natural gas distribution	40.00	40.00	65	59	14	15	-	-	14	13
GNL Sur (BEI, Uruguay)	LNG terminal	50.00	-	62	-	(2)	-	-	-	-	-
Oyster Creek (BEI, United States)	Gas-fired power plant (393 MW)	50.00	50.00	29	89	44	21	(1)	-	93	19
Energia Sustentável do Brasil (BEI, Brazil)[(1)]	Hydro power plant (3,750 MW)	-	60.00	-	666	-	(30)	-	-	-	-
Other investments in joint ventures not individually significant				268	168	38	(29)	(10)	-	42	60
INVESTMENTS IN JOINT VENTURES				**1,864**	**2,277**	**246**	**77**	**(23)**	**25**	**220**	**151**

(1) At December 31, 2013, the 60% interest in Energia Sustentável do Brasil (ESBR) was recognized as a joint venture. The 20% share held for sale to Mitsui & Co. Ltd was recognized within "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" in the statement of financial position. ESBR has been accounted for as an associate since the Group completed the sale of the 20% interest in January 2014.

The share in net income/(loss) of joint ventures includes non-recurring income of €15 million in 2014 (non-recurring expenses of €78 million in 2013). These result chiefly from changes in the fair value of derivatives and disposal gains and losses, net of tax *(see Note 11 "Net recurring income Group share")*.

4.2.2 Financial information regarding material joint ventures

The amounts shown have been determined in accordance with IFRS before the elimination of intragroup items and after (i) adjustments made in line with Group accounting policies, and (ii) fair value measurements of the assets and liabilities of the joint venture at the level of GDF SUEZ, as required by IAS 28. All amounts are presented based on a 100% interest with the exception of "Total equity attributable to GDF SUEZ" in the statement of financial position.

INFORMATION ON THE INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Revenues	Depreciation and amortization on intangible assets and property, plant and equipment	Net financial income[1]	Income taxes	Net income/ (loss)	Other compre-hensive income	Total compre-hensive income/ (loss)
AT DECEMBER 31, 2014							
EcoEléctrica	333	(70)	(3)	(3)	65	(1)	64
Portfolio of power generation assets in Portugal	652	(74)	(42)	(42)	140	(42)	98
WSW Energie und Wasser AG	976	(13)	(7)	(6)	10	1	11
NELP	126	(23)	(1)	-	117	-	117
Megal GmbH	112	(50)	(9)	5	15	-	15
Maia Eolis	34	(24)	(2)	1	(1)	(1)	(2)
Tihama Power Generation Co	71	(5)	(16)	(1)	9	(1)	8
PTT Natural Gas Distribution Co Ltd	240	(9)	-	(6)	34	-	34
GNL Sur	-	-	-	-	(4)	-	(4)
Oyster Creek	144	(28)	(3)	-	89	(3)	86
AT DECEMBER 31, 2013							
Energia Sustentável do Brasil	50	(2)	(2)	166	(596)	-	(596)
EcoEléctrica	309	(61)	(5)	(3)	71	6	77
Portfolio of power generation assets in Portugal	632	(74)	(18)	(46)	152	4	156
WSW Energie und Wasser AG	976	(18)	(8)	8	(38)	3	(36)
Megal GmbH	89	(45)	(8)	6	3	-	3
Maia Eolis	32	(23)	(2)	1	(2)	1	(1)
Oyster Creek	156	(9)	(2)	-	43	-	43
NELP	121	(23)	(1)	-	34	-	34
Tihama Power Generation Co	82	(5)	(11)	(4)	27	11	38
PTT Natural Gas Distribution Co Ltd	248	(9)	-	(7)	38	-	38

(1) Interest income is not material.

INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

In millions of euros	Cash and cash equivalents	Other current assets	Non-current assets	Short-term borrowings	Other current liabilities	Long-term borrowings	Other non-current liabilities	Total equity	% interest of Group	Total equity attributable to GDF SUEZ
AT DECEMBER 31, 2014										
EcoEléctrica	112	134	923	76	32	118	28	915	50.00	458
Portfolio of power generation assets in Portugal(1)	307	594	2,032	603	142	1,130	182	875	50.00	348
WSW Energie und Wasser AG(2)	48	121	792	46	128	121	94	573	33.10	199
NELP	29	79	285	-	29	-	74	290	50.00	145
Megal GmbH	14	1	724	106	37	249	97	249	49.00	122
Maia Eolis	51	35	313	20	19	123	40	197	49.00	97
Tihama Power Generation Co	38	45	626	53	33	486	18	120	60.00	72
PTT Natural Gas Distribution Co Ltd	12	24	181	-	29	2	21	163	40.00	65
GNL Sur	7	36	158	72	6	-	1	124	50.00	62
Oyster Creek	15	159	54	9	5	149	6	58	50.00	29
AT DECEMBER 31, 2013										
Energia Sustentável do Brasil	1	364	4,224	99	322	3,058	-	1,110	60.00	666
EcoEléctrica	44	114	873	44	25	150	36	777	50.00	388
Portfolio of power generation assets in Portugal	267	968	1,277	455	91	956	180	829	50.00	331
WSW Energie und Wasser AG	38	133	790	32	129	114	95	591	33.10	205
Megal GmbH	27	10	726	175	58	172	104	255	49.00	125
Maia Eolis	56	18	315	18	9	120	42	199	49.00	98
Oyster Creek	21	13	170	6	16	-	5	178	50.00	89
NELP	12	37	184	1	14	3	42	173	50.00	87
Tihama Power Generation Co	58	34	471	49	22	374	15	103	60.00	62
PTT Natural Gas Distribution Co Ltd	10	24	167	-	32	2	20	147	40.00	59

(1) Equity Group share amounts to €696 million for the Portuguese sub-group. The share of this €696 million attributable to GDF SUEZ is therefore €348 million.

(2) Equity Group share amounts to €559 million for the WSW Energie und Wasser AG sub-group. The share of this €559 million attributable to GDF SUEZ is therefore €185 million. This amount is increased by an additional share of €14 million in respect of a non-controlling interest held directly by GDF SUEZ in a subsidiary of this sub-group (and is therefore not included in the €559 million in equity attributable to the owners of the parent).

4.2.3 Transactions between the Group and its joint ventures

The data below set out the impact of transactions with joint ventures on the 2014 consolidated financial statements.

In millions of euros	Purchases of goods and services	Sales of goods and services	Net financial income (excluding dividends)	Trade and other receivables	Loans and receivables at amortized cost	Trade and other payables	Borrowings and debt
EcoEléctrica	-	105	-	-	-	-	-
WSW Energie und Wasser AG	33	42	-	29	-	1	-
Energieversorgung Gera GmbH	12	39	-	13	-	2	-
Megal GmbH	65	-	-	-	-	-	-
GNL Sur	-	-	2	-	37	-	-
Other	138	28	3	35	213	25	-
AT DECEMBER 31, 2014	**248**	**214**	**5**	**77**	**250**	**28**	**-**

4.3 Other information on investments accounted for using the equity method

4.3.1 Unrecognized share of losses of associates and joint ventures

Cumulative unrecognized losses of associates (corresponding to the cumulative amount of losses exceeding the carrying amount of investments in the associates concerned) including other comprehensive income, amounted to €298 million in 2014 (€179 million in 2013). Unrecognized losses relating to financial year 2014 amounted to €119 million.

These unrecognized losses mainly correspond to (i) the negative fair value of derivative instruments designated as interest rate hedges ("Other comprehensive income") contracted by associates in the Middle East in connection with the financing of construction projects for power generation and seawater desalination plants, and (ii) cumulative losses arising on the joint venture Tirreno Power.

4.3.2 Commitments and guarantees given by the Group in respect of entities accounted for using the equity method

At December 31, 2014, the main commitments and guarantees given by the Group in respect of entities accounted for using the equity method concern the following three companies and groups of companies:

- Cameron LNG for an aggregate amount of USD 1,815 million (€1,495 million). Commitments and guarantees given by the Group in respect of this associate correspond to:
  - a capital contribution commitment for USD 490 million (€404 million);
  - a performance bond for USD 1,230 million (€1,013 million), designed to guarantee the lenders against any risk of non-payment in the event that the project cannot be completed or enter into operation;
  - miscellaneous guarantees for a total amount of USD 95 million (€78 million).
- Energia Sustentável do Brasil ("Jirau") for an aggregate amount of BRL 4,530 million (€1,405 million)
  - At December 31, 2014, the amount of loans granted by Banco Nacional de Desenvolvimento Econômico e Social, the Brazilian Development Bank, to Energia Sustentável do Brasil amounted to BRL 11,325 million (€3,512 billion). Each partner stands as guarantor for this debt to the extent of its ownership interest in the consortium;
- the project management entities in the Middle East and Africa, for an aggregate amount of €1,439 million. Commitments and guarantees given by the Group in respect of these project management entities chiefly correspond to:
  - an equity contribution commitment (capital/subordinated debt) for €526 million. These commitments only concern entities acting as holding companies for projects in the construction phase,
  - letters of credit to guarantee debt service reserve accounts for an aggregate amount of €197 million. The project financing set up in certain entities can require those entities to maintain a certain level of cash within the company (usually enough to service its debt for six months). This is particularly the case when the financing is without recourse. This level of cash may be replaced by letters of credit,
  - collateral given to lenders in the form of pledged shares in the project management entities, for an aggregate amount of €293 million,
  - performance bonds and other guarantees for an amount of €423 million.

NOTE 5 Main changes in Group structure

5.1 Acquisition of control over GTT following its initial public offering (IPO)

5.1.1 Description of the transaction

The shareholders of Gaztransport & Technigaz (GTT), a French engineering company specialized in cryogenic membrane confinement technology for the transportation of LNG, listed the shares of the company on the stock market on February 27, 2014 at a price of €46 per share.

Prior to this transaction, the company's share capital was held by GDF SUEZ (40%), Total (30%) and the Hellman & Friedman investment fund (30%). The IPO involved the sale by Total and Hellman & Friedman of some of their shares on the market through the following transactions:

- on February 26, 2014, GDF SUEZ purchased the equivalent of 0.4% of GTT's share capital, i.e., 170,380 shares, for €8 million from Total and Hellman & Friedman at the listing price, i.e., €46 per share;
- on February 27, 2014, following a public offering in France and a global placement with institutional investors, Total and Hellman & Friedman disposed of 13.5 million GTT shares, i.e., 36.5% of the share capital, on the market at a price of €46 per share; the settlement and delivery of the shares took place on March 3, 2014;
- on March 26, 2014, as a result of the partial exercise of the over-allotment option provided for as part of the IPO, Total and Hellman & Friedman disposed of an additional 0.83 million GTT shares at the listing price.

Following the IPO, Hellman & Friedman disposed of its residual interest via two private placements carried out on September 23, 2014 and January 27, 2015, respectively, while Total sold its residual 10.4% interest to Temasek in December 2014. After taking into account the issuances of new shares reserved for senior managers and employees, GTT's ownership structure is as follows:

- GDF SUEZ (40.4%);
- Temasek (10.4%);
- Free float (49%), senior managers and employees hold the remaining share capital (0.2%).

Until the IPO, GDF SUEZ recognized its 40% interest in GTT as an associate accounted for using the equity method. In light of the dispersion of the shareholding structure and GDF SUEZ's ability to control GTT's key decisions, the Group considered that it now exercised de facto control over this company. GTT has therefore been fully consolidated in the Group's financial statements as of March 3, 2014, the date of the settlement and delivery of the shares.

5.1.2 Impacts of the acquisition of control on the consolidated financial statements

The 40% interest previously held in GTT was revalued at €688 million based on the closing price at March 3, 2014, i.e., €46.50 per share. This revaluation resulted in a revaluation gain of €359 million *(see Note 8.4 "Changes in the scope of consolidation")*.

The Group decided to measure non-controlling interests based on their share in the net identifiable assets of GTT.

The accounting for this business combination was complete at December 31, 2014.

The table below shows the fair value assigned to GTT's identifiable assets and liabilities at the acquisition date:

In millions of euros	TOTAL
Non-current assets	
Intangible assets, net	813
Property, plant and equipment, net	9
TOTAL NON-CURRENT ASSETS	**822**
Current assets	
Loans and receivables at amortized cost	1
Trade and other receivables, net and other assets	102
Cash and cash equivalents	123
TOTAL CURRENT ASSETS	**226**
Non-current liabilities	
Provisions	9
Long-term borrowings	3
Deferred tax liabilities	122
TOTAL NON-CURRENT LIABILITIES	**134**
Current liabilities	
Trade and other payables, and other liabilities	120
TOTAL CURRENT LIABILITIES	**120**
TOTAL NET ASSETS (100%)	**795**
Revaluation of the previously-held 40% equity interest	688
Consideration transferred in respect of the 0.4% equity interest acquired	8
Non-controlling interests	475
GOODWILL	**375**

€375 million in goodwill mainly represents GTT's long-term capacity to maintain its technological advantage and its market-leading position in the field of cryogenic containment systems for LNG carriers and storage, as well as its ability to develop in new LNG retail markets, which are currently experiencing rapid growth.

This acquisition resulted in an €834 million increase in shareholders' equity of which €359 million in respect of the recognition of the revaluation gain on the previously held 40% interest and €475 million in respect of the recognition of non-controlling interests.

The transaction had a positive net impact of €115 million on the Group's statement of cash flows, breaking down as follows:

- cash and cash equivalents acquired at the acquisition date: €123 million;
- consideration paid for the acquisition of 0.4% of the share capital: €8 million.

GTT's contribution to revenues, current operating income/(loss) after share in net income/(loss) of entities accounted for using the equity method and net income/(loss) Group share in 2014 amounted to €186 million, €47 million and €19 million, respectively. If control had been acquired at January 1, 2014, the Group would have recorded additional revenues, current operating income/(loss) after share in net income/(loss) of entities accounted for using the equity method and net income/(loss) Group share amounting to €39 million, €6 million and a negative €3 million, respectively.

5.2 Acquisition of Ecova (United States)

On June 30, 2014, the Group (via its subsidiary Cofely USA) completed the acquisition of 100% of US company Ecova, a specialist in energy efficiency, from Avista Corp. Ecova is a provider of technology-enabled energy and sustainability management solutions to major commercial, industrial and utility clients in North America. The transaction was carried out based on an enterprise value of USD 335 million (€245 million).

Provisional goodwill of €240 million was recorded in respect of this acquisition at December 31, 2014 and the purchase price allocation will be finalized in 2015.

5.3 Transactions and changes in consolidation methods relating to the electricity and natural gas distribution and commercialization sectors in Belgium

5.3.1 Sale of interest in mixed inter-municipal companies in Flanders and repurchase of non-controlling interests in Electrabel Customer Solutions

On December 29, 2014, via its subsidiary Electrabel, the Group finalized the two following transactions with the Flemish public authorities:

- Electrabel sold its entire residual 30% interest in seven mixed inter-municipal electricity and gas distribution network operators in Flanders to the public sector for a total of €911 million. The capital gains generated on the sale of these available-for-sale securities, which amounted to €323 million, were presented under "Other non-recurring items" within "Income/(loss) from operating activities". The €911 million payment received on December 29, 2014 is presented under "Disposals of available-for-sale securities" in the statement of cash flows. This transaction marks the end of Electrabel's withdrawal from the management of distribution networks in Flanders, in accordance with the regional decree that required Electrabel to sell its entire interest in these network operators no later than 2018;
- at the same time, Electrabel acquired the minority interests held by the Flemish public authorities in Electrabel Customer Solutions (ECS), the Group subsidiary in charge of the sale of gas and electricity to residential and non-residential customers in Belgium, for a total of €101 million. As the transaction was carried out between owners, the €108 million difference between the purchase price and the carrying amount of the interest acquired was recognized as a deduction from shareholders' equity. The consideration of €101 million is presented under "Changes in ownership interests in controlled entities" in the statement of cash flows.

5.3.2 Investments in mixed inter-municipal companies in Wallonia

At December 31, 2013, the eight mixed inter-municipal companies that operate the Walloon electricity and gas networks, in which wholly-owned Group subsidiary Electrabel held a 25% interest, merged to form a single network operator named Ores Assets.

Following the merger, Ores Assets redefined its organizational structure, its governance and its management bodies, which resulted in new shareholders' agreements being signed at the end of June 2014. These agreements are in continuity with the agreements previously entered into by the Group and the public sector as part of the deregulation of the energy markets, and with the European Union and the Belgian Government's willingness to reinforce the independence of transportation and distribution network operators.

Electrabel's rights have changed significantly as a result of these new agreements and Ores Assets' new bylaws. The Group is no longer represented in the governance and management bodies of operator Ores, a wholly-owned subsidiary of Ores Assets responsible for the day-to-day operational management of the networks, while its rights in Ores Assets' decision-making bodies are limited to protective rights of its financial interests.

This process is fully in line with operations carried out in other regions: in Flanders, where the Group recently sold its entire residual interest in the distribution network operators at the end of 2014 *(see Note 5.3.1)* and in Brussels, where the Group sold its interest in Sibelga in 2012.

Further to these events, and in light of its residual rights, the Group no longer has significant influence over the Walloon distribution network operator since June 26, 2014, the date on which the abovementioned agreements were signed. As a result, this interest has been recognized in the Group's consolidated financial statements under "Available-for-sale securities" as of this date. In accordance with the applicable standards, the residual interest was recognized at fair value on June 26, 2014, which led the Group to record a revaluation gain of €174 million under "Changes in scope of consolidation" within "Income/(loss) from operating activities".

5.4 Disposals carried out in 2014

Disposals carried out in 2014 led to a €3,231 million decrease in net debt compared with December 31, 2013.

The table below shows the cumulative impact of these disposals on the Group's net debt at December 31, 2014.

In millions of euros	**Decrease in net debt**
Transactions finalized in 2014 relating to "Assets held for sale" at December 31, 2013	**(385)**
Disposal of a 20% interest in Energia Sustentável do Brasil – "Jirau" (Brazil)	(318)
Disposal of a 50% interest in Futures Energies Investissement Holding (France)	(67)
Transactions carried out in 2014	**(2,196)**
Disposal of investments in mixed inter-municipal companies in Flanders (Belgium)	(911)
Disposal of the portfolio of power generation assets in Panama and Costa Rica	(771)
Disposal of the 49% interest in ISAB Energy (Italy)	(153)
Disposal of Exploration-Production assets	(239)
Disposal of a 20% interest in NGT B.V. (Netherlands)	
Disposal of Enerci (Ivory Coast)	
Disposal of an Exploration-Production asset in Germany	
Cash received on the remaining disposal price of the 24.5% interest in SPP (Slovakia) - transaction finalized in 2013	(122)
Other disposals that are not material taken individually	**(650)**
TOTAL	**(3,231)**

The cumulative gain resulting from these disposals amounted to €593 million in 2014 (of which €233 million is presented under "Changes in scope of consolidation" and €360 million under "Other non-recurring items" in the consolidated income statement).

The 20% interest in Energia Sustentável do Brasil (ESBR), held for sale to Mitsui & Co. Ltd, and Futures Energies Investissement Holding, were classified as "Assets held for sale" in the statement of financial position at December 31, 2013 *(see Note 2 "Impact of applying the new consolidation standards to the comparative 2013 financial statements")*.

5.4.1 Disposal of a 20% interest in Energia Sustentável do Brasil – "Jirau" (Brazil)

On January 16, 2014, the Group finalized an agreement to sell to Mitsui & Co. Ltd a 20% equity interest in Energia Sustentável do Brasil (ESBR), which was created to build, own and operate the 3,750 MW Jirau hydroelectric power plant. The Group recorded a payment of BRL. 1,024 million (€318 million) at this date.

GDF SUEZ's residual 40% stake in ESBR is accounted for as an associate.

5.4.2 Disposal of a 50% interest in Futures Energies Investissement Holding (France)

On April 29, 2014, the Group finalized the sale of a 50% interest in Futures Energies Investissement Holding (FEIH), a subsidiary operating a portfolio of wind farm assets in France with a total installed capacity of 440 MW, to Crédit Agricole Assurances (via its subsidiary Predica). The Group received a payment of €67 million corresponding to the sale price for half of the FEIH shares (€16 million) and the repayment of 50% by Predica of the outstanding portion of the shareholder's loan granted to FEIH (€51 million).

This transaction resulted in the loss of control of this subsidiary and the Group's remaining 50% interest in FEIH is now accounted for as a joint venture. This transaction did not have a material impact on the Group's consolidated income statement for the year ended December 31, 2014.

5.4.3 Disposal of the portfolio of power generation assets in Panama and Costa Rica

On December 2, 2014, the Group sold its entire portfolio of power generation assets located in Panama and Costa Rica to Colombian group Celsia for a total amount of USD 565 million (i.e., €455 million), of which USD 614 million (i.e., €494 million) in respect of repayments of loans granted by the Group to these entities. The disposal gain is not material.

The transaction concerns the following companies, all of which were fully consolidated until the date on which they were sold: Altenergy (wholly-owned), operator of two 118 MW hydroelectric power plants and an 83 MW fuel oil plant; Bontex (wholly-owned), operator of the third plant at the Dos Mares hydroelectric complex; Bahia Las Minas (51%-owned), operator of 280 MW power plants; and Planta Eolica Guanacaste (wholly-owned), operator of the 50 MW wind farm in Guanacaste).

The transaction reduced net debt by €771 million (i.e., €455 million consideration received, plus the impact of derecognizing the €316 million external net debt carried on the books of the entities concerned at the date on which they were sold).

These Panamanian and Costa Rican assets contributed a negative €19 million to "Net income/(loss) Group share" in 2014 (not including disposal proceeds).

5.4.4 Disposal of the 49% interest in ISAB Energy (Italy)

On June 16, 2014, the Group finalized the sale to the ERG Group of its entire 49% interest in ISAB Energy, a company which operates an integrated gasification combined cycle plant (532 MW) in Southern Italy, for €153 million.

This transaction did not have a material impact on the Group's consolidated income statement for the year ended December 31, 2014.

5.5 Assets held for sale

All "Assets held for sale" at December 31, 2013 (20% interest in Energia Sustentável do Brasil – "Jirau" in Brazil and Futures Energies Investissement Holding in France) were disposed of in 2014 *(see Note 5.4 "Disposals carried out in 2014")*.

At December 31, 2014, the Group no longer had any "Assets held for sale".

5.6 Other transactions in 2014

Various other acquisitions, equity transactions and disposals took place in 2014, notably the acquisition of Ferrari Termoelétrica, a biomass cogeneration plant operator in Brazil, West Coast Energy Ltd in the UK wind-energy industry, and German engineering company Lahmeyer; as well as the sale of DUNAMENTI Erőmű in Hungary, and of a 50% interest in a portfolio of wind farm assets in the UK. Their individual and cumulative impact on the Group's financial statements are not material.

5.7 Main changes in Group structure in 2013

5.7.1 Loss of control of SUEZ Environnement

On July 22, 2013, the SUEZ Environnement Company shareholders' agreement expired for all the parties concerned. As a result, GDF SUEZ no longer controls SUEZ Environnement Company. Since July 22, 2013, the interest held by the Group in SUEZ Environnement Company has been accounted for using the equity method in its consolidated financial statements.

As a result of this loss of control, the Group has recognized its remaining interest in SUEZ Environnement Company at fair value based on its market price at July 22, 2013 and recorded the corresponding net revaluation gain of €448 million in the income statement for the year ended December 31, 2013.

In accordance with the provisions of IAS 28 – *Investments in Associates and Joint Ventures*, the Group has also measured SUEZ Environnement's identifiable assets and liabilities at their fair value. The fair value of the identifiable assets and liabilities, which had only been measured on a provisional basis at December 31, 2013, was finalized in 2014. The adjustments made to these measurements are non-material.

SUEZ Environnement group's contribution to the consolidated income statement and statement of cash flows in 2013 and the consolidated statement of financial position at January 1, 2013 is presented in the table below:

INCOME STATEMENT

In millions of euros	SUEZ Environnement Group contribution as at July 22, 2013	Net revaluation gain at July 22, 2013	SUEZ Environnement as investment in associates from July 22, 2013	Total SUEZ Environnement contribution at Dec. 31, 2013[(1)]
Revenues	7,922			7,922
Purchases	(1,642)			(1,642)
Personnel costs	(2,091)			(2,091)
Depreciation, amortization and provisions	(537)			(537)
Other operating expenses	(3,219)			(3,219)
Other operating income	153			153
CURRENT OPERATING INCOME	**587**			**587**
Share in net income of entities accounted for using the equity method	43		62	106
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**630**		**62**	**692**
Mark-to-market on commodity contracts other than trading instruments	(1)			(1)
Impairment losses	4			4
Restructuring costs	(17)			(17)
Changes in scope of consolidation	(2)	448		446
Other non-recurring items	10			10
INCOME FROM OPERATING ACTIVITIES	**623**	**448**	**62**	**1,134**
Financial expenses	(269)			(269)
Financial income	40			40
NET FINANCIAL EXPENSE	**(230)**			**(230)**
Income tax expense	(104)			(104)
Share in net income of associates	-			-
NET INCOME	**290**	**448**	**62**	**800**
Net income Group share	41	448	62	551
Non-controlling interests	249			249

(1) *Comparative data for 2013 have been restated due to the application of the consolidation standards and to the presentation changes in the income statement (see Note 2).*

STATEMENT OF FINANCIAL POSITION

In millions of euros	January 1, 2013[1]
Non-current assets	
Intangible assets, net	3,847
Goodwill	3,202
Property, plant and equipment, net	8,812
Available-for-sale securities	336
Loans and receivables at amortized cost	670
Derivative instruments	257
Investments in entities accounted for using the equity method	914
Other assets	80
Deferred tax assets	762
TOTAL NON-CURRENT ASSETS	**18,880**
Current assets	
Loans and receivables at amortized cost	220
Derivative instruments	5
Trade and other receivables, net	276
Inventories	3,759
Other assets	1,098
Financial assets at fair value through income	24
Cash and cash equivalents	2,129
Assets classified as held for sale	-
TOTAL CURRENT ASSETS	**7,511**
TOTAL ASSETS	**26,391**
Shareholder's equity	1,451
Non-controlling interests	5,446
TOTAL EQUITY	**6,898**
Non-current liabilities	
Provisions	1,395
Long-term borrowings	8,335
Derivative instruments	91
Other financial liabilities	3
Other liabilities	639
Deferred tax liabilities	571
TOTAL NON-CURRENT LIABILITIES	**11,034**
Current liabilities	
Provisions	550
Short-term borrowings	1,449
Derivative instruments	11
Trade and other payables	2,781
Other liabilities	3,670
Liabilities directly associated with assets classified as held for sale	-
TOTAL CURRENT LIABILITIES	**8,460**
TOTAL EQUITY AND LIABILITIES	**26,391**

(1) Comparative data at January 1, 2013 have been restated due to the application of the consolidation standards (see Note 2).

CONDENSED STATEMENT OF CASH FLOWS

In millions of euros	Dec. 31, 2013[1]
NET INCOME/(LOSS)	**800**
Cash generated from operations before income tax and working capital requirements	1,123
Change in working capital requirements	(259)
CASH FLOW FROM OPERATING ACTIVITIES	**766**
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(588)**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(251)**
Effects of changes in exchange rates and other	(2,056)
TOTAL CASH FLOW FOR THE PERIOD	**(2,129)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**2,129**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**-**

(1) Comparative data for 2013 have been restated due to the application of the consolidation standards (see Note 2).

5.7.2 Impact of disposals carried out in 2013

In millions of euros	Disposal price	Decrease in net debt	Net gain (loss) on disposals, and changes in scope recognized in income	Impacts recognized in shareholders' equity
Transactions finalized in 2013 relating to "Assets held for sale" at December 31, 2012	**1,283**	**(1,168)**	**2**	**-**
Disposal of the 24.5% interest in SPP (Slovakia)	1,242	(1,127)	-	-
Disposal of 80% of IP Maestrale (Italy and Germany)	28	(28)	-	-
Disposal of a 10% interest in Sohar Power Company SAOG (Oman)	13	(13)	2	-
Transactions carried out in 2013	**1,000**	**(1,960)**	**21**	**(11)**
Disposal of 50% of the portfolio of power generation assets in Portugal	328	(567)	(22)	-
Disposal of 28% stake in the portfolio of power generation assets in Australia	301	(301)	-	(11)
Disposal of thermal power plants in the United States	82	(809)	25	-
- of which cash received on the remaining disposal price of the Choctaw plant - transaction finalized in 2012	-	(130)	-	-
- of which disposal of the Red Hills plant	-	(226)	34	-
- of which sale of 20.6% of Astoria Energy, Phase I power plant	82	(453)	(9)	-
Disposal of 33.2% stake in NOGAT (Netherlands)	182	(177)	14	-
Disposal of 36% stake in KAPCO (Pakistan)	107	(106)	4	-
Other disposals that are not material taken individually	**201**	**(301)**	**74**	**-**
TOTAL	**2,484**	**(3,429)**	**97**	**(11)**

5.7.2.1 Disposal of the 24.5% interest in SPP (Slovakia)

On January 23, 2013, GDF SUEZ and E.ON finalized the sale of their interests in Slovak Gas Holding (SGH) – in which they held equal stakes – to Energetický a Průmyslový Holding (EPH). SGH is a holding company with a 49% interest in the Slovak gas operator Slovenský Plynárenský Priemysel a.s. (SPP).

For the purposes of the disposal, the Group's 24.5% interest in SPP was valued at €1,301 million. On January 23, 2013, the Group received a payment of €1,127 million corresponding to the sale price of €1,301 million less the €59 million dividend paid in December 2012 and a guaranteed deferred payment of €115 million.

The balance of the sale price, plus interest, (a total of €122 million) was received in June 2014 *(see Note 5.4 "Disposals carried out in 2014")*.

5.7.2.2 Sale of 50% of the portfolio of power generation assets in Portugal

On October 13, 2013, the Group sold 50% of its portfolio of thermal and renewable power generation assets in Portugal to Marubeni Corporation for €328 million.

The transaction was carried out through the creation of a joint venture with Marubeni, which acquired from the Group a 50% interest in NPIH, a holding company that owns a portfolio of power generation assets in Portugal (100% of the wind farm operator Eurowind; 42.5% of the renewable energy producer Generg; 100% of Turbogas and 50% of Elecgas, both of which operate combined cycle power plants; and 50% of Tejo Energia, a coal-fired power plant operator).

Following the transaction, the Group's remaining 50% stake in NPIH has been recognized as a joint venture and is therefore accounted for in the Group's consolidated financial statements using the equity method.

NOTE 6 Segment information

6.1 Operating segments

The operating segments presented below reflect the segments used by the Group's Management Committee to allocate resources to the segments and assess their performance. No operating segments have been aggregated. The Group's Management Committee is the Group's "chief operating decision maker" within the meaning of IFRS 8.

The Group is organized around the following five operating segments: GDF SUEZ Energy International, GDF SUEZ Energy Europe, GDF SUEZ Global Gas & LNG, GDF SUEZ Infrastructures and GDF SUEZ Energy Services.

Energy International business line: these subsidiaries produce and market power in North America, Latin America, Asia-Pacific, the United Kingdom, Turkey and the Middle East. They also distribute and market gas in North America, Latin America, Asia and Turkey. GDF SUEZ Energy International is active in LNG import and regasification in North America and Chile and seawater desalination in the Arabian peninsula.

Energy Europe business line carries out activities involving electricity production and energy sales in continental Europe. It operates the Group's assets in continental Europe in the fields of gas (excluding infrastructures managed by the Infrastructures business line) and electricity.

Global Gas & LNG business line carries out upstream activities of the natural gas value chain. In the area of exploration and production, the business line engages in the exploration, development and operation of oil and gas fields. On the LNG chain, the business line manages a long-term gas supply contract portfolio and interests in liquefaction facilities, operates an LNG fleet, and owns regasification capacities in LNG terminals. Global Gas & LNG is selling a portion of its LNG supply contracts to other Group entities and, in particular, the "Gas Supply" activity of the Energy Europe business line.

Infrastructures business line: subsidiaries in this segment operate natural gas transportation, storage and distribution networks, and LNG terminals, essentially in France and Germany. They also sell access rights to this infrastructure to third parties.

Energy Services business line: these subsidiaries design and implement environmental and energy efficiency solutions through multi-technical services in the fields of engineering, installations, and energy services.

SUEZ Environnement was a separate business line until July 22, 2013. As such its contribution to the income statement key indicators in 2013 (until the loss in control) remains presented in a dedicated line of the segment information. From now on, the SUEZ Environnement contribution to the statement of financial position key indicators is shown in the "Other" line.

The "Other" line presented in the table below includes contributions from corporate holding companies and entities centralizing the Group's financing requirements, as well as the contribution of SUEZ Environnement as an entity accounted for using the equity method since July 22, 2013.

The methods used by the Group's Management Committee to recognize and measure these segments for internal reporting purposes are the same as those used to prepare the consolidated financial statements. EBITDA, industrial capital employed and capital expenditure (CAPEX) are reconciled with the consolidated financial statements.

The main relationships between operating segments other than the GDF SUEZ Global Gas & LNG supply contracts to GDF SUEZ Energy Europe concern Infrastructures and Energy Europe business lines.

Services relating to the use of the Group's gas infrastructures in France are billed based on regulated fees applicable to all network users, except for storage infrastructure. The prices for reservations and use of storage facilities are established by storage operators and notably based on auctions of available capacity.

Due to the variety of its business lines and their geographical location, the Group serves a very diverse range of customer types and situations (industry, local authorities and individual customers). Accordingly, no external customer represents individually 10% or more of the Group's consolidated revenues.

6.2 Key indicators by operating segment

REVENUES

In millions of euros	Dec. 31, 2014 External revenues	Dec. 31, 2014 Intra-Group Revenues	Dec. 31, 2014 Total	Dec. 31, 2013[1] External revenues	Dec. 31, 2013[1] Intra-Group Revenues	Dec. 31, 2013[1] Total
Energy International	13,977	1,268	15,245	14,393	818	15,211
Energy Europe	35,158	1,262	36,420	42,713	1,530	44,243
Global Gas & LNG	6,883	2,668	9,551	5,644	2,760	8,404
Infrastructures	2,994	3,818	6,812	2,557	4,218	6,775
Energy Services	15,673	201	15,874	14,670	227	14,897
Elimination of internal transactions	-	(9,216)	(9,216)	9	(9,554)	(9,545)
SUBTOTAL	**74,686**	**-**	**74,686**	**79,985**	**-**	**79,985**
SUEZ Environnement[2]	-	-	-	7,922	6	7,927
Elimination of internal transactions	-	-	-	(9)	(6)	(14)
TOTAL REVENUES	**74,686**	**-**	**74,686**	**87,898**	**-**	**87,898**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).

EBITDA[1]

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[2]
Energy International	3,716	4,029
Energy Europe	2,020	2,877
Global Gas & LNG	2,225	2,028
Infrastructures	3,274	3,334
Energy Services	1,127	1,041
Other	(224)	(333)
SUBTOTAL	**12,138**	**12,976**
SUEZ Environnement[3]	-	1,247
TOTAL EBITDA	**12,138**	**14,223**

(1) Data at December 31, 2014 are presented according to the Group's new EBITDA definition (see Note 2.2). Comparative data at December 31, 2013 have been restated according to this new definition (see Note 2.3.6).
(2) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(3) SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).

DEPRECIATION AND AMORTIZATION

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Energy International	(970)	(1,089)
Energy Europe	(1,111)	(1,433)
Global Gas & LNG	(926)	(912)
Infrastructures	(1,280)	(1,263)
Energy Services	(338)	(324)
Other	(95)	(110)
SUBTOTAL	**(4,720)**	**(5,131)**
SUEZ Environnement[2]	-	(603)
TOTAL DEPRECIATION AND AMORTIZATION	**(4,720)**	**(5,733)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).

SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)]
Energy International	204	371
Energy Europe	76	18
Global Gas & LNG	31	57
Infrastructures	12	8
Energy Services	1	9
Other	118	63
Of which share in net income of SUEZ Environnement as an associate	*118*	*62*
SUBTOTAL	**441**	**527**
SUEZ Environnement[(2)]	-	43
TOTAL SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**441**	**570**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*
(2) *SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).*

CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)]
Energy International	2,745	2,937
Energy Europe	913	1,430
Global Gas & LNG	1,064	973
Infrastructures	1,994	2,069
Energy Services	791	708
Other	(346)	(492)
SUBTOTAL	**7,161**	**7,625**
SUEZ Environnement[(2)]	-	630
TOTAL CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,161**	**8,254**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*
(2) *SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).*

INDUSTRIAL CAPITAL EMPLOYED

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)]
Energy International	22,053	21,211
Energy Europe	13,969	14,950
Global Gas & LNG	6,052	4,490
Infrastructures	19,142	19,011
Energy Services	4,099	3,503
Other	3,427	3,561
Of which SUEZ Environnement equity value	*1,994*	*1,891*
TOTAL INDUSTRIAL CAPITAL EMPLOYED	**68,742**	**66,727**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*

CAPITAL EXPENDITURE (CAPEX)

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)]
Energy International	1,718	1,807
Energy Europe	1,169	1,573
Global Gas & LNG	1,208	1,041
Infrastructures	1,729	1,934
Energy Services	1,106	804
Other	151	81
SUBTOTAL	**7,080**	**7,239**
SUEZ Environnement[(2)]	-	663
TOTAL CAPITAL EXPENDITURE (CAPEX)	**7,080**	**7,902**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).

6.3 Key indicators by geographic area

The amounts set out below are analyzed by:

- destination of products and services sold for revenues;
- geographic location of consolidated companies for industrial capital employed.

	Revenues		Industrial capital employed	
In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1) (2)]	Dec. 31, 2014	Dec. 31, 2013[(1)]
France	27,834	34,954	31,728	30,628
Belgium	8,525	10,875	2,108	2,682
Other EU countries	20,516	23,600	10,880	11,387
Other European countries	1,832	1,059	1,080	1,131
North America	3,829	4,303	6,211	5,433
Asia, Middle East & Oceania	7,404	8,108	8,854	7,758
South America	4,302	4,372	7,267	7,180
Africa	444	627	614	529
TOTAL	**74,686**	**87,898**	**68,742**	**66,727**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

6.4 Reconciliation of indicators with consolidated financial statements

6.4.1 Reconciliation of EBITDA

The bridge between EBITDA and current operating income after share in net income of entities accounted for using the equity method is explained as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1) (2)]
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,161**	**8,254**
Net amortization and other	4,956	5,875
Share-based payments (IFRS 2)	22	93
EBITDA	**12,138**	**14,223**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).

6.4.2 Reconciliation of industrial capital employed with items in the statement of financial position

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
(+) Property, plant and equipment and intangible assets, net	71,601	70,154
(+) Goodwill	21,222	20,420
(-) Goodwill arising on the Gaz de France - SUEZ merger[2]	*(8,216)*	*(8,559)*
(-) Goodwill arising on the International Power combination[2]	*(2,502)*	*(2,307)*
(+) IFRIC 4 and IFRIC 12 receivables	1,779	1,554
(+) Investments in entities accounted for using the equity method	7,055	6,799
(-) Goodwill arising on the International Power combination[2]	*(152)*	*(135)*
(+) Trade and other receivables, net	21,558	21,057
(-) Margin calls[2] [3]	*(1,257)*	*(992)*
(+) Inventories	4,891	4,973
(+) Other current and non-current assets	10,606	8,843
(+) Deferred tax	(8,060)	(8,975)
(+) Cancellation of deferred tax on other recyclable items[2]	*(188)*	*20*
(+) Carrying amount of the entities classified as “Assets held for sale”	-	488
(-) Share in net equity to be disposed of in a third party transaction[4]	-	(411)
(-) Provisions	(18,539)	(16,098)
(+) Actuarial gains and losses in shareholders’ equity (net of deferred tax)[2]	*2,168*	*942*
(-) Trade and other payables	(18,799)	(16,398)
(+) Margin calls[2] [3]	*1,309*	*242*
(-) Other liabilities	(15,735)	(14,891)
INDUSTRIAL CAPITAL EMPLOYED	**68,742**	**66,727**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) For the purpose of calculating industrial capital employed, the amounts recorded in respect of these items have been adjusted from those appearing in the statement of financial position.
(3) Margin calls included in “Trade and other receivables” and “Trade and other payables” correspond to advances received or paid as part of collateralization agreements set up by the Group to reduce its exposure to counterparty risk on commodities transactions.
(4) The related operations are detailed in Note 5.5 “Assets held for sale”. The definition of industrial capital employed includes the carrying value of the share in net equity the Group will retain after the transaction. In contrast, the share in net equity to be disposed of in a third party transaction is excluded.

6.4.3 Reconciliation of capital expenditure (CAPEX) with items in the statement of cash flows

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1] [2]
Acquisitions of property, plant and equipment and intangible assets	5,790	6,518
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	340	363
(+) Cash and cash equivalents acquired	*208*	*52*
Acquisitions of investments in entities accounted for using the equity method and joint operations	398	688
Acquisitions of available-for-sale securities	246	143
Change in loans and receivables originated by the Group and other	(8)	69
(+) Other	*(2)*	*-*
Change in ownership interests in controlled entities	126	71
(+) Payments received in respect of the disposal of non-controlling interests	*(18)*	*-*
TOTAL CAPITAL EXPENDITURE (CAPEX)	**7,080**	**7,902**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement’s contribution until July 22, 2013 (see Note 5.7).

NOTE 7 Current operating income

7.1 Revenues

Group revenues break down as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)(2)]
Energy sales	55,605	63,321
Rendering of services	18,308	23,379
Lease and construction contracts	773	1,198
REVENUES	**74,686**	**87,898**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*
(2) *The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).*

In 2014, "Lease and construction contracts" mainly include operating lease revenues for €692 million (€729 million in 2013). In 2013, this caption also included revenues from construction contracts amounting to €361 million.

7.2 Personnel costs

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)(2)]
Short-term benefits	(9,303)	(11,017)
Share-based payments *(see Note 24)*	(22)	(93)
Costs related to defined benefit plans *(see Note 20.3.4)*	(315)	(382)
Costs related to defined contribution plans *(see Note 20.4)*	(139)	(123)
PERSONNEL COSTS	**(9,779)**	**(11,615)**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*
(2) *The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).*

7.3 Depreciation, amortization and provisions

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)(2)]
Depreciation and amortization *(see Notes 14 and 15)*	(4,720)	(5,733)
Net change in write-downs of inventories, trade receivables and other assets	(249)	(319)
Net change in provisions *(see Note 19)*	172	(374)
DEPRECIATION, AMORTIZATION AND PROVISIONS	**(4,797)**	**(6,426)**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*
(2) *The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).*

At December 31, 2014, depreciation and amortization mainly break down as €726 million for intangible assets and €4,004 million for property, plant and equipment. A breakdown by type of asset is provided in Note 14 "Intangible assets" and Note 15 "Property, plant and equipment", respectively.

NOTE 8 Income/(loss) from operating activities

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1) (2)]
CURRENT OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,161**	**8,254**
Mark-to-market on commodity contracts other than trading instruments	(298)	(226)
Impairment losses	(1,037)	(14,770)
Restructuring costs	(167)	(302)
Changes in scope of consolidation	562	405
Other non-recurring items	353	544
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**6,574**	**(6,093)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

8.1 Mark-to-market on commodity contracts other than trading instruments

In 2014, this item represents a net loss of €298 million, compared with a net loss of €226 million in 2013, and is mainly attributable to changes in the fair value of (i) electricity and natural gas sale and purchase contracts falling within the scope of IAS 39 and (ii) financial instruments used as hedges but not eligible for hedge accounting, which resulted in a net loss of €302 million in 2014 (compared with a net loss of €228 million in 2013). This loss was mainly due to a negative price effect related to changes in the forward prices of the underlying commodities during the period. It also includes the positive net impact of the settlement of derivative instruments with a negative market value at December 31, 2013.

8.2 Impairment losses

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1) (2)]
Impairment losses:		
Goodwill [(3)]	(82)	(5,689)
Property, plant and equipment and other intangible assets	(924)	(9,011)
Financial assets	(87)	(93)
TOTAL IMPAIRMENT LOSSES	**(1,094)**	**(14,793)**
Reversals of impairment losses:		
Property, plant and equipment and other intangible assets	57	12
Financial assets	-	11
TOTAL REVERSALS OF IMPAIRMENT LOSSES	**57**	**23**
TOTAL	**(1,037)**	**(14,770)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).
(3) Including goodwill on entities accounted for using the equity method.

Impairment losses of €1,037 million primarily relate to the Global Gas and LNG (€362 million), Energy International (€306 million) and Energy Europe (€291 million) business lines. After taking into account the deferred tax effects and the share of impairment losses attributable to non-controlling interests, the impact of these impairment losses on net income Group share for 2014 amounts to €655 million.

Impairment losses recognized against goodwill, property, plant and equipment and intangible assets at December 31, 2014 can be analyzed as follows:

In millions of euros	Location	Impairment losses of goodwill	Impairment losses of property, plant and equipment and intangible assets	Total impairment losses	Valuation method	Discount rate
Global Gas & LNG goodwill CGU		**-**	**(362)**	**(362)**	**Value-in-use - DCF**	**8% - 15%**
Exploration-production assets in the North Sea	North Sea		(261)		Value-in-use - DCF	9.0%
Other exploration-production assets/licenses			(44)			
Other property, plant and equipment and intangible assets			(57)			
Energy UK – Europe goodwill CGU		**-**	**(226)**	**(226)**		
Thermal power plants	United Kingdom		(181)		Value-in-use - DCF	7.2% - 8.7%
Wind farm and other property, plant and equipment and intangible assets	United Kingdom		(45)		Fair value	
Energy – Eastern Europe goodwill CGU		**(82)**	**(30)**	**(112)**	**Value-in-use - DCF**	**8.3% - 12.3%**
Tangible assets			(30)		Value-in-use - DCF	
Energy – Central Western Europe goodwill CGU		**-**	**(109)**	**(109)**	**Value-in-use - DCF**	**6.5% - 9.0%**
Thermal power plants	Netherlands/ Belgium		(48)		Value-in-use - DCF	7.4% - 8.1%
Other property, plant and equipment and intangible assets			(61)			
Other impairment losses		**-**	**(197)**	**(197)**		
TOTAL GDF SUEZ GROUP		**(82)**	**(924)**	**(1,006)**		

8.2.1 Exploration-production North Sea assets

As regards to exploration-production activities in the North Sea, the decrease in proven and probable reserves from certain assets combined with the fall in gas prices led the Group to recognize a €261 million impairment loss at December 31, 2014 against assets relating to North Sea gas fields.

The value in use of these exploration-production assets was calculated using the cash flow forecasts drawn up based on the 2015 budget and 2016-2020 medium-term business plan approved by the Group Management Committee and Board of Directors. Cash flows beyond this period were extrapolated until the end of the operating life of the assets concerned.

The discount rate applied to these projections was 9%.

Key assumptions used in the impairment test relate to changes in hydrocarbon prices, estimated levels of reserves for the fields concerned and the discount rate.

A 10% decrease in the hydrocarbon prices used in the projections would lead to the recognition of an additional impairment loss of €184 million for these North Sea gas fields.

A 50 basis points increase in the discount rate used would lead to an additional impairment loss totaling €60 million.

8.2.2 Thermal power plants in the United-Kingdom

In the UK, the Group has a portfolio of thermal power generation assets representing around 2,300 MW (Group share) in installed production capacity.

Worsening forecasts for clean dark spreads and clean spark spreads as well as the initial results of public capacity auctions in the UK have led the Group to record an impairment loss of €181 million on certain thermal power generation assets.

The value-in-use of these assets was calculated on a case-by-case basis using the cash flow forecasts drawn up based on the 2015 budget and 2016-2020 medium-term business plan approved by the Group Management Committee and Board of Directors. Cash flows beyond this period were extrapolated until the end of the operating life of the assets concerned.

The discount rates applied to these forecasts ranged between 7.2% and 8.7%.

Key assumptions used in the impairment test relate to expected trends in electricity demand, prices of electricity and fuel, the carbon floor tax and capacity rates from 2020.

A 50 basis points increase in the discount rate used would lead to an additional impairment loss totaling €3 million against these thermal power generation assets. A 5% decrease in the margin captured by the

thermal power plants would lead to an additional impairment loss totaling €22 million.

8.2.3 Energy – Eastern Europe CGU

The Energy – Eastern Europe CGU comprises gas and electricity production, sale and distribution activities in Poland, Romania, and Hungary. This CGU consists of installed production capacity of nearly 1,900 MW, including around 1,800 MW relating to thermal power generation assets.

In Poland, the long-term outlook for the utilization rate for coal-based power plants were revised downwards due to the forecasts for future production capacity and the Polish power generation mix.

In Hungary, sales and distribution activities were held back by a particularly challenging regulatory environment. Sales activities in this country particularly suffered from rate decreases and sluggish demand.

In view of these factors, the recoverable amount of the Energy – Eastern Europe goodwill CGU decreased to €910 million at December 31, 2014, i.e., below its carrying amount. This led the Group to recognize an impairment loss of €112 million, including €82 million corresponding to the CGU's entire goodwill as well as an impairment loss of €30 million on property, plant and equipment and intangible assets, of which €21 million on a wind farm in Romania.

The value in use of the Energy – Eastern Europe CGU was calculated using the cash flow forecasts drawn up based on the 2015 budget and 2016-2020 medium-term business plan approved by the Group Management Committee and Board of Directors. Cash flows beyond this period were extrapolated until the end of the operating life of the assets concerned.

The discount rates applied to these forecasts range from 8.3% to 12.3%, depending on the risk profile assigned to each type of power generation, sales and distribution asset.

Key assumptions used in the impairment test concern expected trends in the demand for electricity and gas and forecast changes in the price of fuel and electricity beyond the liquidity period.

8.2.4 Impairment losses booked in 2013

Impairment losses recognized against goodwill, (including goodwil on entities accounted for using the equity method) property, plant and equipment and intangible assets at December 31, 2013 amounted to €14,700 million and can be analyzed as follows:

In millions of euros	Impairment losses on goodwill [3]	Impairment losses on property, plant and equipment and other assets	Total impairment losses
Energy – Central Western Europe goodwill CGU	**(3,782)**	**(4,165)**	**(7,947)**
Impairment losses on thermal power plants		(3,711)	
Impairment losses on other property, plant and equipment and intangible assets		(454)	
Storage goodwill CGU	**(1,250)**	**(1,896)**	**(3,146)**
Impairment losses on gas storage facilities in Europe		(1,896)	
Energy – South Europe CGU goodwill	**(252)**	**(1,157)**	**(1,409)**
Impairment losses on thermal power generation assets		(1,013)	
Impairment losses on customer relationships		(144)	
Energy – Eastern Europe goodwill CGU	**(264)**	**(178)**	**(442)**
Impairment losses on other thermal assets		(123)	
Other		(55)	
Energy UK – Europe goodwill CGU		**(459)**	**(459)**
Impairment losses on thermal power plants		(459)	
Other impairment losses	**(141)**	**(1,157)**	**(1,298)**
TOTAL GDF SUEZ GROUP AT DECEMBER 31, 2013[1] [2]	**(5,689)**	**(9,011)**	**(14,700)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and then accounted for using the equity method as from that date (see Note 5.7).
(3) Including goodwil on entities accounted for using the equity method.

Including writedowns of financial assets, total impairment losses (net of reversals) for 2013 amounted to €14,770 million. After taking into account the deferred tax effects and the share of impairment losses attributable to non-controlling interests, the impact of these impairment losses on 2013 net income Group share amounted to €12,713 million.

Impairment losses recognized on the Group's European activities amounted to €13,402 million, of which €5,548 million against goodwill (including €55 million against goodwill on entities accounted for using the equity method).

The 2013 annual impairment tests took full account of the difficult economic conditions and structurally unfavorable changes that are durably affecting the profitability of its European power generation and natural gas storage activities.

As regards electricity production, the market fundamentals of the countries in which the Group operates are characterized by contracting demand, the rise of renewable energies, and overcapacity which – coupled with competition from renewables – has triggered a drop in the running hours of the thermal power plants and electricity prices, which remain at very low levels.

Margins on marketing and sales and the gas midstream activities are affected by competitive pressure related to the increase in the supply of gas and in the demand for solutions indexed to market gas prices.

The sales of underground gas storage capacities have also been affected by the difficult environment and market fundamentals described above, as well as the contraction in demand for gas. This tough economic environment has translated into seasonally low TTF spreads, as well as lower storage capacity reservations.

8.3 Restructuring costs

Restructuring costs totaling €167 million in 2014 include costs incurred to adapt to economic conditions, of which €70 million for GDF SUEZ Energy Services and €58 million for GDF SUEZ Energy Europe.

In 2013, this item amounted to €302 million, and included costs incurred to adapt to economic conditions, of which €171 million for GDF SUEZ Energy Europe and €56 million for GDF SUEZ Energy Services.

8.4 Changes in the scope of consolidation

In 2014, this item amounted to a positive €562 million, and mainly comprised:

- the €359 million revaluation gain relating to the 40% interest previously held by the Group in Gaztransport & Technigaz (GTT) following the acquisition of control over the company further to its initial public offering *(see Note 5.1)*;
- the €174 million revaluation gain relating to the Group's interest in the Walloon distribution network operator following the loss of significant influence, and the recognition of these shares under "Available-for-sale securities" *(see Note 5.3.2)*;
- the €61 million gain on the sale of a 20% interest in NGT BV in the Netherlands.

The other items included in this caption are not material taken individually.

In 2013, this item amounted to a positive €405 million, and mainly comprised the €448 million net revaluation gain on the Group's interest in SUEZ Environnement Company subsequent to the termination of the shareholders' agreement on July 22, 2013 resulting in the loss of control of that entity.

8.5 Other non-recurring items

In 2014, this caption mainly includes the gain on the disposal of the Group's interest in the mixed inter-municipal companies in Flanders, for an amount of €323 million *(see Note 5.3.1)*.

In 2013, this item included the impact of the decrease in the provision for the back-end of the nuclear fuel cycle amounting to €499 million, as well as a €73 million gain on the disposal of Medgaz securities, including €75 million in respect of changes in fair value recognized under "Other comprehensive income" recycled to the income statement.

NOTE 9 Net financial income/(loss)

	Dec. 31, 2014			Dec. 31, 2013[1] [2]		
In millions of euros	Expense	Income	Total	Expense	Income	Total
Cost of net debt	(1,071)	132	(939)	(1,525)	127	(1,398)
Income from debt restructuring transactions and from early unwinding of derivative financial instruments	(460)	239	(221)	(256)	103	(153)
Other financial income and expenses	(932)	215	(716)	(663)	268	(394)
NET FINANCIAL INCOME/LOSS	**(2,462)**	**586**	**(1,876)**	**(2,444)**	**498**	**(1,945)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

9.1 Cost of net debt

The main items of the cost of net debt break down as follows:

			Total	
In millions of euros	Expense	Income	Dec. 31, 2014	Dec. 31, 2013[1] [2]
Interest expense on gross debt and hedges	(1,204)	-	(1,204)	(1,659)
Foreign exchange gains/losses on borrowings and hedges	-	21	21	(21)
Ineffective portion of derivatives qualified as fair value hedges	(21)	-	(21)	2
Gains and losses on cash and cash equivalents and financial assets at fair value through income	-	111	111	125
Capitalized borrowing costs	154	-	154	155
COST OF NET DEBT	**(1,071)**	**132**	**(939)**	**(1,398)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

Besides the impact of the change in consolidation method applied to SUEZ Environnement as of July 2013 (negative impact of €230 million), the decrease in the cost of net debt is mainly due to the decrease in average outstanding gross debt as well as the positive impacts of debt refinancing and restructuring transactions carried out by the Group *(see Note 16.3.2 "Financial instruments-Main events of the period")*.

9.2 Income from debt restructuring transactions and from early unwinding of derivative financial instruments

The main effects of debt restructuring break down as follows:

In millions of euros	Expense	Income	Total Dec. 31, 2014	Dec. 31, 2013(1) (2)
Impact of early unwinding of derivative financial instruments on income statement	**(249)**	**239**	**(11)**	**(107)**
of which cash payments made on the unwinding of swaps	*(249)*	*-*	*(249)*	*(210)*
of which reversal of the negative fair value of these derivatives that were settled early	*-*	*239*	*239*	*103*
Impact of debt restructuring transactions on the income statement	**(211)**	**-**	**(211)**	**(46)**
of which early refinancing transactions expenses	*(211)*	*-*	*(211)*	*(46)*
GAINS AND LOSSES ON DEBT RESTRUCTURING TRANSACTIONS AND ON THE EARLY UNWINDING OF DERIVATIVE FINANCIAL INSTRUMENTS	**(460)**	**239**	**(221)**	**(153)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

In 2014, the Group carried-out a number of early refinancing transactions *(see Note 16.3.2 "Financial instruments - Main events of the period")*, including several buybacks of bonds with an aggregate par value of €1,776 million. The net impact of these buybacks, and unwinding of related hedges, resulted in the recognition of an expense of €215 million in 2014.

9.3 Other financial income and expenses

In millions of euros	Dec. 31, 2014	Dec. 31, 2013(1) (2)
Other financial expenses		
Change in fair value of derivatives not qualified as hedges	(206)	-
Gains and losses on the dequalification and inefficiency of economic hedges on other financial items	(1)	-
Unwinding of discounting adjustments to other long-term provisions	(518)	(421)
Net interest expense on post-employment benefits and other long-term benefits	(153)	(170)
Interest on trade and other payables	(48)	(69)
Other financial expenses	(6)	(3)
TOTAL	**(932)**	**(663)**
Other financial income		
Income from available-for-sale securities	103	129
Change in fair value of derivatives not qualified as hedges	-	31
Gains and losses on the dequalification and inefficiency of economic hedges on other financial items	-	2
Interest income on trade and other receivables	21	35
Interest income on loans and receivables at amortized cost	85	30
Other financial income	6	41
TOTAL	**215**	**268**
OTHER FINANCIAL INCOME AND EXPENSES, NET	**(716)**	**(394)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

NOTE 10 Income tax expense

10.1 Actual income tax expense recognized in the income statement

10.1.1 Breakdown of actual income tax expense recognized in the income statement

The income tax expense recognized in the income statement for 2014 amounts to €1,588 million (€745 million in 2013), breaking down as:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1) (2) (3)]
Current income taxes	(1,918)	(2,245)
Deferred taxes	330	1,500
TOTAL INCOME TAX EXPENSE RECOGNIZED IN INCOME	**(1,588)**	**(745)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).
(3) The tax expense in 2013 included a €1,542 million tax income (mainly €1,490 million deferred tax income) relating to the impairment losses on tangible and intangible assets.

10.1.2 Reconciliation of theoretical income tax expense with actual income tax expense

A reconciliation of theoretical income tax expense with the Group's actual income tax expense is presented below:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1] [2]
Net income/(loss)	**3,110**	**(8,783)**
• Share in net income of entities accounted for using the equity method	441	570
• Income tax expense	(1,588)	(745)
Income/(loss) before income tax expense and share in net income of associates (A)	**4,256**	**(8,608)**
Of which French companies	*180*	*(3,851)*
Of which companies outside France	*4,076*	*(4,757)*
Statutory income tax rate of the parent company (B)	38.0%	38.0%
THEORETICAL INCOME TAX EXPENSE (C) = (A) X (B)	**(1,617)**	**3,271**
Reconciling items between theoretical and actual income tax expense:		
Difference between statutory tax rate applicable to the parent and statutory tax rate in force in jurisdictions in France and abroad	25	(812)
Permanent differences[a]	(93)	(2,037)
Income taxed at a reduced rate or tax-exempt[b]	801	636
Additional tax expense[c]	(571)	(848)
Effect of unrecognized deferred tax assets on tax loss carry-forwards and other tax-deductible temporary differences[d]	(750)	(1,512)
Recognition of utilization of tax income on previously unrecognized tax loss carry-forwards and other tax-deductible temporary differences	191	137
Impact of changes in tax rates	(42)	38
Tax credits and other tax reductions[e]	292	533
Other	176	(152)
ACTUAL INCOME TAX EXPENSE	**(1,588)**	**(745)**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*
(2) *The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).*
(a) *Includes mainly the tax disallowable impairments on goodwill, the non deductible expenses recorded by the project companies in the exploration-production business and the effects relating to the cap on allowable interest on borrowings in France.*
(b) *Reflects notably capital gains on disposals of securities exempt from tax or taxed at a reduced rate in France, Belgium and in other countries, the impact of the specific tax regimes used by some entities in Luxembourg, Belgium, Thailand and in other countries, and the impact of the untaxed income from remeasuring previously-held equity interests in connection with acquisitions and changes in consolidation methods described in Note 8.4 "Changes in scope of consolidation".*
(c) *Includes mainly tax on dividends resulting from the parent company tax regime and the withholding tax on dividends and interest levied in several tax jurisdictions, the 3% tax on the dividends paid in cash by the French companies, the contribution on nuclear activities payable by nuclear-sourced electricity utilities in Belgium (€422 million in 2013 and €407 million in 2014), allocations to provisions for income tax, and regional corporate taxes.*
(d) *Includes the cancellation of the net deferred tax asset position for some tax entities. In 2013, it included notably the impact of the non-recognition of deferred tax assets relating to the impairment losses on property, plant and equipment asset.*
(e) *Includes mainly the impact of deductible notional interest in Belgium, of tax credits in Norway, the United Kingdom, the Netherlands and France and provisions reversals for income tax.*

In 2011, the income tax rate payable by tax entities in France with revenues over €250 million was increased to 36.10% (34.43% in 2010). This tax rate resulted from the introduction of an exceptional 5% contribution payable in respect of 2011 and 2012. The exceptional contribution has been increased to 10.7% for 2013, 2014 and 2015, leading to a 38.00% tax rate for the financial years 2013, 2014 and 2015.

For French companies, the timing differences expected to reverse after 2015 continue to be measured at the rate of 34.43%.

10.1.3 Analysis of the deferred tax income/(expense) recognized in the income statement, by type of temporary difference

	Impact in the income statement	
In millions of euros	**Dec. 31, 2014**	**Dec. 31, 2013(1) (2)**
Deferred tax assets:		
Tax loss carry-forwards and tax credits	439	(43)
Pension obligations	(12)	11
Non-deductible provisions	60	183
Difference between the carrying amount of PP&E and intangible assets and their tax bases	(261)	291
Measurement of financial instruments at fair value (IAS 32/39)	229	(27)
Other	(64)	179
TOTAL	**391**	**593**
Deferred tax liabilities:		
Difference between the carrying amount of PP&E and intangible assets and their tax bases	159	817
Tax driven provisions	19	(10)
Measurement of financial instruments at fair value (IAS 32/39)	(264)	(8)
Other	25	109
TOTAL	**(61)**	**907**
DEFERRED TAX INCOME/(EXPENSE)	**330**	**1,500**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

The deferred tax income change results mainly from the record of some impairment losses on property, plant and equipment in 2013.

10.2 Deferred tax income/(expense) recognized in "Other comprehensive income"

Net deferred tax income/(expense) recognized in "Other comprehensive income" is broken down by component as follows:

In millions of euros	**Dec. 31, 2014**	**Dec. 31, 2013(1) (2)**
Available-for-sale financial assets	(13)	-
Actuarial gains and losses	516	(201)
Net investment hedges	94	(131)
Cash flow hedges on other items	90	(64)
Cash flow hedges on net debt	11	(4)
TOTAL EXCLUDING SHARE OF ENTITIES ACCOUNTED FOR USING EQUITY METHOD	**698**	**(400)**
Share of entities accounted for using the equity method	21	(43)
TOTAL	**719**	**(443)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

10.3 Deferred taxes presented in the statement of financial position

10.3.1 Change in deferred taxes

Changes in deferred taxes recognized in the statement of financial position, after netting deferred tax assets and liabilities by tax entity, break down as follows:

In millions of euros	Assets	Liabilities	Net position
At December 31, 2013(1)	**490**	**(9,466)**	**(8,975)**
Impact on net income of the year	391	(61)	330
Impact on other comprehensive income items	839	(139)	700
Impact of change in scope of consolidation	(14)	(96)	(110)
Impact of translation adjustments	176	(163)	13
Transfers to assets and liabilities classified as held for sale	(2)	-	(2)
Other	164	(178)	(14)
Impact of netting by tax entity	(1,026)	1,026	-
AT DECEMBER 31, 2014	**1,018**	**(9,077)**	**(8,060)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

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

	Statement of financial position at	
In millions of euros	Dec. 31, 2014	Dec. 31, 2013(1)
Deferred tax assets:		
Tax loss carry-forwards and tax credits	2,655	1,867
Pension obligations	1,633	1,186
Non-deductible provisions	512	492
Difference between the carrying amount of PP&E and intangible assets and their tax bases	1,129	1,053
Measurement of financial instruments at fair value (IAS 32/39)	1,416	1,079
Other	669	822
TOTAL	**8,014**	**6,499**
Deferred tax liabilities:		
Difference between the carrying amount of PP&E and intangible assets and their tax bases	(13,889)	(13,342)
Tax driven provisions	(174)	(193)
Measurement of financial instruments at fair value (IAS 32/39)	(1,191)	(1,118)
Other	(820)	(821)
TOTAL	**(16,074)**	**(15,474)**
NET DEFERRED TAX ASSETS/(LIABILITIES)	**(8,060)**	**(8,975)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

A total of €2,655 million in deferred tax assets were recognized in respect of tax losses and tax credits carried forward at December 31, 2014 (€1,867 million at end-2013). Their increase mainly comes from the recognition of all tax loss carry-forwards relating to the GDF SUEZ SA tax consolidation group and to the company GDF SUEZ E&P UK Ltd.

The deferred tax assets recognized in respect of tax loss carry-forwards are justified by the existence of adequate taxable timing differences and/or by expectations that these loss carry-forwards will be used over the period covered by the medium-term plan (2015-2020), as approved by the management, except when the specific context justifies it.

10.4 Unrecognized deferred taxes

At December 31, 2014, the tax effect of tax losses and tax credits eligible for carry-forward but not utilized and not recognized in the statement of financial position amounted to €2,328 million (€1,123 million at December 31, 2013). Most of these unrecognized tax losses relate to companies based in countries which allow losses to be carried forward indefinitely (mainly Belgium, Luxembourg, France, Australia and the United Kingdom) or up to nine years in the Netherlands. These tax loss carry-forwards did not give rise to the recognition of deferred tax due to the absence of sufficient profit forecasts in the medium-term.

The tax effect of other tax-deductible temporary differences not recorded in the statement of financial position was €1,150 million at end-December 2014 versus €1,371 million at end-December 2013.

NOTE 11 Net recurring income Group share

Net recurring income Group share is a financial indicator used by the Group in its financial reporting to present net income Group share adjusted for unusual or non-recurring items.

This financial indicator therefore excludes:

- all items presented between the lines “Current operating income after share in net income of entities accounted for using the equity method” and “Income/(loss) from operating activities”, i.e., “Mark-to-market on commodity contracts other than trading instruments”, “Impairment losses”, “Restructuring costs”, “Changes in scope of consolidation” and “Other non-recurring items”. These items are defined in Note 1.4.17 “Current operating income”;
- the following components of net financial income/(loss): the impact of debt restructuring, compensation payments on the early unwinding of derivative instruments net of the reversal of the fair value of these derivatives that were settled early, changes in the fair value of derivative instruments which do not qualify as hedges under IAS 39 – *Financial Instruments: Recognition and Measurement,* as well as the ineffective portion of derivative instruments that qualify as hedges;
- the tax impact of the items described above, determined using the statutory income tax rate applicable to the relevant tax entity;
- the net expense relating to the nuclear contribution in Belgium, the legality of which is contested by the Group *(see Note 28.1.10)*;
- net non-recurring items included in “Share in net income of entities accounted for using the equity method”. The excluded items correspond to the non-recurring items as defined above.

The reconciliation of net income/(loss) with net recurring income Group share is as follows:

In millions of euros	Notes	Dec. 31, 2014	Dec. 31, 2013[1] [2]
NET INCOME/(LOSS) GROUP SHARE		**2,440**	**(9,198)**
Non-controlling interests		669	414
NET INCOME/(LOSS)		**3,110**	**(8,783)**
Reconciliation items between current operating income after share in net income of entities accounted for using the equity method and income/(loss) from operating activities		**587**	**14,348**
Mark-to-market on commodity contracts other than trading instruments	*8.1*	*298*	*226*
Impairment losses	*8.2*	*1,037*	*14,770*
Restructuring costs	*8.3*	*167*	*302*
Changes in scope of consolidation	*8.4*	*(562)*	*(405)*
Other non-recurring items	*8.5*	*(353)*	*(544)*
Other adjusted items		**187**	**(1,138)**
Ineffective portion of derivatives qualified as fair value hedges	*9.1*	*21*	*(2)*
Gains/(losses) on debt restructuring and early unwinding of derivative financial instruments	*9.2*	*221*	*153*
Change in fair value of derivatives not qualified as hedges	*9.3*	*206*	*(31)*
Taxes on non-recurring items		*(659)*	*(1,593)*
Net expense relating to the nuclear contribution in Belgium		*397*	*271*
Non-recurring income included in share in net income of entities accounted for using the equity method	*4*	*2*	*64*
NET RECURRING INCOME		**3,885**	**4,426**
Non-controlling interests net recurring income		760	977
NET RECURRING INCOME GROUP SHARE		**3,125**	**3,449**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group’s interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

NOTE 12 Earnings per share

	Dec. 31, 2014	Dec. 31, 2013[1]
Numerator *(in millions of euros)*		
Net income/(loss) Group share	**2,440**	**(9,198)**
Interests from deeply-subordinated perpetual notes	(67)	-
Net income/(loss) Group share used to calculate earnings per share	**2,373**	**(9,198)**
Impact of dilutive instruments	-	-
Diluted net income/(loss) Group share	**2,373**	**(9,198)**
Denominator *(in millions of shares)*		
Average number of outstanding shares	**2,367**	**2,359**
Impact of dilutive instruments:		
• Bonus share plans reserved for employees	15	15
Diluted average number of outstanding shares	**2,382**	**2,374**
Earnings per share *(in euros)*		
Basic earnings/(loss) per share	**1.00**	**(3.90)**
Diluted earnings/(loss) per share	**1.00**	**(3.90)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

In compliance with IAS 33 – *Earnings per Share,* earnings per share and diluted earnings per share are based on the net income Group share after deduction of payments to bearers of deeply-subordinated perpetual notes.

The Group's dilutive instruments included in the calculation of diluted earnings per share include the bonus shares and performance shares granted in the form of GDF SUEZ securities, together with the stock option plans where the exercise price is lower than the average annual GDF SUEZ share price (the average annual GDF SUEZ share price amounted to €19.02 in 2014). These plans are described in Note 24.

As far as the 2014 financial year is concerned, all stock option plans were excluded from the diluted earnings per share calculation due to their accretive effect. The same stock option plans were also excluded from the 2013 diluted earnings per share calculation due to their accretive effect.

Instruments that were accretive at December 31, 2014 may become dilutive in subsequent periods due to changes in the average annual share price.

NOTE 13 Goodwill

13.1 Movements in the carrying amount of goodwill

In millions of euros	Gross amount	Impairment	Net amount
At January 1, 2013[1]	**29,987**	**(452)**	**29,535**
Impairment losses	-	(5,634)	(5,634)
Changes in scope of consolidation and Other	(3,400)	230	(3,170)
Translation adjustments	(341)	30	(310)
At December 31, 2013[1]	**26,246**	**(5,826)**	**20,420**
Impairment losses	-	(82)	(82)
Changes in scope of consolidation and Other	500	32	531
Translation adjustments	357	(4)	353
AT DECEMBER 31, 2014	**27,102**	**(5,880)**	**21,222**

(1) Comparative data at January 1, 2013 and December 31, 2013, have been restated due to the application of the consolidation standards (see Note 2).

The impact of changes in the scope of consolidation in the statement of financial position at December 31, 2014 relates primarily to the recognition of €375 million in goodwill arising on the acquisition of a controlling interest in Gaztransport & Technigaz (GTT) following its initial public offering and of €213 million in provisional goodwill arising on the Ecova acquisition, as well as the derecognition of €134 million in goodwill following the change in the consolidation method applied to investments in the Walloon distribution network operator. These transactions and changes in consolidation method are described in Note 5 "Main changes in Group structure".

As a result of the annual impairment tests performed in the second half of 2014 on the goodwill CGUs, the Group recognized impairment losses on goodwill for a total amount of €82 million relating chiefly to the Energy – Eastern Europe CGU (see Note 8.2.3).

The decrease in this caption in 2013 was primarily due to the recognition of impairment losses against goodwill (see Note 8.2.4) totaling €5,634 million (€3,732 million recognized against the Energy – Central Western Europe CGU, €1,250 million against the Storage CGU, €264 million against the Energy – Eastern Europe CGU, €247 million against the Energy – Southern Europe CGU and €60 million against the Energy – Spain CGU), along with changes in the scope of consolidation and other changes for €3,170 million (including €3,162 million relating to the change in the consolidation method applied to SUEZ Environnement).

13.2 Main goodwill CGUs

The breakdown of goodwill by CGU is as follows:

In millions of euros	Operating segment	Dec. 31, 2014	Dec. 31, 2013[1]
MATERIAL CGUs[2]			
Energy - Central Western Europe	Energy Europe	8,181	8,312
Distribution	Infrastructures	4,009	4,009
Global Gas & LNG	Global Gas & LNG	2,207	2,087
Energy - North America	Energy International	1,389	1,231
OTHER SIGNIFICANT CGUs			
Energy Services - International	Energy Services	1,016	625
Energy - United Kingdom - Turkey	Energy International	630	583
Transmission France	Infrastructures	614	614
Storage	Infrastructures	543	543
OTHER CGUs (goodwill individually less than €500 million)		**2,633**	**2,416**
TOTAL		**21,222**	**20,420**

(1) Comparative data at December 31, 2013, have been restated due to the application of the consolidation standards (see Note 2).
(2) Material CGUs correspond to CGUs that represent over 5% of the Group's total goodwill.

13.3 Impairment testing of goodwill CGUs

All goodwill Cash Generating Units (goodwill CGUs) are tested for impairment based on data as of end-June, completed by a review of events arisen in the second half of the year. In most cases, the recoverable value of the goodwill CGUs is determined by reference to a value-in-use that is calculated based on cash flow projections drawn from the 2015 budget and from the medium-term 2016-2020 business plan, as approved by the Group Management Committee and the Board of Directors, and on extrapolated cash flows beyond that time frame.

Cash flow projections are drawn up on the basis of macroeconomic assumptions (inflation, exchange rates and growth rates) and price forecasts resulting from the Group's reference scenario for 2015-2035. The forecasts that feature in the reference scenario were approved by the Group Management Committee in September 2014. The forecasts and projections included in the reference scenario were determined on the basis of the following inputs:

- forward market prices over the liquidity period for fuel (coal, oil and gas), CO_2 and electricity on different markets;
- beyond this period, medium- and long-term energy prices were determined by the Group based on macroeconomic assumptions and fundamental supply and demand equilibrium models, the results of which are regularly compared against forecasts prepared by external energy sector specialists. More specifically, medium- and long-term electricity prices were determined by the Group using electricity demand forecasting models, medium- and long-term forecasts of fuel and CO_2 prices, and expected trends in installed capacity and in the technology mix of the production assets within each power generation system.

The discount rates used correspond to the weighted average cost of capital, which is adjusted in order to reflect the business, market, country and currency risk relating to each goodwill CGU reviewed. The discount rates used are consistent with available external information sources. The post-tax rates used in 2014 to measure the value-in-use of the goodwill CGUs for discounting future cash flows ranged between 4.9% and 15.0%, compared with a range of between 5.2% and 15.1% in 2013. The discount rates used for each of the eight main goodwill CGUs are shown in Notes 13.3.1 "Material CGUs" and 13.3.2 "Other significant CGUs" below.

13.3.1 Material CGUs

This section presents the method for determining value-in-use, the key assumptions underlying the valuation, and the sensitivity analyses for the impairment tests on CGUs where the amount of goodwill represents more than 5% of the Group's total goodwill at December 31, 2014.

Goodwill allocated to the CWE CGU

The Energy-Central Western Europe (CWE) CGU groups together natural gas supply, trading, marketing and sales activities, along with power generation and the sale of energy in France, Belgium, the Netherlands, Luxembourg and Germany. The power stations represent 22,711 MW and include mainly nuclear power plants in Belgium (4,134 MW), drawing rights on nuclear facilities in France (1,209 MW), hydropower plants in France (2,295 MW), and thermal power plants (10,053 MW). The total amount of goodwill allocated to the CWE CGU was €8,181 million. In 2013, a €7,947 million impairment loss was recognized against this goodwill CGU, including €3,782 million recognized against goodwill (including €50 million against goodwill on entities accounted for using the equity method) and €4,165 million against property, plant and equipment and intangible assets *(see Note 8.2.4)*.

The value-in-use of the CWE CGU was calculated using the cash flow forecasts drawn up on the basis of the 2015 budget and the 2016-2020 medium-term business plan approved by the Group Management Committee and Board of Directors. Cash flow forecasts beyond this six-year period were based on the reference scenario adopted by the Group.

Cash flow forecasts relating to the main contributing businesses for the period beyond the medium-term business plan were determined as described below:

Activities	Assumptions applied beyond the term of the business plan
Thermal (gas- and coal-fired power plants) and wind power generation	Cash flow projection over the useful life of generation assets and underlying contracts
Nuclear power generation in Belgium	Cash flow projection over the useful life of Tihange 1 (50 years), and over a technical life of 60 years for the Doel 3, Doel 4, Tihange 2 and Tihange 3 reactors
Drawing rights on Chooz B and Tricastin power plants	Cash flow projection over the remaining term of existing contract plus assumption that drawing rights will be extended for a further ten years
Hydropower generation in France	Cash flow projection over the useful life of concessions plus assumption that concessions will be renewed
Natural gas supply, trading and marketing and France sales activities	Cash flow projection over a time period allowing for the convergence towards expected long-term equilibrium price and margins levels, plus application of a terminal value based on a normative cash flow using a long-term growth rate of 1.9%

The discount rates applied to these cash flow forecasts range from 5.6% to 8.5%, depending on the risk profile of each business activity.

Key assumptions used for impairment tests

Key assumptions used for impairment tests for the Central Western Europe goodwill CGU concern discount rates and expected changes in the regulatory environment, in the demand for electricity and gas, and in the price of fuel, CO_2 and electricity beyond the liquidity period.

The most important assumptions concerning the regulatory environment in Belgium relate to the operating life of existing nuclear reactors and the restart of the Doel 3 and Tihange 2 reactors which have been inoperative since March 2014.

In December 2013, the previous government confirmed the following schedule for the gradual phase-out of nuclear power:

- the closure of the Doel 1 and Doel 2 reactors after an operating life of 40 years, i.e., on February 15, 2015 and December 1, 2015, respectively;
- the operating life of Tihange 1 will be extended by ten years, until October 1, 2025. In return, the Belgian government will receive a fee corresponding to 70% of the excess of the proceeds from electricity sales over the full cost of the reactor plus the remuneration of the investments needed to extend the useful life of this facility. This fee will replace the nuclear contribution applicable to Tihange 1;
- the second-generation reactors Doel 3, Tihange 2, Tihange 3 and Doel 4 reactors will be closed in 2022, 2023 and 2025, respectively, after 40 years of operation.

In order to ensure the security of supply in Belgium, the new government decided in its Council of Ministers held on December 18, 2014 to extend the operating life of the Doel 1 and Doel 2 reactors for a period of ten years. The operating life of these reactors cannot however be extended beyond 2025. To take effect, this extension will require an amendment to the law on the phase-out of nuclear power in Belgium, an agreement from the Belgian Federal Agency for Nuclear Control (FANC), and the signature of an agreement between the Group and the Belgian authorities regarding the economic and financial conditions under which these reactors' operating life will be extended. The discussions between the Group and the Belgian government are currently in progress. The Group will only make the investments necessary to extend the useful life of these two reactors if (i) these extensions are profitable from an economic standpoint and (ii) the economic and legal framework governing nuclear power activities in Belgium has been clarified and stabilized. Since the outcome of the discussions regarding the extension of the operating life of the Doel 1 and Doel 2 reactors is not yet known, value-in-use is based

on the assumption that the two reactors will shut down in 2015 (assumption also applied in 2013).

In view of (i) the extension of the operating life of Tihange 1 and the Belgian government's decision to extend the operating life of Doel 1 and Doel 2, (ii) the importance of nuclear power generation in the Belgian energy mix, and (iii) the lack of a sufficiently detailed and attractive industrial plan enticing energy utilities to invest in replacement thermal capacity, the Group considers – as in 2013 – that nuclear power will still be needed to guarantee the energy equilibrium in Belgium after 2025. The value-in-use was therefore calculated based on an assumption that the operating life of the second-generation reactors would be extended by 20 years. The value-in-use calculated for the reactors whose operating life is extended is based on a principle of profit sharing with the Belgian State.

In first-half 2014, the Group decided to anticipate the planned outages of the Doel 3 and Tihange 2 reactors. The Group took this decision on March 25, 2014 based on the findings of tests carried out on samples of substances in the reactor vessels, in accordance with the action plan agreed with the FANC when the above reactors were restarted in 2013. Among all the realized tests, one of them did not deliver results in line with experts' expectations. Additional tests and analyses were performed in order to verify and explain the first results observed and were disclosed to a panel of international experts appointed by the FANC. These experts made additional requests and recommendations which are currently being addressed by the Group. At the end of these additional tests, a justification file will be submitted to the FANC, which will decide on the restart of both reactors. The Group remains confident that the reactors will restart in 2015 and has included this assumption in its calculation of the value-in-use of the CWE CGU.

In France, the Group includes an assumption that its drawing rights on the Tricastin and Chooz B nuclear plants expiring in 2021 and 2037, respectively, will be extended by ten years. Although no such decision has been taken by the government and the nuclear safety authority, the Group considers that extending the reactors' operating life is the most credible and likely scenario at this point in time.This is also consistent with the expected French energy mix featured in its reference scenario.

The Group also assumed that its hydropower concession agreements would be renewed, particularly the Compagnie Nationale du Rhône concession expiring in 2023.

The normative margin associated with gas midstream activities represents the best estimate of the profitability of these businesses over the medium and long term.

Results of the impairment test

At December 31, 2014, the recoverable amount of the CWE goodwill CGU is higher than its carrying amount.

Goodwill CGU sensitivity analyses

A decrease of €1/MWh in electricity prices for nuclear power and hydropower generation would have a negative 14% impact on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. Conversely, an increase of €1/MWh in electricity prices would have a positive 14% impact on the calculation.

A decrease of 5% in the margin captured by thermal power plants would have a negative 15% impact on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. Conversely, an increase of 5% in the margin captured by thermal power plants would have a positive 15% impact on the calculation.

A decrease of 5% in the margin on gas and electricity sales activities would have a negative 10% impact on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. Conversely, an increase of 5% in the margin on gas and electricity sales activities would have a positive 10% impact on the calculation.

An increase of 50 basis points in the discount rates used would have a negative 66% impact on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. A decrease of 50 basis points in the discount rates used would have a positive 68% impact on the calculation.

Various transformational scenarios were considered concerning nuclear power generation in Belgium:

- the disappearance of the entire nuclear component from the portfolio after 50 years of operation in the case of Tihange 1 and 40 years of operation for the second-generation reactors would have a strongly adverse impact on the results of the test, with the recoverable amount falling significantly below the carrying amount. In this scenario, the impairment risk would represent around €4,400 million;
- the immediate and definitive shutdown of the Doel 3 and Tihange 2 reactors would have a strongly adverse impact on the results of the test, with the recoverable amount falling significantly below the carrying amount. In this scenario, the impairment risk would represent around €2,200 million;
- if the life of the second-generation reactors were to be extended by ten years and the entire nuclear component subsequently disappear, the recoverable amount would fall below the carrying amount and the impairment risk would represent €1,000 million.

In France, if the drawing rights on the Chooz B and Tricastin reactors were not extended for a further ten years, this would have a negative 23% impact on the excess of the goodwill CGU's recoverable amount over its carrying amount, although the recoverable amount would remain above the carrying amount.

For Belgian nuclear facilities and French hydropower plants under concession, the cash flows for the periods covered by the renewal of the hydropower concessions and the 20-year extension of the operating lives of the second-generation reactors are based on a number of assumptions relating to the economic and regulatory conditions for operating these assets (royalty rates, required level of investment, etc.) during this period. A change in one or more of these inputs could lead to a material adjustment in the CGU's recoverable amount.

Goodwill allocated to the Distribution CGU

The total amount of goodwill allocated to the Distribution CGU was €4,009 million at December 31, 2014. The Distribution CGU groups together the Group's regulated natural gas distribution activities in France.

The value-in-use of the Distribution CGU was calculated using cash flow projections drawn up on the basis of the 2015 budget and the medium-term 2016-2020 business plan, as approved by the Group Management Committee. The discount rate applied to these projections was 5.0%. The terminal value calculated at the end of the medium-term business plan corresponds to the expected Regulated Asset Base (RAB) with no premium at the end of 2020. The RAB is the value assigned by the regulator (CRE) to the assets operated by the distributor. It is the sum of the future pre-tax cash flows, discounted at a rate that equals the pre-tax rate of return guaranteed by the regulator.

The cash flow projections are drawn up based on the tariff for public natural gas distribution networks, known as the "ATRD 4 tariff", which entered into effect for a period of four years on July 1, 2012, and on the overall level of investments agreed by the French Energy Regulatory Commission (CRE) as part of its decision on the ATRD 4 tariff.

Given the regulated nature of the businesses grouped within the Distribution CGU, a reasonable change in any of the valuation parameters would not result in the recoverable value falling below the carrying value.

Goodwill allocated to the Global Gas & LNG CGU

The total amount of goodwill allocated to the Global Gas & LNG CGU was €2,207 million at December 31, 2014. The Global Gas & LNG CGU brings together the upstream activities of the natural gas value chain, including:

- exploration and production activities, i.e., the exploration, development and operation of oil and gas fields, the most important of which for the Group are in Germany, the United Kingdom, Norway, the Netherlands, Algeria and Indonesia;
- activities relating to LNG, i.e., the management and sale of a diversified portfolio of long-term supply contracts, interests in liquefaction facilities, operation of an LNG tanker fleet, regasification capacities in LNG terminals and the development and sale of cryogenic membrane confinement systems to transport LNG, carried out by GTT, the Group's subsidiary specialized in marine engineering.

The recoverable amount of the CGU was determined based on (i) the market price for the listed subsidiary GTT, and (ii) the value-in-use for all other activities included in the CGU.

The value-in-use was calculated using the cash flow projections drawn up on the basis of the 2015 budget and of the medium-term 2016-2020 business plan, as approved by the Group Management Committee. A terminal value was calculated by extrapolating the cash flows beyond that period.

For LNG activities outside GTT, the terminal value corresponds to an exit value determined by applying a long-term growth rate of 2.5% to the cash flows of the last year of the medium-term business plan approved by the Group Management Committee. This 2.5% growth rate includes the effect of inflation at 2% and the effect of an expected long-term increase in LNG volumes of 0.5%. The long-term growth assumption is widely corroborated by external studies and by other market players' forecasts. The discount rate applied to these projections was 9.1%.

The value-in-use of the Exploration-Production assets in the development or production phase is determined based on a projection time frame that corresponds to the useful life of the underlying proven and probable reserves.

The main assumptions and key estimates primarily include the discount rates, hydrocarbon price trends, changes in the euro/US dollar exchange rate, estimates of proven and probable reserves, changes in LNG supply and demand, as well as the future market outlook. The values assigned reflect our best estimates for market prices and the expected future trend for these markets. The projections used for oil and natural gas prices beyond the liquidity period are in line with the consensus drawn up on the basis of several external studies. The discount rates applied range between 8.2% and 15%, and differ primarily in accordance with the risk premiums assigned to the countries in which the Group operates.

An increase of 50 basis points in the discount rate used would have a negative 23% impact on the excess of the recoverable amount over the carrying amount of the goodwill CGU. However, the recoverable value would remain above the carrying amount. A reduction of 50 basis points in the discount rate used would have a positive 37% impact on this calculation.

A decrease of 10% in the hydrocarbon prices used in exploration-production activities would have a negative 66% impact on the excess of the recoverable amount over the carrying amount of the goodwill CGU. However, the recoverable amount would remain above the carrying amount. An increase of 10% in the hydrocarbon prices used would have a positive 74% impact on the excess of the recoverable amount over the carrying amount.

A decrease of 50 basis points in the long-term growth rate used to determine the terminal value of LNG activities would have a negative 11% impact on the excess of the recoverable amount over the carrying amount of the goodwill CGU. However, the recoverable amount would remain above the carrying amount. An increase of 50 basis points in the long term growth rate used would have a positive 11% impact on this calculation.

Goodwill allocated to the Energy – North America CGU

The total amount of goodwill allocated to the Energy – North America CGU was €1,389 million at December 31, 2014. The entities included in this CGU produce electricity and market electricity and gas in the United States, Mexico and Canada. They are also involved in LNG imports and regasification, as well as LNG cargo sales.

The value-in-use was calculated using the cash flow projections drawn up on the basis of the 2015 budget and of the medium-term 2016-2020 business plan, as approved by the Group Management Committee.

For electricity production activities, the terminal value was calculated for each asset class by extrapolating the cash flows until the end of the useful life of the related power plants. For the electricity sales business, the terminal value was calculated by extrapolating cash flows beyond the last year of the medium-term business plan using a long-term growth rate of 1%.

Key assumptions include long-term trends in electricity and fuel prices, the future market outlook and the discount rates applied. The inputs used for these assumptions reflect best estimates of market prices. The discount rates used in 2014 range from 5.5% to 8.7%, depending on the business concerned.

An increase of 50 basis points in the discount rate used would have a negative 22% impact on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. A decrease of 50 basis points in the discount rate used would have a positive 26% impact on this calculation.

A decrease of 10% in the long-term equilibrium prices for electricity would have a negative 25% impact on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. An increase of 10% in the long-term equilibrium prices would have a positive 25% impact on this calculation.

13.3.2 Other significant CGUs

The table below sets out the assumptions used to determine the recoverable amount of the other main CGUs.

CGU	Operating segment	Measurement	Discount rate
Energy Services - International	Energy Services	DCF	8.1%
Energy - United Kingdom - Turkey	Energy International	DCF + DDM	7.2% - 12.2%
Transmission France	Infrastructures	DCF	5.3%
Storage	Infrastructures	DCF	5.0% - 7.9%

The “DDM” method refers to the method known as the discounted dividend model (DDM).

13.4 Goodwill segment information

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

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Energy International	3,466	3,091
Energy Europe	8,181	8,395
Global Gas & LNG	2,207	2,087
Infrastructures	5,324	5,324
Energy Services	2,044	1,524
TOTAL	**21,222**	**20,420**

(1) Comparative data at December 31, 2013, have been restated due to the application of the consolidation standards (see Note 2).

NOTE 14 Intangible assets

14.1 Movements in intangible assets

In millions of euros	Intangible rights arising on concession contracts	Capacity entitlements	Other	Total
GROSS AMOUNT				
At January 1, 2013[(1)]	**5,790**	**2,379**	**12,156**	**20,325**
Acquisitions	262	-	537	799
Disposals	(87)	-	(67)	(154)
Translation adjustments	(44)	-	(133)	(177)
Changes in scope of consolidation	(3,309)	-	(3,212)	(6,521)
Other	90	66	(31)	125
At December 31, 2013[(1)]	**2,702**	**2,445**	**9,250**	**14,397**
Acquisitions	225	-	510	735
Disposals	(40)	-	(47)	(87)
Translation adjustments	32	-	209	241
Changes in scope of consolidation	(91)	-	791	700
Other	(2)	48	(191)	(145)
AT DECEMBER 31, 2014	**2,825**	**2,493**	**10,523**	**15,841**
ACCUMULATED AMORTIZATION AND IMPAIRMENT				
At January 1, 2013[(1)]	**(2,004)**	**(856)**	**(4,801)**	**(7,661)**
Amortization	(189)	(92)	(675)	(956)
Impairment	(36)	(638)	(586)	(1,260)
Disposals	84	-	61	144
Translation adjustments	6	-	42	48
Changes in scope of consolidation	1,149	-	1,245	2,395
Other	(73)	-	8	(65)
At December 31, 2013[(1)]	**(1,063)**	**(1,586)**	**(4,705)**	**(7,355)**
Amortization	(97)	(60)	(569)	(726)
Impairment	-	-	(221)	(222)
Disposals	37	-	35	72
Translation adjustments	(8)	-	(76)	(84)
Changes in scope of consolidation	65	-	11	77
Other	4	-	(38)	(35)
AT DECEMBER 31, 2014	**(1,062)**	**(1,646)**	**(5,564)**	**(8,272)**
CARRYING AMOUNT				
At December 31, 2013[(1)]	**1,639**	**858**	**4,545**	**7,042**
AT DECEMBER 31, 2014	**1,763**	**847**	**4,959**	**7,569**

(1) Comparative data at January 1, 2013 and at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Changes in the scope of consolidation in 2014 are mainly due to the acquisition of control over Gaztransport & Technigaz (GTT) following its initial public offering *(see Note 5 "Main changes in Group structure")*.

Translation adjustments on the net value of intangible assets mainly resulted from movements in the US dollar compared to the euro (positive €127 million impact).

14.1.1 Intangible rights arising on concession contracts

This item primarily includes the right to bill users recognized in accordance with the intangible asset model as set out in IFRIC 12.

14.1.2 Capacity entitlements

The Group has acquired capacity entitlements from power stations operated by third parties. These power station capacity rights were acquired in connection with transactions or within the scope of the Group's involvement in financing the construction of certain power stations. In consideration, the Group received the right to purchase a share of the production over the useful life of the underlying

assets. These rights are amortized over the useful life of the underlying assets, not to exceed 40 years. The Group currently holds entitlements in the Chooz B and Tricastin power plants in France and in the virtual power plant (VPP) in Italy.

14.1.3 Other

At end-2014, this caption chiefly relates to licenses and intangible assets acquired as a result of the merger with Gaz de France, essentially comprising the GDF Gaz de France brand, customer relationships, and supply agreements. The exploration and production licenses presented under "Other" in the table above are detailed in Note 21 "Exploration-production activities".

The carrying amount of intangible assets that are not amortized because they have an indefinite useful life was €674 million at December 31, 2014 (€678 million at December 31, 2013). This caption relates mainly to the GDF Gaz de France brand recognized as part of the allocation of the cost of the business combination to the assets and liabilities of Gaz de France.

14.2 Information regarding research and development costs

Research and development activities primarily relate to various studies regarding technological innovation, improvements in plant efficiency, safety, environmental protection, service quality, and the use of energy resources.

Research and development costs, excluding technical assistance costs, totaled €189 million in 2014. Expenses related to in-house projects in the development phase that meet the criteria for recognition as an intangible asset as defined in IAS 38 are not material.

NOTE 15 Property, plant and equipment

15.1 Movements in property, plant and equipment

In millions of euros	Land	Buildings	Plant and equipment	Vehicles	Dismantling costs	Assets in progress	Other	Total
GROSS AMOUNT								
At January 1, 2013[(1)]	**3,183**	**7,263**	**98,218**	**1,892**	**1,950**	**8,901**	**1,365**	**122,771**
Acquisitions	13	34	707	74	567	4,554	58	6,008
Disposals	(53)	(53)	(546)	(87)	1	-	(43)	(782)
Translation adjustments	(105)	(116)	(2,821)	(24)	(58)	(196)	(14)	(3,334)
Changes in scope of consolidation	(1,824)	(3,369)	(8,460)	(1,502)	(549)	(521)	(429)	(16,653)
Transfers to assets classified as held for sale	-	-	(692)	-	(10)	(23)	-	(725)
Other	(12)	230	3,705	20	26	(4,097)	54	(75)
At December 31, 2013[(1)]	**1,202**	**3,988**	**90,110**	**373**	**1,926**	**8,619**	**991**	**107,209**
Acquisitions	13	48	669	38	-	4,214	45	5,028
Disposals	(295)	(33)	(2,983)	(38)	(11)	(13)	(63)	(3,435)
Translation adjustments	22	69	1,800	7	(3)	261	8	2,163
Changes in scope of consolidation	(15)	(15)	(1,510)	3	(13)	(19)	18	(1,552)
Other	18	403	4,745	6	243	(5,436)	55	33
AT DECEMBER 31, 2014	**944**	**4,460**	**92,831**	**390**	**2,141**	**7,626**	**1,053**	**109,446**
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
At January 1, 2013[(1)]	**(1,214)**	**(2,771)**	**(33,544)**	**(1,256)**	**(1,093)**	**(202)**	**(929)**	**(41,009)**
Depreciation	(42)	(276)	(4,036)	(105)	(228)	-	(110)	(4,797)
Impairment	(25)	(80)	(4,808)	-	(18)	(2,404)	(4)	(7,339)
Disposals	10	27	332	74	1	1	39	485
Translation adjustments	37	21	828	14	21	(4)	9	926
Changes in scope of consolidation	843	1,246	3,584	1,016	541	3	273	7,507
Transfers to assets classified as held for sale	-	-	193	-	2	-	-	195
Other	4	2	(77)	11	(12)	10	(4)	(65)
At December 31, 2013[(1)]	**(387)**	**(1,830)**	**(37,527)**	**(246)**	**(786)**	**(2,596)**	**(725)**	**(44,098)**
Depreciation	(8)	(137)	(3,516)	(42)	(219)	-	(83)	(4,004)
Impairment	(11)	(32)	(402)	-	(42)	(213)	(2)	(702)
Disposals	280	(8)	2,810	34	8	32	59	3,214
Translation adjustments	-	(6)	(613)	(3)	2	(26)	(4)	(650)
Changes in scope of consolidation	1	32	769	-	5	(14)	(7)	786
Other	(21)	(170)	(1,147)	(2)	(7)	1,395	(7)	41
AT DECEMBER 31, 2014	**(147)**	**(2,151)**	**(39,627)**	**(258)**	**(1,039)**	**(1,422)**	**(770)**	**(45,414)**
CARRYING AMOUNT								
At December 31, 2013[(1)]	**814**	**2,158**	**52,583**	**127**	**1,140**	**6,022**	**266**	**63,112**
AT DECEMBER 31, 2014	**798**	**2,309**	**53,205**	**132**	**1,102**	**6,204**	**283**	**64,032**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

In 2014, the net increase in "Property, plant and equipment" mainly resulted from:

- exchange rate fluctuations for +€1,513 million, mainly resulting from the US dollar (+€1,261 million), the pound sterling (+€186 million), the Thai baht (+€151 million), the Australian dollar (+€92 million), and the Norwegian crown (-€199 million);
- changes in scope of consolidation for -€766 million, mainly due to the disposal of the portfolio of power generation assets in Panama and Costa Rica, as well as the disposal of 50% of the portfolio of wind farm assets in the United Kingdom *(see Note 5 "Main changes in Group structure")*;
- impairment losses amounting to -€702 million, mainly related to exploration-production assets in the North Sea (-€252 million), as well as thermal power plants in Europe (-€228 million), mainly in the United Kingdom *(see Note 8.2 "Impairment losses")*.

In 2013, the net decrease in "Property, plant and equipment" mainly resulted from:

- changes in scope of consolidation for -€9,146 million, mainly resulting from the loss of control of SUEZ Environnement (-€8,437 million), the disposal of the Astoria Energy, Phase I power plant (-€760 million) and the Red Hills power plant (-€176 million), and the change of consolidation method consecutive to the sale of 50% of the portfolio of power generation assets in Portugal (-€107 million), as well as the acquisition of a controlling interest in Meenakshi Energy in India (+€330 million);
- impairment losses amounting to -€7,339 million, and mainly relating to thermal power generation assets in Europe (-€4,746 million), notably on the Central Western Europe thermal power plant portfolio (-€3,711 million), as well as thermal power plants in the United Kingdom (-€459 million) and in Italy (-€375 million). Impairment losses were also recognized on underground gas storage facilities in Europe (-€1,896 million);
- the classification of Futures Energies Investissements as "Assets held for sale"; the carrying amount of the corresponding property, plant and equipment having been transferred to the "Assets classified as held for sale" position in the statements of financial position.

Assets relating to exploration-production included in the table above are detailed in Note 21 "Exploration-production activities". Fields under development are shown under "Assets in progress", while fields in production are included in "Plant and equipment".

15.2 Pledged and mortgaged assets

Items of property, plant and equipment pledged by the Group to guarantee borrowings and debt amounted to €5,068 million at December 2014 versus €6,378 million a year earlier. This variation results primarily from debt refinancing transactions, as well as changes in scope of consolidation that occurred during 2014.

15.3 Contractual commitments to purchase property, plant and equipment

In the ordinary course of their operations, some Group companies have entered into commitments to purchase, and the related third parties to deliver, property, plant and equipment. These commitments relate mainly to orders for equipment, and material required for the construction of energy production units (power plants and fields under development of the exploration-production activities), and for service agreements.

Investment commitments made by the Group to purchase property, plant and equipment totaled €3,849 million at December 31, 2014 versus €2,790 million at December 31, 2013.

15.4 Other information

Borrowing costs for 2014 included in the cost of property, plant and equipment amounted to €154 million at December 31, 2014 *versus* €155 million at December 31, 2013.

NOTE 16 Financial instruments

16.1 Financial assets

The following table presents the Group's different categories of financial assets, broken down into current and non-current items:

	Dec. 31, 2014			Dec. 31, 2013[(1)]		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Available-for-sale securities	2,893	-	2,893	3,015	-	3,015
Loans and receivables at amortized cost	2,960	22,483	25,443	1,898	22,527	24,425
Loans and receivables at amortized cost (excluding trade and other receivables)	*2,960*	*925*	*3,885*	*1,898*	*1,470*	*3,368*
Trade and other receivables	-	*21,558*	*21,558*	-	*21,057*	*21,057*
Other financial assets at fair value	2,733	9,336	12,069	2,351	4,835	7,186
Derivative instruments	*2,733*	*7,886*	*10,619*	*2,351*	*3,833*	*6,184*
Financial assets at fair value through income	-	*1,450*	*1,450*	-	*1,001*	*1,001*
Cash and cash equivalents	-	8,546	8,546	-	8,706	8,706
TOTAL	**8,585**	**40,366**	**48,951**	**7,264**	**36,068**	**43,332**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

16.1.1 Available-for-sale securities

In millions of euros	
At January 1, 2013[(1)]	**3,341**
Acquisitions	155
Disposals - carrying amount excluding changes in fair value recorded in "Other comprehensive income"	(51)
Disposals - "Other comprehensive income" derecognized	(104)
Other changes in fair value recorded in equity	56
Changes in fair value recorded in income	(81)
Changes in scope of consolidation, foreign currency translation and other changes	(302)
At December 31, 2013[(1)]	**3,015**
Acquisitions	279
Disposals - carrying amount excluding changes in fair value recorded in "Other comprehensive income"	(669)
Disposals - "Other comprehensive income" derecognized	(37)
Other changes in fair value recorded in equity	84
Changes in fair value recorded in income	(43)
Changes in scope of consolidation, foreign currency translation and other changes	265
AT DECEMBER 31, 2014	**2,893**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The Group's available-for-sale securities amounted to €2,893 million at December 31, 2014 breaking down as €1,406 million of listed securities and €1,487 million of unlisted securities (respectively, €1,140 million and €1,875 million at December 31, 2013).

The main changes over the period correspond to the disposal of the Group's interest in the Flemish mixed inter-municipal companies and the accounting for the Group's interest in the Walloon inter-municipal companies as available-for-sale securities *(see Note 5.3)*.

In 2013, changes in the scope of consolidation mainly related to the loss of control of SUEZ Environnement for -€393 million *(see Note 5.7 "Loss of control of SUEZ Environment")*.

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16.1.1.1 Gains and losses on available-for-sale securities recognized in equity or income

The table below shows gains and losses on available-for-sale securities recognized in equity or income:

		Post-acquisition measurement				
In millions of euros	Dividends	Change in fair value	Foreign currency translation	Impairment	Reclassified to income	Net gain (loss) on disposals
Equity[(1)]	-	84	2	-	(37)	-
Income	103	-	-	(43)	37	365
TOTAL AT DECEMBER 31, 2014	**103**	**84**	**2**	**(43)**	**-**	**365**
Equity[(1)]	-	56	14	-	(104)	-
Income	129	-	-	(81)	104	112
TOTAL AT DECEMBER 31, 2013	**129**	**56**	**14**	**(81)**	**-**	**112**

(1) *Excluding tax impact.*

In 2014, net disposal gains/(losses) on available-for-sale securities mainly comprised the disposal gain recorded on the sale of the Group's interest in the Flemish mixed inter-municipal companies *(see Note 5.3)*.

16.1.1.2 Analysis of available-for-sale securities in connection with impairment tests

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

Among factors taken into account, an impairment indicator for listed securities is when the value of any such security falls below 50% of its historical cost or remains below its historical cost for more than 12 months.

The Group recognized impairment losses for an amount of €43 million at December 31, 2014.

Based on its analyses, the Group did not recognize any other impairment losses on available-for-sale securities at December 31, 2014. Moreover, the Group has not identified any evidence of material unrealized capital losses as at December 31, 2014 on other securities.

16.1.2 Loans and receivables at amortized cost

	Dec. 31, 2014			Dec. 31, 2013[(1)]		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Loans and receivables at amortized cost (excluding trade and other receivables)	2,960	925	3,885	1,898	1,470	3,368
Loans granted to affiliated companies	*664*	*573*	*1,237*	*558*	*418*	*976*
Other receivables at amortized cost	*762*	*107*	*869*	*791*	*51*	*842*
Amounts receivable under concession contracts	*620*	*132*	*752*	*20*	*892*	*912*
Amounts receivable under finance leases	*913*	*113*	*1,026*	*529*	*109*	*639*
Trade and other receivables	-	21,558	21,558	-	21,057	21,057
TOTAL	**2,960**	**22,483**	**25,443**	**1,898**	**22,527**	**24,425**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*

The table below shows impairment losses on loans and receivables at amortized cost:

	Dec. 31, 2014			Dec. 31, 2013[(1)]		
In millions of euros	Gross	Allowances and impairment	Net	Gross	Allowances and impairment	Net
Loans and receivables at amortized cost (excluding trade and other receivables)	4,186	(301)	3,885	3,641	(273)	3,368
Trade and other receivables	22,479	(921)	21,558	21,993	(937)	21,057
TOTAL	**26,664**	**(1,222)**	**25,443**	**25,634**	**(1,209)**	**24,425**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*

Information on the age of receivables past due but not impaired and on counterparty risk associated with loans and receivables at amortized cost (including trade and other receivables) are provided in Note 17.2 "Counterparty risk".

Net gains and losses recognized in the consolidated income statement with regard to loans and receivables at amortized cost (including trade and other receivables) break down as follows:

		Post-acquisition measurement	
In millions of euros	**Interest income**	**Foreign currency translation**	**Impairment**
At December 31, 2013[1]	92	(4)	(177)
At December 31, 2014	111	(5)	(63)

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Loans and receivables at amortized cost (excluding trade and other receivables)

At December 31, 2014 and December 31, 2013, no material impairment losses had been recognized against loans and receivables at amortized cost (excluding trade and other receivables).

Trade and other receivables

On initial recognition, trade and other receivables are recorded at fair value, which generally corresponds to their nominal value. Impairment losses are recorded based on the estimated risk of non-recovery. The carrying amount of trade and other receivables in the consolidated statement of financial position represents a reasonable estimate of the fair value.

Impairment losses recognized against trade and other receivables are stable to €921 million at end-2014 (€937 million at end-2013).

16.1.3 Other financial assets at fair value through income

	Dec. 31, 2014			Dec. 31, 2013[1]		
In millions of euros	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Derivative instruments	**2,733**	**7,886**	**10,619**	**2,351**	**3,833**	**6,184**
Derivatives hedging borrowings	*978*	*165*	*1,143*	*637*	*157*	*794*
Derivatives hedging commodities	*716*	*7,653*	*8,369*	*881*	*3,648*	*4,529*
Derivatives hedging other items[2]	*1,038*	*68*	*1,107*	*833*	*28*	*861*
Financial assets at fair value through income (excluding margin calls)	**-**	**808**	**808**	**-**	**732**	**732**
Financial assets qualifying as at fair value through income	*-*	*795*	*795*	*-*	*732*	*732*
Financial assets designated as at fair value through income	*-*	*13*	*13*	*-*	*-*	*-*
Margin calls on derivatives hedging borrowings - assets	**-**	**643**	**643**	**-**	**269**	**269**
TOTAL	**2,733**	**9,336**	**12,069**	**2,351**	**4,835**	**7,186**

(1) Comparative data as of December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Derivatives hedging other items mainly include the interest rate component of interest rate derivatives (not qualifying as hedges or qualifying as cash flow hedges), that are now excluded from net debt, as well as net investment hedge derivatives.

Financial assets qualifying as at fair value through income (excluding margin calls) are mainly money market funds held for trading purposes and held to be sold in the near term. They are included in the calculation of the Group's net debt *(see Note 16.3 "Net debt")*.

Gains on financial assets qualifying as at fair value through income (excluding derivatives) held for trading purposes totaled €10 million in 2014 versus €9 million in 2013

Gains and losses on financial assets designated as at fair value through income in 2014 and 2013 were not material.

16.1.4 Cash and cash equivalents

Cash and cash equivalents totaled €8,546 million at December 31, 2014 (€8,706 million at December 31, 2013).

At end-2014, this amount included fund-raising relating to the green bond issue *(see Chapter 5 of the Registration Document)*.

This amount also included €236 million in cash and cash equivalents subject to restrictions (€209 million at December 31, 2013). Cash and cash equivalents subject to restrictions include notably €87 million of cash equivalents set aside to cover the repayment of borrowings and debt as part of project financing arrangements in certain subsidiaries.

Gains recognized in respect of "Cash and cash equivalents" amounted to €96 million in 2014 compared to €113 million in 2013.

16.1.5 Financial assets set aside to cover the future costs of dismantling nuclear facilities and managing radioactive fissile material

As indicated in Note 19.2 "Nuclear dismantling liabilities", the Belgian law of April 11, 2003, amended by the law of April 25, 2007, granted the Group's wholly-owned subsidiary Synatom responsibility for managing and investing funds received from operators of nuclear power plants in Belgium and designed to cover

the costs of dismantling nuclear power plants and managing radioactive fissile material.

Pursuant to the law, Synatom may lend up to 75% of these funds to operators of nuclear plants provided that they meet certain financial criteria – particularly in terms of credit quality. The funds that cannot be lent to operators are either lent to entities meeting the credit quality criteria set by the law or invested in financial assets such as bonds and money market funds.

Loans to entities outside the Group and other cash investments are shown in the table below:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Loans to third parties	**602**	**688**
Loan to ESO/ELIA	454	454
Loan to Eandis	-	80
Loan to Ores	82	80
Loan to Sibelga	66	74
Other cash investments	**1,086**	**779**
Bond portfolio	145	159
Money market funds	941	620
TOTAL	**1,688**	**1,467**

Loans to entities outside the Group are shown in the statement of financial position as “Loans and receivables at amortized cost”. Bonds and money market funds held by Synatom are shown as “Available-for-sale securities”.

16.1.6 Transfer of financial assets

At December 31, 2014, the outstanding amount of transferred financial assets (as well as the risks to which the Group remains exposed following the transfer of those financial assets) as part of transactions leading to either (i) all or part of those assets being retained in the statement of financial position, or (ii) to their full deconsolidation while retaining a continuing involvement in these financial assets, were not material in terms of the Group’s aggregates.

At December 2014, the Group carried-out disposals without recourse of financial assets as part of transactions leading to full deconsolidation, for an outstanding amount of €766 million.

16.1.7 Financial assets and equity instruments pledged as collateral for borrowings and debt

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)]
Financial assets and equity instruments pledged as collateral	3,647	4,122

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

This item mainly includes the carrying amount of equity instruments pledged as collateral for borrowings and debt.

16.2 Financial liabilities

Financial liabilities are recognized either:

- as “Liabilities at amortized cost” for borrowings and debt, trade and other payables, and other financial liabilities;
- as “Financial liabilities at fair value through income” for derivative instruments or financial liabilities designated as derivatives.

The following table presents the Group’s different financial liabilities at December 31, 2014, broken down into current and non-current items:

	Dec. 31, 2014			Dec. 31, 2013[(1)]		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt	28,024	10,297	38,321	28,576	10,316	38,892
Derivative instruments	3,020	5,895	8,915	2,062	4,043	6,105
Trade and other payables	-	18,799	18,799	-	16,398	16,398
Other financial liabilities	286	-	286	213	-	213
TOTAL	**31,329**	**34,991**	**66,320**	**30,852**	**30,756**	**61,608**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

16.2.1 Borrowings and debt

In millions of euros	Dec. 31, 2014			Dec. 31, 2013[(1)]		
	Non-current	Current	Total	Non-current	Current	Total
Bond issues	21,155	1,705	22,860	21,400	1,775	23,175
Bank borrowings	4,977	1,116	6,093	5,600	937	6,537
Commercial paper	-	5,219	5,219	-	5,621	5,621
Drawdowns on credit facilities	640	48	688	662	31	693
Liabilities under finance leases	423	92	515	395	103	499
Other borrowings	552	458	1,010	507	89	597
TOTAL BORROWINGS	**27,748**	**8,639**	**36,387**	**28,564**	**8,557**	**37,121**
Bank overdrafts and current accounts	-	469	469	-	574	574
OUTSTANDING BORROWINGS AND DEBT	**27,748**	**9,108**	**36,855**	**28,564**	**9,131**	**37,695**
Impact of measurement at amortized cost	(80)	510	430	(96)	572	476
Impact of fair value hedges	356	47	403	108	44	152
Margin calls on derivatives hedging borrowings - liabilities	-	633	633	-	569	569
BORROWINGS AND DEBT	**28,024**	**10,297**	**38,321**	**28,576**	**10,316**	**38,892**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The fair value of gross borrowings and debt amounted to €40,873 million at December 31, 2014, compared with a carrying amount of €38,321 million.

Financial income and expenses relating to borrowings and debt are detailed in Note 9 “Net financial income/(loss)”.

Borrowings and debt are analyzed in Note 16.3 “Net debt”.

16.2.2 Derivative instruments

Derivative instruments recorded in liabilities are evaluated at fair value and broken down as follows:

In millions of euros	Dec. 31, 2014			Dec. 31, 2013[(1)]		
	Non-current	Current	Total	Non-current	Current	Total
Derivatives hedging borrowings	226	175	401	339	162	501
Derivatives hedging commodities	945	5,619	6,564	1,008	3,702	4,710
Derivatives hedging other items[(2)]	1,849	101	1,950	715	178	893
TOTAL	**3,020**	**5,895**	**8,915**	**2,062**	**4,043**	**6,105**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Derivatives hedging other items mainly include the interest rate component of interest rate derivatives (not qualifying as hedges or qualifying as cash flow hedges), that are now excluded from net debt, as well as net investment hedge derivatives.

16.2.3 Trade and other payables

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)]
Trade payables	17,957	15,596
Payable on fixed assets	842	802
TOTAL	**18,799**	**16,398**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The carrying amount of these financial liabilities represents a reasonable estimate of their fair value.

16.2.4 Other financial liabilities

At December 31, 2014, other financial liabilities amounted to €286 million (compared to €213 million at December 31, 2013). It corresponds to debts resulting from:

- purchase obligations (put options on non-controlling interests) granted by the Group notably for 41.01% of the shares of “Compagnie du Vent”, which is fully consolidated. These commitments to purchase equity instruments have been recognized under financial liabilities *(see Note 1.4.11.2 “Financial liabilities”)*;
- uncalled share capital of entities accounted for using the equity method, notably Energia Sustentável do Brasil.

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16.3 Net debt

16.3.1 Net debt by type

In millions of euros	Dec 31, 2014			Dec. 31, 2013[1]		
	Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt outstanding	27,748	9,108	36,855	28,564	9,131	37,695
Impact of measurement at amortized cost	(80)	510	430	(96)	572	476
Impact of fair value hedge[2]	356	47	403	108	44	152
Margin calls on derivatives hedging borrowings - liabilities	-	633	633	-	569	569
BORROWINGS AND DEBT	**28,024**	**10,297**	**38,321**	**28,576**	**10,316**	**38,892**
Derivatives hedging borrowings - carried in liabilities[3]	226	175	401	339	162	501
GROSS DEBT	**28,249**	**10,472**	**38,722**	**28,915**	**10,478**	**39,393**
Assets related to financing	(55)	(16)	(71)	(77)	(14)	(91)
ASSETS RELATED TO FINANCING	**(55)**	**(16)**	**(71)**	**(77)**	**(14)**	**(91)**
Financial assets at fair value through income (excluding margin calls)	-	(808)	(808)	-	(732)	(732)
Margin calls on derivatives hedging borrowings - carried in assets	-	(643)	(643)	-	(269)	(269)
Cash and cash equivalents	-	(8,546)	(8,546)	-	(8,706)	(8,706)
Derivatives hedging borrowings - carried in assets[3]	(978)	(165)	(1,143)	(637)	(157)	(794)
NET CASH	**(978)**	**(10,162)**	**(11,140)**	**(637)**	**(9,865)**	**(10,502)**
NET DEBT	**27,216**	**295**	**27,511**	**28,201**	**599**	**28,800**
Borrowings and debt outstanding	27,748	9,108	36,855	28,564	9,131	37,695
Assets related to financing	(55)	(16)	(71)	(77)	(14)	(91)
Financial assets at fair value through income (excluding margin calls)	-	(808)	(808)	-	(732)	(732)
Cash and cash equivalents	-	(8,546)	(8,546)	-	(8,706)	(8,706)
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, CASH COLLATERAL AND AMORTIZED COST	**27,693**	**(262)**	**27,430**	**28,488**	**(322)**	**28,166**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) This item corresponds to the revaluation of the interest rate component of debt in a qualified fair value hedging relationship.
(3) This item represents the fair value of debt-related derivatives irrespective of whether or not they are qualified as hedges.

16.3.2 Main events of the period

16.3.2.1 Impact of changes in the scope of consolidation and in exchange rates on net debt

In 2014, changes in the scope of consolidation and in exchange rates led to a €2,111 million decrease in net debt, reflecting:

- the disposals carried out *(see Note 5.4 "Disposals carried out during 2014")* which reduced net debt by €3,231 million;
- the full consolidation of Gaztransport & Technigaz (GTT) following its initial public offering which resulted in a €115 million decrease in net debt;
- changes in exchange rates in 2014 which resulted in a €744 million increase in net debt (including €532 million in relation to the US dollar, €127 million in relation to the pound sterling and €89 million in relation to the Thai baht);
- the purchases carried out (in particular Ecova, Ferrari Termoelétrica, Lahmeyer Group and West Coast Energy Ltd) which increased net debt by €472 million.

16.3.2.2 Financing and refinancing transactions

The Group carried out the following transactions in 2014:

Bond issues and redemptions

On May 19, 2014, GDF SUEZ issued a Green Bond for a total amount of €2.5 billion, including:

- a €1,200 million tranche maturing in 2020 with a 1.375% coupon;
- a €1,300 million tranche maturing in 2026 with a 2.375% coupon.

The aim of this bond issue is to help the Group finance its growth in renewable energy projects and energy efficiency projects.

Swaps were set up on some of these borrowings in line with the interest rate management policy defined in Note 17 "Risks arising from financial instruments".

On May 22, 2014, GDF SUEZ SA carried out a second issue of deeply-subordinated perpetual notes, raising a total amount of €1,974 million *(see Note 18.2.1 "Issuance of deeply-subordinated perpetual notes")*. This allowed the Group to buy back bonds on June 6, 2014 with an aggregate nominal amount of €1,140 million, including:

- €45 million in Electrabel bonds maturing in April 2015 with a 4.75% coupon;
- €162 million in GDF SUEZ SA bonds maturing in January 2016 with a 5.625% coupon;
- €349 million in GDF SUEZ SA bonds maturing in October 2017 with a 2.75% coupon;
- €63 million in GDF SUEZ SA bonds maturing in February 2018 with a 5.125% coupon;
- €271 million in GDF SUEZ SA bonds maturing in June 2018 with a 2.25% coupon;
- €78 million in GDF SUEZ SA bonds maturing in January 2019 with a 6.875% coupon;
- €120 million in GDF SUEZ SA bonds maturing in January 2020 with a 3.125% coupon;
- €52 million in Belgelec Finance bonds maturing in June 2015 with a 5.125% coupon.

In addition, on October 24, 2014, E-CL issued USD 350 million worth of bonds maturing in 2025 with a 4.50% coupon.

Following the bond issue, E-CL repaid in advance the loan contracted to finance the CTA plant, as well as the related hedges, which amounted to USD 350 million (i.e., €269 million).

On December 22, 2014, GDF SUEZ SA exercised a call option on the outstanding irredeemable equity securities for a nominal amount of €140 million. The debt was recognized in the balance sheet at the call price (i.e. 130% of the nominal amount).

On November 27, 2014 GDF SUEZ SA, launched an offer to buy back bonds for a nominal amount of €636 million, including:

- €87 million on the €651.3 million bond issue maturing in October 2017 with a 2.75% coupon;
- €238 million on the €1,000 million bond issue maturing in October 2022 with a 3.50% coupon;
- €89 million on the €750 million bond issue maturing in July 2022 with a 2.625% coupon;
- €222 million on the GBP 700 million bond issue maturing in February 2021 with a 6.125% coupon.

Finally, GDF SUEZ redeemed the following amounts on bond issues maturing in 2014:

- €845 million worth of bonds with a coupon of 6.25% which matured on January 24, 2014;
- JPY 18 billion (€131 million) in private placements which matured on February 5, 2014;
- JPY 65 billion (€440 million) worth of bonds with a coupon of 1.17% which matured on December 15, 2014;
- CHF 340 million (€283 million) worth of bonds with a coupon of 3.25% which matured on December 22, 2014.

Other refinancing transactions

On June 12, 2014, the Group secured bank refinancing of AUD 475 million (€320 million) for Hazelwood Power Partnership.

On June 30, 2014, the Group settled GDF SUEZ Cartagena Energia's bank loan of €438 million in advance through internal refinancing, as well as the related swaps.

16.4 Fair value of financial assets by level in the fair value hierarchy

16.4.1 Financial assets

The table below shows the allocation of financial instruments carried in assets to the different levels in the fair value hierarchy:

	Dec. 31, 2014				Dec. 31, 2013[1]			
In millions of euros	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Available-for-sale securities	2,893	1,406	-	1,487	3,015	1,140	-	1,875
Loans and receivables at amortized cost (excluding trade and other receivables) used in designated fair value hedges	780	-	780	-	905	-	905	-
Derivative instruments	10,619	106	10,449	63	6,184	125	5,956	103
Derivatives hedging borrowings	*1,143*	*-*	*1,143*	*-*	*794*	*-*	*794*	*-*
Derivatives hedging commodities - relating to portfolio management activities	*2,728*	*105*	*2,560*	*62*	*2,374*	*121*	*2,159*	*94*
Derivatives hedging commodities - relating to trading activities	*5,641*	*1*	*5,639*	*1*	*2,155*	*4*	*2,141*	*9*
Derivatives hedging other items	*1,107*	*-*	*1,107*	*-*	*861*	*-*	*861*	*-*
Financial assets at fair value through income (excluding margin calls)	808	15	793	-	732	13	719	-
Financial assets qualifying as at fair value through income	*795*	*15*	*780*	*-*	*732*	*13*	*719*	*-*
Financial assets designated as at fair value through income	*13*	*-*	*13*	*-*	*-*	*-*	*-*	*-*
TOTAL	**15,099**	**1,528**	**12,022**	**1,550**	**10,837**	**1,278**	**7,580**	**1,978**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

A definition of these three levels is presented in Note 1.4.11.3 “Derivatives and hedge accounting”.

Available-for-sale securities

Listed securities – measured at their market price at the end of the reporting date – are included in level 1.

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

At December 31, 2014, changes in level 3 available-for-sale securities can be analyzed as follows:

In millions of euros	Available-for-sale securities
At December 31, 2013	**1,875**
Acquisitions	93
Disposals - carrying amount excluding changes in fair value recorded in "Other comprehensive income"	(630)
Disposals - "Other comprehensive income" derecognized	(5)
Other changes in fair value recorded in equity	(69)
Changes in fair value recorded in income	(43)
Changes in scope of consolidation, foreign currency translation and other changes	265
At December 31, 2014	**1,487**
Gains/(losses) recorded in income relating to instruments held at the end of the period	51

A 10% gain or loss in the market price of unlisted shares would generate a gain or loss (before tax) of around €149 million on the Group’s comprehensive income.

Loans and receivables at amortized cost (excluding trade and other receivables)

Loans and receivables at amortized cost (excluding trade and other receivables) in a designated fair value hedging relationship are presented in level 2 in the above table. Only the interest rate component of these items is remeasured, with fair value determined by reference to observable data.

Derivative instruments

Derivative instruments included in level 1 are mainly futures traded on organized markets with clearing houses. They are measured at fair value based on their quoted price.

The measurement at fair value of derivative instruments included in level 3 is based on non-observable inputs and internal assumptions, usually because the maturity of the instruments exceeds the observable period of the underlying forward price, or because certain inputs such as the volatility of the underlying were not observable at the measurement date.

The measurement at fair value of other derivative instruments is based on commonly-used models in the trading environment, and includes directly or indirectly observable inputs. These instruments are included in level 2 of the fair value hierarchy.

Financial assets qualifying or designated as at fair value through income

Financial assets qualifying as at fair value through income for which the Group has regular net asset value data are included in level 1. If net asset values are not available on a regular basis, these instruments are included in level 2.

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

16.4.2 Financial liabilities

The table below shows allocation of financial instruments carried in liabilities to the different levels in the fair value hierarchy:

	Dec. 31, 2014				Dec. 31, 2013[1]			
In millions of euros	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Borrowings used in designated fair value hedges	5,634	-	5,634	-	4,212	-	4,212	-
Borrowings not used in designated fair value hedges	35,240	20,190	15,050	-	36,352	19,181	17,170	-
Derivative instruments	8,915	161	8,723	30	6,105	115	5,887	102
Derivatives hedging borrowings	*401*	-	*401*	-	*501*	-	*501*	-
Derivatives hedging commodities - relating to portfolio management activities	*3,163*	*159*	*2,980*	*24*	*2,808*	*108*	*2,605*	*94*
Derivatives hedging commodities - relating to trading activities	*3,401*	*2*	*3,393*	*6*	*1,902*	*7*	*1,887*	*8*
Derivatives hedging other items	*1,950*	-	*1,950*	-	*893*	-	*893*	-
TOTAL	**49,789**	**20,351**	**29,407**	**30**	**46,668**	**19,297**	**27,269**	**102**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Borrowings used in designated fair value hedges

This caption includes bonds in a designated fair value hedging relationship which are presented in level 2 in the above table. Only the interest rate component of the bonds is remeasured, with fair value determined by reference to observable data.

Borrowings not used in designated fair value hedges

Listed bond issues are included in level 1.

Other borrowings not used in a designated hedging relationship are presented in level 2 in the above table. The fair value of these borrowings is determined on the basis of future discounted cash flows and relies on directly or indirectly observable data.

Derivative instruments

The classification of derivative financial instruments in the fair value hierarchy is detailed in Note 16.4.1 "Financial assets".

16.5 Offsetting of financial derivative instrument assets and liabilities

The net amount of financial derivative instruments after taking into account enforceable master netting arrangements or similar agreements, whether or not they are set off in accordance with paragraph 42 of IAS 32, are presented in the table below:

AT DECEMBER 31, 2014

In millions of euros		Gross amount	Net amount recognized in the statement of financial position[1]	Other offsetting agreements[2]	Total net amount
Assets	Derivatives hedging commodities	8,625	8,369	(6,140)	2,229
	Derivatives hedging borrowings and other items	2,250	2,250	(616)	1,634
Liabilities	Derivatives hedging commodities	(6,820)	(6,564)	6,526	(38)
	Derivatives hedging borrowings and other items	(2,351)	(2,351)	579	(1,772)

(1) *Net amount recognized in the statement of financial position after taking into account offsetting agreements that meet the criteria set out in Section 42 of IAS 32.*
(2) *Other offsetting agreements include collateral and other guarantee instruments, as well as offsetting agreements that do not meet the criteria set out in Section 42 of IAS 32.*

AT DECEMBER 31, 2013[1]

In millions of euros		Gross amount	Net amount recognized in the statement of financial position[2]	Other offsetting agreements[3]	Total net amount
Assets	Derivatives hedging commodities	4,933	4,529	(3,416)	1,113
	Derivatives hedging borrowings and other items	1,656	1,656	(545)	1,111
Liabilities	Derivatives hedging commodities	(5,114)	(4,710)	4,351	(360)
	Derivatives hedging borrowings and other items	(1,395)	(1,395)	265	(1,129)

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*
(2) *Net amount recognized in the statement of financial position after taking into account offsetting agreements that meet the criteria set out in Section 42 of IAS 32.*
(3) *Other offsetting agreements include collateral and other guarantee instruments, as well as offsetting agreements that do not meet the criteria set out in Section 42 of IAS 32.*

NOTE 17 Risks arising from financial instruments

GDF SUEZ mainly uses derivative instruments to manage its exposure to market risks. Financial risk management procedures are set out in section 2 “Risk factors” of the Registration Document.

17.1 Market risks

17.1.1 Commodity risk

Commodity risk arises primarily from the following activities:

- portfolio management; and
- trading.

The Group has identified two types of commodity risks: price risk resulting from fluctuations in market prices, and volume risks inherent to the business.

In the ordinary course of its operations, the Group is exposed to commodity risks on natural gas, electricity, coal, oil and oil products, other fuels, CO_2 and other “green” products. The Group is active on these energy markets either for supply purposes or to optimize and secure its energy production chain and its energy sales. The Group also uses derivatives to offer hedging instruments to its clients and to hedge its own positions.

17.1.1.1 Portfolio management activities

Portfolio management seeks to optimize the market value of assets (power plants, gas and coal supply contracts, energy sales and gas storage and transmission) over various time frames (short-, medium- and long-term). Market value is optimized by:

- guaranteeing supply and ensuring the balance between needs and physical resources;
- managing market risks (price, volume) to unlock optimum value from portfolios within a specific risk framework.

The risk framework aims to safeguard the Group’s financial resources over the budget period and smooth out medium-term earnings (over three or five years, depending on the maturity of each market). It encourages portfolio managers to take out economic hedges on their portfolio.

Sensitivities of the commodity-related financial derivatives portfolio used as part of the portfolio management activities as at December 31, 2014 are detailed in the table below. They are not representative of future changes in consolidated earnings and equity, insofar as they do not include the sensitivities relating to the purchase and sale contracts for the underlying commodities.

SENSITIVITY ANALYSIS[1]

		Dec. 31, 2014		Dec. 31, 2013	
In millions of euros	Changes in price	Pre-tax impact on income	Pre-tax impact on equity	Pre-tax impact on income	Pre-tax impact on equity
Oil-based products	+$US10/bbl	252	10	253	19
Natural gas	+€3/MWh	117	(241)	(5)	(119)
Electricity	+€5/MWh	(114)	(37)	(377)	(61)
Coal	+$US10/ton	115	14	66	39
Greenhouse gas emission rights	+€2/ton	101	2	164	-
EUR/USD	+10%	(244)	(27)	(335)	(40)
EUR/GBP	+10%	28	2	18	(10)
GBP/USD	+10%	2	-	7	-

(1) The sensitivities shown above apply solely to financial commodity derivatives used for hedging purposes as part of the portfolio management activities.

17.1.1.2 Trading activities

The Group’s trading activities are primarily conducted within GDF SUEZ Trading and GDF SUEZ Energy Management Trading. The purpose of these wholly-owned companies is to (i) assist Group entities in optimizing their asset portfolios; (ii) create and implement energy price risk management solutions; and (iii) develop proprietary trading activities.

Since January 1, 2014, due to increasing volumes traded by GDF SUEZ Energy Management Trading (GSEMT), changes brought to the organization and structuring of its activities, and the evolution of its role towards an activity which has become predominantly a trading activity, the Group now presents in revenues the net margin on “sale/purchase” commodity transactions performed by GSEMT’s “Asset Back Trading” (ABT) activities. This change ensures representation of these activities in line with the specificity of trading activities and ABT’s operational management. These principles correspond to those commonly applied to trading companies and are identical to those applied historically by GDF SUEZ Trading.

Revenues from trading activities total €360 million for the year ended December 31, 2014 (€243 million in 2013).

The use of Value at Risk (VaR) to quantify market risk arising from trading activities provides a transversal measure of risk taking all markets and products into account. VaR represents the maximum potential loss on a portfolio of assets over a specified holding period based on a given confidence interval. It is not an indication of expected results but is back-tested on a regular basis.

The Group uses a one-day holding period and a 99% confidence interval to calculate VaR, as well as stress tests, in accordance with banking regulatory requirements.

The VaR shown below corresponds to the aggregated VaR of the Group's trading entities.

VALUE AT RISK

In millions of euros	Dec. 31, 2014	2014 average[1]	2014 maximum[2]	2014 minimum[2]	2013 average[1]
Trading activities	7	5	11	2	3

(1) Average daily VaR.
(2) Maximum and minimum daily VaR observed in 2014.

17.1.2 Hedges of commodity risks

The Group enters into cash flow hedges as defined by IAS 39, using derivative instruments (firm or options contracts) contracted over-the-counter or on organized markets. These instruments may be settled net or involve physical delivery of the underlying.

The fair values of commodity derivatives at December 31, 2014 and December 31, 2013 are indicated in the table below:

	Dec. 31, 2014				Dec. 31, 2013[1]			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Derivative instruments relating to portfolio management activities	716	2,012	(945)	(2,218)	881	1,494	(1,008)	(1,799)
Cash flow hedges	*207*	*422*	*(125)*	*(309)*	*152*	*348*	*(202)*	*(437)*
Other derivative instruments	*509*	*1,590*	*(820)*	*(1,909)*	*728*	*1,146*	*(807)*	*(1,362)*
Derivative instruments relating to trading activities	-	5,641	-	(3,401)	-	2,155	-	(1,902)
TOTAL	**716**	**7,653**	**(945)**	**(5,619)**	**881**	**3,648**	**(1,008)**	**(3,702)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

See also Notes 16.1.3 "Other financial assets at fair value through income" and 16.2.2 "Derivative instruments".

The fair values shown in the table above reflect the amounts for which assets could be exchanged, or liabilities settled, at the end of the reporting period. They are not representative of expected future cash flows insofar as positions (i) are sensitive to changes in prices; (ii) can be modified by subsequent transactions; and (iii) can be offset by future cash flows arising on the underlying transactions.

17.1.2.1 Cash flow hedges

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

	Dec. 31, 2014				Dec. 31, 2013[1]			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Natural gas	108	237	(29)	(100)	23	69	(26)	(100)
Electricity	17	111	(29)	(105)	105	235	(110)	(180)
Coal	-	-	(5)	(70)	-	11	(39)	(89)
Oil	-	2	(31)	(7)	2	30	(3)	(17)
Other[2]	83	72	(31)	(27)	22	3	(24)	(51)
TOTAL	**207**	**422**	**(125)**	**(309)**	**152**	**348**	**(202)**	**(437)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Includes mainly foreign currency hedges on commodities.

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

NOTIONAL AMOUNTS (NET)[1]

	Unit	Total at Dec. 31, 2014	2015	2016	2017	2018	2019	Beyond 5 years
Natural gas	*GWh*	(74,624)	(46,454)	(28,169)	(562)	431	98	32
Electricity	*GWh*	(7,020)	(9,102)	1,116	778	188	-	-
Coal	*Thousands of tons*	1,908	1,788	120	-	-	-	-
Oil-based products	*Thousands of barils*	1,084	42	1,039	4	-	-	-
Greenhouse gas emission rights	*Thousands of tons*	2,512	1,118	766	570	20	20	18

(1) Long/(short) position.

At December 31, 2014, a gain of €231 million was recognized in equity in respect of cash flow hedges, versus a loss of €84 million at end-2013. A loss of €89 million was reclassified from equity to income in 2014, compared to a gain of €162 million reclassified in 2013.

Gains and losses arising from the ineffective portion of hedges are taken to income. A gain of €3 million was recognized in income in 2014, compared to a gain of €2 million in 2013.

17.1.2.2 Other commodity derivatives

Other commodity derivatives include embedded derivatives, commodity purchase and sale contracts which were not entered into within the ordinary course of business at the statement of financial position date, as well as derivative financial instruments not eligible for hedge accounting in accordance with IAS 39.

17.1.3 Currency risk

The Group is exposed to currency risk, defined as the impact on its statement of financial position and income statement of fluctuations in exchange rates affecting its operating and financing activities. Currency risk comprises (i) transaction risk arising in the ordinary course of business; (ii) transaction risk specifically linked to planned investments or mergers and acquisitions; and (iii) translation risk arising on the consolidation in euros of the financial statements of subsidiaries with a functional currency other than the euro. This risk chiefly concerns subsidiaries in Brazil, Thailand, Norway, the United Kingdom, Australia, United States and assets considered to be dollar based.

17.1.3.1 Analysis of financial instruments by currency

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

OUTSTANDING GROSS DEBT

	Dec. 31, 2014		Dec. 31, 2013[1]	
	Before hedging	After hedging	Before hedging	After hedging
EUR	64%	71%	66%	70%
USD	15%	11%	12%	13%
GBP	10%	5%	10%	4%
Other currencies	11%	13%	12%	13%
TOTAL	**100%**	**100%**	**100%**	**100%**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

NET DEBT

	Dec. 31, 2014		Dec. 31, 2013[1]	
	Before hedging	After hedging	Before hedging	After hedging
EUR	60%	69%	62%	67%
USD	18%	13%	14%	15%
GBP	13%	6%	12%	5%
Other currencies	9%	12%	12%	13%
TOTAL	**100%**	**100%**	**100%**	**100%**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

17.1.3.2 Currency risk sensitivity analysis

Sensitivity was analyzed based on the Group's net debt position (including the impact of interest rate and foreign currency derivatives) and financial instruments qualified as net investment hedges at the reporting date.

For currency risk, sensitivity corresponds to a 10% rise or fall in exchange rates of foreign currencies against the euro compared to closing rates.

Impact on income after currency hedges

Changes in exchange rates against the euro only affect income via gains and losses on liabilities denominated in a currency other than the functional currency of companies carrying the liabilities on their statements of financial position, and when the liabilities in question do not qualify as net investment hedges. The impact of a uniform increase (or decrease) of 10% in foreign currencies against the euro would ultimately be a gain (or loss) of €18 million.

Impact on equity

For financial instruments (debt and derivatives) designated as net investment hedges, a depreciation of 10% in foreign currencies against the euro would have a positive impact of €742 million on equity. This impact is countered by the offsetting change in the net investment hedged.

17.1.4 Interest rate risk

The Group seeks to manage its borrowing costs by limiting the impact of interest rate fluctuations on its income statement. It does this by ensuring a balanced interest rate structure in the medium-term (five years). The Group's aim is therefore to use a mix of fixed rates, floating rates and capped floating rates for its net debt. The interest rate mix may shift around this balance in line with market trends.

In order to manage the interest rate structure for its net debt, the Group uses hedging instruments, particularly interest rate swaps and options. At December 31, 2014, the Group had a portfolio of interest rate options (caps) protecting it from a rise in short-term interest rates for the euro.

In 2014, the Group contracted 2016, 2018 and 2019 forward interest rate pre-hedges with 10, 20 and 18 year maturities in order to protect the refinancing interest rate on a portion of its debt.

17.1.4.1 Analysis of financial instruments by type of interest rate

The following tables present a breakdown by type of interest rate of outstanding gross debt and net debt before and after hedging.

OUTSTANDING GROSS DEBT

	Dec. 31, 2014		Dec. 31, 2013[1]	
	Before hedging	After hedging	Before hedging	After hedging
Floating rate	36%	40%	37%	38%
Fixed rate	64%	60%	63%	62%
TOTAL	**100%**	**100%**	**100%**	**100%**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

NET DEBT

	Dec. 31, 2014		Dec. 31, 2013[1]	
	Before hedging	After hedging	Before hedging	After hedging
Floating rate	15%	20%	17%	19%
Fixed rate	85%	80%	83%	81%
TOTAL	**100%**	**100%**	**100%**	**100%**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

17.1.4.2 Interest rate risk sensitivity analysis

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

For interest rate risk, sensitivity corresponds to a 100 basis points rise or fall in the yield curve compared with year-end interest rates.

Impact on income after hedging

A uniform rise of 100 basis points in short-term interest rates (across all currencies) on the nominal amount of floating-rate net debt and the floating-rate leg of derivatives, would increase net interest expense by €47 million. A fall of 100 basis points in short-term interest rates would reduce net interest expense by €47 million.

In the income statement, a uniform rise of 100 basis points in interest rates (across all currencies) on derivative instruments not qualifying for hedge accounting would result in a gain of €111 million attributable to changes in the fair value of derivatives. However, a fall of 100 basis points in interest rates would generate a loss of €104 million. The asymmetrical impacts are attributable to the interest rate options portfolio.

Impact on equity

A uniform rise of 100 basis points in interest rates (across all currencies) would generate a gain of €627 million on equity, attributable to changes in the interest rate impact of the fair value of derivative instruments designated as cash flow and net investment hedges recognized in the statement of financial position. However, a fall of 100 basis points in interest rates would have a negative impact of €721 million.

17.1.4.3 Currency and interest rate hedges

The fair values of derivatives (excluding commodity instruments) at December 31, 2014 and December 31, 2013 are indicated in the table below:

	Dec. 31, 2014				Dec. 31, 2013(1)			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non current	Current	Non current	Current	Non current	Current	Non current	Current
Derivatives hedging borrowings	978	165	(226)	(175)	637	157	(339)	(162)
Fair-value hedges	*465*	*38*	*(51)*	*-*	*251*	*86*	*(192)*	*(38)*
Cash-flow hedges	*286*	*35*	*(20)*	*-*	*121*	*-*	*(97)*	*(1)*
Derivative instruments not qualifying for hedge accounting	*228*	*93*	*(155)*	*(175)*	*265*	*72*	*(51)*	*(124)*
Derivatives hedging other items	1,038	68	(1,849)	(101)	833	28	(715)	(178)
Fair-value hedges	*-*	*30*	*-*	*(30)*	*-*	*12*	*-*	*(12)*
Cash-flow hedges	*11*	*4*	*(938)*	*(35)*	*102*	*2*	*(343)*	*(15)*
Net investment hedges	*28*	*-*	*(88)*	*-*	*118*	*-*	*(17)*	*-*
Derivative instruments not qualifying for hedge accounting	*999*	*35*	*(823)*	*(36)*	*614*	*14*	*(355)*	*(151)*
TOTAL	**2,017**	**233**	**(2,075)**	**(276)**	**1,470**	**185**	**(1,054)**	**(341)**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*

See also Notes 16.1.3 “Other financial assets at fair value through income” and 16.2.2 “Derivative instruments”.

The fair values shown in the table above reflect the amounts for which assets could be exchanged, or liabilities settled, at the end of the reporting period. They are not representative of expected future cash flows insofar as positions (i) are sensitive to changes in prices; (ii) can be modified by subsequent transactions; and (iii) can be offset by future cash flows arising on the underlying transactions.

The table below shows the fair values and notional amounts of financial instruments designated as currency or interest rate hedges:

CURRENCY DERIVATIVES

	Dec. 31, 2014		Dec. 31, 2013(1)	
In millions of euros	Fair value	Nominal amount	Fair value	Nominal amount
Fair-value hedges	20	312	-	-
Cash-flow hedges	(23)	5,678	(204)	3,933
Net investment hedges	(60)	7,210	101	6,269
Derivative instruments not qualifying for hedge accounting	(212)	12,003	88	11,167
TOTAL	**(276)**	**25,202**	**(15)**	**21,369**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*

INTEREST RATE DERIVATIVES

	Dec. 31, 2014		Dec. 31, 2013(1)	
In millions of euros	Fair value	Nominal amount	Fair value	Nominal amount
Fair-value hedges	432	4,088	107	4,940
Cash-flow hedges	(635)	3,578	(27)	6,363
Derivative instruments not qualifying for hedge accounting	378	26,849	195	35,949
TOTAL	**175**	**34,515**	**275**	**47,252**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*

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

The Group qualifies foreign currency derivatives hedging firm foreign currency commitments and interest rate swaps transforming fixed-rate debt into floating-rate debt as fair value hedges.

Cash flow hedges are mainly used to hedge future foreign currency cash flows as well as floating-rate debt.

Net investment hedging instruments are mainly cross currency swaps.

Derivative instruments not qualifying for hedge accounting correspond to instruments that do not meet the definition of hedges from an accounting perspective, even though they are used as economic hedges of borrowings and foreign currency commitments.

Fair value hedges

At December 31, 2014, the net impact of fair value hedges recognized in the income statement is a loss of €16 million.

Cash flow hedges

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

AT DECEMBER 31, 2014

In millions of euros	**Total**	**2015**	**2016**	**2017**	**2018**	**2019**	**Beyond 5 years**
Fair value of derivatives by maturity date	(658)	(10)	(34)	(12)	(18)	(52)	(533)

At December 31, 2014, a loss of €736 million was recognized in equity.

The amount reclassified from equity to income in the period was a gain of €11 million.

The ineffective portion of cash flow hedges recognized in income was a loss of €7 million.

AT DECEMBER 31, 2013(1)

In millions of euros	**Total**	**2014**	**2015**	**2016**	**2017**	**2018**	**Beyond 5 years**
Fair value of derivatives by maturity date	(231)	(21)	(47)	(22)	(53)	15	(103)

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Net investment hedges

The ineffective portion of net investment hedges recognized in income represented a loss of €2 million.

17.2 Counterparty risk

The Group is exposed to counterparty risk from customers, suppliers, partners, intermediaries and banks on its operating and financing activities, when such parties are unable to honor their contractual obligations. Counterparty risk results from a combination of payment risk (failure to pay for services or deliveries carried out), delivery risk (failure to deliver services or products paid for) and the risk of replacing contracts in default (known as mark-to-market exposure – i.e., the cost of replacing the contract in conditions other than those initially agreed).

17.2.1 Operating activities

Counterparty risk arising on operating activities is managed via standard mechanisms such as third-party guarantees, netting agreements and margin calls, using dedicated hedging instruments or special prepayment and debt recovery procedures, particularly for retail customers.

Under the Group's policy, each business line is responsible for managing counterparty risk, although the Group continues to manage the biggest counterparty exposures.

The credit quality of large- and mid-sized counterparties with which the Group has exposures above a certain threshold is measured based on a specific rating process, while a simplified credit scoring process is used for commercial customers with which the Group has fairly low exposures. These processes are based on formally documented, consistent methods across the Group. Consolidated exposures are monitored by counterparty and by segment (credit quality, sector, etc.) using current exposure (payment risk, mark-to-market exposure).

The Group's Energy Market Risk Committee consolidates and monitors the Group's exposure to its main energy counterparties on a quarterly basis and ensures that the exposure limits set for these counterparties are respected.

TRADE AND OTHER RECEIVABLES

Past-due trade and other receivables are analyzed below:

	Past due assets not impaired at the reporting date				Impaired assets	Assets neither impaired nor past due	
In millions of euros	0-6 months	6-12 months	Beyond 1 year	Total	Total	Total	Total
At December 31, 2014	857	241	507	1,605	1,249	19,624	22,478
At December 31, 2013[1]	860	268	265	1,393	1,160	19,441	21,993

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The age of receivables that are past due but not impaired may vary significantly depending on the type of customer with which the Group does business (private corporations, individuals or public authorities). The Group decides whether or not to recognize impairment on a case-by-case basis according to the characteristics of the customer concerned. The Group does not consider that it is exposed to any material concentration of risk in respect of receivables.

Commodity derivatives

In the case of commodity derivatives, counterparty risk arises from positive fair value. Counterparty risk is taken into account when calculating the fair value of these derivative instruments.

	Dec. 31, 2014		Dec. 31, 2013[1]	
In millions of euros	Investment Grade[4]	Total	Investment Grade[4]	Total
Gross exposure[2]	7,514	8,369	4,086	4,529
Net exposure[3]	2,011	2,259	906	1,069
% of credit exposure to "Investment Grade" counterparties	89.0%		84.7%	

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Corresponds to the maximum exposure, i.e. the value of the derivatives shown under balance sheet assets (positive fair value).
(3) After taking into account the liability positions with the same counterparties (negative fair value), collateral, netting agreements and other credit enhancement techniques.
(4) Investment Grade corresponds to transactions with counterparties that are rated at least BBB- by Standard & Poor's, Baa3 by Moody's, or equivalent by Dun & Bradstreet. "Investment Grade" is also determined based on an internal rating tool that is rolled out within the Group, and covers its main counterparties.

17.2.2 Financing activities

For its financing activities, the Group has put in place procedures for managing and monitoring risk based on (i) the accreditation of counterparties according to external credit ratings, objective market data (credit default swaps, market capitalization) and financial structure, and (ii) counterparty risk exposure limits.

To reduce its counterparty risk exposure, the Group drew increasingly on a structured legal framework based on master agreements (including netting clauses) and collateralization contracts (margin calls).

The oversight procedure for managing counterparty risk arising from financing activities is managed by a middle office that operates independently of the Group's Treasury department and reports to the Finance division.

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

LOANS AND RECEIVABLES AT AMORTIZED COST (EXCLUDING TRADE AND OTHER RECEIVABLES)

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

	Past due assets not impaired at the reporting date				Impaired assets	Assets neither impaired nor past due	
In millions of euros	0-6 months	6-12 months	Beyond 1 year	Total	Total	Total	Total
At December 31, 2014	17	9	102	129	360	3,595	4,084
At December 31, 2013[(1)]	28	9	98	136	317	3,121	3,574

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The balance of outstanding loans and receivables carried at amortized cost (excluding trade and other receivables) presented in the above table does not include the impact of impairment losses or changes in fair value and the application of amortized cost, which totaled a negative €199 million, at December 31, 2014 (compared to a negative €206 million, at December 31, 2013). Changes in these items are presented in Note 16.1.2, "Loans and receivables at amortized cost".

17.2.2.2 Counterparty risk arising from investing activities and the use of derivative financial instruments

The Group is exposed to counterparty risk arising from investments of surplus cash and from the use of derivative financial instruments. In the case of financial instruments at fair value through income, counterparty risk arises on instruments with a positive fair value. Counterparty risk is taken into account when calculating the fair value of these derivative instruments.

At December 31, 2014, total outstandings exposed to credit risk amounted to €9,354 million.

	Dec. 31, 2014				Dec. 31, 2013			
In millions of euros	Total	Investment Grade[(2)]	Unrated[(3)]	Non Investment Grade[(3)]	Total	Investment Grade[(2)]	Unrated[(3)]	Non Investment Grade[(3)]
Exposure[(1)]	9,354	96.0%	3.0%	1.0%	9,525	93.0%	6.0%	1.0%

(1) After taking collateralization agreements into account.
(2) Counterparties that are rated at least BBB- by Standard & Poor"s and Baa3 by Moody's.
(3) Most of these two exposures is carried by consolidated companies that include non-controlling interests, or by Group companies that operate in emerging countries, where cash cannot be pooled and is therefore invested locally.

At December 31, 2014, no single counterparty represented more than 23% of cash investments.

17.3 Liquidity risk

In the context of its operating activities, the Group is exposed to a risk of having insufficient liquidity to meet its contractual obligations. As well as the risks inherent in managing working capital, margin calls are required in certain market activities.

The Group has set up a quarterly committee tasked with managing and monitoring liquidity risk throughout the Group, based on maintaining a broad range of investments and sources of financing, preparing forecasts of cash investments and divestments, and performing stress tests on the margin calls put in place when commodity, interest rate and currency derivatives are negotiated.

The Group centralizes virtually all financing needs and cash flow surpluses of the companies it controls, as well as most of their medium- and long-term external financing requirements. Centralization is provided by financing vehicles (long-term and short-term) and by dedicated Group cash pooling vehicles based in France, Belgium and in Luxembourg.

Surpluses held by these structures are managed in accordance with a uniform policy. Unpooled cash surpluses are invested in instruments selected on a case-by-case basis in light of local financial market imperatives and the financial strength of the counterparties concerned.

The onslaught of successive financial crises since 2008 and the ensuing rise in counterparty risk prompted the Group to tighten its investment policy with the aim of keeping an extremely high level of liquidity and protecting invested capital (99% of cash pooled at December 31, 2014 was invested in overnight bank deposits and standard money market funds with daily liquidity). Performance and counterparty risks are monitored on a daily basis for both investment types, allowing the Group to take immediate action where required in response to market developments.

The Group's financing policy is based on:

- centralizing external financing;

- diversifying sources of financing between credit institutions and capital markets;
- achieving a balanced debt repayment profile.

The Group seeks to diversify its sources of financing by carrying out public or private bond issues within the scope of its Euro Medium Term Notes program. It also issues commercial paper in France and in the United States.

At December 31, 2014, bank loans accounted for 23% of gross debt (excluding overdrafts and the impact of derivatives and amortized cost), while the remaining debt was raised on capital markets (including €22,860 million in bonds, or 63% of gross debt).

Outstanding short-term commercial paper issues represented 14% of gross debt, or €5,219 million at December 31, 2014. As commercial paper is relatively inexpensive and highly liquid, it is used by the Group in a cyclical or structural fashion to finance its short-term cash requirements. However, all outstanding commercial paper is backed by confirmed bank lines of credit so that the Group could continue to finance its activities if access to this financing source were to dry up.

Available cash, comprising cash and cash equivalents and financial assets measured at fair value through income (excluding margin calls), totaled €9,354 million at December 31, 2014, of which 76% was invested in the Eurozone.

The Group also has access to confirmed credit lines. These facilities are appropriate for the scale of its operations and for the timing of contractual debt repayments. Confirmed credit facilities had been granted for a total of €13,976 million at December 31, 2014, of which €13,288 million was available. 91% of available credit facilities are centralized. None of these centralized facilities contains a default clause linked to covenants or minimum credit ratings.

At December 31, 2014, all the entities of the Group whose debt is consolidated fulfill the covenants included in their financial disclosures.

17.3.1 Undiscounted contractual payments relating to financial activities

At December 31, 2014, undiscounted contractual payments on net debt (excluding the impact of derivatives, margin calls and amortized cost) break down as follows by maturity:

AT DECEMBER 31, 2014

In millions of euros	**Total**	**2015**	**2016**	**2017**	**2018**	**2019**	**Beyond 5 years**
Bond issues	22,860	1,705	2,361	2,397	1,701	933	13,763
Bank borrowings	6,093	1,116	1,084	998	652	225	2,019
Commercial paper	5,219	5,219	-	-	-	-	-
Drawdowns on credit facilities	688	48	11	11	10	10	598
Liabilities under finance leases	515	92	103	56	47	170	47
Other borrowings	1,010	458	189	206	21	41	94
Bank overdrafts and current accounts	469	469	-	-	-	-	-
OUTSTANDING BORROWINGS AND DEBT	**36,855**	**9,108**	**3,747**	**3,668**	**2,432**	**1,380**	**16,521**
Assets related to financing	(71)	(16)	(2)	-	-	-	(53)
Financial assets at fair value through income (excluding margin calls)	(808)	(808)	-	-	-	-	-
Cash and cash equivalents	(8,546)	(8,546)	-	-	-	-	-
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, MARGIN CALLS AND AMORTIZED COST	**27,430**	**(262)**	**3,745**	**3,668**	**2,432**	**1,380**	**16,468**

AT DECEMBER 31, 2013[1]

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
OUTSTANDING BORROWINGS AND DEBT	**37,695**	**9,131**	**3,043**	**3,199**	**3,924**	**2,825**	**15,574**
Assets related to financing, Financial assets at fair value through income (excluding margin calls) and Cash and cash equivalents	(9,530)	(9,453)	(1)	(2)	(1)	-	(73)
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, MARGIN CALLS AND AMORTIZED COST	**28,166**	**(322)**	**3,043**	**3,197**	**3,923**	**2,825**	**15,500**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

At December 31, 2014, undiscounted contractual interest payments on outstanding borrowings and debt break down as follows by maturity:

AT DECEMBER 31, 2014

In millions of euros	Total	2015	2016	2017	2018	2019	Beyond 5 years
Undiscounted contractual interest flows on outstanding borrowings and debt	11,879	1,163	1,021	938	818	732	7,206

AT DECEMBER 31, 2013[1]

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Undiscounted contractual interest flows on outstanding borrowings and debt	12,886	1,246	1,134	1,040	965	829	7,672

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

At December 31, 2014, undiscounted contractual payments on outstanding derivatives (excluding commodity instruments) recognized in assets and liabilities break down as follows by maturity (net amounts):

AT DECEMBER 31, 2014

In millions of euros	Total	2015	2016	2017	2018	2019	Beyond 5 years
Derivatives (excluding commodity instruments)	(579)	98	(128)	(80)	(19)	(11)	(440)

AT DECEMBER 31, 2013[1]

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Derivatives (excluding commodity instruments)	(838)	(151)	(126)	(92)	(4)	(55)	(411)

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

To better reflect the economic substance of these transactions, the cash flows linked to the derivatives recognized in assets and liabilities shown in the table above relate to net positions.

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

AT DECEMBER 31, 2014

In millions of euros	Total	2015	2016	2017	2018	2019	Beyond 5 years
Confirmed undrawn credit facility programs	13,288	1,049	1,283	1,094	4,572	5,021	269

Of these undrawn programs, an amount of €5,219 million is allocated to covering commercial paper issues.

At December 31, 2014, no single counterparty represented more than 6% of the Group's confirmed undrawn credit lines.

AT DECEMBER 31, 2013[(1)]

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Confirmed undrawn credit facility programs	13,422	2,361	4,893	1,319	131	4,534	185

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

17.3.2 Undiscounted contractual payments relating to operating activities

The table below provides an analysis of undiscounted fair values due and receivable in respect of commodity derivatives recorded in assets and liabilities at the statement of financial position date.

LIQUIDITY RISK

The Group provides an analysis of residual contractual maturities for commodity derivative instruments included in its portfolio management activities. Derivative instruments relating to trading activities are considered to be liquid in less than one year, and are presented under current items in the statement of financial position.

In millions of euros	Total	2015	2016	2017	2018	2019	Beyond 5 years
Derivative instruments carried in liabilities							
relating to portfolio management activities	*(3,159)*	*(2,259)*	*(655)*	*(190)*	*(42)*	*(8)*	*(6)*
relating to trading activities	*(3,401)*	*(3,401)*	-	-	-	-	-
Derivative instruments carried in assets							
relating to portfolio management activities	*2,750*	*2,053*	*586*	*71*	*1*	*21*	*18*
relating to trading activities	*5,641*	*5,641*	-	-	-	-	-
TOTAL AT DECEMBER 31, 2014	**1,832**	**2,035**	**(69)**	**(119)**	**(40)**	**13**	**12**

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Derivative instruments carried in liabilities							
relating to portfolio management activities	*(2,819)*	*(1,792)*	*(730)*	*(220)*	*(23)*	*(10)*	*(45)*
relating to trading activities	*(1,903)*	*(1,903)*	-	-	-	-	-
Derivative instruments carried in assets							
relating to portfolio management activities	*2,391*	*1,489*	*632*	*192*	*31*	*22*	*26*
relating to trading activities	*2,155*	*2,155*	-	-	-	-	-
TOTAL AT DECEMBER 31, 2013[(1)]	**(176)**	**(51)**	**(97)**	**(28)**	**8**	**11**	**(19)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

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

In the ordinary course of their business, some Group operating companies entered into long-term contracts, some of which include "take-or-pay" clauses. These consist of firm commitments to purchase (sell) specified quantities of gas, electricity and steam and related services, in exchange for a firm commitment from the other party to deliver (purchase) said quantities and services. These contracts were documented as falling outside the scope of IAS 39. The table below shows the main future commitments arising from contracts entered into by the Global Gas & LNG, Energy Europe and Energy International business lines (expressed in TWh):

In TWh	Total at Dec. 31, 2014	2015	2016-2019	Beyond 5 years	Total at Dec. 31, 2013(1)
Firm purchases	(7,738)	(915)	(2,839)	(3,984)	(8,484)
Firm sales	1,694	493	586	615	1,602

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

17.3.4 Equity risk

At December 31, 2014, available-for-sale securities held by the Group amounted to €2,893 million *(see Note 16.1.1 "Available-for-sale securities")*.

A fall of 10% in the market price of listed shares would have a negative impact (before tax) of around €141 million on the Group's comprehensive income.

The Group's main unlisted security corresponds to its 9% interest in the Nordstream pipeline, which is measured by reference to the Discounted Dividend Method (DDM).

The Group's portfolio of listed and unlisted securities is managed within the context of a specific investment procedure and its performance is reported on a regular basis to Executive Management.

NOTE 18 Equity

18.1 Share capital

	Number of shares			Value *(in millions of euros)*		
	Total	Treasury stock	Outstanding	Share Capital	Additional paid-in capital	Treasury stock
AT DECEMBER 31, 2012	**2,412,824,089**	**(55,533,833)**	**2,357,290,256**	**2,413**	**32,207**	**(1,206)**
Purchases and disposals of treasury stock		2,990,812	2,990,812			97
AT DECEMBER 31, 2013	**2,412,824,089**	**(52,543,021)**	**2,360,281,068**	**2,413**	**32,207**	**(1,109)**
Capital increase	22,460,922		22,460,922	22	301	
Other movements					(3)	
Purchases and disposals of treasury stock		7,713,224	7,713,224			152
AT DECEMBER 31, 2014	**2,435,285,011**	**(44,829,797)**	**2,390,455,214**	**2,435**	**32,506**	**(957)**

Changes in the number of shares during 2014 reflect:

- employee share issuances as part of the "LINK 2014" worldwide employee share plan. In the end, 22.2 million shares were subscribed and 0.3 million bonus shares were awarded under employee contribution schemes, representing a total of 22.5 million shares, bringing the total value of the December 11, 2014 capital increase to €324 million. This amount is broken down into a share capital increase of €22 million and an increase in additional paid-in capital of €301 million;
- net disposals of shares carried out in connection with the liquidity agreement amounting to 7 million treasury shares;
- and the delivery of treasury stock for 1 million shares as part of stock purchase option or bonus share plans.

Changes in the number of shares during 2013 resulted from:

- net acquisitions carried out in connection with the liquidity agreement amounting to 0.3 million treasury shares;
- and the delivery of treasury stock for 3 million shares as part of stock purchase option or bonus share plans.

18.1.1 Potential share capital and instruments providing a right to subscribe for new GDF SUEZ SA shares

Instruments providing a right to subscribe for new GDF SUEZ SA shares consist solely of stock subscription options awarded by the Group to its employees and corporate officers. Stock subscription option plans in force at December 31, 2014 are described in Note 24.1.1 "Details of stock option plans in force". The maximum number of new shares that could be issued if these options were to be exercised amounts to 10 million at December 31, 2014.

Shares to be allocated under bonus share plans, performance share award plans as well as the stock purchase option plans, described in Note 24 "Share-based payments", will be covered by existing GDF SUEZ SA shares.

18.1.2 Treasury stock

The Group has a stock repurchase program as a result of the authorization granted to the Board of Directors by the Ordinary and Extraordinary Shareholders' Meeting of April 28, 2014. This program provides for the repurchase of up to 10% of the shares comprising the share capital of GDF SUEZ SA at the date of said Shareholders' Meeting. The aggregate amount of acquisitions net of expenses under the program may not exceed the sum of €9.6 billion, and the purchase price must be less than €40 per share excluding acquisition costs.

At December 31, 2014, the Group held 44.8 million treasury shares, allocated in full to cover the Group's share commitments to employees and corporate officers.

The liquidity agreement signed with an investment service provider assigns to the latter the role of operating on the market on a daily basis, to buy or sell GDF SUEZ SA shares, in order to ensure liquidity and an active market for the shares on the Paris and Brussels stock exchanges. The resources allocated to the implementation of this agreement amounted to €150 million.

18.2 Other disclosures concerning additional paid-in capital, consolidated reserves and issuance of deeply-subordinated perpetual notes (Group share)

Total additional paid-in capital, consolidated reserves and issuance of deeply-subordinated perpetual notes (including net income for the financial year), amounted to €48,484 million at December 31, 2014, including €32,506 million of additional paid-in capital.

Consolidated reserves include the cumulated income of the Group, the legal and statutory reserves of the company GDF SUEZ SA and the cumulative actuarial differences net of tax.

Under French law, 5% of the net income of French companies must be allocated to the legal reserve until the latter reaches 10% of share capital. This reserve can only be distributed to shareholders in the event of liquidation. The GDF SUEZ SA legal reserve amounts to €244 million.

The cumulative actuarial differences Group share represent losses of €2,933 million at December 31, 2014 (losses of €1,301 million at December 31, 2013); deferred taxes on these actuarial differences amount to €909 million at December 31, 2014 (€432 million at December 31, 2013).

Proceeds from the issuance of deeply-subordinated perpetual notes, net of coupons paid to their owners, amounts to €3,564 million.

18.2.1 Issuance of deeply-subordinated perpetual notes

On May 22, 2014, GDF SUEZ SA carried out an issue of deeply-subordinated perpetual notes. This transaction, which enables the Group to raise the equivalent of €2 billion, was divided into two tranches, offering an average coupon of 3.4%:

- a €1,000 million tranche with a coupon of 3% callable annually as from June 2019;
- a €1,000 million tranche with a coupon of 3.875% callable annually as from June 2024.

In accordance with the provisions of IAS 32 – *Financial Instruments – Presentation,* and given their characteristics, these instruments were accounted for in equity in the Group's consolidated financial statements for a total amount of €1,974 million.

The coupons ascribed to the owners of these notes, for which €67 million was paid in 2014, are accounted for as a deduction from equity in the Group's consolidated financial statements; the relating tax saving is accounted for in the income statement.

On July 3, 2013, GDF SUEZ SA issued deeply-subordinated perpetual notes. This transaction, which enabled the Group to raise the equivalent of €1.7 billion, was divided into three tranches and offered an average coupon of 4.4%.

18.2.2 Distributable capacity of GDF SUEZ SA

GDF SUEZ SA's distributable capacity totaled €38,690 million at December 31, 2014 (compared with €40,747 million at December 31, 2013), including €32,506 million of additionnal paid-in capital.

18.2.3 Dividend

The table below shows the dividends and interim dividends paid by GDF SUEZ SA in 2013 and 2014.

	Amount distributed *(in millions of euros)*	**Net dividend per share** *(in euros)*
In respect of 2013		
Interim dividend (paid on November 20, 2013)	1,959	0.83
Remaining dividend in respect of 2013 (paid on May 6, 2014)	1,583	0.67
In respect of 2014		
Interim dividend (paid on October 15, 2014)	1,184	0.50

The additional 3% contribution, set up by the 2012 Finance Act, payable in respect of the dividend and interim dividend distributed in May and October 2014, amounts to €86 million (€106 million for the payments carried out in 2013) and is accounted for in the income statement.

The Shareholders' Meeting of April 28, 2014 approved the distribution of a total dividend of €1.50 per share in respect of 2013. As an interim dividend of €0.83 per share was paid on November 20, 2013, for an amount of €1,959 million, GDF SUEZ SA settled in cash the remaining dividend balance of €0.67 per share on May 6, 2014, for an amount of €1,583 million. In addition, the Board of Directors' Meeting of July 30, 2014 approved the payment of an interim dividend of €0.50 per share payable on October 15, 2014 for a total amount of €1,184 million.

Proposed dividend in respect of 2014

Shareholders at the Shareholders' Meeting convened to approve the GDF SUEZ Group financial statements for the year ended December 31, 2014, will be asked to approve a dividend of €1 per share, representing a total payout of €2,379 million based on the number of shares outstanding at December 31, 2014. An interim dividend of €0.50 per share was paid on October 15, 2014, representing a total amount of €1,184 million.

Subject to approval by the Shareholders' Meeting, this dividend, net of the interim dividend paid, will be detached on April 30, 2015 and is not recognized as a liability in the financial statements at December 31, 2014, since the financial statements at the end of 2014 are presented before the appropriation of earnings.

18.3 Total gains and losses recognized in equity (Group share)

All the items shown in the table below correspond to cumulative gains and losses (Group share) at December 31,2014 and December 31, 2013, which are recyclable to income in subsequent periods,

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)]
Available-for-sale financial assets	462	415
Net investment hedges	(197)	245
Cash flow hedges (excl. commodity instruments)	(904)	(203)
Commodity cash flow hedges	195	(40)
Deferred taxes on the above items	163	(47)
Share of entities accounted for using the equity method in recyclable items, net of tax	(347)	(219)
Translation adjustments	193	(1,353)
TOTAL RECYCLABLE ITEMS	**(435)**	**(1,201)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

18.4 Capital management

GDF SUEZ looks to optimize its financial structure at all times by pursuing an optimal balance between its net debt and its EBITDA. The Group's key objective in managing its financial structure is to maximize value for shareholders, reduce the cost of capital, while at the same time ensuring that the Group has the financial flexibility required to continue its expansion. The Group manages its financial structure and makes any necessary adjustments in light of prevailing economic conditions. In this context, it may choose to adjust the amount of dividends paid to shareholders, reimburse a portion of capital, carry out share buybacks *(see Note 18.1.2 "Treasury stock")*, issue new shares, launch share-based payment plans, recalibrate its investment budget, or sell assets in order to scale back its net debt.

The Group's policy is to maintain an "A" rating by the rating agencies. To achieve this, it manages its financial structure in line with the indicators usually monitored by these agencies, namely the Group's operating profile, financial policy and a series of financial ratios. One of the most commonly used ratios is the ratio where the numerator includes operating cash flows less net financial expense and taxes paid, and the denominator includes adjusted net financial debt. Net debt is mainly adjusted for nuclear provisions, provisions for unfunded pension plans and operating lease commitments.

The Group's objectives, policies and processes for managing capital have remained unchanged over the past few years.

GDF SUEZ SA is not obliged to comply with any minimum capital requirements except those provided for by law.

NOTE 19 Provisions

In millions of euros	Dec. 31, 2013[1]	Additions	Reversals (utiliza-tions)	Reversals (surplus provisions)	Changes in scope of conso-lidation	Impact of unwinding discounting adjustments	Translation adjust-ments	Other	Dec. 31, 2014
Post-employment and other long-term benefits	4,390	230	(317)	(5)	51	170	5	1,708	6,233
Back-end of the nuclear fuel cycle	4,239	77	(28)	-	-	203	-	-	4,491
Dismantling of plant and equipment[2]	3,767	1	(31)	(18)	(21)	174	3	38	3,911
Site rehabilitation	1,191	1	(22)	(29)	(9)	27	(16)	202	1,345
Litigation, claims, and tax risks	871	126	(87)	(90)	15	7	44	4	891
Other contingencies	1,640	377	(392)	(40)	11	28	7	37	1,668
TOTAL PROVISIONS	**16,098**	**813**	**(876)**	**(183)**	**47**	**609**	**43**	**1,989**	**18,539**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Of which €3,467 million in provisions for dismantling nuclear facilities at December 31, 2014, versus €3,364 million at December 31, 2013.

The impact of unwinding discounting adjustments in respect of post-employment benefit obligations and other long-term benefits relates to the interest expense on the pension obligations, net of the expected return on plan assets.

The "Other" column mainly comprises actuarial gains and losses arising on post-employment benefit obligations in 2014 which are recorded in "Other comprehensive income".

Additions, reversals and the impact of unwinding discounting adjustments are presented as follows in the consolidated income statement:

In millions of euros	Dec. 31, 2014
Income/(loss) from operating activities	234
Other financial income and expenses	(609)
Income taxes	13
TOTAL	**(362)**

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

19.1 Post-employment benefits and other long-term benefits

See Note 20 "Post-employment benefits and other long-term benefits".

19.2 Nuclear power generation activities

In the context of its nuclear power generation activities, the Group assumes obligations relating to the processing of spent nuclear fuel and the dismantling of nuclear facilities.

19.2.1 Legal framework

The Belgian law of April 11, 2003, amended by the law of April 25, 2007, granted Group subsidiary Synatom responsibility for managing provisions set aside to cover the costs of dismantling nuclear power plants and managing radioactive fissile material from such plants. The tasks of the Commission for Nuclear Provisions set up pursuant to the above-mentioned law is to oversee the process of computing and managing these provisions. The Commission also issues opinions on the maximum percentage of funds that Synatom

can lend to operators of nuclear plants and on the types of assets in which Synatom may invest its outstanding funds.

To enable the Commission for Nuclear Provisions to carry out its work in accordance with the above-mentioned law, Synatom is required to submit a report every three years describing the core inputs used to measure these provisions.

Synatom submitted its triennial report to the Commission for Nuclear Provisions on September 18, 2013. The Commission issued its opinion on November 18, 2013 based on the favorable opinion given by ONDRAF, the Belgian agency for radioactive waste and enriched fissile materials.

For 2014, core inputs for measuring provisions including management scenarios, implementation program and timetable, detailed technical analyses (physical and radiological inventories), estimation methods and timing of expenditures, as well as discount rates, correspond to those which have been approved by the Commission for Nuclear Provisions and the Group has made sure that these assumptions remain reasonable. Changes in provisions in 2014 therefore mainly relate to recurring items linked to the passage of time (the unwinding of discounting adjustments) and provisions for fuel spent during the year.

The provisions set aside take into account all existing or planned environmental regulatory requirements on a European, national and regional level. If additional legislation were to be introduced in the future, the cost estimates used as a basis for the calculations could vary. However, the Group is not aware of additional planned legislation on this matter which could materially impact the value of the provisions.

The estimated provision amounts include margins for contingencies and other risks that may arise in connection with dismantling and fuel management procedures. These margins are estimated by the Group for each cost category. The contingency margins relating to the disposal of waste are determined by ONDRAF and built into its tariffs.

The provisions recognized by the Group at December 31, 2014 were measured taking into account the prevailing contractual and legal framework, which sets the operating life of the Tihange 1 reactor at 50 years and the other reactors at 40 years.

An extension of the operating lives of one or more nuclear reactors would give rise to the postponement of the dismantling schedule. This could result in less efficient coordination of tasks compared to dismantling all the facilities at the same time and the deferral over time of the related expenditure. The changes to these provisions – subject to certain conditions – would be recognized against the assets concerned.

19.2.2 Provisions for nuclear fuel processing and storage

When spent nuclear fuel is removed from a reactor, it remains radioactive and requires processing. Two different procedures for managing radioactive spent fuel exist, being either reprocessing or conditioning without reprocessing. The Belgian government has not yet decided which scenario will be made compulsory in Belgium.

The Commission for Nuclear Provisions has adopted a “mixed” scenario in which around one-quarter of total fuel is reprocessed for use in Belgian power plants, and the rest disposed of directly without reprocessing.

The Group books provisions to cover all of the costs linked to this “mixed” scenario, including on-site storage, transportation, reprocessing by an accredited facility, conditioning, storage and removal.

Provisions for nuclear fuel processing and storage are calculated based on the following principles and parameters:

- storage costs primarily comprise the costs of building and operating storage pools, along with the costs of purchasing containers. These costs are mainly incurred between 2013 and 2028;
- part of the spent fuel is transferred for reprocessing. Reprocessing operations are scheduled to take place between 2016 and 2026. It is assumed that the plutonium resulting from this process will be sold to third parties;
- spent fuel that has not been reprocessed is to be conditioned between 2035 and 2052, which requires conditioning facilities to be built according to ONDRAF’s approved criteria;
- the reprocessing residues and conditioned spent fuel will be transferred to ONDRAF between 2017 and 2053;
- the fuel will be buried in a deep geological repository between 2085 and 2095. The cost of this operation is estimated by ONDRAF. The principal cash outflows will be spread over the period until 2058;
- the long-term obligation is calculated using estimated internal costs and external costs assessed based on offers received from third parties or fee proposals from independent organizations;
- the 4.8% discount rate used (actual rate of 2.8% and an inflation rate of 2.0%) is based on an analysis of average, past and prospective changes in benchmark long-term rates;
- allocations to the provision are computed based on the average unit cost of quantities used up to the end of the operating life of the plant;
- an annual allocation is also recognized with respect to unwinding the discount on the provision.

The costs effectively incurred in the future may differ from the estimates in terms of their nature and timing of payment. The provisions may also be adjusted in line with future changes in the above-mentioned parameters. However, these parameters are based on information and estimates which the Group deems reasonable to date and which have been approved by the Commission for Nuclear Provisions.

Belgium’s current legal framework does not prescribe methods for managing nuclear waste. The reprocessing of spent fuel was suspended following a resolution adopted by the House of Representatives in 1993. The scenario adopted is based on the assumption that the Belgian government will allow Synatom to reprocess uranium and that an agreement will be reached between Belgium and France designating Areva as responsible for these reprocessing operations.

A scenario assuming the direct disposal of waste without reprocessing would lead to a decrease in the provision compared to the provision resulting from the "mixed" scenario approved by the Commission for Nuclear Provisions.

The Belgian government has not yet taken a decision as to whether the waste should be buried in a deep geological repository or stored over the long term. In accordance with the European Directive, the government has to adopt its plan for the management of spent fuel and radioactive waste by 2015. The scenario adopted by the Commission for Nuclear Provisions is based on the assumption that the waste will be buried in a deep geological repository as recommended in ONDRAF's waste management program. To date, there is no accredited site in Belgium. However, ONDRAF considers that by 2020 it will be able to confirm that Boom's clay facility can accept nuclear waste.

19.2.3 Provisions for dismantling nuclear facilities

Nuclear power plants have to be dismantled at the end of their operating life. Provisions are set aside in the Group's accounts to cover all costs relating to (i) the shutdown phase, which involves removing radioactive fuel from the site and (ii) the dismantling phase, which consists of decommissioning and cleaning up the site.

Provisions for dismantling nuclear facilities are calculated based on the following principles and parameters:

- costs payable over the long term are calculated by reference to the estimated costs for each nuclear facility, based on a study conducted by independent experts under the assumption that the facilities will be dismantled progressively;
- an inflation rate of 2.0% is applied until the dismantling obligations expire in order to determine the value of the future obligation;
- a discount rate of 4.8% (including 2.0% inflation) is applied to determine the present value (NPV) of the obligation. This rate is the same as the one used to calculate the provision for processing spent nuclear fuel;
- the operating life is 50 years for Tihange 1 and 40 years for the other facilities;
- it generally takes three to four years to shut down a reactor. The start of the technical shut-down procedures depends on the facility concerned and on the timing of operations for the nuclear reactor as a whole. The shutdown procedures are immediately followed by dismantling operations, which last from 9 to 13 years;
- the present value of the obligation when the facilities are commissioned represents the initial amount of the provision. The matching entry is an asset recognized for the same amount within the corresponding property, plant and equipment category. This asset is depreciated over the remaining operating life as from the commissioning date;
- annual allocation to the provision, reflecting the interest cost on the provision carried in the books at the end of the previous year, is calculated at the discount rate used to estimate the present value of future cash flows.

The costs effectively incurred in the future may differ from the estimates in terms of their nature and timing of payment. The provisions may be adjusted in line with future changes in the above-mentioned parameters. However, these parameters are based on information and estimates which the Group deems reasonable to date and which have been approved by the Commission for Nuclear Provisions.

The scenario adopted is based on a dismantling program and on timetables that have to be approved by nuclear safety authorities.

Provisions are also recognized at the Group's share of the expected dismantling costs for the nuclear facilities in which it has drawing rights.

19.2.4 Sensitivity to discount rates

Based on currently applied parameters for estimating costs and the timing of payments, a change of 10 basis points in the actual discount rate used could lead to an adjustment of around €100 million in dismantling and nuclear fuel processing and storage provisions. A fall in discount rates would lead to an increase in outstanding provisions, while a rise in discount rates would reduce the provision amount.

Changes arising as a result of the review of the dismantling provision would not have an immediate impact on income, since the matching entry under certain conditions would consist of adjusting the corresponding assets accordingly.

Sensitivity to discount rates as presented above in accordance with the applicable standards, is an automatic calculation and should therefore be interpreted with appropriate caution in view of the variety of other inputs – some of which may be interdependent – included in the evaluation. The frequency with which these provisions are reviewed by the Commission for Nuclear Provisions in accordance with applicable regulations ensures that the overall obligation is measured accurately.

19.3 Dismantling obligations arising on other plant and equipment

Certain plant and equipment, including conventional power stations, transmission and distribution pipelines, storage facilities and LNG terminals, have to be dismantled at the end of their operational lives. This obligation is the result of prevailing environmental regulations in the countries concerned, contractual agreements, or an implicit Group commitment.

Based on estimates of proven and probable reserves using current production levels (another 250 years according to the International Energy Agency), dismantling provisions for gas infrastructures in France have a present value near zero.

19.4 Site rehabilitation

19.4.1 Exploration-Production activities

The Group also sets aside a provision for its obligations in terms of rehabilitating exploration and production facilities.

The provision reflects the present value of the estimated rehabilitation costs until the operating activities are completed. This provision is computed based on the Group's internal assumptions regarding estimated rehabilitation costs and the timing of the rehabilitation work. The timing of the rehabilitation work used as the basis for the provision may vary depending on the time when production is considered no longer economically viable. This consideration is itself closely related to fluctuations in future gas and oil prices.

The provision is recognized with a matching entry to property, plant and equipment.

19.5 Contingencies and tax risks

This caption includes essentially provisions for commercial contingencies, and claims and tax disputes.

NOTE 20 Post-employment benefits and other long-term benefits

20.1 Description of the main pension plans

The Group's main pension plans are described below.

20.1.1 Companies belonging to the Electricity and Gas Industries sector in France

Since January 1, 2005, the CNIEG (*Caisse Nationale des Industries Électriques et Gazières*) has operated the pension, disability, death, occupational accident and occupational illness benefit plans for electricity and gas industry (hereinafter "EGI") companies in France. The CNIEG is a social security legal entity under private law placed under the joint responsibility of the ministries in charge of social security and budget.

Employees and retirees of EGI sector companies have been fully affiliated to the CNIEG since January 1, 2005. The main affiliated Group entities are GDF SUEZ SA, GrDF, GRTgaz, ELENGY, STORENGY, GDF SUEZ Thermique France, CPCU, CNR and SHEM.

Following the funding reform of the special EGI pension scheme introduced by Act no. 2004-803 of August 9, 2004 and its implementing decrees, specific benefits (pension benefits on top of the standard benefits payable under ordinary law) already vested at December 31, 2004 ("past specific benefits") were allocated between the various EGI entities. Past specific benefits (benefits vested at December 31, 2004) relating to regulated transmission and distribution businesses ("regulated past specific benefits") are funded by the levy on gas and electricity transmission and distribution services (*Contribution Tarifaire d'Acheminement*) and therefore no longer represent an obligation for the GDF SUEZ Group. Unregulated past specific benefits (benefits vested at December 31, 2004) are funded by EGI sector entities to the extent defined by decree no. 2005-322 of April 5, 2005.

The special EGI pension scheme is a legal pension scheme available to new entrants.

The specific benefits vested under the scheme since January 1, 2005 are wholly financed by EGI sector companies in proportion to their respective share of the electricity and gas market as measured by total payroll costs.

As this plan represents a defined benefit scheme, the Group has set aside a pension provision in respect of specific benefits payable to employees of unregulated activities and specific benefits vested by employees of regulated activities since January 1, 2005. This provision also covers the Group's early retirement obligations. The provision amount may be subject to fluctuations based on the weight of the Group's companies within the EGI sector.

Pension benefit obligations and other "mutualized" obligations are assessed by the CNIEG.

At December 31, 2014, the projected benefit obligation in respect of the special pension scheme for EGI sector companies amounted to €3.3 billion (€2.5 billion at December 31, 2013). This increase is mainly due to the decrease in discount rates.

The duration of the pension benefit obligation is 18 years.

20.1.2 Companies belonging to the electricity and gas sector in Belgium

In Belgium, the rights of employees in electricity and gas sector companies, principally Electrabel, Electrabel Customer Solutions (ECS), Laborelec, GDF SUEZ CC and some GDF SUEZ Energy Management Trading employee categories, are governed by collective bargaining agreements.

These agreements, applicable to "wage-rated" employees recruited prior to June 1, 2002 and managerial staff recruited prior to May 1, 1999, specify the benefits entitling employees to a supplementary pension equivalent to 75% of their most recent annual income, for a full career and in addition to the statutory pension. These top-up pension payments provided under defined benefit plans are partly reversionary. In practice, the benefits are paid in the form of a lump sum for the majority of plan participants. Most of the obligations resulting from these pension plans are financed through pension funds set up for the electricity and gas sector and by certain insurance companies. Pre-funded pension plans are financed by employer and employee contributions. Employer contributions are calculated annually based on actuarial assessments.

The projected benefit obligation relating to these plans represented around 15% of total pension obligations and related liabilities at December 31, 2014. The average duration is 11 years.

"Wage-rated" employees recruited after June 1, 2002 and managerial staff recruited after May 1, 1999 are covered under defined contribution plans. However, for contributions paid since January 1, 2004, the law specifies a minimum average annual return of 3.25% over the beneficiary's service life. Any deficit has to be borne by the employer. Therefore, for the portion of pension obligations corresponding to contributions paid since January 1, 2004, these plans should be considered as defined benefit plans. However, the plans continue to be recognized by the Group as defined contribution schemes, mainly because no material net liability has been identified. The actual rate of return was compared with the guaranteed minimum rate of return; the unfunded portion was not material at December 31, 2014.

An expense of €21 million was recognized in 2014 in respect of these defined contribution plans (€20 million at December 31, 2013).

20.1.3 Multi-employer plans

Employees of some Group companies are affiliated to multi-employer pension plans.

Under multi-employer plans, risks are pooled to the extent that the plan is funded by a single contribution rate determined for all affiliate companies and applicable to all employees.

Multi-employer plans are particularly common in the Netherlands, where employees are normally required to participate in a compulsory industry-wide scheme. These plans cover a significant number of employees, thereby limiting the impact of potential default by an affiliated company. In the event of default, the vested rights are maintained in a special compartment and are not transferred to the other members. Refinancing plans may be set up to ensure the funds are balanced.

The GDF SUEZ Group accounts for multi-employer plans as defined contribution plans.

An expense of €73 million was recognized in 2014 in respect of multi-employer pension plans (€94 million at December 31, 2013).

20.1.4 Other pension schemes

Most other Group companies grant their employees retirement benefits. In terms of financing, pension plans within the Group are almost equally split between defined benefit and defined contribution plans.

The Group's main pension plans outside France, Belgium and the Netherlands concern:

- United Kingdom: the large majority of defined benefit pension plans are now closed to new entrants and benefits no longer vest under these plans. All entities run a defined contribution scheme. The pension obligations of International Power's subsidiaries in the United Kingdom are covered by the special Electricity Supply Pension Scheme (ESPS). The assets of this defined benefit scheme are invested in separate funds. Since June 1, 2008, the scheme has been closed and a defined contribution plan was set up for new entrants;
- Germany: the Group's German subsidiaries have closed their defined benefit plans to new entrants and now offer defined contribution plans;
- Brazil: Tractebel Energia operates its own pension scheme. This scheme has been split into two parts, one for the (closed) defined benefit plan, and the other for the defined contribution plan that has been available to new entrants since the beginning of 2005.

20.2 Description of other post-employment benefit obligations and long-term benefits

20.2.1 Other benefits granted to current and former EGI sector employees

Other benefits granted to EGI sector employees are:

Post-employment benefits:

- reduced energy prices;
- end-of-career indemnities;
- bonus leave;
- immediate bereavement benefits.

Long-term benefits:

- allowances for occupational accidents and illnesses;
- temporary and permanent disability allowances;
- long-service awards.

The Group's main obligations are described below.

20.2.1.1 Reduced energy prices

Under Article 28 of the national statute for electricity and gas industry personnel, all employees (current and former employees, provided they meet certain length-of-service conditions) are entitled to benefits in kind which take the form of reduced energy prices known as "employee rates".

This benefit entitles employees to electricity and gas supplies at a reduced price. For retired employees, this provision represents a post-employment defined benefit. Retired employees are only entitled to the reduced rate if they have completed at least 15 years' service within EGI sector companies.

In accordance with the agreements signed with EDF in 1951, GDF SUEZ provides gas to all current and former employees of GDF SUEZ and EDF, while EDF supplies electricity to these same beneficiaries. GDF SUEZ pays (or benefits from) the balancing contribution payable in respect of its employees as a result of energy exchanges between the two utilities.

The obligation to provide energy at a reduced price to current and former employees is measured as the difference between the energy sale price and the preferential rates granted.

The provision set aside in respect of reduced energy prices amounts to €2.8 billion at December 31, 2014. The duration of the obligation is 23 years.

20.2.1.2 End-of-career indemnities

Retiring employees (or their dependents in the event of death during active service) are entitled to end-of-career indemnities which increase in line with the length of service within the EGI sector.

20.2.1.3 Compensation for occupational accidents and illnesses

EGI sector employees are entitled to compensation for accidents at work and occupational illnesses. These benefits cover all employees or the dependents of employees who die as a result of occupational accidents or illnesses, or injuries suffered on the way to work.

The amount of the obligation corresponds to the likely present value of the benefits to be paid to current beneficiaries, taking into account any reversionary annuities.

20.2.2 Other benefits granted to employees of the gas and electricity sector in Belgium

Electricity and gas sector companies also grant other employee benefits such as the reimbursement of medical expenses, electricity and gas price reductions, as well as length-of-service awards and early retirement schemes. These benefits are not prefunded, with the exception of the special "*allocation transitoire*" termination indemnity, considered as an end-of-career indemnity.

20.2.3 Other collective agreements

Most other Group companies also grant their staff post-employment benefits (early retirement plans, medical coverage, benefits in kind, etc.) and other long-term benefits such as jubilee and length-of-service awards.

20.3 Defined benefit plans

20.3.1 Amounts presented in the statement of financial position and statement of comprehensive income

In accordance with IAS 19, the information presented in the statement of financial position relating to post-employment benefit obligations and other long-term benefits results from the difference between the gross projected benefit obligation and the fair value of plan assets. A provision is recognized if this difference is positive (net obligation), while a prepaid benefit cost is recorded in the statement of financial position when the difference is negative, provided that the conditions for recognizing the prepaid benefit cost are met.

Changes in provisions for post-employment benefits and other long-term benefits, plan assets and reimbursement rights recognized in the statement of financial position are as follows:

In millions of euros	Provisions	Plan assets	Reimbursement rights
AT JANUARY 1, 2013(1)	**(5,564)**	**19**	**159**
Exchange rate differences	38	-	-
Changes in scope of consolidation and other	639	(5)	-
Actuarial gains and losses	623	9	3
Periodic pension cost	(548)	(5)	4
Asset ceiling	(1)	-	-
Contributions/benefits paid	423	54	1
AT DECEMBER 31, 2013(1)	**(4,390)**	**72**	**167**
Exchange rate differences	(12)	-	-
Changes in scope of consolidation and other	34	(85)	-
Actuarial gains and losses	(1,784)	22	6
Periodic pension cost	(497)	28	6
Asset ceiling	(4)	-	-
Contributions/benefits paid	420	5	(3)
AT DECEMBER 31, 2014	**(6,233)**	**41**	**176**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Plan assets and reimbursement rights are presented in the statement of financial position under “Other non-current assets” or “Other current assets”.

In 2013, “Changes in scope of consolidation and other” mainly corresponds to the loss of control of SUEZ Environnement for an amount of €641 million.

The cost recognized for the period in the income statement amounts to €469 million in 2014 (€553 million in 2013). The components of this defined benefit cost in the period are set out in Note 20.3.4 "Components of the net periodic pension cost".

The eurozone represents 94% of the Group’s net obligation at December 31, 2014 (compared to 93% at December 31, 2013).

Cumulative actuarial gains and losses recognized in equity amounted to €3,138 million at December 31, 2014, compared to €1,415 million at December 31, 2013.

Net actuarial differences arising in the period and presented on a separate line in the statement of comprehensive income represented a net actuarial loss totaling €1,762 million in 2014 and a net actuarial gain of €624 million in 2013. The 2014 net actuarial loss is mainly due to the decrease in discount rates *(see Note 20.3.6)*.

20.3.2 Change in benefit obligations and plan assets

The table below shows the amount of the Group's projected benefit obligations and plan assets, changes in these items during the periods presented, and their reconciliation with the amounts reported in the statement of financial position:

		Dec. 31, 2014				Dec. 31, 2013[1]			
In millions of euros		Pension benefit obligations[2]	Other post-employment benefit obligations[3]	Long-term benefit obligations[4]	Total	Pension benefit obligations[2]	Other post-employment benefit obligations[3]	Long-term benefit obligations[4]	Total
A - CHANGE IN PROJECTED BENEFIT OBLIGATION									
Projected benefit obligation at January 1		**(6,363)**	**(2,383)**	**(531)**	**(9,276)**	**(7,700)**	**(2,679)**	**(537)**	**(10,916)**
Service cost		(229)	(32)	(40)	(301)	(278)	(45)	(42)	(365)
Interest expense		(251)	(88)	(16)	(355)	(252)	(90)	(16)	(357)
Contributions paid		(13)	-	-	(13)	(15)	-	-	(15)
Amendments		10	1	3	14	(2)	-	-	(2)
Changes in scope of consolidation		(85)	-	-	(85)	856	252	21	1,129
Curtailments/settlements		16	-	-	16	4	2	-	6
Non-recurring items		(3)	(4)	-	(7)	(4)	(5)	-	(9)
Financial actuarial gains and losses		(941)	(1,036)	(36)	(2,014)	469	67	(9)	527
Demographic actuarial gains and losses		(36)	58	10	32	44	8	(2)	51
Benefits paid		361	92	47	500	357	100	54	511
Other (of which translation adjustments)		(47)	(2)	-	(49)	157	8	-	165
Projected benefit obligation at December 31	**A**	**(7,580)**	**(3,393)**	**(564)**	**(11,537)**	**(6,363)**	**(2,383)**	**(531)**	**(9,276)**
B - CHANGE IN FAIR VALUE OF PLAN ASSETS									
Fair value of plan assets at January 1		**4,955**	**5**	**-**	**4,960**	**5,324**	**51**	**-**	**5,375**
Interest income on plan assets		201	-	-	201	184	2	-	187
Financial actuarial gains and losses		195	(2)	-	193	42	2	-	44
Contributions received		270	14	-	284	331	26	-	357
Changes in scope of consolidation		36	-	-	36	(441)	(53)	-	(495)
Settlements		(12)	(1)	-	(13)	(2)	1	-	(1)
Benefits paid		(333)	(14)	-	(347)	(352)	(24)	-	(376)
Other (of which translation adjustments)		36	-	-	36	(131)	-	-	(131)
Fair value of plan assets at December 31	**B**	**5,349**	**3**	**-**	**5,351**	**4,955**	**5**	**-**	**4,960**
C- FUNDED STATUS	**A+B**	**(2,231)**	**(3,391)**	**(564)**	**(6,186)**	**(1,408)**	**(2,378)**	**(531)**	**(4,316)**
Asset ceiling		(6)	-	-	(6)	(1)	(1)	-	(2)
NET BENEFIT OBLIGATION		**(2,237)**	**(3,391)**	**(564)**	**(6,192)**	**(1,409)**	**(2,379)**	**(531)**	**(4,318)**
ACCRUED BENEFIT LIABILITY		**(2,278)**	**(3,391)**	**(564)**	**(6,233)**	**(1,481)**	**(2,379)**	**(531)**	**(4,390)**
PREPAID BENEFIT COST		**41**	**-**	**-**	**41**	**72**	**-**	**-**	**72**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Pensions and retirement bonuses.
(3) Reduced energy prices, healthcare, gratuities and other post-employment benefits.
(4) Length-of-service awards and other long-term benefits.

In 2013, “Changes in the scope of consolidation” mainly concern the loss of control of SUEZ Environnement (€1,136 million on the benefit obligation and €495 million on the plan assets).

20.3.3 Change in reimbursement rights

Changes in the fair value of reimbursement rights relating to plan assets managed by Contassur are as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Fair value at January 1	**167**	**159**
Interest income on plan assets	*7*	*4*
Financial actuarial gains and losses	*6*	*3*
Actual return	13	7
Curtailments/settlements	(1)	-
Employer contributions	13	22
Employee contributions	2	2
Benefits paid	(18)	(22)
FAIR VALUE AT DECEMBER 31	**176**	**167**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

20.3.4 Components of the net periodic pension cost

The net periodic cost recognized in respect of defined benefit obligations for the years ended December 31, 2014 and 2013 breaks down as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Current service cost	301	365
Net interest expense	153	171
Actuarial gains and losses[2]	27	11
Plan amendments	(14)	2
Gains or losses on pension plan curtailments, terminations and settlements	(5)	(5)
Non-recurring items	7	9
TOTAL	**469**	**553**
o/w recorded in current operating income after share in net income of entities accounted for using the equity method	*315*	*382*
o/w recorded in net financial income/(loss)	*153*	*171*

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) On long-term benefit obligation.

20.3.5 Funding policy and strategy

When defined benefit plans are funded, the related plan assets are invested in pension funds and/or with insurance companies, depending on the investment practices specific to the country concerned. The investment strategies underlying these defined benefit plans are aimed at striking the right balance between return on investment and acceptable levels of risk.

The objectives of these strategies are twofold: to maintain sufficient liquidity to cover pension and other benefit payments; and as part of risk management, to achieve a long-term rate of return higher than the discount rate or, where appropriate, at least equal to future required returns.

When plan assets are invested in pension funds, investment decisions and the allocation of plan assets are the responsibility of the fund manager concerned.

For French companies, where plan assets are invested with an insurance company, the latter manages the investment portfolio for unit-linked policies or euro-denominated policies. These diversified funds are actively managed by reference to composite indexes and adapted to the long-term profile of the liabilities, taking into account eurozone government bonds and shares in front-ranking companies within and outside the eurozone.

For euro-denominated funds, the insurer's sole obligation is to ensure a fixed minimum return on assets.

The funding of these obligations at December 31 for each of the periods presented can be analyzed as follows:

In millions of euros	Projected benefit obligation	Fair value of plan assets	Asset ceiling	Total net obligation
Underfunded plans	(7,385)	4,872	(6)	(2,519)
Overfunded plans	(438)	479	-	41
Unfunded plans	(3,714)	-	-	(3,714)
AT DECEMBER 31, 2014	**(11,537)**	**5,351**	**(6)**	**(6,191)**
Underfunded plans	(5,414)	4,418	(1)	(997)
Overfunded plans	(496)	542	(1)	45
Unfunded plans	(3,366)	-	-	(3,366)
AT DECEMBER 31, 2013[1]	**(9,276)**	**4,960**	**(2)**	**(4,318)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

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

In %	Dec. 31, 2014	Dec. 31, 2013
Equity investments	31	30
Sovereign bond investments	20	19
Corporate bond investments	29	31
Money market securities	9	11
Real estate	4	3
Other assets	7	6
TOTAL	**100**	**100**

All plan assets are quoted in an active market at December 31, 2014.

The actual return on assets of EGI sector companies stood at 8% in 2014.

The actual return on plan assets of Belgian entities amounted to approximately 7% in Group insurance and 4% in pension funds.

The allocation of plan assets categories by geographic area of investment can be analyzed as follows:

In %	Europe	North America	Latin America	Asia - Oceania	Rest of the World	Total
Equity investments	62	22	1	11	4	100
Sovereign bond investments	75	-	24	1	-	100
Corporate bond investments	84	9	2	4	1	100
Money market securities	86	-	4	10	-	100
Real estate	87	4	5	3	1	100
Other assets	33	18	29	15	5	100

20.3.6 Actuarial assumptions

Actuarial assumptions are determined individually by country and company in conjunction with independent actuaries. Weighted discount rates for main actuarial assumptions are presented below:

	Pension benefit obligations		Other post-employment benefit obligations		Long-term benefit obligations		Total benefit obligations	
	2014	2013	2014	2013	2014	2013	2014	2013
Discount rate	2.8%	4.1%	2.1%	3.5%	1.8%	3.5%	2.5%	3.9%
Inflation rate	2.0%	2.2%	1.7%	2.0%	1.8%	2.0%	1.9%	2.1%
Average remaining working years of participatlng employees	15 years	15 years	16 years	15 years	16 years	16 years	15 years	15 years

20.3.6.1 Discount and inflation rate

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

The rates were determined for each monetary area (euro and United Kingdom) based on data for AA corporate bonds yields (Bloomberg and iBoxx), extrapolated on the basis of government bond yields for long maturities.

According to the Group's estimates, a 100 basis points increase or decrease in the discount rate would result in a change of approximately 15% in the projected benefit obligation.

The inflation rates were determined for each area. A 100 basis points increase or decrease in the inflation rate (with an unchanged discount rate) would result in a change of approximately 14% in the projected benefit obligation.

20.3.6.2 Other assumptions

The medical costs (including inflation) increase rate was estimated at 2.7%.

A one percentage point change in the assumed increase in healthcare costs would have the following impacts:

In millions of euros	**100 basis points increase**	**100 basis points decrease**
Impact on expenses	3	(2)
Impact on pension obligations	48	(36)

20.3.7 Estimated employer contributions payable in 2015 under defined benefit plans

The Group expects to pay around €225 million in contributions into its defined benefit plans in 2015, including €93 million for EGI sector companies. Annual contributions in respect of EGI sector companies will be made by reference to rights vested in the year, taking into account the funding level for each entity in order to even out contributions over the medium term.

20.4 Defined contribution plans

In 2014, the Group recorded a €139 million expense in respect of amounts paid into Group defined contribution plans (€123 million in 2013). These contributions are recorded under "Personnel costs" in the consolidated income statement.

NOTE 21 Exploration-production activities

21.1 Exploration-production assets

Exploration-production assets break down into the following three categories: exploration-production licenses, presented under "Intangible assets" in the statement of financial position, fields under development, shown under "Assets in development phase", and fields in production, shown under "Assets in production phase", which are included in "Property, plant and equipment" in the statement of financial position.

In millions of euros	Licenses	Assets in development phase	Assets in production phase	Total
A. GROSS AMOUNT				
At January 1, 2013[1]	**1,066**	**1,125**	**7,837**	**10,028**
Changes in scope of consolidation	(19)	-	-	(19)
Acquisitions	38	596	234	868
Translation adjustments	(33)	(95)	(454)	(581)
Other	(9)	(183)	224	32
At December 31, 2013[1]	**1,043**	**1,443**	**7,841**	**10,327**
Changes in scope of consolidation	-	(39)	(147)	(186)
Acquisitions	24	805	178	1,007
Disposals	-	(12)	(99)	(112)
Translation adjustments	108	94	(216)	(15)
Other	(69)	(885)	999	45
AT DECEMBER 31, 2014	**1,106**	**1,406**	**8,555**	**11,067**
B. ACCUMULATED AMORTIZATION, DEPRECIATION AND IMPAIRMENT LOSSES				
At January 1, 2013[1]	**(379)**	**(40)**	**(3,530)**	**(3,949)**
Changes in scope of consolidation	19	-	-	19
Amortization, depreciation and impairment losses	(15)	-	(687)	(702)
Translation adjustments	9	1	171	182
Other	5	3	(7)	-
At December 31, 2013[1]	**(361)**	**(35)**	**(4,053)**	**(4,450)**
Change in scope of consolidation	-	-	96	96
Amortization, depreciation and impairment losses	(33)	-	(920)	(953)
Translation adjustments	(44)	(1)	62	17
Other	-	33	(33)	-
AT DECEMBER 31, 2014	**(438)**	**(4)**	**(4,847)**	**(5,289)**
C. CARRYING AMOUNT				
At December 31, 2013[1]	**682**	**1,408**	**3,788**	**5,878**
AT DECEMBER 31, 2014	**668**	**1,402**	**3,708**	**5,778**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Acquisitions in 2014 notably include developments carried-out over the year on the Cygnus field in the United Kingdom and Jangkrik field in Indonesia. Disposals mainly include the disposal of an asset in production phase of GDF SUEZ E&P Deutschland GmbH in Germany.

Acquisitions in 2013 notably included developments performed on the Cygnus field in the United Kingdom and on the Gudrun field in Norway.

21.2 Capitalized exploration costs

The following table provides a breakdown of the net change in capitalized exploration costs:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
At January 1	**599**	**609**
Capitalized exploration costs for the year	162	194
Amounts recognized in expenses for the period	(278)	(142)
Other	(53)	(62)
AT DECEMBER 31	**430**	**599**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Capitalized exploration costs are reported in the statement of financial position within “Other assets”.

21.3 Investments during the period

Investments for the exploration-production business amounted to €1,094 million and €954 million, respectively, in 2014 and 2013. Investments are included in “Acquisitions of property, plant and equipment and intangible assets” in the statement of cash flows.

NOTE 22 Finance leases

22.1 Finance leases for which GDF SUEZ acts as lessee

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

The main finance lease agreements entered into by the Group primarily concern GDF SUEZ Energy International power plants (mostly Enersur – Peru) and Cofely’s cogeneration plants.

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

	Future minimum lease payments at Dec. 31, 2014		Future minimum lease payments at Dec. 31, 2013[1]	
In millions of euros	Undiscounted value	Present value	Undiscounted value	Present value
Year 1	100	98	109	106
Years 2 to 5 included	391	367	336	311
Beyond year 5	70	50	112	81
TOTAL FUTURE MINIMUM LEASE PAYMENTS	**561**	**515**	**557**	**499**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The following table provides a reconciliation of liabilities under finance leases as reported in the statement of financial position *(see Note 16.2.1 “Borrowings and debt”)* with undiscounted future minimum lease payments by maturity:

In millions of euros	Total	Year 1	Years 2 to 5 included	Beyond year 5
Liabilities under finance leases	515	92	376	47
Impact of discounting future repayments of principal and interest	46	8	15	23
UNDISCOUNTED FUTURE MINIMUM LEASE PAYMENTS	**561**	**100**	**391**	**70**

22.2 Finance leases for which GDF SUEZ acts as lessor

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

The Group has recognized finance lease receivables, notably for cogeneration plants for Wapda and NTDC (Uch - Pakistan), Bowin (Glow - Thailand), Solvay (Electrabel - Belgium) and Lanxess (Electrabel - Belgium).

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Undiscounted future minimum lease payments	1,180	727
Unguaranteed residual value accruing to the lessor	38	29
TOTAL GROSS INVESTMENT IN THE LEASE	**1,218**	**756**
Unearned financial income	**192**	**117**
NET INVESTMENT IN THE LEASE (STATEMENT OF FINANCIAL POSITION)	**1,026**	**638**
o/w present value of future minimum lease payments	*999*	*618*
o/w present value of unguaranteed residual value	*28*	*20*

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Amounts recognized in the statement of financial position in connection with finance leases are detailed in Note 16.1.2 “Loans and receivables at amortized cost”.

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

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Year 1	122	121
Years 2 to 5 included	401	313
Beyond year 5	657	293
TOTAL	**1,180**	**727**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

NOTE 23 Operating leases

23.1 Operating leases for which GDF SUEZ acts as lessee

The Group has entered into operating leases mainly in connection with LNG tankers, and miscellaneous buildings and fittings.

Operating lease income and expenses for 2014 and 2013 can be analyzed as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Minimum lease payments	(905)	(1,102)
Contingent lease payments	(18)	(26)
Sub-letting income	87	84
Sub-letting expenses	(39)	(53)
Other operating lease expenses	(206)	(247)
TOTAL	**(1,081)**	**(1,343)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The 2013 net expense included operating lease expenses relating to SUEZ Environnement untill July 22, 2013 for an amount of €199 million *(see Note 5.7)*.

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

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)]
Year 1	642	617
Years 2 to 5 included	1,601	1,477
Beyond year 5	1,465	1,646
TOTAL	**3,708**	**3,740**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

23.2 Operating leases for which GDF SUEZ acts as lessor

These leases fall mainly within the scope of IFRIC 4 guidance on the interpretation of IAS 17. They primarily concern power plants operated by GDF SUEZ Energy International.

Operating lease income for 2014 and 2013 can be analyzed as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)]
Minimum lease payments	579	640
Contingent lease payments	113	89
TOTAL	**692**	**729**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Lease income is recognized in revenues.

Future minimum lease payments receivable under non cancellable operating leases can be analyzed as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)]
Year 1	550	510
Years 2 to 5 included	1,351	1,528
Beyond year 5	19	20
TOTAL	**1,919**	**2,058**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

NOTE 24 Share-based payments

Expenses recognized in respect of share-based payments break down as follows:

		Expense for the year	
In millions of euros	Note	Dec. 31, 2014	Dec. 31, 2013
Stock option plans	24.1	-	9
Employee share issues	24.2	11	-
Share Appreciation Rights[(1)]	24.2	-	1
Bonus/performance share plans	24.3	10	83
Other Group plans		1	-
TOTAL		**22**	**93**

(1) Set up within the scope of employee share issues in certain countries.

24.1 Stock option plans

No new GDF SUEZ stock option grants were approved by the Group's Board of Directors in either 2014 or 2013.

The terms and conditions of plans set up prior to 2013 are described in previous Registration Documents prepared by SUEZ and subsequently GDF SUEZ.

24.1.1 Details of stock option plans in force

Plan	Date of authorizing General Share-holders' Meeting	Vesting date	Adjusted exercise price *(in euros)*	Number of benefi-ciaries per plan	Number of options granted to members of the Executive Committee	Outstanding options at Dec. 31, 2013	Options exerci-sed	Options cancelled or expired	Outstanding options at Dec. 31, 2014	Expiration date	Resi-dual life
01/17/2007[(1)]	04/27/2004	01/17/2011	36.6	2,173	1,218,000	5,672,033	-	64,174	5,607,859	01/16/2015	0.0
11/14/2007[(1)]	05/04/2007	11/14/2011	41.8	2,107	804,000	4,411,672	-	54,097	4,357,575	11/13/2015	0.9
11/12/2008[(1)]	07/16/2008	11/12/2012	32.7	3,753	2,615,000	6,075,634	-	76,570	5,999,064	11/11/2016	1.9
11/10/2009[(1)]	05/04/2009	11/10/2013	29.4	4,036	-	4,960,345	-	101,620	4,858,725	11/09/2017	2.9
TOTAL					**4,637,000**	**21,119,684**	**-**	**296,461**	**20,823,223**		
Of which:											
Stock option purchase plans						*11,035,979*	-	*178,190*	*10,857,789*		
Stock subscription plans						*10,083,705*	-	*118,271*	*9,965,434*		

(1) Plans exercisable at December 31, 2014.

The average annual price for GDF SUEZ shares in 2014 was €19.02.

24.1.2 Number of GDF SUEZ stock options

	Number of options	Average exercise price *(in euros)*
Balance at December 31, 2013	**21,119,684**	**34.9**
Options cancelled	(296,461)	34.1
Balance at December 31, 2014	20,823,223	34.9

24.2 Employee share issue

24.2.1 Description of available GDF SUEZ share plans

In 2014, Group employees were entitled to subscribe to employee share issues as part of the "LINK 2014" worldwide employee share ownership plan. They could subscribe to either:

- the Link Classique plan: this plan allows employees to subscribe to shares either directly or via an employee investment fund at lower-than-market price;
- the Link Multiple plan: under this plan, employees may subscribe to shares at lower-than-market price, either directly or via an employee investment fund, and also benefit from any appreciation in the Group share price (leverage effect) at the end of the mandatory lock-up period. Through a Swap Agreement with a bank, employees are sure to recover 100% of the invested amount and benefit from a guaranteed minimum capitalised return;
- Share Appreciation Rights (SARs): this leveraged plan entitles beneficiaries to receive a cash bonus equal to the appreciation in the Company's stock after a period of five years. The resulting employee liability is covered by warrants.

The Link Classique plan featured an employer contribution under the terms and conditions described below:

- participating French employees were entitled to bonus GDF SUEZ shares depending on their own contribution to the plan:
  - for the first ten shares subscribed, one bonus share was granted for every one share subscribed;
  - as from the eleventh share subscribed, one bonus share was granted for every four shares subscribed, up to a maximum of ten bonus shares.

The number of bonus shares granted was capped to twenty per employee.

- for employees in other countries, GDF SUEZ shares were granted through a bonus share award plan, subject to the employee's presence in the Group and depending on their own contribution to the plan:
  - for the first ten shares subscribed, one bonus share was granted for every one share subscribed;
  - as from the eleventh share subscribed, one bonus share was granted for every four shares subscribed, up to a maximum of ten bonus shares.

The number of bonus shares granted was capped to twenty shares per employee for the subscription of fifty shares.

The bonus shares will be awarded to employees on December 10, 2019, provided that they are still employed by the GDF SUEZ Group on September 30, 2019.

The method used to value this bonus share award scheme is described in Note 24.3.

24.2.2 Accounting impact

The subscription price for the 2014 plan represents the average opening price of the GDF SUEZ share on the NYSE Euronext Paris Eurolist market over the 20 trading days between October 15, 2014 and November 11, 2014, less 20%, i.e. €14.68.

The expense recognized in the consolidated financial statements in respect of the Link Classique and Link Multiple plans corresponds to the difference between the fair value of the shares subscribed and the subscription price. Fair value takes into account the condition of non-transferability attached to the shares over a period of five years, as provided for by French legislation. It also considers the opportunity cost implicitly borne by GDF SUEZ under the leveraged share ownership plan in allowing its employees to benefit from more attractive financial conditions than those that would have been available to them as individual investors.

The following assumptions were applied:

- five-year risk-free interest rate: 0.5%;
- spread applicable to the retail banking network: 4.2%;
- employee financing cost: 4.7%;
- share borrowing cost: 1.0%;
- share price at grant date: €19.45;
- volatility spread: 3.8%.

Based on the above, the Group recognized a total expense of €18 million for 2014 in respect of the 22.2 million shares subscribed and 0.3 million bonus shares awarded under employer contributions, bringing the final amount of the share issue and related additional paid-in capital to €329.7 million (excluding issuance costs).

	Link Classique	Link Multiple	France - additional employer's contribution	Total
Amount subscribed *(in millions of euros)*	42	283	5	330
Number of shares subscribed *(in millions of shares)*	2.9	19.3	0.3	22.5
Discount *(€/share)*	3.7	3.7	18.3	-
Non-transferability restriction *(€/share)*	(5.1)	(5.1)	(5.1)	-
Opportunity cost *(€/share)*	-	0.7	-	-
COST FOR THE GROUP *(IN MILLIONS OF EUROS)*	**-**	**13**	**4**	**18**

The accounting impact of cash-settled Share Appreciation Rights consists in recognizing a payable to the employee over the vesting period of the rights, with the corresponding adjustment recorded in income. At December 31, 2014, the fair value of the liability relating to the 2010 and 2014 awards amounted to €1 million.

24.3 Bonus shares and performance shares

24.3.1 New awards in 2014

GDF SUEZ Performance Share plan of December 10, 2014

On December 10, 2014, the Board of Directors approved the allocation of 3.4 million performance shares to members of the Group's executive and senior management into two tranches:

- performance shares vesting on March 14, 2018, subject to a further two-years non-transferability period; and
- performance shares vesting on March 14, 2019, without non-transferability period.

Each tranche is made up of instruments subject to two different conditions:

- a market performance condition relating to GDF SUEZ's total share return compared to that of the Eurostoxx Utilities Eurozone index, as assessed between November 2014 and January 2018;
- an internal performance condition relating to Group net recurring income Group share in 2016 and 2017.

GDF SUEZ Bonus Share plan of December 11, 2014

As part of the employee share issue, bonus shares were awarded to subscribers of the Link Classique plan (outside France) based on one bonus share for the first ten shares subscribed, and then one bonus share for every four shares subscribed over and above the first ten, up to a maximum of twenty bonus shares per beneficiary. A total of 125,142 bonus shares were awarded under this plan, subject to a condition requiring employees to be employed with the GDF SUEZ Group on September 30, 2019.

24.3.2 Fair value of bonus share plans with or without performance conditions

The following assumptions were used to calculate the fair value of the new plans awarded by GDF SUEZ in 2014:

Allocation date	Vesting date	End of the lock-up period	Price at the award date	Expected dividend	Financing cost for the employee	Non-transferability cost	Market-related performance condition	Fair value per unit
February 26, 2014	March 14, 2016	March 14, 2018	€17.6	€1.0	7.8%	€1.9	no	€13.6
February 26, 2014	March 14, 2017	March 14, 2019	€17.6	€1.0	7.8%	€1.6	no	€12.9
Weighted fair value of the February 26, 2014 plan								**€13.3**
December 10, 2014	March 14, 2018	March 14, 2020	€19.5	€1.0	7.1%	€1.7	yes(1)	€11.8
December 10, 2014	March 14, 2019	March 14, 2019	€19.5	€1.0	7.1%	NA	yes(1)	€12.7
Weighted fair value of the December 10, 2014 plan								**€12.1**
December 11, 2014	December 10, 2019	December 10, 2019	€19.4	€1.0	NA	NA	no	€13.4
Weighted fair value of the December 11, 2014 plan								**€13.4**

(1) Double performance condition.

24.3.3 Review of internal performance conditions applicable to the plans

In addition to the condition of continuing employment within the Group, eligibility for certain bonus share and performance share plans is subject to an internal performance condition. When this condition is not fully met, the number of bonus shares granted to employees is reduced in accordance with the plans' regulations, leading to a decrease in the total expense recognized in relation to the plans in accordance with IFRS 2.

Performance conditions are reviewed at each reporting date. Due to a failure to meet performance criteria, the volume of January 2011 performance share plans was amended, and the Group recorded income of €40 million.

24.3.4 Free share plans with or without performance conditions in force at December 31, 2014, and impact on income

The expense recorded during the period on plans in effect was as follows:

Award date	Quantity awarded	Fair value per unit[1] *(in euros)*	Expense for the period *(in millions of euros)* Dec. 31, 2014	Dec. 31, 2013
GDF SUEZ share plans				
Bonus share plans				
GDF SUEZ July 2009 plan	3,297,014	20	-	2
Link August 2010 employer contribution plan	207,947	19	1	1
GDF SUEZ June 2011 plan	4,173,448	20	7	18
GDF SUEZ October 2012 plan	6,106,463	12	16	18
Link December 2014 employer contribution plan	125,142	13	-	-
Performance share plans				
GDF SUEZ November 2009 plan	1,693,840	25	-	2
GDF SUEZ January 2011 plan	3,426,186	18	(38)	18
March 2011 GDF SUEZ Trading plan	57,337	23	-	-
GDF SUEZ December 2011 plan	2,996,920	11	10	10
GDF SUEZ Trading February 2012 plan	70,778	15	-	-
GDF SUEZ December 2012 plan	3,556,095	8	8	8
GDF SUEZ Trading February 2013 plan	94,764	9	-	-
GDF SUEZ December 2013 plan	2,801,690	8	6	-
GDF SUEZ Trading February 2014 plan	89,991	13	-	-
GDF SUEZ December 2014 plan	3,391,873	12	1	-
SUEZ Environnement Company share plans			**-**	**6**
TOTAL			**10**	**83**

(1) Weighted average value where applicable.

NOTE 25 Related party transactions

This note describes material transactions between the Group and related parties.

Compensation payable to key management personnel is disclosed in Note 26 “Executive compensation”.

Transactions with joint ventures and associates are described in Note 4 "Investments in entities accounted for using the equity method".

Only material transactions are described below.

25.1 Relations with the French State and with entities owned or partly owned by the French State

25.1.1 Relations with the French State

The French State owns 33.29% of GDF SUEZ and appoints four representatives to the Group’s 17-member Board of Directors.

The French State holds a golden share aimed at protecting France’s critical interests and ensuring the continuity and safeguarding of supplies in the energy sector. The golden share is granted to the French State indefinitely and entitles it to veto decisions taken by GDF SUEZ if it considers they could harm France’s interests.

Public service engagements in the energy sector are defined by the law of January 3, 2003.

They are implemented by means of a public service contract dated December 23, 2009, which sets out the Group's public service obligations and the conditions for rate regulation in France:

- as part of its public service obligations, the Group is reinforcing its commitments in terms of the protection of goods and individuals, solidarity and assistance to low-income customers, sustainable development and research;
- regarding the conditions for rate regulation in France, a decree was published in connection with the contract redefining the overall regulatory framework for setting and changing natural gas rates in France. The mechanism as a whole provides clearer direction on the conditions for changing regulated rates, notably through rate change forecasts based on costs incurred.

A new public service contract between the Group and the French State is currently under review.

Transmission rates on the GRTgaz transportation network and the gas distribution network in France, as well as rates for accessing the French LNG terminals, are all regulated.

25.1.2 Relations with EDF

Following the creation on July 1, 2004 of the French gas and electricity distribution network operator (EDF Gaz de France Distribution), Gaz de France SA and EDF entered into an agreement on April 18, 2005 setting out their relationship as regards the distribution business. The December 7, 2006 law on the energy sector reorganized the natural gas and electricity distribution networks. ERDF SA, a subsidiary of EDF SA, and GrDF SA, a subsidiary of GDF SUEZ SA, were created on January 1, 2007 and January 1, 2008, respectively, and act in accordance with the agreement previously signed by the two incumbent operators.

25.2 Relations with the CNIEG (Caisse Nationale des Industries Électriques et Gazières)

The Group's relations with the CNIEG, which manages all old-age, death and disability benefits for active and retired employees of the Group who belong to the special EGI pension plan, employees of EDF and Non-Nationalized Companies (Entreprises Non Nationalisées – ENN), are described in Note 20 "Post-employment benefits and other long-term benefits".

25.3 Transactions with joint arrangements classified as joint operations

Transactions with joint arrangements classified as joint operations within the Group did not have a material impact on the financial statements at December 31, 2014.

NOTE 26 Executive compensation

Executive compensation presented below includes compensation for the Group's members of the Executive Committee and the Board of Directors.

The Executive Committee had 20 members in 2014 compared to 19 in 2013.

Their compensation breaks down as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Short-term benefits	25	30
Post-employment benefits	4	4
Shared-based payments	(2)	5
Termination benefits	7	7
TOTAL	**33**	**46**

NOTE 27 Working capital requirements, other assets and other liabilities

27.1 Composition of change in working capital requirements

In millions of euros	Change in working capital requirements at December 31, 2014	Change in working capital requirements at December 31, 2013[(1)]
Inventories	30	(137)
Trade and other receivables, net	(45)	54
Trade and other payables, net	1,125	689
Tax and employee-related receivables/payables	(782)	172
Margin calls and derivatives instruments hedging commodities relating to trading activities	(1,156)	(388)
Other	(393)	(481)
TOTAL	**(1,221)**	**(91)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

27.2 Inventories

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1)]
Inventories of natural gas, net	2,269	2,489
CO_2 emission allowances, green certificates and certificates of energy efficiency commitment, net	411	322
Inventories of commodities other than gas and other inventories, net	2,210	2,162
TOTAL	**4,891**	**4,973**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

27.3 Other assets and other liabilities

Other current assets (€10,049 million) and other non-current assets (€557 million) mainly comprise tax receivables.

Other current liabilities (€14,370 million) and other non-current liabilities (€1,363 million) mainly include tax and employee-related liabilities.

NOTE 28 Legal and anti-trust proceedings

The Group is party to a number of legal and anti-trust proceedings with third parties or with legal and/or administrative authorities (including tax authorities) in the normal course of its business.

Provisions recorded in respect of these proceedings totaled €891 million at December 31, 2014 (€871 million at December 31, 2013).

The main legal and arbitration proceedings presented hereafter are recognized as liabilities or give rise to contingent assets or liabilities.

28.1 Legal and arbitration proceedings

28.1.1 Electrabel – Hungarian State

Electrabel, a GDF SUEZ company, filed international arbitration proceedings against the Hungarian State before the International Center for Settlement of Investment Disputes (ICSID) for breach of obligations pursuant to the Energy Charter Treaty. The dispute mainly pertains to the termination of a long-term power purchase agreement (the DUNAMENTI PPA") entered into between the power plant operator DUNAMENTI Erőmű (former Group subsidiary disposed of on June 30, 2014) and MVM (a company controlled by the Hungarian State) on October 10, 1995. On November 30, 2012, the Court of arbitration rejected the Group's claims, except for the claim based on the principle of fair and equitable treatment, on which a ruling in principle is pending. If the Court of arbitration finds that Hungary breached the principle of fair and equitable treatment, the final ruling setting the amount of damages due will be deferred to 2016, after the long-term agreement's initial termination date in 2015 in order to allow the court of arbitration to rule on said damages based on a detailed assessment of stranded costs.[1]

28.1.2 Squeeze-out bid for Electrabel shares

On July 10, 2007, three shareholders, Deminor and two other funds, initiated proceedings before the Brussels Court of Appeal against SUEZ and Electrabel under which they sought additional consideration following the squeeze-out bid launched by SUEZ in June 2007 on Electrabel shares that it did not already own. The Court of Appeal dismissed the application on December 1, 2008.

Following the appeal brought by Deminor and others on May 22, 2009, the Court of Cassation overturned the ruling of the Brussels Court of Appeal on June 27, 2011. In a subpoena dated December 28, 2012, Deminor and others launched proceedings against GDF SUEZ before the Brussels Court of Appeal, sitting in a different formation, in order for the Court to rule on their claim for additional consideration. The trial stage of the proceedings ended on October 15, 2014 and the deliberations have commenced.

A similar demand for additional consideration, submitted to the Brussels Court of Appeal by Messrs. Geenen and others, but without naming Electrabel and the FSMA *(Autorité belge des services et marchés financiers*, formerly the *Commission bancaire, financière et des assurances*) as defendants, was dismissed on December 24, 2009 on procedural grounds. Mr Geenen lodged an appeal before the Court of Cassation against the ruling of December 24, 2009 on June 2, 2010. The Court of Cassation delivered a ruling overturning the ruling of the Brussels Court of Appeal on May 3, 2012.

28.1.3 La Compagnie du Vent

On November 27, 2007, GDF SUEZ acquired a 56.84% stake in La Compagnie du Vent, with the original owner SOPER retaining a 43.16% stake. At the time of the acquisition, the founder of the company (and owner of SOPER), Jean-Michel Germa, remained the Chairman and Chief Executive Officer of La Compagnie du Vent. GDF SUEZ currently holds a 59% stake in La Compagnie du Vent.

Since 2011, GDF SUEZ has been involved in various disputes with Jean-Michel Germa and SOPER regarding Mr Germa's dismissal as Chairman and Chief Executive Officer. Following the cancellation of La Compagnie du Vent's first General Meeting on May 27, 2011 by the Montpellier Appeal Court, a second General Meeting on November 3, 2011 finally appointed a new Chief Executive, who was put forward by GDF SUEZ.

However, the main proceedings still pending are: (i) the legal proceedings launched against SOPER by La Compagnie du Vent before the Montpellier Commercial Court on August 23, 2011, which were aimed at ordering the latter to make good the non-material harm suffered by La Compagnie du Vent as a result of the undue use of minority influence through a payment of €500,000, (ii) the legal proceedings relating to contractual responsibility and negligence launched against GDF SUEZ by Jean-Michel Germa, at the time when the latter was dismissed as Chairman and Chief Executive Officer of La Compagnie du Vent, before the Paris Commercial Court on February 15, 2012, (iii) the proceedings launched against GDF SUEZ, La Compagnie du Vent and the current Chairman and Chief Executive by SOPER before the Montpellier Commercial Court on May 21, 2012, which request a legal review of certain management decisions, in order to obtain compensation, (iv) the proceedings launched by SOPER before the Paris Commercial Court on January 18, 2013, with a view to ordering GDF SUEZ to pay compensation of around €214 million to SOPER as a result of the alleged breach of the agreement and of the partners' agreement signed in 2007, and (v) the proceedings launched by SOPER before the Paris Commercial Court on May 16, 2013 with the aim that GDF SUEZ be forbidden from exercising the share subscription warrants under the terms and conditions set out in the partners' agreement, claiming that GDF SUEZ prevented La Compagnie du Vent from attaining the performance targets to be met to exercise these warrants.

Regarding the put option on the 5% interest in La Compagnie du Vent held by SOPER, the price of the shares was set by an expert following the contractually agreed procedure. These shares were transferred on February 18, 2013. On April 26, 2013, SOPER brought another action before the Paris Commercial Court seeking the cancellation of the expert's report and the appointment of a new expert to set the price of the shares. The case has been brought before the Créteil Commercial Court.

(1) *See also Note 28.2.3 "Long-term Power Purchase Agreements in Hungary".*

28.1.4 Freeze of regulated natural gas tariffs in France

Legal proceedings regarding Decree No. 2013-400 of May 16, 2013 amending Decree No. 2009-1603 of December 18, 2009 relating to regulated natural gas tariffs

In July 2013, ANODE, the French national energy retailers association *(Association nationales des opérateurs détaillants en énergie)* launched an appeal with the *Conseil d'État* requesting the annulment of Decree No. 2013-400 of May 16, 2013 amending Decree No. 2009-1603 of December 18, 2009 relating to regulated natural gas tariffs.

ANODE contends that the regulated natural gas tariff framework is inconsistent with the objectives of Directive 2009/73/EC concerning common rules for the natural gas internal market, and Article 106.1 of the Treaty on the Functioning of the European Union. On December 15, 2014, the *Conseil d'État* ordered a stay of proceedings pending the Court of Justice of the European Union's preliminary ruling on these matters.

28.1.5 Objection to the CREG's approval of Elia's injection tariffs

In December 2011, the Belgian Gas and Electricity Regulation Commission (*Commission de Régulation de l'Électricité et du Gaz* – CREG) approved the tariff proposal submitted by the electricity transmission grid operator, ELIA SYSTEM OPERATOR, for the 2012-2015 period. Electrabel objects to two main aspects of this proposal: (i) the application of injection tariffs for use of the grid and (ii) the injection tariffs for ancillary services.

Electrabel launched proceedings before the Brussels Court of Appeal to cancel the CREG's decision. On February 6, 2013, the Brussels Court of Appeal overturned the CREG's decision of December 22, 2011 in its entirety (ex tunc and with *erga omnes* effect). On May 24, 2013, the CREG appealed the decision handed down by the Brussels Court of Appeal on February 6, 2013 before the Court of Cassation. The proceedings are ongoing.

Consequently, and in the absence of regulated tariffs, ELIA submitted another tariff proposal (covering the period between 2012 and 2015) which was approved by the CREG on May 16, 2013. However, proceedings to overturn this decision by the CREG were again launched before the Brussels Court of Appeal on June 14, 2013, this time by the Federation of Belgian Industrial Energy Consumers (Febeliec). Electrabel intervened in these proceedings in order to defend the tariffs that were approved on May 16, 2013 and submitted its pleadings on October 30, 2013. The case was heard on September 17, 2014.

28.1.6 Italy - Vado Ligure

On March 11, 2014, following the publication of a number of articles in the press and at the request of the Prosecutor, the court of Savona seized and closed down the VL3 and VL4 coal-fired production units at the Vado Ligure thermal power plant belonging to Tirreno Power S.p.A. (TP), a company which is 50%-owned by the GDF SUEZ Group and accounted for using the equity method. This decision was taken as part of a criminal investigation into environmental infringements, public health risks and breaches of the IPPC (Integrated Pollution Prevention and Control) license. On May 14, 2014, TP filed a petition for the annulment of the decision. The petition was rejected.

At the same time, the Italian Ministry for the Environment (MATTM) carried out administrative procedures regarding various production units at the Vado Ligure thermal power plant, some of which have been appealed before the Administrative Court.

28.1.7 Argentina

As a reminder, prior to the merger of SUEZ and Gaz de France and the stock market listing of SUEZ Environnement Company, SUEZ and SUEZ Environnement entered into an agreement providing for the economic transfer to SUEZ Environnement of the rights and obligations relating to the ownership interest held by SUEZ in Aguas Argentinas (AASA) and Aguas Provinciales de Santa Fe (APSF).

In Argentina, the Public Emergency and Exchange Regime Reform Act (Emergency Act), enacted in January 2002, froze concession contract tariff increases by preventing the application of tariff indexation clauses in the event of a loss in value of the Argentine peso against the US dollar. In 2003, SUEZ (now GDF SUEZ) and its joint shareholders, water distribution concession operators in Buenos Aires and Santa Fe, launched two arbitration proceedings against the Argentinean State, in its capacity as concession grantor, before the ICSID. The purpose of these proceedings is to enforce concession contract clauses in accordance with the France-Argentine Bilateral Investment Protection Treaties.

These ICSID arbitration proceedings aim to obtain compensation for the loss in value of investments made since the start of the concession, as a consequence of measures taken by the Argentinean State following the adoption of the above-mentioned Emergency Act. The hearings for both proceedings took place in 2007. Alongside the ICSID proceedings, the concession operators AASA and APSF were forced to launch proceedings to terminate their concession contracts before the local administrative courts.

However, due to a decline in the financial position of the concession-holding companies since the Emergency Act, APSF announced at its Shareholders' Meeting of January 13, 2006 that it was filing for bankruptcy.

At the same time, AASA filed for "*Concurso Preventivo*[1]". As part of this procedure, a settlement proposal involving the novation of AASA's admissible liabilities, approved by creditors and confirmed by the bankruptcy court on April 11, 2008 enabled the settlement of some of these liabilities. The proposal provides for an initial payment of 20% of these liabilities[2] (upon confirmation), and a second payment of 20% in the event that compensation is obtained from the Argentinean State. As controlling shareholders, GDF SUEZ and Agbar decided to financially support AASA in making this initial payment and paid sums of USD 6.1 million and USD 3.8 million respectively, at the time of confirmation.

By two decisions dated July 30, 2010, ICSID recognized the liability of the Argentinean State in the termination of water distribution and treatment concession contracts in Buenos Aires and Santa Fe. The amount of damages to be paid in compensation for the losses sustained is to be set by experts.

(1) Similar to the French bankruptcy procedure

(2) Approximately USD 40 million.

A first independent report regarding the Buenos Aires concession was submitted to the ICSID in September 2013, followed by the independent expert's report on the Santa Fe concession in April 2014. A series of hearings took place between the end of July and early August 2014. The proceedings are currently ongoing.

28.1.8 Fos Cavaou – Construction

On January 17, 2012, Fosmax LNG[1], 72.5%-owned by ELENGY and 27.5%-owned by Total, submitted a request for arbitration to the ICC International Court of Arbitration against a consortium consisting of SOFREGAZ, TECNIMONT SpA and SAIPEM SA (STS).

The dispute relates to the construction of the LNG terminal belonging to Fosmax LNG to be used for LNG unloading, storage, regasification and injection in the gas transportation network.

The terminal was constructed by STS under a fixed lump-sum turnkey contract entered into on May 17, 2004, which included construction work and supplies. The deadline for the completion of the work was September 15, 2008, subject to late payment penalties.

The performance of the contract was marked by a series of difficulties. In view of the fact that STS refused to complete part of the works and delivered an incomplete terminal with an 18-month delay, Fosmax LNG contracted other companies to complete the construction of that part of the works in 2010.

Fosmax LNG instituted arbitration proceedings under the aegis of the ICC, seeking compensation for the losses sustained. Fosmax LNG submitted its statement of claim on October 19, 2012. STS filed its statement of defence and counterclaims on January 28, 2013. After the parties exchanged their pleadings in accordance with the procedure, the hearings took place at the arbitration court from November 18 to 22, 2013.

On February 13, 2015, the arbitration court delivered its award, according to which STS must pay Fosmax LNG: (i) late payment penalties of €48.2 million plus interest; (ii) €19.1 million in costs related to setbacks, disturbances and defects at the construction site; and (iii) €1.4 million in relation to downpayments made by Fosmax LNG. In turn, Fosmax LNG must pay STS: (i) €87.9 million plus interest for additional expenses (related to the construction of the terminal, engineering, supervision and other completion costs) incurred by STS to finish the work; (ii) €36.2 million plus interest corresponding to the amount of the first demand guarantee called by Fosmax LNG to finance the public work contract; and (iii) €3.9 million plus interest for STS invoices unpaid by Fosmax LNG. Excluding interest, Fosmax LNG must therefore settle a total net amount of €59.2 million.

28.1.9 Cofely España

On October 27, 2014, proceedings were brought against a number of Cofely España employees under the Spanish legal system in connection with an investigation into the awarding of contracts. Cofely España was subsequently placed under investigation.

28.1.10 Objection to Belgian nuclear contributions

The December 22, 2008 program act *(loi-programme)* provisions imposed a €250 million tax on nuclear power generators. Electrabel, a GDF SUEZ Group company, filed an appeal with the Belgian Constitutional Court, which rejected this claim by a decision dated March 30, 2010. In addition, the tax was renewed for 2009[2], 2010[3] and 2011[4] then doubled in 2012, 2013 and 2014. Electrabel has therefore paid a total of €2.16 billion in this respect. Pursuant to a Memorandum of Understanding signed on October 22, 2009 between the Belgian State and the Group, this tax should not have been renewed but should have been replaced by a contribution related to the extension of the period over which certain nuclear power facilities are operated.

In September 2011, Electrabel requested a reimbursement of the nuclear contributions paid between 2008 and 2011 on the grounds that they should be deemed illegal and were thus received unlawfully by the Belgian State. In April 2014, the Brussels Court of First Instance dismissed the claim filed by Electrabel, which launched an appeal against this decision before the Brussels Court of Appeal on May 20, 2014. The proceedings are currently ongoing.

On June 11, 2013, Electrabel filed an appeal with the Belgian Constitutional Court seeking the partial annulment of the law of December 27, 2012 amending the law of April 11, 2003 governing the provisions for dismantling nuclear power plants and the management of irradiated fissile materials, and in particular, the articles establishing a €550 million contribution payable by operators of nuclear plants for 2012, of which €479 million to be borne by Electrabel. On July 17, 2014, the Belgian Constitutional Court rejected the claim filed by Electrabel.

On June 12, 2014, Electrabel filed an appeal with the Belgian Constitutional Court seeking the partial annulment of the law of December 26, 2013 amending the law of April 11, 2003 governing the provisions for dismantling nuclear power plants and the management of irradiated fissile materials, and in particular, the articles establishing a €481 million contribution payable by operators of nuclear plants for 2013, of which €421 million to be borne by Electrabel. The proceedings are currently ongoing.

Lastly, on September 5, 2014, Electrabel lodged a complaint in respect of nuclear contributions with the European Commission alleging that between 2008 and 2013, the Belgian State granted illegal State aid to power generators that were not subject to such contributions. The Commission is currently examining the complaint, which has been expanded to cover the 2014 contribution.

The law of December 19, 2014 provides for a €470 million contribution payable by operators of nuclear plants for 2014, of which €407 million to be borne by Electrabel.

(1) Formerly Société du Terminal Méthanier de Fos Cavaou.

(2) Law of December 23, 2009.

(3) Law of December 29, 2010.

(4) Law of January 8, 2012.

28.1.11 Claim by E.On regarding nuclear contributions in Germany and Belgium

On November 26, 2014, E.On Kernkraft GmbH (hereinafter "E.On") submitted a request for arbitration to the ICC International Court of Arbitration against Electrabel. E.On is seeking (i) the payment by Electrabel of a portion of the German nuclear contribution in the amount of approximately €35.9 million plus interest and (ii) the repayment of the Belgian nuclear contribution paid by E.On in the amount of approximately €200 million plus interest.

28.1.12 Tihange 1 – Belgium

On December 9, 2014, Greenpeace filed an application for interim measures to the Brussels Court of First Instance. The application claims that the Belgian State and the Federal Agency for Nuclear Control *(Autorité Fédérale de Contrôle Nucléaire)* breached some of their obligations at international level in allowing the lifetime of the Tihange 1 plant to be extended. Electrabel joined the proceedings in order to argue its position. The case will be heard on March 16, 2015.

28.1.13 Wind farms Maestrale - Italy

On February 13, 2013, the Group, via its subsidiary International Power, disposed of 80% of IP Maestrale and its subsidiaries to the Italian company ERG.

On November 5, 2014, ERG informed International Power Consolidated Holdings Limited, a GDF SUEZ company, that the Italian Ministry of Economic Development had revoked the subsidies permitted under the "Maestrale" law no. 488/1192 by a decree. Pursuant to this decree, the companies concerned must repay the subsidies that have been paid up until now, plus interest, within sixty days of notification to do so.

Further to the acquisition of the companies that benefited from said subsidies, ERG is seeking from the Group the repayment of losses incurred (around €45.8 million) pursuant to the agreement for the sale of the companies concerned.

28.1.14 Claims by the Belgian tax and energy authorities

The Belgian Energy Authority has claimed a total amount in tax of €356 million on unused facilities from Electrabel for the period between 2006 and 2011. Given the ruling issued by the Brussels Court of First Instance on February 17, 2010 regarding the tax for facilities that were not used between 2006 and 2008, which is very largely in its favor, Electrabel has filed a return for the only facility that it believes should be subject to this tax for 2009, 2010, and 2011. Meanwhile, the Authority has upheld its previous position and has assessed tax for seven facilities (including the facility declared) for each of those years. Electrabel initially opposed these taxes via an administrative claim, and then by submitting an appeal to the Brussels Court of First Instance. The Belgian State appealed the Court's decision of February 2010 in July 2014. The proceedings are currently ongoing. Electrabel has not paid the tax for 2009 and 2010, as it considered that it was assessed late. However, it has paid an amount of €6.25 million in respect of the 2011 tax for the declared facility. Electrabel has not submitted a return for either 2012, 2013 or 2014, as the only facility likely to be subject to the tax on unused facilities no longer has an electricity generation operating license. The Belgian Energy Authority has upheld its previous position and has assessed tax for seven facilities in respect of 2012, 2013 and 2014, totaling €67.5 million for each year. Electrabel is disputing these taxes via an administrative claim, and by appealing to the Brussels Court of First Instance. In a ruling of September 24, 2014 concerning the payment of tax on unused facilities in 2009, the Court ordered an expert testimony to be given on the technical constraints based on which these sites may be ineligible for the tax.

28.1.15 Claim by the French tax authorities

In their tax deficiency notice dated December 22, 2008, the French tax authorities questioned the tax treatment of the non-recourse sale by SUEZ of a withholding tax *(précompte)* receivable in 2005 for an amount of €995 million. On July 7, 2009, they informed GDF SUEZ SA that they maintained their position, which was confirmed on December 7, 2011.

Regarding the dispute about the *précompte* itself – in respect of which the receivable was sold – in 2014 the Paris Court of Appeal followed the *Conseil d'État*'s case law by recognizing that the *précompte* was incompatible with EU law in accordance with the Court of Justice of the European Union's position. However, the court significantly reduced the amount awarded to SUEZ in respect of the 1999, 2000, and 2001 fiscal years. The Cergy Pontoise Administrative Court adopted an identical position for the amounts claimed by SUEZ in respect of the 2002/2003 and 2004 fiscal years. GDF SUEZ appealed this decision and also intends to appeal the Paris Appeal Court's decision.

At the same time, in November 2014 the European Commission formally recognized the validity of the arguments put forward by GDF SUEZ and several other French taxpayers against the principles recommended by the *Conseil d'État* for calculating the amounts to be refunded. The Commission has asked the French State for clarification.

28.1.16 Claim by the Dutch tax authorities

Based on a disputable interpretation of a statutory modification that came into force in 2007, the Dutch tax authorities refuse the deductibility of a portion of the interest paid on financing contracted for the acquisition of investments made in the Netherlands in 2000. The amount of tax and default interest claimed up until December 31, 2008 amounts to €127 million. An appeal has been filed against these tax claims. On December 22, 2014 and January 28, 2015, respectively, the Dutch tax authorities issued tax assessments for the 2009 and 2010 fiscal years. The amount of tax and default interest claimed in respect of the interest deductibility amounts to €53.6 million for 2009 and €29.6 million for 2010. An appeal will be filed against these tax assessments. The total amount of tax and default interest assessed up until December 31, 2010 amounts to €210.2 million.

28.1.17 Total Energie Gaz

GDF SUEZ buys natural gas from Total Energie Gaz (TEGAZ), a subsidiary of the Total Group, under an agreement entered into on October 17, 2004 (the “Agreement”), and asked for a review of the contractual price with effect from May 1, 2011. As the negotiations with TEGAZ were not successful, GDF SUEZ submitted the dispute involving the review of the contractual price to a panel of experts, in March 2012, in accordance with the Agreement. On June 5, 2012, TEGAZ gave notice of a dispute regarding the interpretation of certain clauses in the aforementioned Agreement, which was the subject of arbitration proceedings, in accordance with the regulations of the French Arbitration Association (AFA).

After the parties exchanged their pleadings, the hearings regarding the interpretation of certain provisions of the purchase agreement (the "Agreement") took place at the arbitration court between January 27 and January 30, 2014. The award, which was delivered on May 13, 2014, dismissed all of TEGAZ's claims regarding the interpretation of the Agreement, particularly those concerning the provisions pertaining to the review of the contractual price.

The expertise proceedings in the dispute regarding the review of the contractual price have resumed. On February 7, 2015, the panel of experts gave a first favorable response to the Group’s request to review the contract price of natural gas purchased from May 1, 2011 to October 31, 2014 under the natural gas supply agreement with TEGAZ. The panel of experts confirmed that the request for price review addressed by the Group was justified and determined a new contractual pricing formula, therefore granting a price decrease to the Group.

28.2 Competition and concentration

28.2.1 “Accès France” proceedings

On May 22, 2008, the European Commission announced its decision to initiate formal proceedings against Gaz de France for a suspected breach of EU rules pertaining to abuse of dominant position and restrictive business practices. The proceedings relate to a combination of long-term transport capacity reservation and a network of import agreements, as well as potential underinvestment in transport and import infrastructure capacity.

On June 22, 2009, the Commission sent GDF SUEZ, GRTgaz and ELENGY a preliminary assessment in which it alleged that GDF SUEZ might have abused its dominant position in the gas sector by foreclosing access to gas import capacity in France. On June 24, 2009, GDF SUEZ, GRTgaz and ELENGY offered commitments in response to the preliminary assessment, while expressing their disagreement with the conclusions it contained.

These commitments were submitted to a market test on July 9, 2009, following which the Commission informed GDF SUEZ, GRTgaz and ELENGY of how third parties had responded. On October 21, 2009, GDF SUEZ, GRTgaz and ELENGY filed amended commitments aimed at facilitating access to and competition on the French natural gas market. On December 3, 2009, the Commission adopted a decision that rendered these commitments legally binding. This decision by the Commission put an end to the proceedings initiated in May 2008. GDF SUEZ, GRTgaz and ELENGY are continuing to fulfill the commitments under the supervision of a trustee (Advolis) approved by the European Commission.

28.2.2 Compagnie Nationale du Rhône

On June 10, 2009 the European Commission decided to impose a fine of €20 million on Electrabel, GDF SUEZ Group, for (i) having acquired Compagnie Nationale du Rhône (CNR) at the end of 2003, without notifying the Commission (ii) and for having carried out this acquisition before its authorization by the European Commission. The decision was handed down further to a statement of objections sent by the European Commission on December 17, 2008, to which Electrabel responded in its observations in reply filed on February 16, 2009. On August 20, 2009 Electrabel brought an action for annulment of the Commission’s decision before the General Court of the European Union. In its ruling of December 12, 2012, the Court rejected the appeal against the European Commission’s decision in its entirety. Electrabel has appealed the Court’s decision before the Court of Justice of the European Union, which rejected the appeal on July 3, 2014. The Commission's decision is therefore now final.

28.2.3 Long-term Power Purchase Agreements in Hungary

The European Commission handed down a decision on June 4, 2008, according to which the long-term Power Purchase Agreements entered into between power generators and the Hungarian State, which were in force at the time of Hungary’s accession to the European Union, in particular the agreement between DUNAMENTI Erőmű (a former group subsidiary) and MVM, constituted illegal State aid, incompatible with the Treaty on the Functioning of the European Union. It asked the Hungarian State to terminate these agreements, recover the related State aid from the power generators and, when necessary, to indemnify the parties to the agreements via a compensation mechanism for stranded costs. The set-off mechanism was approved by the European Commission on April 27, 2010. The Hungarian government then passed a law providing for the termination of the Power Purchase Agreements with effect from December 31, 2008 and the recovery of the related State aid. DUNAMENTI Erőmű brought an action before the Court of the European Union on April 28, 2009 for annulment of the Commission’s decision of June 4, 2008. The hearing took place on May 15, 2013 and the European Commission's decision was upheld by the Court in its ruling of April 30, 2014. On June 30, 2014, Electrabel sold its interest in DUNAMENTI Erőmű, preserving nonetheless the rights that could arise from the appeal before the Court of Justice. On July 17, 2014, DUNAMENTI Erőmű and Electrabel appealed the decision before the Court of Justice of the European Union. The appeal is pending and the Court has not yet announced when it will deliver its decision.

On April 27, 2010, the European Commission handed down a decision approving the State aid payable by DUNAMENTI Erőmű and the amount of its stranded costs and allowing DUNAMENTI Erőmű to offset the State aid deemed illegal and the stranded costs. The set-off mechanism exempted DUNAMENTI Erőmű from the obligation to pay back the State aid deemed illegal. In 2015, at the initial expiration date of DUNAMENTI Erőmű's long-term Power Purchase Agreement, Hungary will recalculate the amount of stranded costs, which could result in DUNAMENTI Erőmű having to reimburse aid at that time[(1)].

Furthermore, on January 10, 2014, DUNAMENTI Erőmű and its main shareholder Electrabel filed an action before the General Court of the European Union seeking damages from the European Commission in the event that the decision of June 4, 2008 should be annulled. The Court rejected the action on November 13, 2014. Electrabel and DUNAMENTI Erőmű appealed the decision before the European Court of Justice on January 23, 2015. The appeal is pending and the Court has not yet announced when it will deliver its decision.

28.2.4 Inquiry into the Belgian electricity wholesale market

In September 2009 and June 2010, the Belgian Competition Authority organized raids on several companies operating in Belgium's electricity wholesale market, including Electrabel, a GDF SUEZ company.

On November 29, 2013 Auditorat (the prosecuting body of the Belgian competition authority) submitted a draft decision to the President of the Belgian competition authority[(2)] as well as to Electrabel. The draft decision, which confirmed the Auditorat's report filed on February 7, 2013, alleged that Electrabel may have abused its dominant position[(3)]. Electrabel formally disputed these allegations in written observations and at the hearing before the College of Competition Prosecutors on May 20, 2014.

In its decision of July 18, 2014, the College found that Electrabel had abused its dominant position and ordered it to pay a fine of €2 million. The College dismissed most of the claims brought by the Auditorat against Electrabel. It considered, on the one hand, that Electrabel had not sought to underuse its capacity and, on the other hand, that it had fully satisfied its contractual obligations with respect to ELIA, the electricity transmission grid operator. The College simply held that Electrabel may have marginally sold an insignificant quantity of its reserves (50 MW, i.e., less than 0.5% of its capacity) on the short-term wholesale market at a price that generated an unjustified margin. As no appeal was filed, the College's decision is final.

28.2.5 Gas and electricity supply markets in France

On April 15, 2014, Direct Energie lodged a complaint with the competition authorities against GDF SUEZ for alleged abuse of a dominant position on the gas and electricity supply markets, as well as a request for protective interim measures.

The hearing concerning the interim protective measures was held on July 9, 2014 and the competition authority rendered a decision on September 9, 2014.

As a protective interim measure and pending a decision on the merits, the authority ordered GDF SUEZ to grant, upon request and at its own cost, to companies in possession of a ministerial authorization to provide natural gas, access to certain information regarding customers subject to regulated natural gas tariffs in objective, transparent and non-discriminatory conditions.

In the event that this order is not fulfilled by the specified date, GDF SUEZ will be required to suspend all commercialization of its natural gas market offerings.

GDF SUEZ appealed this decision on September 19, 2014. The hearing was held on October 9, 2014 and the Paris Court of Appeal rendered a decision on October 31, 2014. The Court of Appeal upheld the competition authority's decision, but amended the following points: the date for access to the required information has been deferred to November 13, 2014 for legal entities and to January 15, 2015 for individuals; residential customers and the professionals acting as contact person for a legal entity were informed before the information was disclosed and had five days to oppose the disclosure; the wording of the letter required to be sent to residential customers was changed slightly so as not to prejudge the decision on the merits.

GDF SUEZ has appealed the decision handed down by the Court of Appeal before the Court of Cassation.

GDF SUEZ is currently implementing the interim measures imposed by the authorities in order to comply with the requirements of the decision and, therefore, provides access to the information in the files concerned to alternative suppliers at their request.

NOTE 29 Subsequent events

No significant subsequent events have occurred since the closing of the accounts at December 31, 2014.

(1) Refer also to Note 28.1.1 "Legal and arbitration proceedings/Electrabel – Hungarian State".

(2) Further to the entry into force on September 6, 2013 of the law of April 3, 2013, inserting additional clauses into Books IV and V of the Belgian Code of Economic Law (Code de droit économique), the Belgian Competition Authority has replaced the previous competition authority.

(3) The Authority's new decision-making body.

NOTE 30 Fees paid to the statutory auditors and to members of their networks

Pursuant to Article 222-8 of the Regulation of the Financial Market Authority, the following table presents information on the fees paid by GDF SUEZ SA, its fully consolidated subsidiaries and joint operations to each of the auditors in charge of controlling the annual and consolidated accounts of GDF SUEZ Group.

The General Assembly of GDF SUEZ SA of April 28, 2014 decided to renew the mandate of Statutory Auditors Deloitte and EY firms for a period of six years covering the years 2014-2019.

	EY				Deloitte				Mazars	
	Amount		%		Amount		%		Amount	%
In millions of euros	2014	2013(1)	2014	2013(1)	2014	2013(1)	2014	2013(1)	2013(1)	2013(1)
Audit										
Statutory audit, attest engagements and review of consolidated and parent company financial statements										
• GDF SUEZ SA	1.9	1.9	17.7%	16.3%	1.2	1.1	8.5%	6.2%	1.1	25.2%
• Fully consolidated subsidiaries and joint operations	6.8	7.8	63.6%	68.8%	11.1	14.3	76.7%	76.9%	2.6	59.7%
Other audit-related procedures and services										
• GDF SUEZ SA	0.4	0.3	3.7%	2.7%	0.7	0.8	4.5%	4.3%	0.1	3.3%
• Fully consolidated subsidiaries and joint operations	1.0	0.6	9.3%	5.1%	0.9	1.1	6.1%	6.2%	0.5	11.5%
SUB-TOTAL	**10.1**	**10.6**	**94.4%**	**92.9%**	**13.8**	**17.3**	**95.8%**	**93.5%**	**4.4**	**99.7%**
Other services										
• Tax	0.6	0.7	5.6%	6.0%	0.5	0.8	3.2%	4.5%	-	-
• Other	-	0.1	-	1.0%	0.1	0.4	1.0%	2.0%	-	0.3%
SUB-TOTAL	**0.6**	**0.8**	**5.6%**	**7.1%**	**0.6**	**1.2**	**4.2%**	**6.5%**	**-**	**0.3%**
TOTAL	**10.7**	**11.4**	**100%**	**100%**	**14.4**	**18.5**	**100%**	**100%**	**4.4**	**100%**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

2013 fees include fees from the SUEZ Environnement business line until July 22, 2013, date of the loss of control of SUEZ Environnement Company by the Group *(see Note 5.7)*.

NOTE 31 Information regarding Luxembourg and Dutch companies exempted from the requirement to publish annual financial statements

Some companies in the Energy Europe and Other business lines do not publish annual financial statements pursuant to domestic provisions in Luxembourg law (article 70 of the Law of December 19, 2002) and Dutch law (article 403 of the Civil Code) relating to the exemption from the requirement to publish audited annual financial statements.

The companies exempted are: GDF SUEZ Energie Nederland NV, GDF SUEZ Energie Nederland Holding BV, Electrabel Nederland Retail BV, Electrabel United Consumers Energie BV, Epon Eemscentrale III BV, Epon Eemscentrale IV BV, Epon Eemscentrale V BV, Epon Eemscentrale VI BV, Epon Eemscentrale VII BV, Epon Eemscentrale VIII BV, Epon International BV, Epon Power Engineering BV, GDF SUEZ Portfolio Management BV, Electrabel Invest Luxembourg, GDF SUEZ Corp Luxembourg SARL, GDF SUEZ Treasury Management SARL and GDF SUEZ Invest International SA.

6.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the GDF SUEZ management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholder's general meetings, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of GDF SUEZ;
- the justification of our assessments;
- the specific verification required by French law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I.Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes performing procedures, using sample testing techniques or other selection methods, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2014 and of the results of its operations for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying the conclusion expressed above, we draw your attention to note 2 "Impact of applying the new consolidation standards to the comparative 2013 financial statements" in the consolidated financial statements which describes the impact of new standards and amendments on the consolidation as well as the changes in presentation in the income statement of share in net income of the entities accounted for using the equity method.

II.Justification of assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

As described in note 1.3 "*Use of estimates and judgment*" to the consolidated financial statements, your Group is required to make estimates and assumptions in preparing its consolidated financial statements and the actual future results of the related transactions may differ from these estimates. They have been prepared in a context of economic and financial crisis and of high markets volatility whose consequences make it difficult to forecast economic mid-term perspectives.

It is in this context, that we have made our own assessments, notably on the following significant accounting assumptions:

- Measurement of the recoverable amount of goodwills, and of tangible and intangible assets.

  We have examined the methods used to perform impairment tests and notably those of significant goodwill CGUs "*Energy-Central Western Europe CGU*", "*Distribution CGU*", "*Global Gas & LNG CGU*" and "*Energy – North America CGU*".

  We have examined the data and key assumptions used for the determination of recoverable amounts, assessed the sensitivity of the measurements to these assumptions as well as the procedure for approving these estimates by management. We have also reviewed the calculations made by the Group and verified that notes 1.3.1.2, 8.2 and 13 to the consolidated financial statements provide appropriate disclosure.
- Evaluation of the provisions for back-end nuclear cycle and provisions for dismantling of nuclear facilities.

  We have reviewed the bases on which these provisions have been recorded and verified that notes 1.3.1.3 and 19 to the consolidated financial statements provide appropriate disclosures, notably the main assumptions, such as the scenario retained for managing radioactive fuel, costs assumptions, the timetable of operations and the discount rate.
- Measurement of revenues not yet metered (so called "un-metered revenues")

The Group estimates revenue related to electricity and gas sales to customers segments whose energy consumption is metered during the accounting period on the bases of estimations of consumption in line with the volume of energy allocated by the grid managers on the same period and estimations of average selling prices. Our work consisted in assessing the methods and assumptions used to calculate these estimates and verifying that note 1.3.1.6 to the consolidated financial statements provides appropriate disclosure.

- Evaluation of the provisions for litigation.

  We have assessed the bases on which these provisions have been recorded and verified that notes 19 and 28 to the consolidated financial statements provide appropriate disclosure.

Accounting policies and methods

We have examined the appropriateness of the accounting treatments adopted by the GDF SUEZ Group, in particular, in respect of the practical applications of the provisions of IAS 39 relating to the type of contracts considered to be part of "normal activity", areas that are not the subject of specific provisions under IFRS, as adopted in the European Union.

We verified that note 1 to the consolidated financial statements provides appropriate disclosure in this respect.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III.Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information relating to the Group presented in the management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, March 3, 2015

The Statutory auditors

DELOITTE & ASSOCIES

Véronique Laurent

ERNST & YOUNG et Autres

Pascal Macioce

Charles-Emmanuel Chosson

6.4 PARENT COMPANY FINANCIAL STATEMENTS

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

6.4.1 Financial Statements

Balance sheet – Assets

In millions of euros		Note	Dec. 31, 2014 Gross	Dec. 31, 2014 Depreciation, amortization and impairment	Dec. 31, 2014 Net	Dec. 31, 2013 Net
NON-CURRENT ASSETS						
Intangible assets		C 1-2	1,449	780	669	677
Property, plant and equipment		C 1-2	1,005	587	418	437
Financial fixed assets		**C 4**				
Equity investments			67,071	2,436	64,635	64,522
Other financial fixed assets			1,355	396	959	1,261
TOTAL NON-CURRENT ASSETS	**I**		**70,880**	**4,199**	**66,681**	**66,897**
CURRENT ASSETS						
Inventories		**C 5-7**				
Gas reserves			1,650		1,650	1,843
Other			0		0	1
Advances and downpayments given on orders			**2**		**2**	**1**
Operating receivables		**C 6-7**				
Trade and other receivables			4,783	305	4,478	4,102
Other operating receivables			951		951	818
Miscellaneous receivables		**C 7**				
Current accounts with subsidiaries			5,509		5,509	3,654
Other miscellaneous receivables			1,325	21	1,304	1,141
Marketable securities		**C 8**	**1,534**		**1,534**	**2,646**
Cash and cash equivalents			36		36	20
TOTAL CURRENT ASSETS	**II**		**15,790**	**326**	**15,464**	**14,226**
ACCRUALS	**III**	**C 9**	**648**		**648**	**369**
Unrealized foreign exchange losses	**IV**		**530**		**530**	**389**
TOTAL ASSETS	**(I TO IV)**		**87,848**	**4,525**	**83,323**	**81,881**

Balance sheet – Equity and liabilities

In millions of euros		Note	Dec. 31, 2014	Dec. 31, 2013
EQUITY				
SHAREHOLDERS' EQUITY		C 10		
Share capital			2,435	2,413
Additional paid-in capital			32,505	32,207
Revaluation adjustments			42	42
Legal reserve			243	241
Other reserves			254	220
Retained earnings			6,704	9,617
Net income			411	663
Interim dividend			(1,184)	(1,960)
Tax-driven provisions and investment subsidies		C 12	486	541
	I		**41,896**	**43,984**
OTHER EQUITY	**II**	**C 11**	**31**	**175**
	I + II		**41,927**	**44,159**
PROVISIONS FOR CONTINGENCIES AND LOSSES	**III**	**C 12**	**2,968**	**2,814**
LIABILITIES				
Borrowings and debt		**C 13-14-15**		
Borrowings			28,445	26,115
Amounts payable to equity investments			514	480
Current accounts with subsidiaries			35	54
Other borrowings and debt			701	656
			29,695	**27,305**
Advances and downpayments received on orders			**1**	**1**
Trade and other payables			**5,657**	**4,657**
Tax and employee-related liabilities			**916**	**1,104**
Other liabilities			**1,601**	**1,128**
	IV		**37,870**	**34,195**
ACCRUALS	**V**	**C 9**	**99**	**335**
Unrealized foreign exchange gains	**VI**		**459**	**378**
TOTAL EQUITY AND LIABILITIES	**(I TO VI)**		**83,323**	**81,881**

Income statement

In millions of euros	Note	Dec. 31, 2014	Dec. 31, 2013
Energy sales		22,703	26,773
Other production sold		1,859	1,835
Revenues	**C 16**	**24,562**	**28,608**
Production taken to inventory		0	0
Production for own use		7	26
Total production		**24,569**	**28,634**
Energy purchases and change in gas reserves		(18,180)	(21,019)
Other purchases		(17)	(27)
Other external charges		(6,436)	(6,753)
Value added		**(64)**	**835**
Taxes and duties net of subsidies received		(52)	(86)
Personnel costs	C 16	(687)	(773)
Gross operating loss		**(803)**	**(24)**
Net additions to depreciation, amortization and impairment	C 16	(187)	(206)
Net additions to provisions	C 16	(219)	(301)
Other operating income and expenses		(145)	(145)
Net operating loss		**(1,354)**	**(676)**
Net financial income	**C 17**	**1,590**	**1,054**
Net recurring income		**236**	**378**
Non-recurring items	**C 18**	**(203)**	**(483)**
Income tax	**C 19**	**378**	**768**
NET INCOME		**411**	**663**

Cash flow statement

In millions of euros		Dec. 31, 2014	Dec. 31, 2013
1. Cash flow from operations	**1**	**698**	**798**
Change in inventories	2a	(194)	(168)
Change in trade receivables (net of trade receivables with a credit balance)	2b	431	(930)
Change in trade payables	2c	(1,114)	111
Change in other items	2d	479	490
2. Change in working capital requirements (2a+2b+2c+2d)	2	(398)	(497)
Cash flow from operating activities	**(1 - 2) I**	**1,096**	**1,295**
II - Investing activities			
1. Cash flow used in investing activities			
Property, plant and equipment and intangible assets		135	138
Financial fixed assets		926	190
Change in amounts payable on investments			
	1	**1,061**	**328**
2. Cash flow from investing activities			
Net proceeds from asset disposals		910	94
Decrease in financial fixed assets		213	33
	2	**1,123**	**127**
Cash flow from (used in) investing activities	**(1- 2) II**	**(62)**	**201**
III - Cash flow after operating and investing activities	**(I - II) III**	**1,158**	**1,094**
IV – Financing activities			
1. Capital increases and decreases	**1**	**176**	**(281)**
2. Dividends and interim dividends paid to shareholders[(1)]	**2**	**(2,767)**	**(3,539)**
3. Financing raised on capital markets			
Bond issues		4,457	2,149
Other short- and medium-term borrowings and credit facilities[(2)]		512	476
	3	4,969	2,625
4. Repayments and redemptions			
Bonds and short- and medium-term credit facilities[(2)]		3,159	2,279
	4	3,159	2,279
Cash flow used in financing activities	**(1 + 2 + 3 - 4) IV**	**(781)**	**(3,474)**
V - Change in cash and cash equivalents	**(III + IV) V**	**377**	**(2,380)**

(1) The €2,767 million figure reflects the 2014 recurring dividend net of the interim dividend paid in 2014 (€1,583 million) and the 2014 interim dividend (€1,184 million).

(2) Since 2011, issues and repayments of US commercial paper and Treasury bills have been shown on a net basis.

6.4.2 Notes to the parent company financial statements

A. Summary of significant accounting policies

The 2014 financial statements have been drawn up in euros in compliance with the general principles prescribed by the French chart of accounts, as set out in Regulation No. 2014-03 issued by the French accounting standards-setter (*Autorité des Normes Comptables* – ANC), and with the valuation methods described below.

Financial transactions involving equity investments, securities and the related receivables, especially impairment charges or reversals, are included in non-recurring items rather than financial items. In accordance with Article 120-2 of the French chart of accounts, GDF SUEZ SA considers that although this classification diverges from French accounting standards, it gives a more faithful view of the income statement because all items of income and expenses relating to equity investments can be shown together with capital gains or losses on disposals under non-recurring items.

Use of estimates and judgment

The preparation of financial statements requires GDF SUEZ SA to use estimates and assumptions that affect the amounts reported in the financial statements or in the notes thereto. This mainly concerns provisions for site rehabilitation costs, the measurement of derivative financial instruments not quoted on an active market, provisions for contingencies, the measurement of equity investments, revenue from delivered unbilled natural gas ("gas in the meter"), and provisions and off-balance sheet commitments relating to employee benefits.

The economic and financial crisis led GDF SUEZ SA to step up its risk oversight procedures and factor in a risk assessment process when pricing its financial instruments and equity investments. The Company has taken the crisis and the significant market volatility into account in its business plans and in the various discount rates used to perform impairment tests and calculate provisions.

The financial statements reflect management's best estimates of these amounts, based on information available at the end of the reporting period.

Shareholders' equity

Additional paid-in capital

External costs directly attributable to capital increases are deducted from additional paid-in capital. Other costs are expensed as incurred.

Merger premium

External expenses directly attributable to the merger between Gaz de France SA and SUEZ SA in 2008 are deducted from the merger premium.

Revaluation adjustments

This caption results from the legal revaluations of non-amortizable assets not operated under concessions carried out in 1959 and 1976.

Other equity – irredeemable and non-voting securities (titres participatifs)

GDF SUEZ SA issued irredeemable and non-voting securities in 1985 and 1986 pursuant to Law No. 83.1 of January 10, 1983 and Law No. 85.695 of July 11, 1985. These securities are shown in liabilities for their nominal amount and are redeemable only at the initiative of GDF SUEZ SA. Interest paid on irredeemable and non-voting securities is included in financial expenses (see Note 11).

Irredeemable and non-voting securities that have been redeemed and not yet canceled are classified in "Marketable securities".

Gains or losses arising on the cancelation of irredeemable and non-voting securities bought back by the Company are shown in financial items.

All irredeemable non-voting securities were repurchased in 2014.

Intangible assets

This caption mainly comprises:

- the purchase cost or production cost of software, amortized over its estimated useful life;
- the technical loss resulting from the merger.

Technical losses are allocated off-the-books to the various assets contributed within the scope of the merger. In the event of a disposal, the portion of the loss relating to the assets sold is reversed through income.

Research costs are expensed in the year in which they are incurred.

In accordance with the option permitted by CRC Regulation No. 2004-06, other development costs are capitalized provided they meet specific criteria, particularly as regards the pattern in which the intangible asset is expected to generate future economic benefits.

A useful life of between five and seven years is generally used to calculate software amortization.

Accelerated depreciation, classified in the balance sheet under tax-driven provisions, is recognized whenever the useful lives for tax purposes are shorter than those used for accounting purposes, or whenever the depreciation method for accounting and tax purposes differs.

Property, plant and equipment

All items of property, plant and equipment are carried at purchase cost or production cost, including ancillary expenses, with the exception of assets acquired prior to December 31, 1976, which are shown at their revalued amount at that date.

Almost all items of property, plant and equipment are depreciated on a straight-line basis.

Assets are depreciated over their useful lives, based on the period over which they are expected to be used. The useful lives for the main asset classes are as follows:

- buildings: 20 to 60 years;
- other: 3 to 15 years.

Accelerated depreciation, classified in the balance sheet under tax-driven provisions, is recognized whenever the useful lives for tax purposes are shorter than those used for accounting purposes, or whenever the depreciation method for accounting and tax purposes differs.

Components

When the components of a given asset cannot be used separately, the overall asset is recognized. If one or more components have different useful lives at the outset, each component is recognized and depreciated separately.

Financial fixed assets

Equity investments

Equity investments represent long-term investments providing GDF SUEZ SA with control or significant influence over the issuer, or helping it to establish business relations with the issuer.

Newly-acquired equity investments are recognized at purchase price plus directly attributable transaction fees.

Investments which GDF SUEZ SA intends to hold on a long-term basis are written down if their value in use has fallen below their book value. Value in use is assessed by reference to the intrinsic value, yield value, expected cash flows and stock market prices for the assets, taking into account any currency hedges where appropriate.

Investments which GDF SUEZ SA has decided to sell are written down if their book value is lower than their estimated sale price. If sale negotiations are ongoing at the end of the reporting period, the best estimate is used to determine the sale price.

Amounts receivable from equity investments

This caption consists of loans granted by GDF SUEZ SA to equity investments.

They are recognized at face value. In line with the treatment adopted for equity investments, these amounts are written down if their value in use falls below their face amount.

Provisions for contingencies may be booked if the Company considers that the cost of its commitment exceeds the value of the assets held.

Other financial fixed assets

This caption includes mainly investments other than equity investments that GDF SUEZ SA intends to hold on a long-term basis but which do not meet the definition of equity investments.

A writedown may be taken against other financial fixed assets in accordance with the criteria described above for equity investments.

Liquidity agreement and treasury stock

The Company has entered into a liquidity agreement with an investment services provider. Under this agreement, the investment services provider agrees to buy and sell GDF SUEZ SA shares to organize the market for and ensure the liquidity of the share on the Paris and Brussels stock markets.

The amounts paid to the investment services provider are included in “Other long-term investments”. An impairment loss is recognized against the shares when their average price for the month in which the accounts are closed is lower than their book value.

Marketable securities

Marketable securities are shown on the balance sheet at cost.

When the market value of securities at December 31 is lower than their book value, a writedown is recognized for the difference.

For listed securities, market value is determined based on the market price at the end of the reporting period.

Gas inventories

Gas injected into underground reservoirs is included in inventories. It is measured at average purchase cost including domestic and international freight costs upon entering the transportation network regardless of its source, and including any regasification costs. Outflows are measured on a monthly basis using the weighted average unit cost method.

An impairment loss is recognized when the net realizable value of inventories, representing the selling price less costs directly and indirectly attributable to distribution, is lower than weighted average cost.

Operating receivables

This caption includes all receivables arising on the sale of goods, and other receivables arising in the ordinary course of operations.

Gas delivered but not billed

Receivables also include unbilled revenues for gas delivered, regardless of whether or not the meters have been read.

This caption concerns customers not billed monthly (mainly residential customers) and customers whose billing period is not aligned with the consumption period of a given month.

The amount receivable in respect of delivered unbilled natural gas (“gas in the meter”) is calculated using a direct method taking into account estimated customer consumption based on the most recent customer bill or unbilled gas reading, in line with the allocation of the distribution grid manager over the same period. Gas in the meter is measured at the average energy price. The average price used takes account of the category of customer and the age of the delivered unbilled “gas in the meter”. The estimated portion of unbilled revenue at the reporting date is sensitive to the average price and volume assumptions used.

Customers (mainly retail customers) can opt to pay on a monthly basis. In this case, the Company recognizes a monthly advance and a bill is issued at the anniversary date of the contract giving rise to the payment (or refund) of any difference between the amount billed and the advance payments already received.

Unbilled revenues in respect of delivered unbilled natural gas are netted against the advances already collected by the Company from customers billed monthly.

Impairment of trade receivables

Bad debt risk is analyzed on a case-by-case basis for the Company's largest customers.

Receivables from other customers are written down using rates which increase in line with the age of the related receivables.

The potential bad debt risk arising on amounts receivable in respect of delivered unbilled natural gas is also taken into account.

Other operating receivables

Other operating receivables include the current account with GDF SUEZ Finance, as well as margin calls. Items for which there is a risk of non-collection are written down.

Foreign currency transactions

Income and expenses denominated in foreign currencies are recorded at their equivalent value in euros at the transaction date.

Foreign currency receivables, payables and cash and cash equivalents are converted at the exchange rate prevailing at year-end.

Translation differences are taken to income when they arise on cash and cash equivalents, or to the balance sheet under unrealized foreign exchange gains or losses when they arise on receivables and payables. A provision is set aside for unrealized losses after taking account of any associated hedging instruments.

Provisions for contingencies and losses

A provision is recognized when the Company has a legal or constructive obligation resulting from a past event which is expected to result in an outflow of resources embodying economic benefits that can be measured reliably.

The provision represents the best estimate of the amount required to settle the present obligation at the end of the reporting period.

Provisions for rehabilitating land on which former gas production plants were located

These provisions are set aside to cover the estimated costs of rehabilitating land on which former gas production plants were located, in light of general environmental protection standards and laws and regulations specific to certain equipment.

These provisions reflect the best estimate of the costs that this will involve, based on (i) current cost information, technical knowledge and experience acquired, and (ii) regulatory requirements in force or in the process of being adopted.

Any revisions subsequently made to estimates (timing of rehabilitation obligations, estimated costs involved, etc.) are taken into account on a prospective basis. Movements in these provisions are shown under operating items.

Provision for employee bonus share awards and stock option plans

In accordance with CRC Regulation No. 2008-15 of December 4, 2008, the provision for employee bonus share awards is recognized on a straight-line basis over the vesting period. The provision ultimately covers the disposal loss equal to the book value of treasury stock granted free of consideration to employees. Movements in this provision and any related costs are shown in personnel expenses.

For stock options, a provision is set aside whenever the share price at the end of the reporting period is higher than the exercise price of the options granted. The provision is set aside on a straight-line basis over the vesting period, and ultimately covers the disposal loss equal to the purchase cost of the shares, less the exercise price paid by employees.

Bond redemption premiums and issue costs

In accordance with the benchmark treatment prescribed by the French National Accounting Board (*Conseil National de la Comptabilité* – CNC), bond issue costs are recognized on a straight-line basis over the life of the instruments. These issue costs mainly consist of advertising expenses (for public issues) and fees due to financial intermediaries.

Bonds carrying a redemption premium are recognized in liabilities for their total amount including redemption premiums. The matching entry for these premiums is recorded in assets under accruals, and amortized over the life of the bonds pro rata to interest.

Pensions and other employee benefit obligations

Companies belonging to the electricity and gas industries sector

GDF SUEZ SA employees qualify for the disability, pension and death benefits available under the special plan for companies belonging to the electricity and gas industries sector (see Note 21).

Accounting treatment

In accordance with the option permitted by the CNC's Emerging Issues Taskforce in Opinion 2000-A dated July 6, 2000, GDF SUEZ SA recognizes provisions under liabilities solely for benefits granted to employees whose rights have already begun to vest (annuities for occupational accidents and illnesses, temporary incapacity or disability benefits), or benefits due during the employee's working life (long-service awards and exceptional end-of-career vacation).

As part of the 2008 merger between SUEZ and Gaz de France with retroactive effect from January 1, 2008, provisions for pensions and other employee benefits (pensions, retirement indemnities and healthcare) carried by SUEZ SA at December 31, 2007 were transferred to GDF SUEZ SA.

In accordance with Opinion 2005-C of the CNC's Emerging Issues Taskforce and with the method applied by GDF SUEZ SA and described above, no further amounts will be set aside to these provisions in respect of rights newly vested by employees or the unwinding of discounting adjustments on the provisions transferred within the scope of the merger. These provisions are written back in line with the settlement of the corresponding obligations.

No provisions are set aside in liabilities for other commitments. These are disclosed in Note 21 on off-balance sheet commitments.

Basis of measurement and actuarial assumptions

Benefit obligations are measured using the projected unit credit method. The present value of the obligations of GDF SUEZ SA is calculated by allocating vested benefits to periods of service under the plan's benefit formula. When an employee's service in later years leads to a materially higher level of benefits than in earlier years, the Group allocates the benefits on a straight-line basis.

Future payments in respect of these benefits are calculated based on assumptions as to salary increases, retirement age, mortality and employee turnover.

The rate used to discount future benefit payments is determined by reference to the yield on investment grade corporate bonds based on maturities consistent with the benefit obligation.

Financial instruments and commodity derivatives

To hedge and manage its currency, interest rate and commodity risk, GDF SUEZ SA uses financial and operating instruments disclosed in off-balance sheet commitments.

In the case of contracts that qualify as hedging instruments and are traded on an organized market or over the counter, gains or losses are taken to income symmetrically with the gain or loss on the hedged items.

Changes in the fair market value of contracts that do not qualify as hedging instruments and are traded on an organized market are taken to income. A provision is set aside for unrealized losses on instruments traded over the counter that do not qualify as hedging instruments.

If the hedged item ceases to exist, the contract is unwound and any gains or losses taken to income.

GDF SUEZ SA uses internal models representative of market practices to value financial derivative instruments that are not listed on financial markets.

Income tax

Since January 1, 1988, GDF SUEZ SA has been part of the tax consolidation regime introduced by Article 68 of Law No. 87-1060 of December 30, 1987. GDF SUEZ SA is head of a tax consolidation group within the meaning of Articles 223 A *et seq.* of the French Tax Code (*Code général des impôts*).

The contribution of subsidiaries in the tax consolidation group to the Group's income tax expense equals the amount of tax for which they would have been liable if they had not been members of the tax consolidation group.

The impacts of tax consolidation are recorded under the income tax expense of GDF SUEZ SA, as parent company.

GDF SUEZ SA also records a provision for any tax savings generated by subsidiaries' tax losses. These savings initially benefit GDF SUEZ SA as parent company, and are recovered by the subsidiaries once they return to profit (hence the provision booked).

Article 66 of Amending Finance Law No. 2012-1510 of December 29, 2012 introduced a tax credit aimed at boosting employment and competitiveness in France (*Crédit d'impôt pour la compétitivité et l'emploi* – CICE). This tax credit is recognized as a reduction of income tax expense.

Statutory training entitlement

Rights vested under the statutory training entitlement at December 31, 2014 are disclosed in Note 16B.

In accordance with Opinion 2004 F of the CNC's Emerging Issues Taskforce on the recognition of statutory training entitlements, no provision has been recorded by GDF SUEZ SA in its 2014 financial statements, as employee rights are included in the Company training plan.

B. Comparability of periods presented

The financial statements for the year ended December 31, 2014 are comparable with the financial statements for the year ended December 31, 2013.

C. Additional information regarding the balance sheet and income statement

NOTE 1 Intangible assets and property, plant and equipment

Changes in the gross value of these assets can be analyzed as follows:

In millions of euros	Dec. 31, 2013	Increases	Decreases	Reclassifications	Dec. 31, 2014
Intangible assets	**1,364**	**102**	**(15)**	**(2)**	**1,449**
Software	658	-	(15)	86	729
Technical losses	285	-	-	-	285
Other	323	-	-	-	323
Intangible assets in progress	98	102	-	(88)	112
Property, plant and equipment	**1,008**	**32**	**(37)**	**2**	**1,005**
Land	38	-	(1)	-	37
Buildings	516	-	(13)	22	525
Plant and equipment	175	1	(1)	25	200
Other	227	-	(22)	1	206
Property, plant and equipment in progress	52	31	-	(46)	37
Advances and downpayments	-	-	-	-	-
TOTAL	**2,372**	**134**	**(52)**	**0**	**2,454**

Research and development costs recognized in expenses in 2014 amounted to €61 million (€43 million in 2013).

Intangible assets in progress essentially concern IT projects.

NOTE 2 Depreciation, amortization and impairment of intangible assets and property, plant and equipment

Changes in this caption were as follows:

In millions of euros	Dec. 31, 2013	Additions taken through the income statement	Reversals taken through the income statement	Dec. 31, 2014
Intangible assets	**687**	**104**	**(11)**	**780**
Software	422	99	(11)	510
Technical losses	-	-	-	-
Other	265	5		270
Property, plant and equipment	**571**	**45**	**(29)**	**587**
Land	-	-	-	-
Buildings	362	18	(9)	371
Plant and equipment	90	8	-	98
Other	119	19	(20)	118
Property, plant and equipment in progress	-	-	-	-
TOTAL	**1,258**	**149**	**(40)**	**1,367**

Changes in this caption were as follows:

In millions of euros	Dec. 31, 2013	Additions	Reversals	Dec. 31, 2014
Intangible assets	200	-	(13)	187
Property, plant and equipment	-	-	-	-
TOTAL	**200**	**-**	**(13)**	**187**

Movements in depreciation, amortization and impairment can be broken down as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Depreciation, amortization and impairment	**149**	**160**
Straight-line method	146	157
Declining-balance method	2	2
Impairment	1	1
Exceptional depreciation and amortization	**13**	**13**
Reversals	-	-

The net value of intangible assets and property, plant and equipment is as follows:

In millions of euros	Gross value	Accumulated amortization/depreciation	Impairment	Net at Dec. 31, 2014	Net at Dec. 31, 2013
Intangible assets	**1,449**	**593**	**187**	**669**	**677**
Software	729	510	-	219	236
Technical losses	285	-	-	285	285
Other	323	83	187	53	58
Intangible assets in progress	112	-	-	112	98
Property, plant and equipment	**1,005**	**587**	**-**	**418**	**437**
Land	37	-	-	37	38
Buildings	525	371	-	154	154
Plant and equipment	200	98	-	102	85
Other	206	118	-	88	108
Property, plant and equipment in progress	37	-	-	37	52
Advances and downpayments	**-**	**-**	**-**	**-**	**-**
TOTAL	**2,454**	**1,180**	**187**	**1,087**	**1,114**

NOTE 3 Finance leases

If GDF SUEZ SA were the outright owner of buildings and other property, plant and equipment currently held under finance leases, these assets would be reported as follows:

In millions of euros	Gross value	Additions for the period	Net value	Accumulated depreciation
Buildings	92	(6)	57	(35)
Other property, plant and equipment	-	-	-	-

Contractual commitments are as follows:

	Lease payments					Purchase option price
In millions of euros	Paid in 2014	Outstanding	Due in 1 year or less	Due in 1 to 5 years	Due in more than 5 years	
Buildings	5	7	4	3	-	-
Other property, plant and equipment	-	-	-	-	-	-

Virtually all property lease agreements provide for a purchase option exercisable at a symbolic price of one euro.

NOTE 4 Financial fixed assets

Note 4 A. Gross values

Changes in the gross value of these assets can be analyzed as follows:

In millions of euros	Dec. 31, 2013	Increases	Decreases	Other	Dec. 31, 2014
Equity investments	**66,976**	**154**	**(76)**	**17**	**67,071**
Consolidated equity investments	66,555	36	-	158	66,749
Non-consolidated equity investments	421	118	(76)	(141)	322
Other financial fixed assets	**1,649**	**2,831**	**(3,125)**	**-**	**1,355**
Other long-term investments[(1)]	141	416	(530)	-	27
Amounts receivable from equity investments	1,449	25	(199)	-	1,275
Loans	19	10	(10)	-	19
Other financial fixed assets	40	2,380	(2,386)	-	34
TOTAL	**68,625**	**2,985**	**(3,201)**	**17**	**68,426**

(1) *At December 31, 2014, GDF SUEZ SA held 450,000 treasury shares under the liquidity agreement. These shares had an acquisition cost of €8.77 million and a market value of €8.87 million at that date. No impairment provision was recognized against these shares at December 31, 2014 (see Note 4B – "Other"). Movements in treasury stock are detailed in Note 10A.*
Equity investments and amounts receivable from these investments are detailed in Note 23.

The year-on-year change in equity investments at December 31, 2014 is essentially attributable to:

- purchases of shares in NNB Development Company (UK nuclear business) for €108 million, bringing the Group's interest in the company to 100%;
- acquisition of GDF SUEZ New Ventures (stakes in innovative companies) for €28 million from SI Finance;
- purchase of shares in Gaz Transport & Technigaz for €8 million following the initial public offer and acquisition of control;
- sale of shares in SI Finance (holding company) for €69 million in connection with a capital decrease;
- subscription to the capital increase carried out by Electrabel (contribution of the Belgian branch) in an amount of €17 million.

Note 4 B. Impairment

In millions of euros	Dec. 31, 2013	Additions	Reversals	Other	Dec. 31, 2014
Consolidated equity investments	2,158	83	(55)	-	2,186
Non-consolidated equity investments	296	15	(60)	-	251
Amounts receivable from equity investments	372	22	-	-	394
Other	16	-	(15)	-	1
TOTAL	**2,842**	**120**	**(130)**	**-**	**2,832**

The main changes in impairment reflect:

- provisions for impairment recognized against shares in Compagnie du Vent (€54 million), GDF SUEZ IT (€20 million), GDF SUEZ Management Company (€8 million) and Ecometering (€12 million);
- reversals of impairment provisions recognized in relation to shares in SI Finance following the share repurchase (€46 million), Genfina (€35 million), Storengy (€12 million) and Cogac (€8 million);
- a reversal from the provision for impairment relating to the liquidity agreement (€16 million).

Note 4 C. Net value

In millions of euros	Gross value at Dec. 31, 2014	Impairment	Net value at Dec. 31, 2014	Net value at Dec. 31, 2013
Equity investments	**67,071**	**(2,436)**	**64,635**	**64,522**
Consolidated equity investments	66,749	(2,186)	64,563	64,397
Non-consolidated equity investments	322	(250)	72	125
Other financial fixed assets	**1,355**	**(396)**	**959**	**1,261**
Other long-term investments	27	(1)	26	125
Amounts receivable from equity investments	1,275	(394)	881	1,077
Loans	19	(1)	18	19
Other financial fixed assets	34	-	34	40
TOTAL	**68,426**	**(2,832)**	**65,594**	**65,783**

NOTE 5 Inventories

In millions of euros	Gross value at Dec. 31, 2013	Increases	Decreases	Gross value at Dec. 31, 2014
Gas reserves	1,843	1,448	1,641	1,650
Other	1	-	1	-
TOTAL	**1,844**	**1,448**	**1,642**	**1,650**

NOTE 6 Maturity of receivables

		Due		
In millions of euros	Gross amount at Dec. 31, 2014	End-2015	Between 2016 and 2019	2020 and beyond
Non-current assets	**1,355**	**769**	**89**	**497**
Amounts receivable from equity investments	1,275	758	77	440
Loans	19	4	5	10
Liquidity agreement	9	-	-	9
Other financial fixed assets	52	7	7	38
Current assets	**12,570**	**12,541**	**29**	**-**
Trade and other receivables	4,783	4,765	18	-
Current accounts with subsidiaries	5,509	5,509	-	-
Other operating receivables	951	951	-	-
Other receivables	1,325	1,314	11	-
Advances and downpayments made on orders	2	2	-	-
TOTAL	**13,925**	**13,310**	**118**	**497**

NOTE 7 Impairment of current assets

In millions of euros	Dec. 31, 2013	Additions	Reversals	Dec. 31, 2014
Operating receivables	267	162	(124)	305
Miscellaneous receivables	21	-	-	21
Marketable securities	25	-	(25)	-
TOTAL	**313**	**162**	**(149)**	**326**

NOTE 8 Marketable securities

Marketable securities shown on the balance sheet for a net amount of €1,534 million had a market value of €1,450 million at December 31, 2014.

The unrealized capital loss concerns the GDF SUEZ shares purchased in connection with employee share grants. A provision was recognized in liabilities for the portion allocated to share plans (see Note 12 B2).

No impairment was recognized against shares not yet allocated to future share plans at December 31, 2014, since the price of the shares at the end of the reporting period exceeded the cost of acquiring those shares (€254 million at December 31, 2014).

The market value of other marketable securities exceeds their cost.

NOTE 9 Accruals

Assets

In millions of euros	Dec. 31, 2013	Increases	Decreases	Dec. 31, 2014
Loan redemption premiums	137	43	(24)	156
Deferred loan issuance costs	79	26	(20)	85
Financial instruments	153	382	(128)	407
TOTAL	**369**	**451**	**(172)**	**648**

Liabilities

In millions of euros	Dec. 31, 2013	Increases	Decreases	Dec. 31, 2014
Options contracts	70	331	(388)	13
Financial instruments	265	86	(265)	86
TOTAL	**335**	**417**	**(653)**	**99**

NOTE 10 Shareholders' equity

Note 10 A. Share capital – Shares issued and outstanding

Share capital is fully paid up. Each €1 share carries a single voting right.

Share capital	
Shares comprising the share capital at January 1, 2014	2,412,824,089
Shares issued during the period following employee share subscriptions	22,460,922
Shares issued following dividend payouts	-
Total number of shares comprising the share capital	**2,435,285,011**

In 2014, a total of 20,932,267 shares were purchased and 27,657,267 shares were sold under the liquidity agreement, generating a net capital gain of €8.9 million. GDF SUEZ SA held 450,000 treasury shares under the liquidity agreement at December 31, 2014 and 7,175,000 treasury shares at December 31, 2013.

At December 31, 2014, GDF SUEZ SA held 44,379,797 shares in connection with bonus share awards (see Note 10 C).

Note 10 B. Change in shareholders' equity

In millions of euros

Shareholders' equity at December 31, 2013	**43,984**
Employee share subscriptions (Link 2014 plan)	323
Dividends and interim dividends paid	(2,767)
Tax-driven provisions	(55)
Income	411
Shareholders' equity at December 31, 2014	**41,896**

In 2014, GDF SUEZ SA paid:

- a dividend of €0.67 per share (net of the interim dividend paid in 2013) in respect of 2013, representing a total amount of €1,582 million, less the treasury shares held at the dividend payment date (€34 million).

  The total 2013 dividend was €1.50 per share, representing a total payout of €3,576 million;
- an interim dividend of €0.50 per share in respect of 2014, representing a total amount of €1,184 million, payable in cash.

Notes 10 C. Employee bonus share awards and stock option plans

Bonus share policy and stock option policy

Bonus share awards are intended to involve all employees more closely in the Group's growth and performance. They are awarded to employees upon a decision of the Board of Directors, in accordance with decisions taken by the Shareholders' Meeting, subject to a minimum seniority of two years and a number of performance conditions.

Stock option policy – or employee share issues prior to the merger between Gaz de France and SUEZ – aims to closely involve executive and senior management, as well as high-potential managers, in the future development of the Company and in creating shareholder value. Conditions for the award of options and the list of beneficiaries are approved by the Board of Directors in accordance with authorizations granted at Shareholders' Meetings. Certain stock option awards have been replaced by bonus share awards, made available to more employees than were previously eligible for stock options.

In 2014, GDF SUEZ SA granted 3,607,006 bonus shares to GDF SUEZ Group employees. No stock options were granted during the year.

In 2014, GDF SUEZ SA delivered 977,082 shares to Group employees.

Based on all existing share plans, the number of beneficiaries and staff turnover assumptions, at December 31, 2014 GDF SUEZ SA considered that it had an obligation to deliver 30,535,596 shares, including 10,853,409 shares on the exercise of stock options.

In view of the shares delivered in 2014, the Company holds 44,379,797 shares to cover its bonus share obligations at December 31, 2014, representing a total amount of €948 million net of provisions. The market value of these shares at end-2014 was €862 million.

DETAILS OF BONUS SHARE AND STOCK OPTION PLANS IN FORCE

Bonus shares awarded	Number of shares awarded	Number of shares delivered	Per share value	Expense in 2014	Expense in 2013
GDF SUEZ Plan of November 12, 2008[1]	-	-	19.93	-	0.1
GDF SUEZ Plan of July 8, 2009[1]	-	-	19.93	-	3.5
GDF SUEZ plan of November 10, 2009[1]	309,626	277,360	24.53	0.3	1.7
GDF SUEZ Plan of August 24, 2010	182,980	-	25.34	1.6	0.7
GDF SUEZ Plan of January 13, 2011[1]	2,743,434	636,811	24.59	(2.4)	23.5
GDF SUEZ Plan of March 2, 2011[1]	26,554	28,375	24.53	-	0.3
GDF SUEZ Plan of June 22, 2011	1,883,110	-	25.34	18.3	23.1
GDF SUEZ Plan of December 6, 2011	2,707,618	-	25.34	23.4	19.4
GDF SUEZ Plan of February 29, 2012[1]	66,399	34,536	24.93	0.5	0.6
GDF SUEZ Plan of October 30, 2012	5,486,014	-	25.00	50.8	32.0
GDF SUEZ Plan of December 6, 2012	3,266,684	-	24.85	28.1	18.6
GDF SUEZ Plan of February 27, 2013	89,236	-	25.27	1.1	0.6
GDF SUEZ Plan of December 11, 2013	2,576,322	-	23.19	17.5	0.8
GDF SUEZ Plan of February 26, 2014	84,423	-	22.26	0.6	-
GDF SUEZ Plan of December 10, 2014	3,117,735	-	19.93	1.0	-
Link Abond Plan of December 10, 2014	110,117	-	19.93	-	-
TOTAL	**22,650,252**	**977,082**		**140.8**	**124.9**

(1) Plans for which shares have been partially or totally delivered.

Stock options granted	Number of stock options granted	Exercise value	Expense in 2014	Expense in 2013
GDF SUEZ Plan of November 12, 2008	5,998,064	32.74	-	-
GDF SUEZ Plan of November 10, 2009	4,855,345	29.44	-	-

GDF SUEZ SA took over the stock subscription options granted by SUEZ SA prior to the merger.

In view of the options exercised and in the absence of any further stock subscription options granted since the merger, GDF SUEZ SA could be required to issue a maximum 20,823,223 shares at December 31, 2014.

NOTE 11 Other equity

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Irredeemable and non-voting securities	-	148
Value of concession assets – Concession grantors' rights	31	27
TOTAL	**31**	**175**

GDF SUEZ SA issued irredeemable and non-voting securities in 1985 and 1986 pursuant to Law No. 83.1 of January 1, 1983 and Law No. 85.695 of July 11, 1985. Since August 1992, GDF SUEZ SA could choose to repurchase these irredeemable and non-voting securities at any time, at a price equal to 130% of their nominal amount.

In 2014, GDF SUEZ repurchased all 194,440 securities outstanding for a nominal amount of €140 million, corresponding to a disbursement of €191.6 million.

The irredeemable and non-voting securities accrued interest within an average bond yield range of between 85% and 130%. They included a fixed component equal to 63% of the average bond yield (TMO) and a variable component based on the year-on-year increase in value added reported by GDF SUEZ SA or the Group (Group share), whichever was higher.

At December 31, 2014, the corresponding financial expense amounted to €7 million.

NOTE 12 Provisions

Note 12 A. Tax-driven provisions and investment subsidies

In millions of euros	Dec. 31, 2013	Additions taken through the income statement	Reversals taken through the income statement	Dec. 31, 2014
Tax-driven provisions	**541**	**126**	**(181)**	**486**
Accelerated depreciation and amortization	334	126	(127)	333
Provision for price increases	207	-	(54)	153
Provision for investments	-	-	-	-
Investment subsidies	**-**	**-**	**-**	**-**
TOTAL	**541**	**126**	**(181)**	**486**

Note 12 B. Provisions for contingencies and losses

In millions of euros	Dec. 31, 2013	Additions	Reversals (used provisions)	Reversals (surplus provisions)	Other	Dec. 31, 2014
Provisions for site rehabilitation (Note 12 B1)	28	-	(11)	-	-	17
Provisions relating to employees (Note 12 B2)	322	161	(83)	-	-	400
Provisions for taxes (Note 12 B3)	257	9	(92)	-	-	174
Provisions for tax consolidation (Note 12 B4)	1,575	106	(150)	-	-	1,531
Vendor warranties (Note 12 B5)	48	2	(35)	-	-	15
Risks arising on subsidiaries (Note 12 B6)	23	-	(2)	-	-	21
Other provisions for contingencies and losses (Note 12 B7)	561	488	(206)	(29)	(4)	810
TOTAL	**2,814**	**766**	**(579)**	**(29)**	**(4)**	**2,968**

Note 12 B1. Provisions for site rehabilitation

Provisions for site rehabilitation totaled €17 million at December 31, 2014 versus €28 million at end-2013, and chiefly relate to the rehabilitation of land on which gas production plants were located. In 2014, €11 million of the provision was utilized, reflecting rehabilitation work completed.

Note 12 B2. Provisions relating to employees

Provisions for employee benefits

Pension obligations are covered by insurance funds. At end-2014, the corresponding provisions amounted to €7 million.

Other post-employment benefits amounted to €26 million.

Provisions have been set aside for the full amount of disability benefits and allowances for occupational accidents, illnesses of active employees at year-end, long-service awards and asbestos, representing a total amount of €93 million.

The provisions for pensions and other employee benefit obligations carried by SUEZ SA at the time of the 2008 merger are written back as and when the corresponding liabilities for which they were set aside at end-2007 are extinguished. No further amounts are set aside to these provisions in respect of rights newly vested or the unwinding of discounting adjustments.

These provisions represented a total amount of €126 million at December 31, 2014. Note 21 D analyzes changes in these provisions in the periods presented.

The full amount of end-of-career indemnities is partially covered by insurance funds; the shortfall amounted to €28 million at December 31, 2014.

Provisions for employee bonus share awards and stock option plans (see Note 10 C)

At December 31, 2014, provisions for employee bonus share awards and stock option plans amounted to €271 million (end-2013: €203 million).

In 2014, GDF SUEZ SA set aside a further €148 million to this provision to cover rights vested by employees. It also wrote back €80 million of the provision following the expiration of certain bonus share plans.

In addition to presence in the Group at the vesting date, eligibility for certain bonus share and performance share plans is subject to an internal performance condition. When this condition is not fully met, the number of bonus shares granted to employees is reduced in accordance with the plans' regulations.

Note 12 B3. Provisions for taxes

Provisions for taxes totaled €174 million at December 31, 2014 (€257 million at December 31, 2013), and chiefly relate to the acquisition of the transmission network in 2002. The provisions will be written back over a period of 14 years. The amount written back in 2014 was €92 million.

Note 12 B4. Provisions for tax consolidation

GDF SUEZ SA has chosen to file consolidated tax returns. As a result, it sets aside a provision reflecting its obligation to transfer back to subsidiaries any tax losses utilized.

At December 31, 2007, the capital gain on the disposal of the gas distribution activity had no impact on tax, since GrDF was part of the tax consolidation group. Since 2008, the subsidiary's statutory financial statements show tax savings relating to the amortizable component of the capital gain arising on the disposal of the gas distribution business. This excess amortization is canceled out at the level of the tax consolidation group. In accordance with the tax consolidation agreements signed with its subsidiaries, GDF SUEZ SA recognized a provision for tax consolidation with respect to GrDF for a definitive amount of €1,938 million, based on the amortizable component. In 2014, the Company wrote back an amount of €115 million (€109 million in 2013), corresponding to the neutralization of the excess amortization on the amortizable component arising in the year.

Provisions for tax consolidation amounted to €1,531 million at end-2014, including €1,212 million relating to the amortizable component of GrDF's intangible assets.

Note 12 B5. Provisions for vendor warranties

At December 31, 2014, provisions for vendor warranties amounted to €15 million (€48 million at end-2013).

Note 12 B6. Provisions for risks arising on subsidiaries

Risks arising on subsidiaries totaled €21 million at December 31, 2014 and €23 million at end-2013.

Note 12 B7. Other provisions for contingencies and losses

This item mainly includes provisions for contingencies arising on other third parties, provisions for disputes, and provisions for currency and interest rate risk. Movements in these provisions chiefly impact non-recurring and financial items.

Provisions for other contingencies and losses totaled €810 million at December 31, 2014 versus €561 million at end-2013,

The remaining balance at end-2014 chiefly concerns provisions for financial instruments (€383 million), for contract losses (€262 million), and for foreign exchange losses (€86 million).

NOTE 13 Borrowings and debt

In millions of euros	Dec. 31, 2014	Dec. 31,2013
Borrowings	**28,445**	**26,115**
Hybrid bonds[(1)]	3,735	1,710
Bonds	18,891	19,135
Other loans	5,819	5,270
Amounts payable to equity investments	**514**	**480**
Current accounts and loans with subsidiaries	**35**	**54**
Other borrowings and debt	**701**	**656**
Deposits received from customers	33	38
Consolidation	65	-
Current portion of interest due	541	545
Bank overdrafts	29	40
Miscellaneous	33	33
TOTAL	**29,695**	**27,305**

(1) On July 3, 2013, GDF SUEZ issued undated deeply subordinated notes. This issue raised an equivalent amount of €1.7 billion and was carried out in three installments paying an average coupon of 4.3%:
- €600 million installment paying a coupon of 3.875%, callable annually as from July 2018;
- €750 million installment paying a coupon of 4.750%, callable annually as from July 2021;
- GBP 300 million installment paying a coupon of 4.625%, callable annually as from July 2019.
Two new installments were issued in 2014 paying an average coupon of 3.4%:
- €1,000 million installment paying a coupon of 3%, callable annually as from June 2019;
- €1,000 million installment paying a coupon of 3.875%, callable annually as from June 2024.
Based on an analysis of the contractual terms and conditions of these issues, they were classified as hybrid bonds.

The increase in borrowings and debt in 2014 chiefly reflects:

- the issue of a green bonds for €2,500 million;
- the issue of hybrid bonds for €2,000 million;
- a €542 million increase in US commercial paper;
- foreign exchange effect for €376 million.

These increases were offset by:

- a €3,094 million decrease in bonds following early redemptions totaling €1,677 million and repayments of borrowings that fell due in an amount of €1,417 million.

NOTE 14 Maturities of borrowings, debt and payables

In millions of euros	Dec. 31,2014	Due		
		End-2015	Between 2016 and 2019	2020 and beyond
Borrowings and debt	**29,695**	**7,210**	**9,218**	**13,267**
Hybrid bonds	3,735	-	1,985	1,750
Bonds	18,891	750	6,624	11,517
Other loans	5,819	5,219	600	-
Amounts payable to equity investments	514	514	-	-
Current accounts and loans with subsidiaries	35	35	-	-
Other borrowings and debt	701	692	9	-
Trade and other payables	**5,657**	**5,657**	**-**	**-**
Tax and employee-related liabilities	**916**	**916**	**-**	**-**
Other liabilities	**1,601**	**1,601**	**-**	**-**
Advances from customers	286	286	-	-
Other	1,315	1,315	-	-
Advances and downpayments received on orders	**1**	**1**	**-**	**-**
TOTAL	**37,870**	**15,385**	**9,218**	**13,267**

Note 14 A. Breakdown of hybrid bonds

	Dec. 31, 2014	Issue date	Interest repricing date	Interest	Listing
Public issues					
• in millions of euros	600	07/2013	07/2018	3.875%	Paris
• in millions of euros	750	07/2013	07/2021	4.750%	Paris
• in millions of euros	1,000	06/2014	06/2019	3.000%	Paris
• in millions of euros	1,000	06/2014	01/2024	3.875%	Paris
• in millions of pounds sterling	300	07/2013	01/2019	4.625%	Paris

Note 14 B. Breakdown of bonds

	Dec. 31, 2014	Issue date	Expiration date	Interest	Listing
Public issues					
• in millions of euros	687	02/2003	02/2018	5.125%	Paris/Luxembourg
• in millions of euros	834	10/2008	01/2019	6.875%	Luxembourg
• in millions of euros	1,043	01/2009	01/2016	5.625%	Luxembourg
• in millions of euros	1,000	01/2009	01/2021	6.375%	Luxembourg
• in millions of euros	750	02/2009	02/2015	5.000%	Luxembourg
• in millions of euros	762	10/2010	10/2022	3.500%	Paris
• in millions of euros	564	10/2010	10/2017	2.750%	Paris
• in millions of euros	300	03/2011	03/2111	5.950%	Paris
• in millions of euros	424	11/2011	01/2020	3.125%	Paris
• in millions of euros	1,000	06/2012	02/2016	1.500%	Paris
• in millions of euros	1,000	06/2012	02/2023	3.000%	Paris
• in millions of euros	729	06/2012	06/2018	2.250%	Paris
• in millions of euros	750	07/2012	07/2017	1.500%	Paris
• in millions of euros	661	07/2012	07/2022	2.625%	Paris
• in millions of euros	600	07/2013	07/2018	3.875%	Paris
• in millions of euros	750	07/2013	07/2021	4.750%	Paris
• in millions of euros	1,200	05/2014	05/2020	1.375%	Paris
• in millions of euros	1,300	05/2014	05/2026	2.375%	Paris
• in millions of euros	1,000	06/2014	06/2019	3.000%	Paris
• in millions of euros	1,000	06/2014	06/2024	3.875%	Paris
• in millions of pounds sterling	500	10/2008	10/2028	7.000%	Luxembourg
• in millions of pounds sterling	525	02/2009	02/2021	6.125%	Luxembourg
• in millions of pounds sterling	700	10/2010	10/2060	5.000%	Paris
• in millions of pounds sterling	400	11/2011	10/2060	5.000%	Paris
• in millions of pounds sterling	300	07/2013	01/2019	4.625%	Paris
• in millions of Swiss francs	300	10/2011	10/2017	1.500%	Zurich
• in millions of Swiss francs	275	10/2012	10/2020	1.125%	Zurich
• in millions of Swiss francs	175	10/2012	10/2024	1.625%	Zurich
• in millions of dollars	750	10/2012	10/2017	1.625%	None
• in millions of dollars	750	10/2012	10/2022	2.875%	None
Private placements					
• in millions of yen	15,000	12/2008	12/2023	3.180%	None
• in millions of euros	150	10/2011	10/2018	3.046%	Paris
• in millions of euros	100	10/2011	10/2023	CMS10yr+0.505%	Paris
• in millions of euros	400	07/2012	01/2020	2.500%	None
• in millions of yen	10,000	07/2012	07/2022	1.260%	Paris
• in millions of euros	100	03/2013	03/2033	3.375%	None
• in millions of euros	200	04/2013	04/2020	Euribor3m+0.58%	Paris
• in millions of euros	81	04/2013	04/2038	3.703%	None
• in millions of dollars	50	04/2013	04/2033	3.750%	Paris
• in millions of Norwegian krone	500	04/2013	04/2024	4.02%	Paris

Note 14 C. Other borrowings and amounts payable to equity investments

At December 31, 2014, other borrowings comprised mainly commercial paper in euros (€3,730 million, including €1,350 million at floating rates and €2,380 million at fixed rates) and dollar-denominated US commercial paper at fixed rates (equivalent value of €1,490 million). These borrowings all fall due in less than one year. At end-2014, GDF SUEZ SA also had a credit facility on which €600 million had been drawn. The Group took out a loan with International Power for GBP 400 million (€514 million) maturing in 2015.

Note 14 D. Other borrowings and debt

Other borrowings and debt (accrued interest on borrowings and debt, deposits received from customers, bank overdrafts, bank facilities, etc.) are chiefly denominated in euros.

NOTE 15 Analysis of borrowings and debt by currency and interest rate

Note 15 A. Analysis by interest rate

	After hedging		Before hedging	
In millions of euros	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**
Floating rate				
Bonds	3,949	4,100	300	424
Amounts payable to equity investments	-	-	514	480
Other loans	3,928	2,000	1,850	2,440
Current accounts with subsidiaries	35	54	35	54
Other borrowings and debt	701	656	701	656
Fixed rate				
Hybrid bonds	3,735	1,710	3,735	1,710
Bonds	14,942	15,035	18,591	18,711
Amounts payable to equity investments	514	480	-	-
Other loans	1,891	3,270	3,969	2,830
TOTAL	**29,695**	**27,305**	**29,695**	**27,305**

Note 15 B. Analysis by currency

	After hedging		Before hedging	
In millions of euros	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**
In euros				
Hybrid bonds	18,891	1,350	14,034	1,350
Bonds	3,350	19,135	3,350	13,835
Amounts payable to equity investments	514	480	-	-
Other loans	5,819	5,270	4,365	4,323
Current accounts with subsidiaries	35	54	35	54
Other borrowings and debt	696	653	696	653
In foreign currency				
Hybrid bonds	385	360	385	360
Bonds	-	-	4,857	5,300
Amounts payable to equity investments	-	-	514	480
Other loans	-	-	1,454	947
Other borrowings and debt	5	3	5	3
TOTAL	**29,695**	**27,305**	**29,695**	**27,305**

NOTE 16 Operating income

Note 16 A. Breakdown of revenues

REVENUES BY REGION:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Energy sales		
• France	12,630	17,020
• International	10,073	9,753
Works, research and services provided	1,313	1,151
Revenues from non-core activities and other	546	684
TOTAL	**24,562**	**28,608**

Note 16 B. Personnel costs

CHANGE IN HEADCOUNT BY CATEGORY:

	Dec. 31, 2013	Change	Dec. 31, 2014
Operating staff	510	(87)	423
Senior technicians and supervisory staff	2,324	(123)	2,201
Managerial-grade staff	3,311	(224)	3,087
TOTAL	**6,145**	**(434)**	**5,711**

The average number of employees was 5,879 in 2014 and 6,367 in 2013.

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Wages and salaries	357	377
Payroll expenses	168	190
Profit sharing	29	30
Other	133	176
TOTAL	**687**	**773**

Employee profit sharing

An employee profit-sharing agreement based on performance criteria was set up in compliance with the legal conditions prescribed by Order 86-1134 of October 21, 1986.

Beneficiaries of the agreement may pay all or part of the amounts received under the profit-sharing plan into savings plans operated by GDF SUEZ SA, rather than accessing the amounts immediately.

In this case, amounts received are invested in:

- the Group savings plan (*Plan d'Épargne Groupe* – PEG) or the Company savings plan (*Plan d'Épargne Entreprise* – PEE). The employer matches 100% of the amount that the employee has paid in up to a maximum annual net amount of €700;
- or in the collective retirement savings plan (*Plan d'Épargne Retraite Collectif* – PERCO). The employer matches 150% of the amount that the employee has paid in up to a maximum annual net amount of €700.

Employees may combine both of these possibilities.

These profit-sharing mechanisms are treated as personnel costs.

Statutory training entitlement

Under Law No. 2004-391 of May 4, 2004 on vocational training, employees working under an indefinite-term employment contract governed by private law accrue a minimum of 20 hours' statutory training entitlement per year, cumulative over a period of six years. If at the end of the six-year period employees have not used all or part of their training entitlement, the entitlement is capped at 120 hours.

Pursuant to Opinion 2004-F of the CNC's Emerging Issues Taskforce on accounting for the statutory training entitlement, no provisions were set aside at December 31, 2014 in respect of this obligation. At that date, GDF SUEZ SA employees had accrued a total of 568,203 unused training hours.

Note 16 C. Net additions to provisions and operating expense transfers

1. NET ADDITIONS TO PROVISIONS

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Provision for capital renewal and replacement liabilities regarding concessions	3	1
Provision for site rehabilitation	(11)	(2)
Provisions relating to employees	(22)	(39)
Other contingency and loss provisions for operating items	249	341
TOTAL	**219**	**301**

2. OPERATING EXPENSE TRANSFERS

Expense transfers are included in other operating income and amounted to €16.3 million in 2014 and €3.4 million in 2013. They chiefly include reclassifications of payroll expenses relating to the Perform 2015 Plan as non-recurring items, in line with the provision booked in 2013.

NOTE 17 Financial income and expense

In millions of euros	2014 Expenses	2014 Income	2014 Net	2013 Net
Other interest income and expenses	(1,466)	824	(642)	(979)
Interest on current accounts and amounts receivable from equity investments		43	43	52
Foreign exchange gains/(losses)	(717)	668	(49)	53
Dividends received		2,297	2,297	1,778
Movements in provisions for financial items	(130)	71	(59)	150
TOTAL	**(2,313)**	**3,903**	**1,590**	**1,054**

The decrease in other interest income and expenses mainly reflects debt restructuring transactions.

NOTE 18 Non-recurring items

In millions of euros	2014 Expenses	2014 Income	2014 Net	2013 Net
Disposals of property, plant and equipment and intangible assets	(11)	24	13	4
Disposals of financial fixed assets	(933)	889	(44)	(28)
Provision for price increases	0	54	54	3
Accelerated depreciation and amortization	(126)	127	1	111
Movements in provisions relating to equity investments	(121)	116	(5)	(299)
Other	(325)	103	(222)	(274)
TOTAL	**(1,516)**	**1,313**	**(203)**	**(483)**

Disposals of financial fixed assets chiefly concern the liquidity agreement (sale price of €863 million and net value of €838 million).

“Other” includes the proceeds from the debt restructuring carried out in connection with early redemptions of bonds and repurchase of irredeemable non-voting securities in an amount of €267 million.

NOTE 19 Tax position

Note 19 A. Tax consolidation

The current option to file consolidated tax returns initially elected by Gaz de France SA (now GDF SUEZ SA) in 2008 is automatically renewed every five years.

Note 19 B. Income tax

The income tax rate in 2014 was 38%. This includes the 3.3% social contribution as well as the exceptional 10.7% contribution to the extent these are applicable to an individual or group tax basis.

In millions of euros	2014			2013		
	Income before tax	**Income tax***	**Net income/ (loss)**	**Income before tax**	**Income tax***	**Net income/ (loss)**
Income tax due by GDF SUEZ SA for the period (excluding tax consolidation group) (1)		**0(1)**			**0(1)**	
• o/w Tax on recurring income	236	0	236	378	0	378
• o/w Tax on non-recurring income	(203)	0	(203)	(483)	0	(483)
Income tax expense (income tax payable by subsidiaries/provision for transfer of tax savings to entities in the tax consolidation group) (2)		**378(2)**	**378**		**768(2)**	**768**
• o/w Income tax relating to subsidiaries within the tax consolidation group		368			441	
• o/w Net change in provisions for income tax		128			408	
• o/w Other		(118)			(81)	
TOTAL	**33**	**378**	**411**	**(105)**	**768**	**663**

* *A positive figure signifies tax income.*

(1) *In 2014 and 2013, GDF SUEZ SA generated a tax loss on an individual company level. Dividends received from equity investments are eligible for "parent/subsidiary" tax treatment and are therefore exempt. Tax on recurring income includes €4 million relating to the CICE tax credit.*
In 2013, the CICE tax credit amounted to €2.6 million. In 2014, this amount helped finance prospective R&D projects in accordance with the aims set by the law (nanotechnologies, Natural Gas program, Hydrogen "Power to gas", Smart Energy & Environnement and energy storage projects).

(2) *The income tax benefit amounted to €378 million in 2014 versus an income tax benefit of €768 million in 2013, chiefly reflecting:*

- *savings resulting from tax consolidation (€368 million in 2014 versus €441 million in 2013), attributable to the difference between:*
  - *the tax credit relating to the tax consolidation group amounting to €14.3 million at December 31, 2014, compared to a current income tax charge of €3.7 million in 2013, and*
  - *the €354 million contribution to Group income tax due to GDF SUEZ SA from subsidiaries reporting a profit (€445 million in 2013);*
- *a net reversal of €128 million from the income tax provision in 2014 compared to a reversal of €408 million in 2013, chiefly reflecting:*
  - *€59 million in net additions in respect of the utilization of tax losses by consolidated subsidiaries of GDF SUEZ SA versus €213 million in net reversals in 2013,*
  - *€104.5 million in net reversals from provisions relating to the excess amortization during the period of the amortizable component of the capital gain generated on the sale of gas distribution activities in 2007.*

This amount takes into account the adjustment to the provision resulting from the exceptional 10.7% contribution for 2015,

  - *€82.9 million in net reversals from provisions set aside to cover the tax impact of recognizing the capital gain on the purchase of the transmission network in 2002 over a period of 14 years. This amount takes into account the adjustment to the provision resulting from the exceptional 10.7% contribution for 2015.*

Note 19 C. Deferred tax

Future tax liabilities as shown in the table below result from temporary differences between the treatment of income and expenses for tax and accounting purposes.

The future tax rate applied takes into account the special 3.3% tax surcharge provided for by Article 235 *ter* ZC of the French Tax Code, less a deduction of €763,000.

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Deferred tax liabilities		
• Unrecognized deductible expenses	530	390
• Untaxed income recognized	343	381
Deferred tax assets		
• Temporary non-deductible expenses recognized	1,123	885
• Unrecognized taxable income	456	447
Net deferred tax base	**706**	**560**
• Impact of theoretical deferred tax at a rate of 34.43%	243	193

Note 19 D. Tax audit

In their tax deficiency notice dated September 22, 2008, the French tax authorities questioned the tax treatment of the non-recourse sale by SUEZ of a withholding tax (*précompte*) receivable in 2005 for an amount of €995 million. On July 7, 2009, they informed GDF SUEZ SA that they maintained their position, which was confirmed on December 7, 2011.

Regarding the dispute about the *précompte* itself – in respect of which the receivable was sold – in 2014 the Paris Court of Appeal followed the *Conseil d'État's* case law by recognizing that the *précompte* was incompatible with EU law in accordance with the CJEU's position. However, the court significantly reduced the amount awarded to SUEZ in respect of the 1999, 2000, and 2001 fiscal years. The Cergy Pontoise Administrative Court adopted an identical position for the amounts claimed by SUEZ in respect of the 2002/2003 and 2004 fiscal years. GDF SUEZ appealed this decision and also intends to appeal the Paris Appeal Court's decision.

At the same time, in November 2014 the European Commission formally recognized the validity of the arguments put forward by GDF SUEZ and several other French taxpayers against the principles recommended by the *Conseil d'État* for calculating the amounts to be refunded. The Commission has asked the French State for clarification.

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NOTE 20 Off-balance sheet commitments (excluding employee benefit obligations)

Note 20 A. Financial commitments

The GDF SUEZ Group's Finance Division is responsible for managing all financial risks (interest rate, currency, liquidity and credit risks).

1. Liquidity risk

The Group's financing policy is based on:

- centralizing external financing;
- diversifying sources of financing between credit institutions and capital markets;
- achieving a balanced debt repayment profile.

The centralization of financing needs and cash flow surpluses for the Group is provided by its financing vehicles (long-term and short-term) and its cash pooling vehicles.

Since 2008, GDF SUEZ SA is no longer responsible for the Group's cash pooling arrangements. Short-term cash requirements and cash surpluses for Europe are managed by dedicated financial vehicles in France (GDF SUEZ Finance) and Luxembourg (GDF SUEZ Treasury Management). These vehicles centralize virtually all of the cash requirements and surpluses of companies controlled by the Group, ensuring that counterparty risk and investment strategies are managed consistently.

The Group seeks to diversify its long-term sources of financing by carrying out public or private bond issues within the scope of its Euro Medium Term Notes program. It also issues commercial paper in France as well as in the United States.

Since the merger, long-term capital markets have been accessed chiefly by GDF SUEZ SA in connection with the Group's new bond issues, and in connection with commercial paper.

As commercial paper is relatively inexpensive and highly liquid, it is used by the Group in a cyclical or structural fashion to finance its short-term cash requirements. However, outstanding commercial paper is backed by confirmed bank lines of credit so that the Group could continue to finance its activities if access to this financing source were to dry up.

The Group's liquidity is based on maintaining cash and cash equivalents and access to confirmed credit facilities. GDF SUEZ SA can therefore access facilities readily convertible into cash, enabling it to meet its cash requirements in the ordinary course of business or to serve as a bridge to finance external growth operations.

- GDF SUEZ SA has credit facilities with various banks under which €12,285 million remains undrawn. These facilities include two syndicated credit lines, respectively for €4,500 million and €5,000 million, maturing in March 2018 and April 2019. At December 31, 2014, GDF SUEZ had drawn €600 million on these facilities.

These facilities are not subject to any covenants or credit rating requirements.

- GDF SUEZ SA also has access to short-term debt markets through short-term debt issues: US commercial paper for USD 4,500 million (of which USD 1,808 million had been drawn at end-2014), and euro commercial paper for €5,000 million (of which €3,780 million had been drawn at end-2014).

2. Counterparty risk

GDF SUEZ SA is exposed to counterparty risk arising on its operating and financing activities.

To manage counterparty risk arising on operating activities, the Group has put in place monitoring procedures adapted to the characteristics of the counterparties concerned (private corporations, individuals, public authorities). Customers representing a major counterparty for the Company are covered by procedures applicable to the financial activities described below, thereby providing broad-ranging oversight of the corresponding counterparty risk.

For its financing activities, GDF SUEZ SA has put in place procedures for managing and monitoring risk based on (i) the accreditation of counterparties according to external credit ratings, objective market data (credit default swaps, market capitalization) and financial structure, and (ii) risk exposure limits. GDF SUEZ SA also draws on a structured legal framework based on master agreements (including netting clauses) and collateralization contracts (margin calls) to reduce its exposure to counterparty risk. The oversight procedure for managing counterparty risk arising from financing activities is managed by a middle office that operates independently of the Group's Treasury department and reports to the Finance Division.

3. Interest rate risk

Based on its net debt position, GDF SUEZ SA has adopted a policy for optimizing borrowing costs using a combination of financial instruments (interest swaps and options) according to market conditions.

GDF SUEZ SA takes care to ensure that the difference between its floating-rate debt and its cash surpluses invested at a floating rate has a low degree of exposure to adverse changes in short-term interest rates.

Positions are managed centrally and are reviewed each quarter or whenever any new financing is raised. Management must approve in advance any transaction that causes the interest rate mix to change significantly.

In millions of euros	Notional amount Dec. 31, 2014						Notional amount Dec 31, 2013
	Due in 1 year or less	Due in 1 to 5 years	Due in 6 to 10 years	Due after 10 years	Total	Fair value	
INTEREST RATE SWAP							
Fixed-rate borrower/floating-rate lender	500	4,665	3,097	660	8,922	(1,245)	15,243
Floating-rate borrower/fixed-rate lender	2,437	5,065	4,679	1,055	13,236	1,543	11,517
SALE OF SWAPTION							
Fixed-rate borrower/floating-rate lender	-	-	-	-	-	-	581
PURCHASE OF CAP							
Fixed-rate borrower/floating-rate lender	-	-	1,000	-	1,000	1	1,000
PURCHASE OF FRA							
Fixed-rate borrower/floating-rate lender	1,699	-	-	-	1,699	-	7,075
TOTAL EUR	**4,636**	**9,730**	**8,776**	**1,715**	**24,857**	**299**	**35,416**
INTEREST RATE SWAP							
Fixed-rate borrower/floating-rate lender	-	303	-	-	303	(11)	507
TOTAL NOK	**-**	**303**	**-**	**-**	**303**	**(11)**	**507**
INTEREST RATE SWAP							
Fixed-rate borrower/floating-rate lender	-	452	696	-	1,148	(32)	1,011
TOTAL USD	**-**	**452**	**696**	**-**	**1,148**	**(32)**	**1,011**
INTEREST RATE SWAP							
Fixed-rate borrower/floating-rate lender	-	-	-	-	-	-	-
Floating-rate borrower/fixed-rate lender	-	-	-	-	-	-	-
TOTAL CAD	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**4,636**	**10,485**	**9,472**	**1,715**	**26,308**	**256**	**36,934**

In millions of euros	Notional amount Dec. 31, 2014						Notional amount Dec. 31, 2013
	Due in 1 year or less	Due in 1 to 5 years	Due in 6 to 10 years	Due after 10 years	Total	Fair value	
CURRENCY SWAP							
Fixed-rate borrower/fixed-rate lender	-	-	746	2,476	3,222	(38)	2,759
Fixed-rate borrower/floating-rate lender	514	514	-	-	1,028	28	960
TOTAL GBP	**514**	**514**	**746**	**2,476**	**4,250**	**(10)**	**3,719**
CURRENCY SWAP							
Floating-rate borrower/fixed-rate lender	-	-	1,579	-	1,579	(50)	622
Floating-rate borrower/floating-rate lender	-	-	-	-	-	-	124
TOTAL JPY	**-**	**-**	**1,579**	**-**	**1,579**	**(50)**	**746**
CURRENCY SWAP							
Fixed-rate borrower/fixed-rate lender	-	204	-	-	204	(4)	244
Floating-rate borrower/fixed-rate lender	-	-	309	-	309	18	366
TOTAL CHF	**-**	**204**	**309**	**-**	**513**	**14**	**610**
CURRENCY SWAP							
Fixed-rate borrower/fixed-rate lender	-	478	-	32	510	19	580
Floating-rate borrower/fixed-rate lender	-	-	477	-	477	27	544
TOTAL USD	**-**	**478**	**477**	**32**	**987**	**46**	**1,124**
CURRENCY SWAP							
Fixed-rate borrower/fixed-rate lender	-	-	7	-	7	(11)	60
TOTAL NOK	**-**	**-**	**7**	**-**	**7**	**(11)**	**60**
CURRENCY SWAP							
Floating-rate borrower/floating-rate lender	-	-	-	-	-	(2)	-
TOTAL MXN	**-**	**-**	**-**	**-**	**-**	**(2)**	**-**
TOTAL	**514**	**1,196**	**3,118**	**2,508**	**7,336**	**(13)**	**6,259**

Interest rate hedges in force at December 31, 2014 are described below:

- GDF SUEZ SA entered into short-term swaps (maturing in less than six months) to hedge the interest rate risk on its short-term cash management transactions (commercial paper issues). These are floating-rate borrower (Eonia)/fixed-rate lender swaps with a notional amount of €2,437 million at December 31, 2014;
- GDF SUEZ SA uses floating-rate borrower swaps when it is issuing bonds unless management decides otherwise. Interest rate risk is subsequently managed centrally through the use of interest rate swaps and options with due reference to market conditions;
- As part of the Group's interest rate risk management policy, in 2009 GDF SUEZ SA set up macro-hedges fixing the interest rate on the Group's USD and NOK debt, for €1,071 million and €303 million, respectively;
- To protect the budget set aside to cover the cost of net debt for 2013 and 2014, the Group entered into Forward Rate Agreements (FRAs). FRAs fix the cost of net debt without allowing the Group to benefit from any fall in interest rates.

4. Currency risk

GDF SUEZ SA is exposed to currency risk chiefly on commercial transactions involving the purchase and sale of natural gas, since several gas purchase and sale contracts are indexed to the price of oil derivatives, mostly listed in US dollars.

The exposure to currency risk on these transactions is managed and monitored as follows:

- pass-through mechanisms are applied in determining sale prices for eligible customers, and regulated rates;
- the margin on fixed-price sale contracts or contracts indexed by financial swaps is hedged.

There is a time lag between the impact of fluctuations in the US dollar on procurement costs and their repercussion onto sales prices, reflecting mainly the effect of rolling averages and the inventory stocking/run-down cycle.

To manage its exposure to fluctuations in exchange rates, GDF SUEZ SA uses forward currency purchase or sale contracts to hedge its gas purchases and its financing activities.

To limit the impact of translation risk on certain amounts receivable from equity investments and on future foreign currency purchases, and to hedge the net asset risk arising on consolidation, GDF SUEZ SA has taken new positions or reinforced existing positions in forward currency transactions that allow it to cancel out or minimize translation adjustments on deposits and loans or other future operations.

At December 31, 2014, commitments under these contracts were as follows:

In millions of euros	Fixed portion of commitments Dec. 31, 2014					
	Maturity					
Forward contracts	**2015**	**2016**	**2017 and beyond**	**Euro equivalent Dec. 31, 2014**	**Exchange rate fluctuations Dec. 31, 2014**	**Fixed portion of commitments Dec. 31, 2013**
Long positions						
AUD	3	-	-	3	-	5
CHF	-	-	-	-	-	-
EUR	145	95	10	224	(26)	-
GBP	1,101	8	-	1,109	-	40
NOK	983	-	-	984	1	336
MXN	53	-	-	53	-	28
JPY	-	-	-	-	-	-
RON	120	-	-	120	-	-
USD	2,970	255	10	3,313	78	2,206
CZK	29	-	-	29	-	-
Short positions						
AUD	3	-	-	3	-	5
CHF	588	-	-	619	31	268
EUR	131	85	8	250	26	-
GBP	3,125	-	-	3,125	-	415
HUF	134	-	-	136	2	107
MXN	106	-	-	111	5	57
NOK	984	-	-	983	(1)	418
RON	120	-	-	122	2	77
USD	859	94	11	938	(26)	690
CZK	3	-	-	3	-	-

5. OTHER FINANCIAL COMMITMENTS GIVEN

	Total	Maturity		
In millions of euros	Dec. 31, 2014	End-2015	Between 2016 and 2019	2020 and beyond
MARKET-RELATED COMMITMENTS				
Performance and other guarantees	1,866	1,416	313	137
Performance and other guarantees given on behalf of subsidiaries	3,581	795	191	2,595
FINANCING COMMITMENTS				
Personal sureties given	1,988	31	957	1,000
Guarantees and endorsements given to subsidiaries	4,579	652	1,026	2,901
Collateral given	-	-	-	-
Credit lines	258	193	-	65
OTHER COMMITMENTS GIVEN				
Contractual guarantees for sales of businesses	4,397	346	590	3,461
Operating lease commitments	388	62	247	79
Finance lease commitments	7	4	3	-
Commitments relating to LNG tankers	423	57	212	154

Personal sureties totaling €1,988 million relate mainly to:

- debt issued and commitments given by GIE GDF SUEZ Alliance to members of the economic interest group (*groupement d'intérêt économique* – GIE), excluding GDF SUEZ SA. GDF SUEZ SA has stood surety for each member in the event they receive a call for funds above and beyond their share in the GIE. Each member's responsibility for the payment of its share is recorded in commitments received; and
- payment guarantees granted to counterparties of GDF SUEZ SA.

Guarantees and endorsements to subsidiaries totaling €4,579 million correspond to payment guarantees granted by GDF SUEZ SA to third parties on behalf of its subsidiaries.

Commitments given with regard to credit lines relate mainly to credit lines granted to GDF SUEZ SA subsidiaries. A total of €125 million had been drawn on these credit lines at December 31, 2014 out of an initial amount of €383 million euros, with a total of €258 million still available.

Contractual guarantees for sales of businesses totaling €4,397 million relate mainly to commitments given on the disposals of:

- Nalco (US water business), for which GDF SUEZ SA is counter-guarantor until 2015 in the event of default by the sellers, Léo Holding and Nalco International SAS;
- GDF SUEZ Exploration & Production (EPI), following the sale of the 30% minority interest to CIC in 2011, for an amount of up to €2,595 million expiring in 2026;
- 10% of train 1 of the Atlantic LNG facility in Trinidad and Tobago, for an amount of up to €700 million expiring in 2026;
- EFOG (North Sea oil fields), for which GDF SUEZ acts as guarantor towards Elf Exploration UK Limited further to the December 2011 sale of its 22.5% interest. The guarantee is valid for a seven-year period for tax disputes and for a two-year period for all other disputes, up to a maximum amount of €590 million.

Operating lease commitments totaling €388 million relate to the present value of lease payments outstanding through to maturity of the property leases within the scope of GDF SUEZ SA's operations. As certain property lease expenses are rebilled to Group subsidiaries, the corresponding commitments are shown in commitments received.

Finance lease commitments are detailed in Note 3.

Commitments relating to LNG tankers for €423 million concern freight contracts.

Other commitments have been given in respect of performance and completion guarantees:

- to Naperville Property Trust (acting on behalf of NCC Solar Company), banks and investors. These guarantees cover all payment obligations, notably for outstanding rent (€92 million) under the lease agreement for the premises occupied by Nalco, an entity based in Naperville which was sold in 2003 and whose head office is still in Naperville. The lease was taken over by Léo Holding following the sale of Nalco (Leo Holding was acquired by GDF SUEZ Energy North America from SUEZ Environnement North America and GDF SUEZ guaranteed its subsidiary for any related consequences). GDF SUEZ SA received an equivalent counter-guarantee from Ondeo Nalco, which remains liable to the Group and the lessor for all obligations under the lease. GDF SUEZ was also granted a guarantee from Ecolab Inc., Nalco's new parent company;
- to the Hong Kong authorities, in respect of contracts awarded to Sita (now SUEZ Environnement), which counter-guaranteed GDF SUEZ SA for the same amounts. These contracts relate to:
  - the operation of the Nent landfill in partnership with the Newworld and Guandong groups,
  - the operation of various landfill sites, including Went, NWNT and Pillar Point, initially in partnership with Swire Pacific Ltd. Since Swire Pacific sold its interest in its joint subsidiary in December 2009 to SUEZ Environnement – which now owns the entire share capital of the venture – these guarantees were reissued by GDF SUEZ SA. However, if a guarantee is called in respect of the period during which the subsidiary was under joint control, Swire has pledged an indemnity ensuring that ultimate responsibility is split 50-50 between the two groups;

- to two Scottish companies, Ayr Environmental Services and Caledonian Environmental Services, for contracts for the construction of wastewater purification and sludge treatment plants awarded to the Degrémont SA/AMEC Capital Projects Ltd. group of construction companies;
- to the Lord Mayor, Aldermen and Burgesses of Cork, in respect of a contract for the construction and operation of the Cork City wastewater purification plant awarded to a consortium comprising two GDF SUEZ SA subsidiaries, Vinci subsidiary Dumez GTM, PJ Hegarty & Sons and Electrical & Pump Services. Each consortium member and Vinci agreed to counter-guarantee GDF SUEZ SA;
- in 2008, SUEZ Environnement undertook to counter-guarantee all of the guarantees given by GDF SUEZ SA (formerly SUEZ SA) for the Environment business that it had not yet counter-guaranteed;
- in Exploration-Production activities, it is customary for the parent company to provide local authorities with unlimited guarantees covering the obligations and environmental risks of subsidiaries and GDF SUEZ SA has provided numerous such guarantees in accordance with the practices of the sector;
- as part of the spin-off of water and wastewater activities in 2000, a performance guarantee was granted by GDF SUEZ SA in the context of its transfer of local public service franchise contracts to Lyonnaise des Eaux. There are some 182 such contracts;
- following Société d'Infrastructures Gazières (SIG) July 2011 acquisition of a 25% stake in GRTgaz, GDF SUEZ SA agreed to stand as guarantor for a period of 20 years and in proportion to its shareholding, against all losses incurred due to inaccurate representations regarding the non-pollution of the land owned or exploited by GRTgaz and the cost of the resulting clean-up work payable by GRTgaz not covered by the tariffs.

6. OTHER FINANCIAL COMMITMENTS RECEIVED

		Maturity		
In millions of euros	**Total Dec. 31, 2014**	**End-2015**	**Between 2016 and 2019**	**2020 and beyond**
MARKET-RELATED COMMITMENTS				
Guarantees received	-	-	-	-
FINANCING COMMITMENTS				
Undrawn credit facilities	11,685	700	10,985	-
Other financing commitments received	-	-	-	-
Other financing commitments received in relation to subsidiaries	-	-	-	-
OTHER COMMITMENTS RECEIVED				
Counter-guarantees for personal sureties	1,941	30	911	1,000
Counter-guarantees for trading commitments	-	-	-	-
Operating lease commitments	181	54	114	13
Finance lease commitments	7	4	3	-
Commitments relating to LNG tankers	423	57	212	154

GDF SUEZ SA has negotiated two revolving lines of credit: (i) a €4.5 billion line secured in May 2005 whose maturity has been extended from 2012 to March 2018, and (ii) a €5 billion line secured in April 2014 and maturing in 2019. The lending banks are able to opt out of the syndicate on an individual basis in the event of a change in the Company's controlling shareholder.

Counter-guarantees given on personal sureties concern guarantees received from members of GIE GDF SUEZ Alliance.

7. Securities commitments

In December 2012, SOPER (formerly a shareholder in Compagnie Du Vent) partially exercised its put option in an amount equivalent to 5% of its interest (or 2.158% of the share capital), i.e., 3,992 shares at an exercise price of €1,162 per share, or €4.6 million.

Note 20 B. Commodity-related commitments

1. Natural gas and electricity commitments

Gas supplies in Europe are based primarily on long-term "take-or-pay" contracts. These long-term commitments make it possible to finance costly production and transmission infrastructures. Under these contracts, the seller makes a long-term commitment to serve the buyer, subject to a commitment by the latter to buy minimum quantities regardless of whether or not it takes delivery of them. These commitments are combined with backup measures (*force majeure*) and flexible volume arrangements, making it possible to manage any uncertainties (primarily weather conditions) affecting demand as well as any technical contingencies that may arise.

These types of contracts can run up to 25 years and are used by GDF SUEZ SA to meet the demands of its customers for natural gas in the medium and long term.

The contracts provide for reciprocal commitments regarding specified quantities of gas:

- a commitment by GDF SUEZ SA to purchase quantities of gas above a minimum threshold;
- a commitment by suppliers to provide these quantities at competitive prices.

The appeal of these contracts is provided by indexed price formulas and price adjustment mechanisms. GDF SUEZ SA makes the bulk of its purchases under such contracts.

At December 31, 2014, GDF SUEZ SA had commitments to purchase a minimum of 485 terawatt hours (TWh) within one year, 2,133 TWh between two and five years, and 3,087 TWh after five years.

GDF SUEZ SA also entered into forward purchases and sales of natural gas, primarily at maturities of less than one year, as part of its trading activities. These consist of purchases and sales on short-term markets and offers featuring engineered prices for other operators.

At December 31, 2014, commitments given by GDF SUEZ SA totaled 15 TWh under forward purchase contracts and 100 TWh under forward sale contracts.

To meet its commitments to take delivery of specified volumes, GDF SUEZ SA has entered into long-term contracts to reserve land and sea transmission capacities.

At December 31, 2014, commitments given by GDF SUEZ SA totaled 40 TWh under forward electricity purchase contracts and 16 TWh under forward electricity sale contracts. As part of its CO_2 brokerage activities, GDF SUEZ SA has also entered into the same volume of purchases of CO_2 emissions allowances for 94,365 metric tons of CO_2.

2. Commodity derivatives

Commodity derivatives (natural gas, oil and electricity) consist mainly of swaps, futures and options set up to manage price risk within the scope of the trading activities of GDF SUEZ SA. These instruments are traded with third parties by the Company's specialized subsidiary, GDF SUEZ Trading.

These derivatives are contracted to manage risks arising on:

- price engineering transactions designed to meet the growing demand among customers for tight controls on gas and electricity price risk. These products are primarily intended to guarantee a commercial margin regardless of trends in the commodity indexes included in the prices offered to customers, even when they differ from the commodity indexes to which GDF SUEZ SA purchases are pegged. Options (calls and puts) are set up to guarantee maximum and minimum prices;
- measures taken to optimize procurement costs. Energy procurement costs, assets used in electricity production and reservations of available transmission and storage capacity not required to supply customers are systematically valued on the market.

The exposure to commodity price risk on these commercial transactions is managed and monitored as follows:

- pass-through mechanisms are applied in determining (i) sale prices for eligible customers, and (ii) regulated rates;
- the margin on fixed-price sale contracts or contracts indexed by financial swaps is hedged.

There is a time lag between the impact of changes in commodity prices on procurement costs and their repercussion onto sales prices, reflecting mainly the effect of rolling averages and the inventory stocking/run-down cycle.

	Notional amount Dec. 31, 2014					
	In GWh by maturity			In millions of euros		
	x < 1 year	1 year < x < 2 years	x > 2 years		Fair value Dec. 31, 2014 In millions of euros	Notional amount Dec. 31, 2013 In GWh
Swaps (long positions)						
Natural gas	399,994	97,061	17,564	8,966,129	(1,434,844)	237,767
Oil-based products	167,338	58,715	6,406	6,863,461	(769,747)	213,135
CER EUA– CO_2	-	-	-	-	-	-
Swaps (short positions)						
Natural gas	(295,942)	(101,105)	(8,948)	(10,523,028)	1,585,741	(222,970)
Oil-based products	(171,840)	(17,597)	(3,121)	(6,567,987)	718,166	(109,790)
Electricity	-	-	-	-	-	-
CER EUA– CO_2	-	-	-	-	-	-
Options (long positions)						
Natural gas	-	-	-	-	-	-
Oil-based products	-	-	-	-	-	-
Electricity	-	-	-	-	-	-
Options (short positions)						
Natural gas	-	-	-	-	-	-
Oil-based products	-	-	-	-	-	-
Electricity	-	-	-	-	-	-
Forwards (long positions)						
Natural gas	10,567	4,016	858	175,086	(25,141)	-
Oil-based products	-	-	-	-	-	-
Electricity	16	-	-	1	-	38
CO_2	-	-	-	-	-	-
Forwards (short positions)						
Natural gas	(21,125)	(3,810)	-	(481,020)	52,130	-
Oil-based products	-	-	-	-	-	-
Electricity	(310)	(354)	(175)	(40)	3	(1,677)
CO_2	-	-	-	-	-	-

Note 20 C. Energy savings certificates

Planning Law No. 2005-781 of July 13, 2005 laying down the key areas of French energy policy introduced energy savings certificates as from July 1, 2006. This system requires suppliers of energy to meet certain energy savings targets imposed by public authorities over a given period. Energy suppliers are free to decide the way in which they discharge these obligations.

GDF SUEZ SA successfully discharged its energy savings obligations for the first three-year period from July 1, 2006 to June 30, 2009.

National energy savings targets for the second three-year period from January 1, 2011 to December 31, 2013 were fixed at 345 TWh for the three years. Decree No. 2010-1663 of December 29, 2010 sets out the new bases for calculating and allocating national energy savings targets between different enterprises.

This second period was extended until the end of 2014.

However, each energy supplier's annual target remains unchanged, and is determined based on its sales and an energy proportionality coefficient:

Energy	Target-based coefficient
Electricity	0.168 kWh cumac*/kWh sold
Natural gas	0.095 kWh cumac*/kWh sold

**cumac: updated cumulative kilowatt-hours (kWh).*

The final targets for individual energy suppliers for the 2011-2014 period will be published in a March 2015 decree, once the definitive list of energy suppliers subject to these targets is known (as from February 15, 2015).

Decree No. 2014-1668 of December 29, 2014 sets the new bases for allocating national energy savings target for the third period running from January 1, 2015 to December 31, 2017. National energy savings targets will be set at 700 TWh cumac, a sharp rise on the previous three-year period. This should allow France to meet its energy savings commitments.

Note 20 D. Insurance of eligible risks

GDF SUEZ SA systematically transfers all material risks based on an identification of risks eligible for insurance – particularly relating to Company assets and damages caused to third parties. Insurance policies offer extensive coverage in order to limit the financial impact of any claims on the Group's accounts.

To ensure a consistent approach, insurance policies are managed at Group level. As a result, new projects developed by subsidiaries can be incorporated within existing policies to enable the parent company to fully assume its role for its majority-owned subsidiaries.

Note 20 E. Legal and arbitration proceedings

1. Argentina

As a reminder, prior to the merger of SUEZ and Gaz de France and the stock market listing of SUEZ Environnement Company, SUEZ and SUEZ Environnement entered into an agreement providing for the economic transfer to SUEZ Environnement of the rights and obligations relating to the ownership interest held by SUEZ in AASA and APSF.

In Argentina, the Public Emergency and Exchange Regime Reform Act (Emergency Act), enacted in January 2002, froze concession contract tariff increases by preventing the application of tariff indexation clauses in the event of a loss in value of the Argentine peso against the US dollar.

In 2003, SUEZ (now GDF SUEZ) and its joint shareholders, water distribution concession operators in Buenos Aires and Santa Fe, launched two arbitration proceedings against the Argentinean State, in its capacity as concession grantor, before the ICSID. The purpose of these proceedings is to enforce concession contract clauses in accordance with the Franco Argentine Bilateral Investment Protection Treaties.

These ICSID arbitration proceedings aim to obtain compensation for the loss in value of investments made since the start of the concession, as a consequence of measures taken by the Argentinean State following the adoption of the above-mentioned Emergency Act. The hearings for both proceedings took place in 2007. Alongside the ICSID proceedings, the concession operators Aguas Argentinas (AASA) and Aguas Provinciales de Santa Fe (APSF) were forced to launch proceedings to terminate their concession contracts before the local administrative courts.

However, due to a decline in the financial position of the concession-holding companies since the Emergency Act, APSF announced at its Shareholders' Meeting of January 13, 2006 that it was filing for bankruptcy.

At the same time, AASA filed for "*Concurso Preventivo*[(1)]";. As part of this procedure, a settlement proposal involving the novation of AASA's admissible liabilities, approved by creditors and confirmed by the bankruptcy court on April 11, 2008 enabled the settlement of some of these liabilities. The proposal provides for an initial payment of 20% of these liabilities[(2)] (upon confirmation), and a second payment of 20% in the event that compensation is obtained from the Argentinean State. As controlling shareholders, GDF SUEZ SA and Agbar decided to financially support Aguas Argentinas in making this initial payment and paid sums of USD 6.1 million and USD 3.8 million respectively, at the time of confirmation.

(1) Similar to the French bankruptcy procedure.

(2) Approximately USD 40 million.

By two decisions dated July 30, 2010, ICSID recognized the liability of the Argentinean State in the termination of water distribution and treatment concession contracts in Buenos Aires and Santa Fe. The amount of damages to be paid in compensation for the losses sustained is to be set by experts.

A first independent report regarding the Buenos Aires concession was submitted to the ICSID in September 2013, followed by the independent expert's report on the Santa Fe concession in April 2014. A series of hearings took place between the end of July and early August 2014. The proceedings are currently ongoing.

2. Squeeze-out bid for Electrabel shares

On July 10, 2007, three shareholders, Deminor and two other funds, initiated proceedings before the Brussels Court of Appeal against SUEZ and Electrabel under which they sought additional consideration following the squeeze-out bid launched by SUEZ in June 2007 on Electrabel shares that it did not already own. The Court of Appeal dismissed the application on December 1, 2008.

Following the appeal brought by Deminor and others on May 22, 2009, the Court of Cassation overturned the ruling of the Brussels Court of Appeal on June 27, 2011. In a subpoena dated December 28, 2012, Deminor and others launched proceedings against GDF SUEZ before the Brussels Court of Appeal, sitting in a different formation, in order for the Court to rule on their claim for additional consideration.

The trial stage of the proceedings ended on October 15, 2014 and the deliberations have commenced.

A similar demand for additional consideration, submitted to the Brussels Court of Appeal by Messrs. Geenen and others, but without naming Electrabel and the FSMA (*Autorité belge des services et marchés financiers*, formerly the *Commission bancaire, financière et des assurances*) as defendants, was dismissed on December 24, 2009 on procedural grounds. Mr Geenen lodged an appeal before the Court of Cassation against the ruling of December 24, 2009 on June 2, 2010. The Court of Cassation delivered a ruling overturning the ruling of the Brussels Court of Appeal on May 3, 2012.

3. Freeze of regulated natural gas tariffs in France

Legal proceedings regarding Decree No. 2013-400 of May 16, 2013 amending Decree No. 2009-1603 of December 18, 2009 relating to regulated natural gas tariffs

In July 2013, ANODE launched an appeal with the *Conseil d'État* requesting the annulment of Decree No. 2013-400 of May 16, 2013 amending Decree No. 2009-1603 of December 18, 2009 relating to regulated natural gas tariffs.

ANODE (Association Nationale des Opérateurs Défaillants en Énergie) contends that the regulated natural gas tariff framework is inconsistent with the objectives of Directive 2009/73/EC concerning common rules for the internal market in natural gas, and Article 106.1 of the Treaty on the Functioning of the European Union. On December 15, 2014, the *Conseil d'État* ordered a stay of proceedings pending the Court of Justice of the European Union's preliminary ruling on these matters.

4. Compagnie du Vent

On November 27, 2007, GDF SUEZ acquired a 56.84% stake in La Compagnie du Vent, with the original owner SOPER retaining a 43.16% stake. The founder of the company (and owner of SOPER), Jean-Michel Germa, remained the Chairman and Chief Executive Officer of Compagnie du Vent. GDF SUEZ currently holds a 59% stake in La Compagnie du Vent.

Since 2011, GDF SUEZ has been involved in various disputes with Jean-Michel Germa and SOPER regarding Mr Germa's dismissal as Chairman and Chief Executive Officer. Following the cancellation of La Compagnie du Vent's first General Meeting on May 27, 2011 by the Montpellier Appeal Court, a second General Meeting on November 3, 2011 finally appointed a new Chief Executive, who was put forward by GDF SUEZ.

However, the main proceedings still pending are: (i) the legal proceedings launched against SOPER by La Compagnie du Vent before the Montpellier Commercial Court on August 23, 2011, which were aimed at ordering the latter to make good the non-material harm suffered by La Compagnie du Vent as a result of the undue use of minority influence through a payment of €500,000, (ii) the legal proceedings relating to contractual responsibility and negligence launched against GDF SUEZ by Jean-Michel Germa, at the time when the latter was dismissed as Chairman and Chief Executive Officer of La Compagnie du Vent, before the Paris Commercial Court on February 15, 2012, (iii) the proceedings launched against GDF SUEZ, La Compagnie du Vent and the current Chairman and Chief Executive by SOPER before the Montpellier Commercial Court on May 21, 2012, which request a legal review of certain management decisions, in order to obtain compensation, (iv) the proceedings launched by SOPER before the Paris Commercial Court on January 18, 2013, with a view to ordering GDF SUEZ to pay compensation of around €214 million to SOPER as a result of the alleged breach of the agreement and of the partners' agreement signed in 2007, and (v) the proceedings launched by SOPER before the Paris Commercial Court on May 16, 2013 with the aim that GDF SUEZ be forbidden from exercising the share subscription warrants under the terms and conditions set out in the partners' agreement, claiming that GDF SUEZ prevented La Compagnie du Vent from attaining the performance targets to be met to exercise these warrants.

Regarding the put option on the 5% interest in La Compagnie du Vent held by SOPER, the price of the shares was set by an expert following the contractually agreed procedure. These shares were transferred on February 18, 2013. On April 26, 2013, SOPER brought another action before the Paris Commercial Court seeking the cancellation of the expert's report and the appointment of a new expert to set the price of the shares. The case has been brought before the Créteil Commercial Court.

5. Total Energie Gaz

GDF SUEZ buys natural gas from Total Energie Gaz (TEGAZ), a subsidiary of the Total Group, under an agreement entered into on October 17,2004 (the "Agreement"), and asked for a review of the contractual price with effect from May 1,2011. As the negociations with TEGAZ were not successful, GDF SUEZ submitted the dispute involving the review of the contractual price to a panel of experts, in March 2012, in accordance with the Agreement. On June 5, 2012, TEGAZ gave notice of a dispute regarding the interpretation of certain clauses in the aforementioned Agreement, which was the subject of arbitration proceedings, in accordance with the regulations of the French Arbitration Association (AFA).

After the parties exchanged their pleadings, the hearings regarding the interpretation of certain provisions of the purchase agrrement (the "Agreement") took place at the arbitration court between January 27 and January 30,2014.

The award, which was delivered on May 13,2014, dismissed all of TEGAZ's claims regarding the interpretation of the Agreement, particularly those concerning the provisions pertaining to the review of the contractual price.

The expertise proceedings in the dispute regarding the review of the contractual price have resumed. On February 7,2015, the panel of experts gave a first favorable response to the Group's request to review the contract price of natural gas purchased from May 1, 2011 to October 31,2014 under the natural gas supply agrrement with TEGAZ. The panel of experts confirmed that the request for price review addressed by the Group was justified and determined a new contractual pricing formula, therefore granting a price decrease to the Group.

6. Competition and industry concentration

On May 22, 2008, the European Commission announced its decision to initiate formal proceedings against Gaz de France for a suspected breach of EU rules pertaining to abuse of dominant position and restrictive business practices. The proceedings relate to a combination of long-term transport capacity reservation and a network of import agreements, as well as potential underinvestment in transport and import infrastructure capacity.

On June 22, 2009, the Commission sent GDF SUEZ, GRTgaz and ELENGY a preliminary assessment in which it alleged that GDF SUEZ might have abused its dominant position in the gas sector by foreclosing access to gas import capacity in France. On June 24, 2009, GDF SUEZ, GRTgaz and ELENGY offered commitments in response to the preliminary assessment, while expressing their disagreement with the conclusions it contained.

These commitments were submitted to a market test on July 9, 2009, following which the Commission informed GDF SUEZ, GRTgaz and ELENGY of how third parties had responded. On October 21, 2009, GDF SUEZ, GRTgaz and ELENGY filed amended commitments aimed at facilitating access to and competition on the French natural gas market. On December 3, 2009, the Commission adopted a decision that rendered these commitments legally binding. This decision by the Commission put an end to the proceedings initiated in May 2008. GDF SUEZ, GRTgaz and ELENGY are continuing to fulfill the commitments under the supervision of a trustee (Advolis) approved by the European Commission.

7. Gas and electricity supply markets in France

On April 15, 2014, Direct Energie lodged a complaint with the competition authorities against GDF SUEZ for alleged abuse of a dominant position on the gas and electricity supply markets, as well as a request for protective interim measures.

The hearing concerning the interim protective measures was held on July 9, 2014 and the competition authority rendered a decision on September 9, 2014.

As a protective interim measure and pending a decision on the merits, the authority ordered GDF SUEZ to grant upon request and at its own cost, to companies in possession of a ministerial authorization to provide natural gas, access to certain information regarding customers subject to regulated natural gas tariffs in objective, transparent and non-discriminatory conditions.

In the event that this order is not fulfilled by the specified date, GDF SUEZ will be required to suspend all commercialization of its natural gas market offerings.

GDF SUEZ appealed this decision on September 19, 2014. The hearing was held on October 9, 2014 and the Paris Court of Appeal rendered a decision on October 31, 2014. The Court of Appeal upheld the competition authority's decision, but amended the following points: the date for access to the required information has been deferred to November 13, 2014 for non-residential customers and to January 15, 2015 for residential customers; the professionals acting as contact person for a non-residential customer were informed before the information was disclosed and had five days to oppose the disclosure. The wording of the letter required to be sent to residential customers was changed slightly so as not to prejudge the decision on the merits.

GDF SUEZ has appealed the decision handed down by the Court of Appeal.

GDF SUEZ is currently implementing the interim measures imposed by the authorities in order to comply with the requirements of the decision and, therefore, provides access to the information in the files concerned to alternative suppliers at their request.

NOTE 21 Pensions and other employee benefit obligations

OVERVIEW OF OBLIGATIONS

In millions of euros	Dec. 31, 2014[(1)]	Dec. 31, 2013
PENSIONS	**2,517**	**2,071**
• EGI sector plan	2,213	1,772
• Other plans	304	299
OTHER RETIREMENT AND POST-EMPLOYMENT BENEFITS	**536**	**414**
• Reduced energy and water prices	384	283
• End-of-career indemnities	59	52
• Immediate bereavement benefits	54	41
• Other*	39	38
OTHER EMPLOYEE BENEFIT OBLIGATIONS	**102**	**89**
• Disability benefits and other	94	82
• Long-service awards	8	7
TOTAL	**3,155**	**2,574**

* *Indemnities for the partial reimbursement of educational expenses, exceptional end-of-career vacation and the former SUEZ supplementary healthcare plan.*

(1) *Including €126 million covered by a provision in the parent company financial statements (see Note 21D).*

Actuarial assumptions

The actuarial assumptions were determined together with independent actuaries. Weighted discount rates for the main actuarial assumptions are presented below:

	Pensions		Other post-employmentbenefit obligations		Long-term benefit obligations		Total benefit obligations	
	2014	2013	2014	2013	2014	2013	2014	2013
Discount rate	2.05%	3.61%	2.18%	3.76%	1.76%	3.32%	2.08%	3.64%
Inflation rate	1.75%	2.00%	1.77%	2.00%	1.71%	2.00%	1.76%	2.00%
Average remaining working years of participating employees	16 years	15 years	16 years	15 years	16 years	16 years	16 years	15 years

According to the Group's estimates, a 1% increase or decrease in the discount rate would result in a change of 15% in the projected benefit obligation.

A fall in discount rates would increase the obligation by €622 million.

Note 21 A. Pensions

The main defined-benefit plans operated by GDF SUEZ SA comprise:

- pensions falling within the scope of the special plan for companies belonging to the electricity and gas industries sector ("EGI");
- pension plans taken over following the merger of SUEZ SA into GDF SUEZ SA:
  - the 1953 supplementary pension plan, closed since December 31, 1988,
  - plans operated by the former Compagnie de SUEZ (annuity plans based on end-of-career salaries),
  - supplementary pension plans for senior managers operated by all water companies (annuity plans based on end-of-career salaries).

Pension plan for electricity and gas utilities

Since January 1, 2005, the *Caisse Nationale des Industries Électriques et Gazières* (CNIEG) has operated the pension, disability, life, occupational accident and occupational illness benefit plans for EGI sector companies. The CNIEG is a private welfare body placed under the joint responsibility of the ministries in charge of social security and budget.

Salaried employees and retirees of EGI sector companies have been fully affiliated to the CNIEG since January 1, 2005. The conditions for calculating benefit entitlement under the EGI plan are set out in the national statute for EGI sector employees (decree of June 22, 1946) and determined by the government. By law, companies cannot amend any of these conditions.

The reform of the funding for the special EGI pension scheme introduced by Act No. 2004-803 of August 9, 2004 and its

implementing decrees allocated specific benefits (pension benefits on top of the standard benefits payable under ordinary law) already vested at December 31, 2004 ("past specific benefits") between the various EGI entities.

Unregulated past specific benefits (at December 31, 2004) are funded by EGI sector entities to the extent defined by Decree No. 2005-322 of April 5, 2005. For GDF SUEZ SA, this funding obligation represents 3.25% of the past specific benefit obligations of all EGI sector companies.

The specific benefits vested under the plan since January 1, 2005 are wholly financed by EGI sector companies in proportion to their respective share of the electricity and gas market as measured in terms of total payroll costs.

1. Financial obligations of GDF SUEZ SA

Pursuant to the Law of August 9, 2004 on electricity and gas public services and electricity and gas utilities, as from January 1, 2005 GDF SUEZ SA has the following financial obligations:

- to pay the CNIEG its share of the contributions due under statutory pension plans. These contributions are then paid over by the CNIEG to the CNAV and to the mandatory supplementary pension plans AGIRC and ARRCO;
- to pay the CNIEG its contribution to financing the benefits paid in excess of rights under statutory pension plans not funded by the CTA levy;
- to pay the CNIEG its share in exceptional flat-rate contributions in full and final discharge of its liabilities due to the CNAV, AGIRC and ARRCO and not financed by the CTA levy;
- to pay the CNIEG its share of the administrative expenses incurred by the CNIEG as well as compensation with respect to other statutory pension plans and benefits relating to disability, death, work accidents and occupational illnesses;
- as a gas and electricity supplier (and carrier, where applicable), to collect and pay over to the CNIEG the CTA levies.

2. 2008 and 2010 reform of public sector pensions

Decree No. 2008-69 of January 22, 2008 and in 2010, Decree No. 2011-290 of March 18, 2011 introduced changes to the special pension plan for companies belonging to the electricity and gas industries sector. The changes essentially concern:

- an extension of the period during which employees pay in contributions;
- introduction of a discount/premium mechanism;
- the methodology for recalculating pensions.

Employees need to pay in contributions over a period of 41.5 years in order to be entitled to a full pension. This gradual increase of the pay-in period will apply to special EGI plans as from 2017. The legal retirement age and the age at which the discount on pension benefits is canceled will gradually be raised to 62 and 67, respectively, by 2024.

Pensions and disability annuities are recalculated as of January 1, 2009 on the basis of the retail price index (excluding tobacco).

3. Main measures impacting pension obligations

The CNIEG actuarial calculation model now factors in:

- Reform of the statutory supplementary AGIRC and ARCCO benefit plans

A national cross-industry agreement (*accord national interprofessionnel*) was signed with the supplementary benefit plans AGIRC and ARRCO on March 13, 2013. Under this agreement, the pay-in rate will increase by 0.10 points per year in 2014 and 2015 and the increase in the pension benefits paid by AGIRC and ARRCO over three years will be reduced as from 2013.

- Reform of the general pension scheme

The law reforming the general pension scheme in France was adopted by the National Assembly on December 18, 2013 and ratified by the Constitutional Council on January 16, 2014.

The changes introduced by the reform include:

  - a gradual increase in the pay-in period as from 2018, to 172 quarters in 2033, leading to a decrease in obligations;
  - an increase in employer social contributions payable to the CNAV between 2014 and 2017, leading to a rise in early retirement financing obligations;
  - deferral of the annual pension recalculation (indexation) from April 1 to October 1 of each year, thereby reducing obligations.

There were no specific changes in the regulatory environment in 2014. All of the most recent regulatory changes were taken into account in preparing the 2013 financial statements.

4. Calculation of pension obligations

GDF SUEZ SA's pension obligations are calculated using a yield-to-maturity method in line with ANC Recommendation 2013-02 of November 7, 2013, amending CNC Recommendation CNC 2003 R 01 of April 1, 2003. The method used is known as the projected unit credit method and is based on assumptions regarding:

- end-of-career salaries (based on seniority, salaries and career promotions);
- retirement age, based on specific criteria applicable to EGI sector employees (length of service, number of children for female employees);
- changes in the population of retired employees, based on mortality tables drawn up by INSEE and an employee turnover rate based on behavioral statistics for EGI sector employees;
- payments of benefits to surviving spouses, based on the life expectancy of employees and their spouses, and the percentage of married employees among EGI sector personnel.

The obligations are calculated as follows:

- based on the rights vested at the measurement date, under both the EGI plan and statutory pension plans;
- for all active and retired employees in the EGI sector, and all employees and eligible beneficiaries for former SUEZ plans;
- actuarial gains and losses are recognized immediately.

Note 21 B. Other employee benefit obligations

Benefits payable to active and retired employees of EGI sector companies (excluding pensions) are described below:

Post-employment benefits:

- reduced energy prices,
- end-of-career indemnities,
- exceptional end-of-career vacation,
- immediate bereavement benefits,
- partial reimbursement of educational expenses;

Long-term benefits:

- allowances for occupational accidents and illnesses,
- temporary and permanent disability allowances,
- long-service awards.

Retired employees of SUEZ SA are eligible for post-employment benefits consisting of a cash contribution to the costs of their water supply and complementary healthcare insurance.

The Group's main obligations are described below.

1. Reduced energy prices

Under Article 28 of the national statute for electricity and gas industry personnel, all employees (current and former employees, provided they meet a length-of-service condition) are entitled to benefits in kind which take the form of reduced energy prices known as "employee rates". This benefit entitles employees to electricity and gas supplies at a reduced price. For retired employees, this provision represents a post-employment defined benefit. Retirees must have accumulated at least 15 years' service in EGI sector companies to be eligible for the reduced energy price plan.

In accordance with the agreements signed with EDF in 1951, GDF SUEZ provides gas to all current and former employees of GDF SUEZ and EDF, while EDF supplies electricity to these same beneficiaries. GDF SUEZ pays (or benefits from) the balancing contribution payable in respect of its employees as a result of energy exchanges between the two utilities.

The amount of the GDF SUEZ SA obligation regarding gas supplied to GDF SUEZ SA employees within the EGI sector and to EDF employees corresponds to the likely present value of the power (KWh) supplied to the employees during the retirement phase, assessed based on the unit cost of the energy.

2. End-of-career indemnities

Further to the reform of EGI pensions as of July 1, 2008, retiring employees (or their dependents in the event of death during active service) are entitled to end-of-career indemnities which increase in line with the length-of-service within the utilities.

The obligation resulting from end-of-career indemnities is calculated using the projected unit credit method.

3. Allowances for occupational accidents and illnesses

EGI sector employees are entitled to compensation for accidents at work and occupational illnesses. These benefits cover all employees or the dependents of employees who die as a result of occupational accidents or illnesses, or injuries suffered on the way to work.

The amount of the obligation corresponds to the likely present value of the benefits to be paid to current beneficiaries, taking into account any reversionary annuities.

Note 21 C. Change in present value of benefit obligations

	EGI sector plan		Other plans		Other post-employment benefits		Long-term benefits		Total	
In millions of euros	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Present value of benefit obligation at January 1	**1,772**	**1,928**	**299**	**274**	**414**	**426**	**89**	**95**	**2,574**	**2,723**
Service cost	32	46	1	2	7	8	10	9	50	65
Interest cost	64	62	9	9	15	14	3	3	91	88
Actuarial gains and losses on the obligation	419	(144)	9	28	122	(14)	9	(9)	559	(139)
Benefits paid under all plans (funded and unfunded)[1]	(74)	(71)	(14)	(14)	(22)	(20)	(9)	(9)	(119)	(114)
Other[2]	-	(49)	-	-	-	-	-	-	-	(49)
Present value of benefit obligation at December 31	**2,213**	**1,772**	**304**	**299**	**536**	**414**	**102**	**89**	**3,155**	**2,574**

(1) The aggregate impact on income of benefits paid and changes in the benefit obligation totaled €119 million in 2014 versus €114 million in 2013.
(2) The impact of applying ANC Recommendation 2013-02 of November 7, 2013 led to a reduction in the obligation for CNIEG handling fees.

Note 21 D. Provisions

GDF SUEZ SA sets aside provisions in respect of allowances for occupational accidents and illnesses, and temporary and permanent disability benefits for active employees at year-end, as well as for benefits due during employees' active working lives (long-service awards and exceptional end-of-career vacation). Provisions for pensions and other employee benefit obligations transferred by SUEZ SA at the time of the 2008 merger are also recognized by GDF SUEZ SA in liabilities. These provisions are written back as and when the corresponding liabilities for which they were set aside at end-2007 are extinguished. No further amounts are set aside to these provisions in respect of rights newly vested or the unwinding of discounting adjustments.

At December 31, 2014, GDF SUEZ SA booked provisions of €126 million compared to €117 million at end-2013, representing an increase of €9 million in employee-related provisions.

At December 31, 2013, GDF SUEZ SA booked provisions of €117 million compared to €126 million at end-2012, representing a decrease of €9 million in employee-related provisions.

CHANGES IN PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS

	Pensions[1]		Other post-employment benefit obligations[2]		Long-term benefits[3]		Total	
In millions of euros	2014	2013	2014	2013	2014	2013	2014	2013
Provision at January 1	**8**	**9**	**27**	**30**	**82**	**87**	**117**	**126**
Pension cost (benefit) for the period	-	-	4	2	20	4	24	6
o/w Service cost	-	-	*1*	*1*	*10*	*9*	*11*	*10*
o/w Interest cost	-	-	-	*1*	*3*	*3*	*3*	*4*
o/w Actuarial gains and losses on the obligation	-	-	*3*	-	*7*	*(8)*	*10*	*(8)*
o/w Other	-	-	-	-	-	-	-	-
Benefits paid under all plans (funded and unfunded)	(1)	(1)	(5)	(5)	(9)	(9)	(15)	(15)
Provision at December 31	**7**	**8**	**26**	**27**	**93**	**82**	**126**	**117**

(1) Excluding EGI sector companies in both 2014 and 2013.
(2) Exceptional end-of-career vacation (€16 million), complementary health insurance for retired SUEZ employees (€7 million) and water bonus (€3 million).
(3) Allowances for occupational accidents and illness (€65 million), temporary and permanent disability allowances (€18 million), asbestos (€2 million) and long-service awards (€8 million).

Note 21 E. Insurance contracts

GDF SUEZ SA has taken out insurance contracts with several insurance firms to cover its obligations in respect of pensions and end-of-career indemnities. An amount of €4 million was paid to these insurance firms in 2014.

The value of these insurance contracts stood at €1,910 million at December 31, 2014 (€1,856 million at December 31, 2013).

Note 21 F. Change in the fair value of plan assets

	Pensions				Other post-employment benefits	
In millions of euros	2014		2013		2014	2013
	EGI sector plan	Other plans	EGI sector plan	Other plans		
Fair value of plan assets at January 1	**1,633**	**190**	**1,600**	**190**	**32**	**32**
Expected return on plan assets	59	5	52	5	1	1
Premiums net of handling fees(1)	-	4	-	15	-	-
Actuarial gains and losses on plan assets	71	1	54	(6)	2	2
Benefits paid out of plan assets(1)	(73)	(12)	(73)	(14)	(4)	(3)
Fair value of plan assets at December 31	**1,690**	**188**	**1,633**	**190**	**31**	**32**

(1) *The total income statement impact of premiums paid to insurance funds and benefits covered by plan assets represents net income of €85 million in 2014 versus net income of €75 million in 2013.*

RETURN ON PLAN ASSETS

	Pensions				Other post-employment benefits	
	2014		2013		2014	2013
	EGI sector plan	Other plans	EGI sector plan	Other plans		
Actual return on plan assets	8.3%	3.67%	6.7%	3.21%	9.3%	8.4%

The expected return on plan assets for 2014 is 2.05% in respect of pensions and 1.74% in respect of other obligations.

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

	Dec. 31, 2014		Dec. 31, 2013	
	EGI sector plan	Other plans	EGI sector plan	Other plans
Equities	33%	10%	34%	10%
Bonds	51%	80%	47%	82%
Other (including money market securities)	16%	10%	19%	8%
	100%	**100%**	**100%**	**100%**

Collective life insurance policies contracted with insurers to cover employee-related liabilities under the EGI sector plan are unit-linked. These contracts are available to GDF SUEZ SA and to Group subsidiaries belonging to the “Group employee benefits management agreement”. A small portion of these contracts may be invested in financial instruments issued by GDF SUEZ SA, mainly equities.

Based on unit-linked contracts attributable to GDF SUEZ SA, the portion of plan assets invested in financial instruments issued by GDF SUEZ SA amounted to €14 million at December 31, 2014, representing less than 1% of the total value of the fund at that date. Plan assets are not invested in properties occupied by GDF SUEZ SA or in other assets used by GDF SUEZ SA.

Note 21 G. Supplementary defined-contribution plan

Employees eligible for the EGI plan also benefit from an additional defined-contribution plan set up in 2009. Employer contributions paid in respect of this scheme totaled €6 million in 2014 and €7 million in 2013.

NOTE 22 Information concerning related and associated companies

In millions of euros	Related companies	Associated companies
Equity investments	62,320	2,314
Amounts receivable from equity investments	891	-
Deposits and guarantees	25	-
Trade and other receivables	2,550	19
Current accounts with subsidiaries showing a credit balance	66	-
Other intangible assets	-	250
Other receivables	297	1
Current accounts with subsidiaries showing a debit balance	5,501	1
Trade and other payables	2,378	1
Payables on fixed assets	1,150	-
Other liabilities	432	-
Revenues	10,266	105
Energy purchases and change in gas reserves	6,657	17
Other external charges	3,900	-
Other operating expenses	453	-
Other operating income	352	(10)
Other financial expenses	5	-
Other financial income	2,173	118

All material transactions between GDF SUEZ SA and related parties were carried out on an arm's length basis. Accordingly, no disclosures are required pursuant to the Amending Decree of Article R.123-198-11 of March 9, 2009.

Relations with the French State

Further to the merger between Gaz de France and SUEZ on July 22, 2008, the French State owns 33.29% of GDF SUEZ and appoints 4 representatives to the Group's 17-member Board of Directors.

The French State holds a golden share aimed at protecting France's critical interests and ensuring the continuity and safeguarding of supplies in the energy sector. The golden share is granted to the French State indefinitely and entitles it to veto decisions taken by GDF SUEZ if it considers they could harm France's interests.

Public service engagements in the energy sector are defined by the law of January 3, 2003.

They are implemented by means of a public service contract dated December 23, 2009, which sets out the Group's public service obligations and the conditions for rate regulation in France:

As part of its public service obligations, the Group is reinforcing its commitments in terms of the protection of goods and individuals, solidarity and assistance to low-income customers, sustainable development and research;

Regarding the conditions for price regulation in France, a decree was published in connection with the contract redefining the overall regulatory framework for setting and changing natural gas prices in France. The mechanism as a whole provides clearer direction on the conditions for changing regulated rates, notably through rate change forecasts based on costs incurred. this contract covers the period from 2010 to 2013 and was automatically extended for a six-month period until June 30,2014.

Transmission rates on the GRTgaz transportation network and the gas distribution network in France, as well as rates for accessing the French LNG terminals, are all regulated. Rates are set by ministerial decree.

Relations with the CNIEG (Caisse Nationale des Industries Électriques et Gazières)

The Group's relations with the CNIEG, which manages all old-age, death and disability benefits for active and retired employees of the Group who belong to the special EGI pension plan, employees of EDF and Non-Nationalized Companies (*Entreprises Non Nationalisées* – ENN), are described in Note 21, "Post-employment benefits and other long-term benefits".

NOTE 23 Subsidiaries and investments

In millions of euros Name	Share capital as par latest available balance sheet	Other equity as per latest available balance sheet	% capital held at Dec. 31, 2014	Book value of shares held at Dec. 31, 2014	
				Gross	Provision
A - Detailed information concerning subsidiaries and investments whose gross value exceeds 1% of GDF SUEZ SA capital (i.e., €24,352,850)					
1. Subsidiaries (more than 50%-owned by GDF SUEZ SA)					
Aguas Provinciales de Santa Fe[1]	6	(160)	64.19%	39	(39)
Celizan	-	-	100.00%	31	(31)
Cogac	1,433	(991)	100.00%	1,434	(152)
Electrabel	4,640	17,945	99.13%	34,117	-
Elengy	109	405	100.00%	516	-
GDF International	3,972	705	100.00%	3,972	-
GDF SUEZ Energy Services	699	1,071	100.00%	2,931	-
GDF SUEZ Finance	5,460	529	100.00%	5,567	-
GDF SUEZ IT	45	13	100.00%	78	(20)
GDF SUEZ Management Company	60	(35)	100.00%	60	(35)
GDF SUEZ New Ventures	5	22	100.00%	28	(1)
Genfina	1,750	(500)	100.00%	2,627	(1,352)
GIE GDF SUEZ Alliance	100	(48)	64.00%	62	-
GrDF	1,800	3,967	100.00%	8,400	-
GRTgaz	537	3,090	75.00%	1,850	-
La Compagnie du Vent	17	101	59.00%	428	(384)
NNB Development Company	38	117	100.00%	141	-
SFIG	55	8	96.51%	57	-
Sopranor	-	5	99.90%	245	(240)
Storengy	1,044	(237)	100.00%	1,904	-
2. Equity investments (less than 50%-owned by GDF SUEZ SA)					
Aguas Argentinas	15	(467)	48.20%	145	(145)
SUEZ Environnement Company	2,041	4,726	33.70%	2,293	-
B - Information concerning other subsidiaries and investments					
1. Subsidiaries not included in section A					
French companies				91	(33)
Other[1]				13	3
2. Equity investments not included in section A					
French companies				51	(3)
Other[1]				-	-
3. Other long-term investments not included in section A					
French companies				17	-
Other[1]				-	-
TOTAL				**67,098**	**(2,436)**

(1) *Amounts in local currency (millions of units).*

Loans and advances granted by GDF SUEZ SA	Sureties and endorsements given by GDF SUEZ SA	Revenues for the latest available period	Net income (+) or loss (-) for the latest available period	Dividends received by GDF SUEZ SA during the period	Year-end of last available period[(2)]
15	-	-	(48)	-	12/2014
-	-	-	-	-	12/2014
2	-	-	(258)	-	12/2014
-	-	13,169	1,462	-	12/2014
125	-	229	121	176	12/2014
142	-	1	396	557	12/2014
-	-	2,130	168	202	12/2014
6,031	-	685	215	403	12/2014
-	-	385	37	-	12/2014
-	-	142	(8)	-	12/2014
-	-	-	-	-	12/2014
-	-	-	10	-	12/2014
-	-	-	(48)	-	12/2014
-	-	3,225	(25)	576	12/2014
-	-	1,956	253	209	12/2014
-	-	51	10	-	12/2014
-	-	-	87	-	12/2014
-	-	45	2	-	12/2014
-	-	-	-	-	12/2014
-	-	1,295	136	-	12/2014
-	-	-	(164)	-	12/2014
-	-	6	342	118	12/2013
-	-	-	-	4	
-	-	-	-	-	
1	-	-	-	53	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
				2,297	

(2) Provisional, unaudited amounts.
Transactions with related companies mainly involve loans, advances and changes in current accounts with subsidiaries.
NB: Certain sensitive data are not provided in the table of subsidiaries and investments.

NOTE 24 Compensation due to members of the board of directors and executive committee

Total compensation (gross salary, bonuses, profit-sharing incentives and benefits in kind, including related employer contributions) paid to the Chairman and Chief Executive Officer, the Vice-Chairman and President, and members of the Executive Committee came to €27 million for 2014.

Post-employment benefits accruing to these same people totaled €99.5 million at December 31, 2014.

Members of the Board of Directors elected by the Shareholders' Meeting received €0.8 million in attendance fees for 2014.

NOTE 25 Subsequent events

No significant events occurred between December 31, 2014 and the date the financial statements were authorized for issue.

6.4.3 Total and partial transfers of assets, subsidiaries, and equity investments requiring statutory disclosure

Total and partial transfers of assets

In euros	% Dec. 31, 2013	% Dec. 31, 2014	Reclassification within the Group	Sale outside the Group	Net book value of shares held	Business sector
Subsidiaries[(1)]						
Merizan	100.00	0.00	X		0.00	Real estate
Equity investments[(2)]						

(1) More than 50%-owned by GDF SUEZ SA.
(2) Less than 50%-owned by GDF SUEZ SA.

Total and partial purchases of assets

In euros	% Dec. 31, 2013	% Dec. 31, 2014	Reclassification within t he Group	Acquisition outside the Group	Net book value of shares held	Business sector
Subsidiaries[(1)]						
GDF SUEZ New Ventures	0.00	100.00	X		27,272,120.25	Finance
GDF SUEZ New Business	0.00	100.00	X		46,641.57	Finance
GDF SUEZ China Invest. CY	0.00	100.00	X		40,000.00	Finance
Equity investments[(2)]						

(1) More than 50%-owned by GDF SUEZ SA.
(2) Less than 50%-owned by GDF SUEZ SA.

6.4.4. Five-year financial summary

	2014	2013	2012	2011	2010
Capital at year-end					
Share capital (in euros)	2,435,285,011	2,412,824,089	2,412,824,089	2,252,636,208	2,250,295,757
Number of ordinary shares issued and outstanding	2,435,285,011	2,412,824,089	2,412,824,089	2,252,636,208	2,250,295,757
Maximum number of shares to be issued:					
• by converting bonds	-	-	-	-	-
• by exercising stock options	20,823,223	10,083,705	15,803,200	22,584,740	30,841,031
Results of operations for the year *(in millions of euros)*					
Revenues, excluding VAT	24,562	28,608	27,915	24,126	25,373
Income before tax, employee profit-sharing, depreciation, amortization, provisions and transfer of concession termination amortization	390	424	749	1,460	1,592
Income tax (negative figures = benefit)	(378)	(768)	(542)	(295)	(356)
Employee profit-sharing and incentive payments for the year	-	-	-	-	-
Income after tax, employee profit-sharing, depreciation, amortization, provisions and transfer of concession termination amortization	411	663	890	2,389	857
Total dividends paid (including on treasury shares in 2014)	2,402	3,576	3,503	3,347	3,336
Earnings per share (in euros)					
Earnings per share after tax and employee profit-sharing but before depreciation, amortization, provisions and transfer of concession termination amortization	0.32	0.49	0.54	0.78	0.87
Earnings per share after tax, employee profit-sharing, depreciation, amortization, provisions and transfer of concession termination amortization	0.17	0.27	0.37	1.06	0.38
Dividend per share(1)	1.00	1.50	1.50	1.50	1.50
Headcount					
Average number of employees during the year	5,879	6,367	6,641	6,952	7,511
Total payroll	357	377	374	445	471
Total employee benefit obligations paid (social security taxes and contributions to pension plans, welfare plans, etc.)	330	396	363	324	234

(1) Shareholders at the AGM held to approve the 2014 financial statements will be asked to approve a dividend of €1 per share, representing a total amount of €2,402 million, based on the number of outstanding shares at December 31, 2014.

6.5 STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of GDF SUEZ;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

The accounting estimates have been prepared in a context of economic and financial crisis and of high market volatility whose consequences make it difficult to forecast midterm economic outlooks. In this context as described in note A to the financial statements and in accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- As stated in note A to the financial statements, the book value of equity investments which your company intends to hold on a long-term basis is written down to its value in use if the latter is lower. As part as our assessment of the significant estimates used to prepare the financial statements, we have examined the data and key assumptions used for the determination of the values in use, assessed the sensitivity of the measurements to these assumptions as well as the procedure for approving these estimates by management. We have also reviewed the calculations made by your company and verified that note A to the financial statements provides appropriate disclosure.
- Regarding gas sales to customer segments whose energy consumption is metered during the accounting period, your company makes revenue projections based on consumption estimates in line with the volume of energy allocated by the grid managers over the same period and estimates of average selling prices. Our work consisted in assessing the methods and assumptions used to calculate these estimates and verifying that note A to the financial statements provides appropriate disclosure.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 3, 2015
The Statutory auditors
French original signed by

DELOITTE & ASSOCIES
Véronique Laurent

ERNST & YOUNG et Autres
Pascal Macioce
Charles-Emmanuel Chosson

7

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7.1 SPECIFIC STATUTORY PROVISIONS AND BYLAWS

The main provisions of the law, the Company's bylaws and the Board's internal Regulations are set out below. These documents are available at the Company's head office and on its website: www.gdfsuez.com.

7.1.1 Issuer's corporate purpose

The Company's purpose is the management and development of its current and future assets, in all countries, by all means and especially to:

- prospect, produce, process, import, export, buy, transmit, store, distribute, supply and market combustible gas, electricity and all other energy;
- trade in gas, electricity and all other energy;
- supply services related to the aforementioned activities;
- carry out the public service assignments assigned to it under current law and regulations, in particular the Electricity and Gas Nationalization Act No. 46-628 of April 8, 1946, the Gas and Electricity Markets and the Public Service of Energy Act No. 2003-8 of January 3, 2003, the Public Service of Electricity, Gas and Electrical and Gas Companies No. 2004-803 of August 9, 2004 as well as the Energy Sector Act No. 2006-1537 of December 7, 2006;
- study, design and implement all projects and all public or private works on behalf of all local authorities and individuals; prepare and enter into all agreements, contracts and transactions related to the implementation of the said projects and works;
- participate directly or indirectly in all operations or activities of any kind that may be connected to one of the aforementioned objects or that are likely to further the development of the company's assets, including research and engineering activities, by setting up new companies or undertakings, by contribution, subscription or purchase of securities or rights with respect to entities, by acquiring interests or holdings, in any form whatsoever, in all existing or future undertakings or companies, *via* mergers, partnerships or any other form;
- create, acquire, rent, take in lease management all property, real estate and businesses, rent, install and operate all establishments, businesses, plants or workshops connected with one of the aforementioned objects;
- register, acquire, operate, grant or sell all processes, patents and patent licenses relating to the activities connected with one of the aforementioned objects;
- obtain, acquire, rent and operate, mainly *via* subsidiaries and holdings, all concessions and undertakings relating to the supply of drinking water to towns or water to industry, to the evacuation and purification of waste water, to drainage and wastewater treatment operations, to irrigation and transport, to protection and pondage structures as well as to all sales and service activities to public authorities and individuals in the development of towns and the management of the environment;
- and in general to carry out all industrial, commercial, financial, personal property or real estate operations and activities of any kind, including services, in particular insurance intermediation, acting as an agent or delegated agent in a complementary, independent or research position; these operations and activities being directly or indirectly related, in whole or in part, to any one of the aforementioned objects, to any similar, complementary or related objects and to those that may further the development of the Company's business.

7.1.2 Corporate governance bodies

Regarding the composition and operations of corporate governance bodies, see Section 4 - "Corporate governance".

Board of Directors

GDF SUEZ is managed by a Board of Directors.

The Board has an Internal Regulations document that specifies its operating procedures.

The Board's Internal Regulations and the Directors' Charter are intended for every Director, every permanent representative of a member of the Board that is a legal entity, every non-voting Director, the representative of the Central Works Council or the body acting in lieu, the Government Commissioner, and, more generally, any person taking part in or attending Board meetings, either on a one-time basis or on every occasion.

Appointment of Directors

The Company is managed by a Board of Directors comprising no more than 22 members, in accordance with Articles L. 225-17, L. 225-23 and L. 225-27 of the French Commercial Code.

Directors are appointed by the General Shareholders' Meeting, subject to special rules applicable to Directors representing the French State, the Directors representing employees and the Director representing employee shareholders.

Directors representing the French State are appointed in accordance with Article 2 of the Decree-Act of October 30, 1935 as amended. Directors representing employees and the Director representing employee shareholders are appointed in accordance with Articles L. 225-27 *et seq.* and L. 225-23 of the French Commercial Code and the bylaws.

It is hereby specified that the Board of Directors, at its meeting of March 16, 2015, decided to implement Part II of Decree No. 2014-948 of August 20, 2014 relating to the governance and capital transactions of state-owned enterprises. Under Article 4 of the Decree, the State may appoint a representative to the governing bodies of companies in which it holds over 10% of the share capital. In addition, Article 6 of the Decree provides that one or more seats on the Board of Directors, in a number proportionate to its shareholding, are reserved for members proposed by the State (see page 123).

Rights and responsibilities of the Directors

The Board represents all shareholders, regardless of its composition and the origin of its members.

Directors must act at all times in the Company's corporate interest. They must carry out their duties independently, fairly and professionally. They must seek, in all circumstances, to maintain their independence of analysis, judgment, decision and action. They must refrain from being influenced by any information that is not related to the Company's interest, and must warn the Board of any information of which they become aware that seems to them likely to affect the Company's interests.

Directors have an obligation of absolute confidentiality with regard to the information provided to them within the framework of their duties, or discussed at Board meetings. In particular, the discussions themselves, the minutes recording the terms of such discussions and the reports and documents sent to the Board are confidential and may not be circulated. In the event of a proven breach of a confidentiality obligation by one of the Directors, the Chairman of the Board shall consider the action to be taken, possibly before the courts, with regard to such breach.

Directors undertake to devote the necessary time and attention to their duties. They must stay informed of the activities and the specifics of the Company, its issues and values, including by talking with principal officers. They must assiduously and diligently attend Board meetings. They must attend Shareholders' Meetings.

They must seek to obtain the information they consider essential in order to deliberate on the Board with full knowledge of the facts within suitable time limits and must seek to update the knowledge that they deem to be useful and may request that the Company provide them with the training they need to perform their duties properly.

Directors contribute to the collegial administration and efficacy of the proceedings of the Board and of any specialized committees set up within the Board. They make recommendations that they feel may improve the operating procedures of the Board, particularly during the Board's periodic evaluation, which is carried out by an independent Director. They must agree to have their own actions on the Board evaluated as well.

They agree, along with the other members of the Board of Directors, to ensure that their supervisory duties are accomplished with efficiency and without any obstacles. In particular, they shall ensure that procedures are put in place in the Company to verify compliance with laws and regulations, both in letter and in spirit.

They ensure that the positions adopted by the Board, in particular relating to the approval of the financial statements, the budget, resolutions to be put to the Annual Shareholders' Meeting as well as to important matters relating to the companies' operations, are the subject of formal decisions that are properly substantiated and recorded in the minutes of the Board's meetings.

The rights and responsibilities of the Directors are described in detail in the Directors' Charter appended to the Internal Regulations of the Board of Directors and published in full on the Group's website.

Term of office of Directors

All Directors serve a four-year term of office, except for Directors representing employees elected after the merger between Gaz de France and SUEZ, whose first term is five years, with subsequent terms of four years. The terms of office of Directors elected by the General Shareholders' Meeting expire at the close of the General Shareholders' Meeting convened in the year during which the term expires to approve the financial statements for the previous year.

The replacement of Directors appointed by the General Shareholders' Meeting whose positions have become vacant during the term of office, due to death or the resignation of one or more Directors' seats, is subject to the laws and regulations in force. Note that these measures may not be applied in the event of the vacancy, for any reason, of the seat of a Director elected by the employees or of the seat of the Director representing the employee shareholders.

Directors representing employees and employee shareholders

The Directors representing the employees and employee shareholders have the same status, powers and responsibilities as the other Directors.

The terms of office of Directors appointed by employees expire either at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the previous year and held after the announcement of the results of the election organized by the Company under the conditions set out in Article 13.3.1 of the bylaws, or in the event of the termination of their employment contract or in the event of removal from office under the terms provided for in the applicable law or regulations or for other reasons provided for by law for Directors appointed by the Shareholders' Meeting.

In the event of a vacancy of a seat of a Director elected by the employees, the vacant seat is filled pursuant to the provisions of Article L. 225-34 of the French Commercial Code.

With the exception of the rules relating to co-option, which do not apply to him/her, the termination of office of a Director representing employee shareholders shall be subject to the same rules as those applicable to other Directors. Moreover, his/her term of office shall end automatically in the event of loss of (i) his/her capacity as employee of the company or companies or consortia affiliated to it within the meaning of Article L. 225-180 of the French Commercial Code or (ii) his/her capacity as shareholder of the Company, individually or *via* a company mutual fund, unless, in the latter case, he/she brings his/her situation into compliance within a three-month period.

In the event of the vacancy of the seat of a Director representing employee shareholders for any reason, the candidates to replace such a Director shall be appointed in accordance with Article 13.3 of the bylaws at the latest prior to the meeting of the very next Shareholders' Meeting or, if it is held less than four months after the position has become vacant, prior to the next Shareholders'

Meeting. The Board of Directors may validly meet and deliberate up to the date of such an appointment.

Non-voting members of the Board

The Ordinary Shareholders' Meeting may appoint one or more non-voting members (*censeurs*) to the Company's Board of Directors, up to a maximum of four, who may be natural persons or legal entities, chosen from among or outside the shareholders, for a term of office of four years expiring at the close of the Ordinary Shareholders' Meeting called to approve the financial statements of the previous year and held in the year during which the term of office expires.

The non-voting members may be re-elected indefinitely; their appointment may be revoked at any time by the General Shareholders' Meeting. The Board of Directors may appoint non-voting Directors provisionally, subject to ratification by the next General Shareholders' Meeting.

The Appointments and Compensation Committee reviews, and formulates an opinion or recommendation on any candidacy for appointment as a non-voting member.

Non-voting members may be called upon by the Chairman of the Board to attend meetings of the Board of Directors. They participate in meetings of the Board of Directors in an advisory capacity.

Government Commissioner

Pursuant to Article 111-70 of the Energy Code, the Minister of Energy appoints a Government Commissioner to the Company who attends meetings of the Board of Directors and its committees in an advisory capacity and may present his/her observations to any General Shareholders' Meeting.

General Management

Chairman and Chief Executive Officer

Subject to the powers expressly granted by law to Shareholders' Meetings, powers that it grants specifically to the Board of Directors and within the scope of the Company's corporate purpose, as well as those mentioned in Articles 13 to 15 of Act No. 2004-803 of August 9, 2004, either the Chairman of the Board of Directors or another natural person appointed by the Board of Directors and holding the title of Chief Executive Officer shall be responsible for the general management of the Company.

The Chief Executive Officer is vested with the broadest powers to act in the Company's name in all circumstances. He/she exercises his/her powers within the scope of the Company's corporate purpose and subject to the powers expressly granted by law to Shareholders' Meetings and to the Board of Directors. The Board of Directors determines, in accordance with the conditions provided for by law, the scope and term of powers granted to the Chairman and Chief Executive Officer.

The Board of Directors, at its meeting of April 23, 2012, decided not to separate the duties of Chairman and Chief Executive Officer. The Chairman of the Board of Directors is responsible for the general management of the Company.

Information on the duties of General Management is provided in Section 4.3 – "General Management" and the Chairman's report in Section 4.1.

The Chairman of the Board of Directors organizes and directs the work of the Board, and reports on this to the General Shareholders' Meeting. He/she ensures the smooth running of the Company's corporate bodies and in particular sees that the Directors are able to perform their duties.

President

The Board of Directors may appoint, as provided by law, only one person responsible for assisting the Chief Executive Officer, with the title of President. This President is to be chosen from among the Directors.

With respect to third parties, the President has the same powers as the Chief Executive Officer. Internally to the Company, the extent and duration of the powers conferred on the President are determined by the Board of Directors in conjunction with the Chairman and Chief Executive Officer, as provided by law and by Article 2.2 of the Internal Regulations. These matters are described in detail in Section 4.1.4.1 "Powers of the Board of Directors".

Vice-Chairman of the Board of Directors

The Board of Directors may elect from among its members one or more Vice-Chairmen.

In accordance with Article 16 of the bylaws, meetings of the Board of Directors must be chaired by the Chairman or, in the Chairman's absence, by one of the Vice-Chairmen, or else by a Director chosen by the Board at the beginning of the meeting.

Decisions of the Board of Directors

The Board meets when it is convened by the Chairman of the Board of Directors, who sets the meeting's venue and agenda. Any Director who wishes to discuss any matter with the Board that is not on the agenda must notify the Chairman prior to the meeting; the Chairman is then responsible for informing the Board.

When the Board of Directors has not met for over two months, at least one-third of the members of the Board may request that the Chairman call a meeting on a specific agenda.

The Chairman may take the initiative of organizing meetings of the Board of Directors by videoconference, by web conference, or by any other means of telecommunication, within the limits and subject to the conditions set under the current law and regulations and, where applicable, the Internal Regulations.

Resolutions of the Board of Directors are adopted under the conditions of quorum and majority provided by law. In the event of a tie, the Chairman shall have a casting vote.

Regulated agreements

Any agreement made directly or through an intermediary between GDF SUEZ and a member of the Board of Directors, its Chairman and Chief Executive Officer, its Deputy Chief Executive Officer or a shareholder holding more than 10% of the voting rights, or if the shareholder is a company, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code, must be submitted to the Board of Directors for prior approval. This authorization is also required for agreements involving GDF SUEZ in which one of the persons mentioned in the preceding paragraph is indirectly involved, and to agreements between GDF SUEZ and another company, if one of the Directors, the Chief Executive Officer or one of the Deputy General Managers of the company is an owner, partner with unlimited liability, legal manager, Director, member of the Supervisory Board or, in general, a manager of the company concerned.

Without prejudice to the formalities of prior authorization and control laid down by law and the bylaws, the Company's Directors must promptly disclose to the Chairman any agreement entered into by the Company and in which they are directly or indirectly involved.

The foregoing terms are not applicable to agreements relating to day-to-day transactions and entered into under normal conditions, or to agreements between two companies where one directly or indirectly holds all the capital of the other, less, where applicable, the minimum number of shares needed to satisfy the requirements of Article L. 1832 of the French Civil Code or Articles L. 225-1 and L. 226-1 of the French Commercial Code.

Compensation of Directors and non-voting Board members

The General Shareholders' Meeting determines the annual general amount of directors' attendance fees allocated to the Board of Directors which, on recommendation of the Appointments and Compensation Committee, allocates the said compensation between its members and the non-voting members by deduction from the annual budget for directors' attendance fees.

The Company reimburses Directors for expenses incurred in the performance of their duties upon presentation of substantiating documents.

Directors representing employees are given a time credit equal to one-half of the statutory work time.

7.1.3 Rights, privileges and restrictions attached to shares

Voting rights (Articles 10, 11, 12 and 20 of the bylaws)

Unless otherwise provided for by law, each shareholder has as many voting rights and may cast as many votes at meetings as he or she holds shares, which are fully paid up (see Section 5.1.1.3).

The shares are indivisible with regard to the Company. Where the shares are subject to a right of usufruct, voting rights attached to shares belong to the beneficial owner of the shares in the case of Ordinary Shareholder's Meetings, and to the bare owner in the case of Extraordinary Shareholders' Meetings.

Any time it is necessary to own several shares in order to exercise any right whatsoever, the owners of isolated shares or an insufficient number of shares may exercise such a right provided that they combine or, as the case may be, buy or sell the necessary shares or rights.

Any shareholder may cast a vote by proxy in accordance with the terms and conditions provided for by the law and regulations in all Meetings. The owners of securities mentioned in the seventh paragraph of Article L. 228-1 of the French Commercial Code may be represented, in accordance with the conditions provided for by law, by a registered intermediary. Any shareholder may cast a vote by proxy in accordance with the terms and conditions provided for by the law and regulations. The shareholders may, in accordance with the terms and conditions provided for by the law and regulations, send their postal proxy form either as a printed form or, further to a decision of the Board of Directors published in the notice of meeting and the notice to attend the meeting, by electronic transmission.

Dividends (Article 26.2 of the bylaws)

Any shareholder who can, at the end of a fiscal year, provide proof of registration for at least two years and continuation thereof on the dividend payment date for the fiscal year in question, shall receive a 10% increase in the dividend for the shares so registered, over the dividend paid on other shares. This increase will be capped at 0.5% of the share capital for a single shareholder.

The provisions of Article 26.2 shall apply for the first time to the payment of the dividend to be distributed for the year ended December 31, 2016, determined by the General Shareholders' Meeting to be held in 2017.

Golden share (Article 6 of the bylaws)

In accordance with the French Energy Code and Decree No. 2007-1790 of December 20, 2007, the share capital includes a golden share resulting from the conversion of one ordinary share, which is held by the French State and is aimed at protecting France's critical interests in the energy sector and ensuring the continuity and safeguarding of energy supplies (see Section 5.2.4 "Golden Share").

In accordance with the French Energy Code and Act No. 2014-384 of March 29, 2014, the French State must hold more than one-third of the capital or voting rights of the Company; however, the State's interest may fall below this threshold provided it returns to holding one-third of the capital or voting rights within two years.

7.1.4 Change in rights attached to shares

Except where otherwise specified by law, the rights attached to the Company's shares may be modified only by the Extraordinary Shareholders' Meeting, subject to the special terms relating to the French State's golden share under Article 6 of the bylaws (see also Section 5.2.4 "Golden share").

In accordance with the applicable law and regulations, any amendment of the bylaws that defines the rights attached to GDF SUEZ shares must be approved by a two-thirds majority at the Extraordinary Shareholders' Meeting. All increases in the commitments of the shareholders must be unanimously approved by all shareholders.

7.1.5 Shareholders' Meetings

Notice to attend Meetings (Articles 20, 21 and 22 of the bylaws)

Ordinary and Extraordinary Shareholders' Meetings and, where applicable, Special Shareholders' Meetings are called, meet and deliberate in accordance with the conditions provided for by law. The party issuing the notice convening the meeting also draws up the meeting agenda. However, one or more shareholders may, in accordance with the conditions provided for by law, request that draft resolutions be entered on the agenda.

The Meeting may take place at the Company's head office or at any other location stated in the notice.

General Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, one of the Vice-Chairmen of the Board of Directors or, in the latter's absence, a Director delegated for this purpose by the Board. Otherwise, the Meeting appoints its own Chairman.

The two members of the General Shareholders' Meeting present who accept the duties thereof and who hold the greatest number of votes act as vote tellers. The officers of the meeting appoint the Secretary, who may be chosen from outside the shareholders.

An attendance sheet is kept in accordance with the conditions provided for by law. Minutes of meetings are drawn up and copies thereof are issued and certified in accordance with the conditions provided for by law.

Attendance at Meetings (Article 20 of the bylaws)

All shareholders have the right to attend the meetings provided their shares are paid in full.

The right to attend meetings or to be represented therein is subject to the registration of the securities in the shareholder's name by midnight (CET) of the third business day prior to the meeting, either in the registered securities' accounts held by the Company or in bearer securities' accounts held by the authorized intermediary.

The Board of Directors may, if it deems necessary, send to the shareholders individualized admission cards in each shareholder's name and require them to be presented in order to gain access to the Shareholders' Meeting.

If the Board of Directors so decides at the time of calling the meeting, the shareholders may participate in the meeting by videoconference or by any telecommunication or remote transmission means, including *via* the Internet, that permits their identification in accordance with the terms and conditions set under current regulations. Where applicable, this decision shall be announced in the notice convening the meeting published in the Bulletin des Annonces Légales Obligatoires (Bulletin of Mandatory Legal Announcements or BALO).

7.1.6 Provisions relating to the disclosure of interests

Duty of disclosure upon crossing thresholds (Article 9 of the bylaws)

In addition to the thresholds provided for under Article L. 233-7 of the French Commercial Code, any natural person or legal entity acting alone or in concert, who happens to hold a share of the capital, voting rights or securities, directly or indirectly, that may be converted in the future to capital of the Company – equal or in excess of 0.5% – must inform the Company thereof by recorded delivery letter with acknowledgement of receipt, within five (5) trading days of crossing the said 0.5% threshold, by specifying his/her/its identity, as well as that of the natural persons or legal entities acting in concert therewith, and by specifying the total number of shares, voting rights or share equivalents providing future access to capital that he/she/it owns directly or indirectly or else in concert. This duty of disclosure relates also to the possession of each additional share of 0.5% of the capital or voting rights or share equivalents providing access in time to the capital of the Company. It is noted that thresholds to be declared under this paragraph shall be determined pursuant to the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code and current regulations. This same duty of disclosure applies in accordance with the same time limits, in the event of crossing under the 0.5% threshold or a multiple thereof.

The intermediary registered as a holder of shares pursuant to the seventh paragraph of Article L. 228-1 of the French Commercial Code is bound, without prejudice to the obligations of shareholders, to make the declarations provided for in this Article, for all shares for which he/she/it is registered in account.

Pursuant to the provisions of Article L. 233-7 of the French Commercial Code, in the event of any breach of the foregoing provisions, one or more shareholders holding more than 0.5% of the capital or voting rights may request that the penalties provided for in the first two paragraphs of Article L. 233-14 of the French Commercial Code be applied.

Identification of bearer securities (Article 9 of the bylaws)

In order to identify bearer securities, the Company may, in accordance with the law and regulations and subject to the penalties provided for under the French Commercial Code, ask the central depository that manages the issue account of its securities for information that allows identification of holders of Company securities that grant, immediately or in the future, the right to vote at its Shareholders' Meeting and, in particular, the quantity of securities held by each of them.

If they are registered securities that may be converted immediately or in the future to capital, the intermediary registered in accordance with the conditions provided for under the French Commercial Code must reveal the identity of owners of the said securities on simple request from the Company or its agent, which may be presented at any time.

The breach by holders of securities or intermediaries of their duty to disclose the information provided for above may, in accordance with the conditions provided for by law, entail the suspension or loss of voting rights and the right to the payment of dividends attached to the shares.

7.1.7 Changes in share capital

The share capital may be increased, reduced or amortized in accordance with the conditions provided for by law, subject to the special provisions relating to the French State's stake and its golden share pursuant to Article 6 of the bylaws (see also Section 7.1.3 "Rights, privileges and restrictions attached to shares").

7.2 LEGAL AND ARBITRATION PROCEEDINGS – COMPETITION AND INDUSTRY CONCENTRATION

In the course of its operations, the Group is engaged in a certain number of legal disputes and arbitration procedures, and is also subject to investigations and procedures under competition law. The principal investigations and procedures are described in Note 28 in Chapter 6.2 - "Consolidated financial statements".

7.3 DOCUMENTS ACCESSIBLE TO THE PUBLIC

The documents relating to GDF SUEZ that must be made available to the public (bylaws, reports, historical financial information on GDF SUEZ, as well as on the GDF SUEZ Group subsidiaries included or mentioned in this Registration Document and those relating to each of the two years prior to the filing of this Registration Document) may be consulted in the Corporate headquarters for as long as this Registration Document remains valid. These documents may also be obtained in electronic format from the GDF SUEZ website and some of them may be obtained from the AMF website (www.amffrance.org).

7.3.1 Corporate information policy

Valérie Bernis

Executive Vice-President, Communications, Marketing and Environmental and Societal Responsibility

Telephone: + 33 1 44 22 00 00

Address: 1 Place Samuel de Champlain – Faubourg de l'Arche – 92400 Courbevoie – France

Website: gdfsuez.com

The GDF SUEZ Registration Document is translated into English.

In addition to this Registration Document filed with the AMF, the Group annually publishes an activity report.

7.3.2 Financial reporting schedule

Publication of annual earnings 2014	February 26, 2015
Publication of Q1 results 2015	April 27, 2015
Annual Shareholders' Meeting	April 28, 2015
Publication of the 2015 half-year results	July 30, 2015

7.4 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

7.4.1 Person responsible for the Registration Document

Gérard Mestrallet, Chairman and Chief Executive Officer

7.4.2 Declaration by the person responsible for the Registration Document containing the Annual Financial Report

“I hereby certify, after having taken all reasonable measures to this effect, that the information contained in this Registration Document is, to my knowledge, in accordance with the facts and makes no omission likely to affect its import.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the management report, whose items are mentioned in Appendix B of this Registration Document, presents a fair review of the development and performance of the business and financial position of the Company and all the undertakings included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

I have received a completion letter from the Statutory Auditors stating that they have audited the information contained in this Registration Document relating to the financial position and financial statements contained in this Registration Document, which they have read in its entirety. This letter contains no comments.

The consolidated financial statements for the year ended December 31, 2014, presented in Section 6.2 of this Registration Document, were the subject of a report by the Statutory Auditors, presented in Section 6.3, which contains the following comment : "In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2014 and of the results of its operations for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union. Without qualifying the conclusion expressed above, we draw your attention to note 2 "Impact of applying the new consolidation standards to the comparative 2013 financial statements" in the consolidated financial statements which describes the impact of new standards and amendments on the consolidation as well as the changes in presentation in the income statement of share in net income of the entities accounted for using the equity method."

The parent company financial statements for the year ended December 31, 2014, presented in Section 6.4 of this Registration Document, were the subject of report by the Statutory Auditors, presented in Section 6.5, which contains no comments.

The IFRS consolidated financial statements for the year ended December 31, 2013 were the subject of a report by the Statutory Auditors, which contains no comments, presented in Section 6.3 of the 2013 GDF SUEZ Registration Document, which was filed with the AMF on March 20, 2014 under number D. 14-0176.

The IFRS consolidated financial statements for the year ended December 31, 2012 were the subject of a report by the Statutory Auditors, which contains no comments, presented in Section 6.3 of the 2012 GDF SUEZ Registration Document, which was filed with the AMF on March 22, 2013 under number D. 13-0206.

The pro forma consolidated financial statements for the year ended December 31, 2013, presented in Section 6.1.1.7 of the GDF SUEZ 2013 Registration Document, were the subject of a report by the Statutory Auditors, which contains no comments, presented in Section 6.1.2 of the 2013 GDF SUEZ Registration Document, which was filed with the AMF on March 20, 2014 under number D. 14-0176.

The pro forma consolidated financial statements for the year ended December 31, 2012, presented in Section 6.1.1.6 of the GDF SUEZ 2012 Registration Document, were the subject of a report by the Statutory Auditors, which contains no comments, presented in Section 6.1.2 of the 2012 GDF SUEZ Registration Document, which was filed with the AMF March 22, 2013 under number D. 13-0206.”

Courbevoie, March 23, 2015

Chairman and Chief Executive Officer

Gérard Mestrallet

7.5 STATUTORY AUDITORS

7.5.1 Statutory Auditors

Ernst & Young et Autres

Represented by Charles-Emmanuel Chosson and Pascal Macioce.

1/2, place des Saisons, 92400 Courbevoie – Paris La Défense 1

Ernst & Young et Autres has been a Statutory Auditor for the Company since January 1, 2002. Its term of office was renewed at the Combined Shareholders' Meeting of April 28, 2014 for a period of six years and will expire at the close of the 2020 Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2019.

Deloitte & Associés

Represented by Véronique Laurent.

185 Avenue Charles-de-Gaulle, 92524 Neuilly-sur-Seine

Deloitte & Associés has been a Statutory Auditor for the Company since July 16, 2008. Its term of office was renewed at the Combined Shareholders' Meeting of April 28, 2014 for a period of six years and will expire at the close of the 2020 Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2019.

7.5.2 Alternate Statutory Auditors

AUDITEX (for Ernst & Young et Autres)

1/2, place des Saisons, 92400 Courbevoie – Paris La Défense 1

Auditex has been an alternate Statutory Auditor for the Company since January 1, 2002. Its term of office was renewed at the Combined Shareholders' Meeting of April 28, 2014 for a period of six years and will expire at the close of the 2020 Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2019.

BEAS (for Deloitte & Associés)

195 avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine

BEAS has been an alternate Statutory Auditor for the Company since July 16, 2008. Its term of office was renewed at the Combined Shareholders' Meeting of April 28, 2014 for a period of six years and will expire at the close of the 2020 Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2019.

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UNITS OF ENERGY MEASUREMENT

Conversion Table

1 kWh	0.09 m^3 of natural gas (i.e. 1 m^3 of gas = 11 kWh)
1 GWh	91,000 m^3 of natural gas
1 TWh or 1 billion kWh	91 million m^3
1 billion m^3 of gas	6.2 million barrels of oil equivalent (Mboe)

The units of conversion mentioned above are those routinely used by professionals in the energy sector. In this document they are provided solely for information purposes.

Units of Measurement

A	Ampere
Bar	Unit of measurement of fluid pressure, particularly for natural gas (1 bar = 105 Pascal)
BOE	Barrel of oil equivalent (1 barrel = 159 liters)
G	Giga (one billion)
Gm^3	Giga m^3 (1 billion cubic meters)
GW	Gigawatt (1 billion watts)
GWh	Gigawatt-hour (1 million kilowatt-hours)
J	Joule
k	Kilo (one thousand)
kW	Kilowatt (one thousand watts)
kWh	Kilowatt-hour (one thousand watt-hours)
m	Meter
M	Mega (one million)
m^2	Square meter
m^3	Cubic meter
Mboe	Million barrels oil equivalent
Mtpa	Million metric tons per annum
MW	Megawatt (one million watts)
MWe	Megawatt electric
MWh	Megawatt-hour (one thousand kilowatt-hours)
MWp	Megawatt-peak (unit of measurement for the power of solar photovoltaic installations)
T	Tera (one thousand billion)
t/h	Metric tons per hour
TWh	Terawatt-hour (1 billion kilowatt-hours)
V	Volt
W	Watt
Wh	Watt-hour

SHORT FORMS AND ACRONYMS

ACP	Autorité de Contrôle Prudentiel des établissements bancaires (French prudential control authority for banking institutions)
AMF	*Autorité des marchés financiers* (French Financial Markets Authority)
B2B	Business to Business
B2C	Business to Consumer
BU	Business Unit
Capex	Capital expenditure
CER	Certified Emission Reduction – see Glossary
CNIL	Commission Nationale de l'Informatique et des Libertés (French national data protection and privacy commission)
CO_2	Carbon dioxide
CRE	Commission de Régulation de l'Énergie (French energy regulator) – see Glossary
CSR	Corporate Social Responsibility
E&P	Exploration-Production of hydrocarbons
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EGI	Electric and Gas Industries – see Glossary
EM	Entities consolidated by equity method
EMAS	Eco Management and Audit Scheme – see Glossary
EMTN	Euro Medium Term Notes
ERM	Enterprise Risk Management
EU	UCITS
EUA	European Union Allowance
EWC	European Works Council
FC	Full Consolidation
GHG	Greenhouse Gas – see Glossary
GIE	GIE - *Groupement d'intérêt économique* - Economic Interest Group (EIG)
HR	Human Resources
IAS	International Accounting Standards, drawn up internationally by the IASB until 2002
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards, drawn up internationally by the IASB since 2002
INCOME	Internal Control Management Efficiency (GDF SUEZ program)
IPP	Independent Power Producer – see Glossary
ISO	International Organization for Standardization – see Glossary
LNG	Liquefied Natural Gas – see Glossary
LPG	Liquefied Petroleum Gas – see Glossary
NGO	Non-governmental organization
NGV	Natural Gas Vehicle – see Glossary
NOx	Nitrogen oxide
NRE	New and renewable energy sources: including wind, solar and hydraulic
OECD	Organization for Economic Cooperation and Development
Opex	Operating expenses
PC	Proportional Consolidation
PEG	*Plan d'Épargne Groupe*, Group Employee Savings Plan
PPA	Power Purchase Agreement (often long-term)
PSI	*Prestataire de Services d'Investissement* (Investment Services Provider) – see Glossary
R&D	Research and Development
RAB	Regulated Asset Base – see Glossary
ROCE	Return on capital employed
ROE	Return on equity
SME	Small and medium-size enterprises
SO_2	Sulfur dioxide
SRV	Shuttle Regasification Vessel (LNG carrier fitted with onboard regasifiers that can connect to an underwater buoy. This enables the regasified LNG to be directly injected into a pipeline network).

TMO	*Taux mensuel obligataire* - a monthly bond yield measured on the basis of the gross yield-to-maturity on fixed-rate bonds with at least 7 years to maturity issued on the French market in a given month.
TPA-d	Third Party Access to the distribution network – see Glossary
TSR	Total Shareholder Return – see Glossary
UCITS	Undertakings for Collective Investment in Transferable Securities (mutual funds)
VaR	Value at Risk – see Glossary
VPP	Virtual Power Plant – see Glossary

GLOSSARY

2P reserves	Proven and probable reserves: estimate of the hydrocarbon quantities (crude oil, natural gas and natural gas liquids) that can be extracted in the future, based on existing deposits and with a probability of at least 50% according to geological and technical data. Extraction must meet economic criteria that take into account future price changes, the appreciation of hydrocarbons and exchange rates.
Afep-Medef Code	Code of corporate governance for listed companies, in the version published by Afep-Medef in June 2013
Balancing area	The set of entry points, delivery points and a trading point of gas within which the consignor must achieve a balance.
Biogas	All gases, such as methane and carbon dioxide, resulting from the fermentation of organic waste in a depleted air environment such as landfills and wastewater treatment plants. Such fermentation is the result of a natural or controlled bacterial activity. As such, biogas is classified as a renewable energy source.
Biomass	Mass of non-fossil organic matter of biological origin. Part of these stocks may be used as an energy source.
Branch	Transmission installation ensuring delivery between the transmission grid and one or more delivery points, and aimed exclusively or primarily at supplying a customer or a distribution network. Connections are components of the network.
Certified Emission Reduction (CER)	Certificate issued to industries that have invested in developing countries to reduce greenhouse gas emissions there. CERs cannot be directly traded, but may be used in place of CO_2 quotas, with one CER equal to one quota.
Chartering	A contract whereby a ship owner (the owner) commits to make a vessel available to a third-party (the charterer) in exchange for the payment of a sum (the freight charge). Several kinds of charters exist: • Demise charter: the vessel is delivered without any crew, fuel, or provisions; • Voyage charter: the owner commits to transfer a cargo from one port to another at an agreed price; • Time charter: the owner provides the charterer with the vessel for a specific time period (up to 20 years) together with crew, in return for a monthly fee based on tonnage.
Cogeneration	A technique that uses a single fuel, which may be natural gas, to simultaneously produce thermal energy (steam or overheated water or a mixture of air and combustion products) and electricity.
Combined cycle plant	A power plant comprising a gas turbine generator whose exhaust gases power a steam boiler. The steam produced in the boiler drives a turbo-generator.
Commission de Régulation de l’Électricité et du Gaz – CREG (Belgium)	The Belgian Gas and Electricity Regulation Commission is an independent body that advises public authorities on the organization and operation of the deregulated electricity and gas markets. CREG also monitors and supervises the enforcement of related laws and regulations. A General Council, composed of federal and regional government representatives: • representatives of labor organizations, employers and the middle classes, • environmental associations and producers, distributors and consumers, supervises this body’s operations.
Commission de Régulation de l’Énergie – CRE (French)	The French Energy Regulation Commission is an independent administrative authority. It was created by the Act of February 10, 2000 to regulate electricity and its scope was extended to include the gas sector with the Act of January 3, 2003. Its main mission is to ensure the effective, transparent and non-discriminatory implementation of access to electricity and gas infrastructures. More generally, its role is to ensure that the gas and electricity markets operate properly.
Compression station	Industrial facility that compresses natural gas to optimize the flow of fluids in the pipes.
Connection structures	All the structures that connect a consumption site or distribution network to the transmission grid. Connection structures are made up of one or more distribution lines and one or more substations
Cushion gas	Quantity of gas stored underground that cannot be fully retrieved after it has been injected.
Dark spread	Gross margin of a coal plant, equal to the difference between the sale price of electricity and the purchase price of the fuel needed to produce it. The “dark spread” must cover the aggregate of other costs (including operation, maintenance, cost of capital and financial charges).
Desalination	A process used to reduce the salt concentration of sea water in order to make it fit for human or animal consumption as well as for other uses, especially industrial uses.
Developed proven reserves	Proven reserves that can be produced from existing facilities.
Distribution	Distribution networks are groups of physical structures consisting mainly of medium or low-pressure pipes. They route natural gas to consumers who are not directly connected to the main network or to a regional transmission network.
EBITDA at Risk	EBITDA at Risk measures the potential loss of EBITDA, at a given probability, under the impact of various prices and volatilities over a given time horizon. This indicator is especially well-suited for measuring market risks for portfolio management activities. If the time horizon provided is one calendar year, and the confidence interval is 95%, an EBITDA at Risk of €100 million indicates that there is a 5% probability of losing more than €100 million in EBITDA between January 1 and December 31 due to fluctuations in commodities prices.

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Eco Management and Audit Scheme (EMAS)	Based on ISO 14001 certification and an environmental statement certified by European auditors accredited and published by the European Commission.
Electric and Gas Industries (EGI)	All the companies that produce, transmit or distribute electricity or gas in France and which meet the requirements of the Nationalization Act of April 8, 1946. The EGI sector includes all companies with employees that fall under the status of EGI employees.
Energy trading	Trading of physical or financial contracts on the short-term energy markets (over-the-counter markets and stock exchanges).
Exploration	All methods put to use to discover new hydrocarbon deposits.
Facilities Management	All the outsourced service and utility management services that accompany the supply of energy to an industrial client. These services concern the management of the client's environment. They include guard services, waste and hygiene, operation and maintenance of technical equipment, project management for construction work, management of safety equipment and telephone and reception services.
Gas Exchange Point	Virtual hub attached to a balancing area where a consignor can sell gas to another consignor.
Gas hub	Point of entry (connection point of a gas transmission network supplied from several sources. It enables operators to exchange gas physically between these sources and end users).
Gas pipeline	A pipeline that conveys fuel gas.
Green electricity	Certified electricity produced from renewable energy sources.
Greenhouse Gases (GHG)	Atmospheric gas that contributes to the retention of solar heat. Industries, automobiles, heating systems, animal breeding and other activities produce gases, some of which heighten the greenhouse effect. The greenhouse gas build-up produced by human activity is one of the causes of global warming and its impacts on the ecosystem.
Independent Power Producer (IPP)	An electricity production company independent of public sector control. IPPs are classified exclusively on the basis of the projects developed outside the country of origin.
Investment Services Provider (ISP)	Investment services provider approved by the Committee of European Bank Supervisors to transmit and process market orders.
ISO	International Organization for Standardization, the organization that defines reference systems (industrial standards used as benchmarks).
ISO 14001	An international standard that verifies a company's organizational procedures and methods, as well as the effective implementation of environmental policy and objectives.
ISO 9001	An international standard establishing quality criteria for work procedures. It applies to product design, control of the production and the manufacturing process and the quality control of the end product.
Liquefied Natural Gas (LNG)	Natural gas put into the liquid phase by lowering its temperature to -162 degrees Celsius, which makes it possible to reduce its volume by a factor of 600.
Liquefied Petroleum Gas (LPG)	Light hydrocarbons that are gaseous under normal temperature and pressure conditions and maintained in a liquid state by raising the pressure or lowering the temperature.
LNG tanker	A ship that transports liquefied natural gas (LNG) cooled to minus 163 degrees Celsius in its holds.
LNG terminal	Industrial facility that receives, unloads, stores, regasifies LNG and sends natural gas in the gaseous state to the transmission grid. Harbor facility with additional facilities, intended to receive ships that transport liquefied natural gas (LNG).
Load-matching	Term referring to the discrepancy between the actual conditions of a customer's gas consumption and those corresponding to standard purchases over the year of their average daily consumption. Variations (daily, weekly or seasonal) in consumption are generally covered by underground storage, to which customers and their suppliers may have access, either directly (in countries where third-party access to the facilities – regulated or negotiated – is provided) or *via* a load-matching service (as in the US).
Main network	All the high-pressure and large-diameter structures for transmitting natural gas that link the interconnection points with neighboring transmission grids, storage facilities and LNG terminals. These structures are connected to regional networks as well as certain industrial consumers and distribution networks.
Marketer	Seller of energy to third parties (end customer, distributor, etc.).
Natural Gas for Vehicles (NGV)	Entirely composed of natural gas, NGV is primarily used in urban transportation and waste treatment vehicles.
Natural gas liquefaction	Transformation of natural gas from gaseous form to liquid form to be transported by ship and/or stored.
Proven reserves	Estimates of crude oil, natural and liquid gas quantities based on geological and technical data with the reasonable assurance that these quantities will be extracted in coming years from existing deposits. Extraction must meet economic criteria that take into account future price changes, the appreciation of hydrocarbons and exchange rates.

Public-Private Partnership (PPP)	The PPP is a contractual arrangement whereby the public sector authority assigns certain tasks to a private operator and specifies objectives. The public sector partner defines the service objectives for the private operator, while retaining ownership of the infrastructure and regulatory control. Local authorities are increasingly resorting to PPP agreements in managing their water services.
Pumping station	Power plant or facility that operates by moving water between reservoirs at different elevations. When electricity prices are low, typically overnight, electricity from the grid system is used to pump water into a raised reservoir and then at times of peak demand, when electricity prices are higher, the water is released back into the lower reservoir through a turbine.
Regional network	All the high-pressure and large-diameter structures that link the interconnection points with neighboring transmission grids, storage facilities and LNG terminals. Regional networks, distribution networks and certain industrial consumers are connected to them.
Regulated Asset Base (RAB)	The regulated asset base is the economic value, recognized by the regulator, of assets utilized by an operator of regulated infrastructures.
Rights in kind of licensors	The “Rights in kind of licensor” line item is an item specifically pertaining to companies that are utility operators. It offsets “fixed assets held under concession” on the balance sheet. Its valuation expresses the operator’s obligation at the end of the contract to assign to the licensor, at no cost, the fixed assets assigned to the licensed utilities, such that at the end of a given contract, the value of the “Rights in kind of licensor” is equal to the carrying amount of fixed assets that are to be returned to the licensor.
Spark spread	Gross margin of a natural gas plant, equal to the difference between the sale price of electricity and the purchase price of the fuel needed to produce it. The “spark spread” must cover all other costs (including operation, maintenance, cost of capital and financial costs).
Spot market	A market for the short-term purchase and sale of energy (for the day or up to three years).
Storage	Facility that allows natural gas to be stored in the summer when consumption is at its lowest and to take natural gas out of storage in winter when consumption is higher. Gas storage is an industrial facility, mainly underground, that enables natural gas suppliers to have a natural gas reserve.
Stress test	Test performed in order to assess resistance to a disaster scenario.
Take-or-Pay	Long-term contract where the producer guarantees the supply of gas to an operator and the operator guarantees payment, regardless of whether or not the operator takes delivery.
Thermal power plant	Facility in which the chemical energy contained in solid, liquid, or gaseous fossil fuel is transformed exclusively into electricity using boilers and steam turbines.
Third-Party network access	The recognized right of each user (eligible customer, distributor and producer) to access transmission or distribution systems in exchange for payment of access rights.
Tolling	Contract for the transformation of a fuel (e.g. natural gas) into electricity on behalf of a third party.
Total Shareholder Return (TSR)	Return of a share over a given period that includes dividends paid and capital gains realized.
Transmission	Transmission networks are groups of structures consisting of high-pressure pipes. They convey natural gas to industrial consumers who are directly connected and to distribution networks.
Transmission capacity	The highest permissible continuous load of the transmission equipment with respect to the stability of its operating parameters and voltage drop.
Treasury stock	Shares of the Company purchased by the latter, by virtue of authorization given by the General Shareholders’ Meeting. These shares do not have voting rights attached.
Treasury stock (in subsidiaries)	Shares of a company owned by subsidiaries controlled by the company. They do not carry voting rights.
Underground storage	Use of porous geological formations, natural or artificial cavities (saline or aquifer) to store liquid or gaseous hydrocarbons.
Undeveloped proven reserves	Proven reserves that require new wells to be drilled on virgin territory, or significant extra investment in existing facilities, such as a compression unit.
Value-at-Risk (VaR)	Value-at-Risk is a global indicator that measures the portfolio’s exposure to risks of price fluctuations and market volatility. It indicates maximum potential loss that should only be exceeded with a given probability over a given time horizon. This indicator is especially well-suited for measuring market risks for trading activities. For example, for a one-day time horizon and 99% confidence interval, a VaR of €5 million indicates that there is a 1% probability of losing more than €5 million a day, i.e., two to three times a year.
Virtual Power Plant (VPP)	Virtual production capacity. This is a system that makes a production capacity band available to a third party, in exchange for remuneration, without the third party owning a share in an asset or being the asset operator.
Well head	All the connections, valves, pipes, manometers, thermometers, etc. installed at the production well top.
Working volume	Gas available in underground storage and capable of being tapped.

B

APPENDIX B – COMPARISON TABLES

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COMPARISON TABLE WITH REGULATION (EC) 809/2004

This Registration Document includes all the items required by Appendix 1 of regulation (EC) 809/2004, as presented in the table below:

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CORPORATE, ENVIRONMENTAL AND SOCIAL INFORMATION

This Registration Document includes all items required under Article R. 225-105-1 of the French Commercial Code, as presented in the following table:

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INFORMATION RELATING TO THE MANAGEMENT REPORT

This Registration Document includes all items of the management report that are required under current laws and regulations.

The following table presents items from the GDF SUEZ Management Report as at December 31, 2014:

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I – Activity			
L. 232-1-II of the French Commercial Code	Company's situation over the past fiscal year	6.1.1 Management report	176
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Legislative or regulatory reference	Items required	Section of the Registration Document	Page
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Legislative or regulatory reference	Items required	Section of the Registration Document	Page
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INFORMATION RELATING TO THE ANNUAL FINANCIAL REPORT

This Registration Document includes all items of the annual financial report, as mentioned in Articles L. 451-1-2 of the French Monetary and Financial Code and as required by Article 222-3 of the AMF's general regulations.

The following table summarizes items in the Annual Financial Report:

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Our values
drive
commitment
daring
cohesion

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