

GDF SUEZ

**2012 First-Half
Financial Report**

BY PEOPLE FOR PEOPLE

GDF SUEZ Profile

GDF SUEZ develops its businesses (electricity, natural gas, services) around a model based on responsible growth to take up today's major energy and environmental challenges: meeting energy needs, ensuring the security of supply, fighting against climate change and maximizing the use of resources.

The Group provides highly efficient and innovative solutions to individuals, cities and businesses by relying on diversified gas-supply sources, flexible and low-emission power generation as well as unique expertise in four key sectors: liquefied natural gas, energy efficiency services, independent power production and environmental services.

GDF SUEZ employs 217,550 people worldwide and achieved revenues of €90.7 billion in 2011. The Group is listed on the Paris, Brussels and Luxembourg stock exchanges and is represented in the main international indices: CAC 40, BEL 20, DJ Stoxx 50, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe, ASPI Eurozone and ECPI Ethical Index EMU.

217,550 employees throughout the world*

- inc. **60,700** in electricity and gas,
- **77,350** in energy services,
- and **79,500** in environmental services.

€90.7 billion in 2011 revenues.

118.2 GW of installed power-production capacity*.

A presence in close to **70** countries.

1,100 researchers and experts at **9** R&D centers.

100,000 hires from 2011 to 2015, of which 50% in France and 10,000 in Belgium.

1st company in the "utilities" sector worldwide (Forbes Global 2000).

1st brand in the "utilities" sector worldwide (Brand Finance Global 500).

* At June 30, 2012.

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Management Report

The Group delivered strong earnings in the first half of 2012, which was marked by more favorable weather conditions than in the first half of 2011 and a persistently tough economic and regulatory climate, particularly in the Group's mature markets.

Revenues came in at €50.5 billion, up 10.6% on a reported basis and 8.8% on an organic basis versus the first half of 2011. Revenues growth was powered by (i) the Group's rapid international expansion, (ii) sales growth at Global Gas & LNG – for both Exploration & Production and LNG businesses – and (iii) revenues growth for the Energy Management and Trading businesses.

EBITDA came in at €9.2 billion, an increase of 4.2% on a reported basis (increase of 3.7% on an organic basis). Reported EBITDA growth was driven by (i) the impact of new facilities commissioned across all of the Group's businesses, (ii) a greater contribution from the Exploration & Production business and (iii) more favorable weather conditions than in the first half of 2011. These growth factors offset the decrease in EBITDA from companies sold as part of the Group's "portfolio optimization" program and the adverse impact of changes in gas/electricity price spreads on the utilization of the Group's gas power plants as well as the continuing impact of the tough economic conditions in the Group's mature markets.

Current Operating Income moved up 3.9% on a reported basis to €5.4 billion, squeezed by higher depreciation/amortization expenses and charges to provisions resulting from facilities commissioned over the past 12 months.

Net income Group share totaled €2.3 billion for the first half of 2012. This was down on the figure for the first half of 2011, which was boosted by disposal gains, mainly from the partial sale of inter-municipal companies in Belgium.

Net recurring income Group share jumped 6% to €2.5 billion when compared with the first six months of 2011, thanks to higher current operating income and lower income tax expense. These two factors helped to offset the increase in net debt interest charge as well as the impacts of the Group's "portfolio optimization" program, which included:

- a decrease in the income of equity-accounted associates, mainly related to the transactions concerning inter-municipal companies in Belgium;
- an increase in non-controlling interests as a result of strategic partnership transactions with CIC (Exploration & Production) and CDC/CNP (GRTgaz).

Cash generated from operations for the first half of 2012 was up slightly on the same period in 2011 at €8.8 billion, in line with the growth in EBITDA.

At June 30, 2012, **net debt** stood at €45.1 billion, including the impact of the acquisition of non-controlling interests in International Power. This amount is in line with 2011 *pro forma* data published on April 16, 2011 when the transaction was announced.

1 REVENUES AND EARNINGS TRENDS

<i>In millions of euros</i>	June 30, 2012	June 30, 2011	% change (reported basis)
Revenues	50,535	45,678	10.6%
EBITDA	9,236	8,865	4.2%
Depreciation, amortization and provisions	(3,589)	(3,425)	
Net disbursements under concession contracts	(154)	(140)	
Share-based payment	(58)	(69)	
CURRENT OPERATING INCOME	5,436	5,231	3.9%

REVENUES AND EARNINGS TRENDS

Consolidated **revenues** came in at €50.5 billion in the first half of 2012, up 10.6% on the first half of 2011. On an organic basis (excluding the impact of changes in exchange rates and the scope of consolidation), revenues moved up 8.8%.

Changes in the scope of consolidation had a positive €291 million impact.

- Additions to the scope of consolidation added €617 million to revenues, resulting mainly from the contribution in January of International Power assets acquired at the beginning of February 2011 and the purchase by Infrastructures of natural gas storage sites in Germany.
- Departures from the scope of consolidation mainly concerned the disposal of EFOG (Exploration & Production), Eurawasser and Bristol Water by SUEZ Environnement.

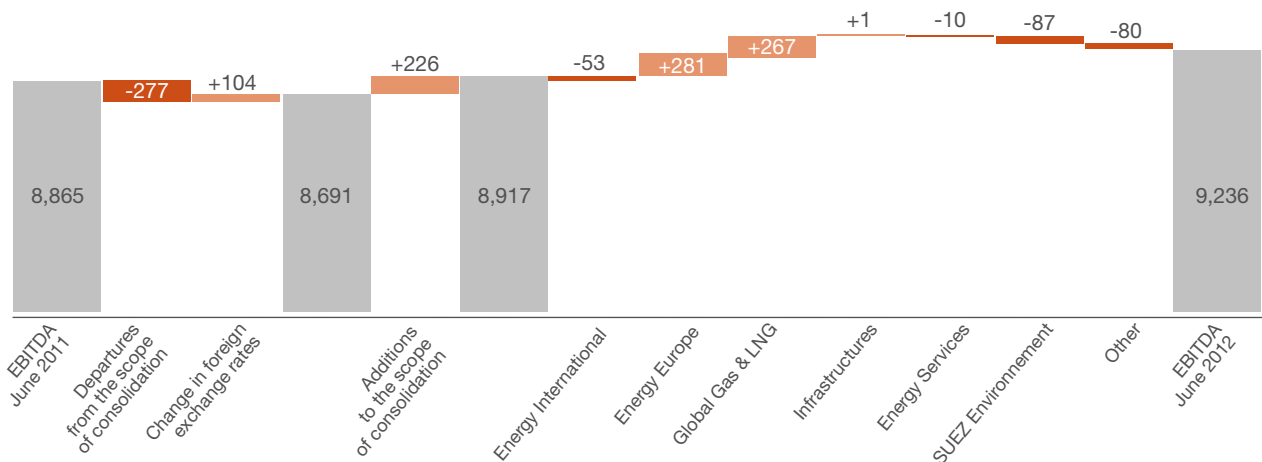
Changes in exchange rates had a positive €515 million impact, due mainly to fluctuations in the US dollar and pound sterling.

Organic revenue performance varied across the Group's business lines: Global Gas & LNG, Infrastructures and Energy Europe posted strong growth while growth was more moderate in Energy Services. Organic revenues in SUEZ Environnement and Energy International business lines declined.

EBITDA moved up 4.2% to €9.2 billion. Stripping out the impact of changes in exchange rates and the scope of consolidation, EBITDA grew by 3.7% on an organic basis.

EVOLUTION OF EBITDA

In millions of euros



Changes in the scope of consolidation had a slight net negative impact of €51 million.

- Additions to the scope of consolidation added €226 million to EBITDA and mainly concerned the events described above.
- Departures from the scope of consolidation represented €277 million and primarily concerned the transactions stated above.

Changes in exchange rates had a €104 million positive impact.

EBITDA rose 3.7% on an organic basis to €319 million due to the following developments:

- Energy International reported a 2.5% drop in EBITDA on an organic basis to €2,164 million. The positive impact of facilities commissioned in Brazil and Chile and growth in emerging countries did not offset reduced margins in North America and Europe due to particularly adverse market conditions. Energy International is adapting its industrial facilities in these markets with, for example, power plant closures in the United Kingdom.
- EBITDA for Energy Europe advanced 12.8% to €2,485 million on an organic basis, powered by more favorable weather conditions than in the first half of 2011 and better gas supply conditions. These positive factors were partially offset by the fall in market prices of electricity and the rise in the rate for accessing the electricity transmission grid in Belgium.
- Global Gas & LNG reported a strong 24.2% rise in EBITDA to €1,415 million, driven by the Exploration & Production activity (positive volume and price impacts) and by a significant increase in the re-routing of LNG shipments, particularly towards Asia. Reported figures also include the impact of the sale of the Group's interest in the Elgin-Franklin field (EFOG) at the end of 2011.
- EBITDA for Infrastructures remained stable at €1,718 million compared to the first half of 2011 on an organic basis, mainly due to more favorable weather conditions which helped to offset higher costs.
- EBITDA for Energy Services remained virtually stable (down by 1.9% at €531 million), reflecting its ability to withstand tough economic conditions in most of its European markets.
- SUEZ Environnement reported a 7.2% decline in EBITDA on an organic basis to €1,133 million, due to a fall in business activity which significantly impacted volumes handled and the market price of secondary materials for waste services provided in Europe. Earnings were also hit by plant construction cost overruns in Melbourne.

Current Operating Income came in at €5.4 billion, up 3.9% on a reported basis on the first half of 2011. Stripping out the impact of changes in exchange rates and the scope of consolidation, current operating income rose 5.1% on an organic basis. This increase was driven by growth in EBITDA which more than offset higher depreciation/amortization expenses and charges to provisions mainly as a result of facilities commissioned over the past 12 months.

2 BUSINESS TRENDS

2.1 ENERGY INTERNATIONAL

	June 30, 2012						
<i>In millions of euros</i>	Latin America	North America	United Kingdom and Other Europe	Middle East, Turkey & Africa	Asia	Australia	Total*
Revenues	1,981	2,119	1,787	630	1,089	522	8,129
EBITDA	863	517	298	144	201	200	2,164
Depreciation, amortization and provisions	(233)	(208)	(128)	(16)	(56)	(72)	(713)
Share-based payment							(3)
CURRENT OPERATING INCOME	630	309	169	128	145	128	1,448

* The Energy International business line also has a "headquarters" function, the contributions of which are not broken down in the table above.

Energy International's **revenues** for the first half of 2012 came in at €8,129 million, up 6.9% on a reported basis (down 2.6% on an organic basis) mainly spurred by:

- a positive €337 million impact of changes in the scope of consolidation as a result of the contribution in January of International Power assets acquired at the beginning of February 2011;
- 5.9% organic growth in Latin America, due mainly to the commissioning of power plants in Brazil and Chile;
- strong organic growth of 23% in Asia, primarily as a result of business development in Thailand linked to the commissioning of Phase 5 of Glow SPP in August 2011;
- decrease by 17.6% in North America on an organic basis, due to a general drop in prices that mainly affected electricity production and retail energy sales.

During the period, reported **EBITDA** was up 5.2% at €2,164 million, mainly owing to a positive €96 million impact of changes in the scope of consolidation and favorable foreign exchange rates. On an organic basis, EBITDA slipped 2.5%, reflecting unfavorable market conditions in the Group's mature markets, mainly in Europe and Australia.

Current Operating Income for Energy International came in at €1,448 million, up 12.5% on a reported basis and 7.3% on an organic basis on the first half of 2011, reflecting the impact on depreciation/amortization of new facilities commissioned and accounting adjustments booked on non-recurring items related to International Power assets acquired in 2011, mainly in Australia, in addition to the increase in EBITDA.

June 30, 2011

Latin America	North America	United Kingdom and Other Europe	Middle East, Turkey & Africa	Asia	Australia	Total*	% change (reported basis)
1,843	2,355	1,565	578	811	449	7,601	6.9%
863	487	287	153	165	162	2,056	5.2%
(201)	(228)	(181)	(38)	(41)	(86)	(777)	
					1	9	
662	259	106	115	123	77	1,287	12.5%

Latin America

Revenues for the Latin America region totaled €1,981 million for the first half of 2012, up €137 million on a reported basis and €110 million or 5.9% on an organic basis compared to the first half of 2011. This growth is partially a result of the commissioning of the first units of the Estreito hydro power plant in Brazil in April 2011 (1,088 MW) combined with an increase in the average sales price primarily due to inflation. The commissioning of the CTA and CTH power plants in Chile in mid-2011 with a capacity of 264 MW also contributed to revenues.

Electricity sales rose 1.9 TWh to 26.4 TWh, while gas sales inched down 1.0 TWh, mainly in Chile, coming in at 6.5 TWh.

EBITDA remained stable at €863 million. Organic growth of €9 million mainly reflected the commissioning of the first units of the Estreito hydro power plant and the increase in average prices in Brazil, offset by:

- the end of exceptional conditions under certain agreements in Chile in 2011;
- positive impact of compensation recorded in the previous period for delays in the commissioning of the Bahia Las Minas coal power plant in Panama.

Current Operating Income amounted to €630 million, down €19 million (2.9%) on an organic basis. This decrease primarily reflects the increase in depreciation expenses following the commissioning of the Estreito (Brazil) and CTA and CTH (Chile) power plants.

North America

Revenues for the North America region came in at €2,119 million, down €446 million (17.6%) on an organic basis, due to the drop in NYMEX natural gas prices which pushed down electricity prices and reduced income from gas sales.

Electricity sales for the first half of 2012 in the North America region slipped 0.6 TWh to 37.4 TWh, while natural gas sales, excluding intra-group transactions, fell 4.2 TWh to 27.9 TWh.

EBITDA came in at €517 million, down €13 million or 2.5% on an organic basis. The strong performance from the gas business (up €25 million), which benefited from compensation received following the termination of an agreement in Mexico was offset by:

- lower prices for electricity production (down €22 million or 6.6% on an organic basis) in the Group's markets, with the exception of the ERCOT market (Texas). These lower prices were only partially offset by the payment of an additional insurance indemnity relating to a technical incident at the Northfield Mountain power plant in 2010;
- the lower performance of the retail energy sales business (down €21 million), which delivered stable volumes but lower margins.

Current Operating Income came in at €309 million, with organic growth up €34 million or 12.3%, reflecting the reduction in depreciation of the Choctaw and Hot Spring plants after their recognition in assets classified as held for sale.

UK & Other Europe

Revenues for the UK & Other Europe region totaled €1,787 million in the first half of 2012, dropping €37 million (2.3%) on an organic basis.

Electricity sales rose slightly by 0.4 TWh to 17.8 TWh, while gas sales fell 1.2 TWh, to 12.2 TWh.

In the United Kingdom, lower electricity production levels were partially offset by higher prices and volumes in the retail sector.

EBITDA amounted to €298 million, retreating 16.6% or €49 million on an organic basis. Power production assets in the United Kingdom faced poor market conditions, although these were partially offset by the robust performance of First Hydro ancillary services. In light of these difficult conditions, the Group closed the Shotton (210 MW) power plant in June 2012 and will close Derwent (210 MW) by the end of 2012.

In continental Europe, wind farms benefited from favourable weather conditions, notably in Italy, whereas the hydro power plants in Spain suffered from a lack of rain.

Current Operating Income came in at €169 million, up €37 million or 34.7% on an organic basis. The decrease in EBITDA was offset by non-recurring accounting adjustments in 2011 related to the acquisition of International Power.

Middle East, Turkey & Africa

Revenues for the Middle East, Turkey & Africa region came in at €630 million, gaining 5.2% or €30 million on an organic basis. This increase was spurred by an upturn in gas sales in Turkey as well as revenue increases for the Baymina (Turkey) power plant which did not impact margins.

EBITDA came in at €144 million, down €4 million or 2.5% on an organic basis. The decrease is mainly attributable to the lower availability of the Sohar power plant.

Current Operating Income totaled €128 million, a rise of €17 million or 15.8% on an organic basis, reflecting the reduction in depreciation of the Hidd Power Company (Bahrain) plant after its recognition in assets classified as held for sale. The power plant is now accounted for by the equity method following its partial disposal.

Asia

The Asia region saw strong growth in the first half of 2012, with **revenues** surging €199 million, or 23%, to €1,089 million on an organic basis. Electricity sales rose 1.2 TWh to 12.0 TWh.

Thailand has been the primary growth vector, buoyed by the strong performance of Glow Energy (up €127 million on a reported basis), despite the adverse impact on the country of heavy flooding in 2011. The region also benefited from Senoko's increased sales in Singapore (up €121 million on a reported basis).

EBITDA amounted to €201 million and grew 9.6% or €17 million on an organic basis. This growth was attributable to an increase in business despite higher operational costs in Singapore, and to the partial allocation of fuel price increases to electricity selling prices in Thailand following the floods of 2011.

Current Operating Income came in at €145 million, up €6 million or 4.5% on an organic basis, despite higher depreciation expenses recorded by Senoko.

Australia

Energy International's **revenues** in Australia came in at €522 million, a decline of €62 million or 12.8% on an organic basis. This drop was attributable to lower consumption in the retail sector, unfavorable weather conditions and lower electricity prices.

Electricity sales rose 1.3 TWh to 11.9 TWh.

EBITDA came in at €200 million, down €12 million compared to the first half of 2011 on an organic basis, primarily due to non favourable weather conditions during the 2012 summer.

Current Operating Income came in at €128 million, rising 28.4%, or €24 million on an organic basis. The increase relates mainly to depreciation and accounting adjustments booked on non-recurring items in 2011 related to the acquisition of International Power.

2.2 ENERGY EUROPE

In millions of euros	June 30, 2012			June 30, 2011			% change (reported basis)
	Total*	o/w Central Western Europe (CWE)	o/w Other Europe	Total*	o/w Central Western Europe (CWE)	o/w Other Europe	
Revenues	24,269	19,620	4,649	21,323	17,363	3,960	13.8%
EBITDA	2,485	2,031	523	2,252	1,733	571	10.3%
Depreciation, amortization and provisions	(830)	(607)	(222)	(808)	(580)	(226)	
Share-based payment	(8)	(7)		(10)	(8)		
CURRENT OPERATING INCOME	1,647	1,417	301	1,434	1,145	345	14.9%

* Including Branch costs.

Revenues for the new Energy Europe business line group together all businesses previously included in the Energy France business line, the European activities of the Energy Europe & International business line (except for International Power) and the Gas Supply and Key Account Sales activities of the Global Gas & LNG business line.

Volumes sold

In TWh	June 30, 2012	June 30, 2011	% change (reported basis)
Gas sales	380	349	8.9%
Electricity sales	105	94	11.7%

The contribution of Energy Europe to Group **revenues** amounted to €24,269 million, up 13.8%. Gas sales represented 380 TWh, 75 TWh of which related to key accounts. Electricity sales totaled 105 TWh. At end-June, Energy Europe served over 16 million individual customers for gas and over 5 million for electricity.

EBITDA jumped 10% to €2,485 million. During the first half of the year – boosted by favorable weather conditions – Energy Europe reaped the first benefits of improvements made to the Group's gas supply conditions, despite the rise in the rate for accessing the electricity transmission grid in Belgium, the fall in market prices of electricity and the negative impact of changes in the scope of consolidation in Italy (disposal of G6 Rete Gas in the second half of 2011).

Current Operating Income rose in line with the uptrend in EBITDA.

Central Western Europe (CWE)

The CWE region contributed €19,620 million to Group **revenues**, up 13%, with strong performances in France, Germany and the Netherlands more than compensating for flat sales figures in Belgium.

EBITDA jumped 17%, propelled by favorable weather conditions, the absence of tariff shortfall in France as opposed to the first six months of 2011 and improvements made to the Group's gas supply conditions, partially offset by the rise in the rate for accessing the electricity transmission grid in Belgium and the fall in market prices of electricity.

Current Operating Income rose in line with the uptrend in EBITDA.

CWE France

<i>In millions of euros</i>	June 30, 2012	June 30, 2011 ⁽¹⁾	% change (reported basis)
Revenues	9,647	8,059	19.7%
EBITDA	815	619	31.8%
Depreciation, amortization and provisions	(246)	(219)	
Share-based payment	(3)	(3)	
CURRENT OPERATING INCOME	566	396	42.9%

VOLUMES SOLD

<i>In TWh</i>	June 30, 2012	June 30, 2011 ⁽¹⁾	% change (reported basis)
Gas sales ⁽²⁾	172.2	161.4	7%
Electricity sales	26.5	18.3	45%

(1) Pro forma data, including gas sales to key accounts in France, accounted for by Global Gas & LNG in the presentation of the 2011 results.

(2) Business line contribution.

CLIMATIC CORRECTION – FRANCE

<i>In TWh</i>	June 30, 2012	June 30, 2011	Change in TWh (reported basis)
Climatic correction volumes (negative figure = warm conditions, positive figure = cold conditions)	2.4	(16.1)	18.5

At end-June 2012, the contribution of GDF SUEZ Energy France to Group **revenues** amounted to €9,647 million, which is €1,588 million higher than the *pro forma* amount at June 30, 2011.

Natural **gas sales** advanced 11 TWh as a result of different weather conditions over the two periods. GDF SUEZ still holds around 87% of the retail market and around 62% of the business market.

Electricity sales surged by 8 TWh thanks to the growth in sales related to increased electricity production. Electricity production represented 17.2 TWh, up 1.8 TWh, thanks to the commissioning of wind farms and better hydro conditions than in 2011 (the first half of 2011 was particularly dry), and partially offset by lower production by gas power plants due to unfavorable market conditions.

EBITDA increased by €196 million, mainly owing to more favorable weather conditions in 2012 (positive impact on gas sales and hydro conditions), which more than offset lower prices in the electricity market.

Current Operating Income advanced €170 million stemming from the increase in EBITDA, offset by higher depreciation and amortization expenses (new wind farms) and the impact of provision reversals in 2011.

CWE Benelux & Germany

Revenues for the Benelux & Germany region amounted to €7,691 million, down slightly by 2% on the first half of 2011. Electricity volumes sold totaled 53.4 TWh, down 8% on the back of sluggish sales in Belgium. Electricity production totaled 36.7 TWh,

slipping 2.5 TWh, in particular due to a decrease in gas production in the Netherlands against a backdrop of adverse spreads.

- In Belgium and Luxembourg, electricity sales decreased in line with volumes by 10% to 43.9 TWh, mainly owing to the loss of business customers.
- In the Netherlands, electricity sales remained stable at 4.7 TWh.
- In Germany, electricity sales grew 4% to over 4.8 TWh due to the improved uptime at power facilities.

Gas sales volumes fell 9%, or 6.9 TWh, due to the loss of customers primarily in the Business and Key Account segment. This was offset in part by colder weather.

EBITDA in Benelux & Germany jumped 11.7% as higher rates for accessing the electricity transmission grid in Belgium were offset by more favorable weather conditions and improved profitability in the Netherlands and Germany.

Current Operating Income rose in line with the uptrend in EBITDA.

Other Europe

Revenues for the Other Europe region jumped 17% on the back of brisk business in Italy and Romania.

The region's **EBITDA** dropped 8%, adversely impacted by changes in the scope of consolidation (disposal of G6 Rete Gas in the second half of 2011).

2.3 GLOBAL GAS & LNG

<i>In millions of euros</i>	June 30, 2012	June 30, 2011	% change (reported basis)
Revenues	2,494	1,604	55.5%
<i>Total revenues (incl. intra-group transactions)</i>	4,252	3,534	20.3%
EBITDA	1,415	1,246	13.6%
Depreciation, amortization and provisions	(674)	(557)	
Share-based payment	(1)	(2)	
CURRENT OPERATING INCOME	740	687	7.6%

Global Gas & LNG now comprises the Exploration & Production activity and the LNG sales business. The Gas Supplies and Key Account Sales activities have been transferred to Energy Europe.

Global Gas & LNG's contribution to Group **revenues** amounted to €2,494 million, leaping 55.5% or €890 million on a reported basis compared to the same prior-year period, including an €886 million (57.6%) increase in organic revenue.

Changes in the scope of consolidation had a negative impact of €42 million (disposal of EFOG in December 2011 partially offset by the purchase of a 20% interest in Njord in July 2011, while the disposal of Atlantic LNG in December 2011 had no impact on revenues). Changes in exchange rates had a positive impact of €47 million.

This performance was mainly powered by the vigorous growth of the Exploration & Production activity, as well as the LNG activity with:

- a rise in hydrocarbon production levels for the Exploration & Production activity bolstered by production in the Gjøa field in Norway and the impact of higher commodity prices. At end-June 2012, total hydrocarbon production inched up 1.1 Mbep⁽¹⁾ to 30.9 Mbep versus 29.8 Mbep one year earlier;

- growth of 11 TWh in external LNG sales with volumes amounting to 31 TWh at end-June 2012, representing 34 cargoes, including 20 shipped to Asia (first half of 2011: 19 TWh for 21 cargoes, including 10 shipped to Asia), and the impact of higher commodity prices.

At June 30, 2012, **EBITDA** for the Global Gas & LNG business line came in at €1,415 million, compared to €1,246 million at end-June 2011, up 13.6% or €169 million based on reported figures and 24.2% or €267 million on an organic basis. Growth was driven by the Exploration & Production activity owing to the positive impact of changes in commodity prices over the period and increased production at the Gjøa field in Norway, as well as improved performance within the LNG activity, especially in Asia.

Current Operating Income for the first half of 2012 came in at €740 million, up 7.6% or €53 million based on reported figures.

2.4 INFRASTRUCTURES

<i>In millions of euros</i>	June 30, 2012	June 30, 2011	% change (reported basis)
Revenues	932	691	35.0%
<i>Total revenues (incl. intra-group transactions)</i>	3,147	2,949	6.7%
EBITDA	1,718	1,669	2.9%
Depreciation, amortization and provisions	(632)	(582)	
Share-based payment	(0)	(2)	
CURRENT OPERATING INCOME	1,087	1,086	0.1%

⁽¹⁾ A 3.6 Mbep rise in the contribution to the Group's revenues representing a total of 23.4 Mbep at June 30, 2012 compared to 19.8 Mbep at end-June 2011 (intra-group sales fell primarily due to the disposal of EFOG).

BUSINESS TRENDS

Total **revenues** for the Infrastructures business line, including intra-group services, came in at €3,147 million, up 6.7% on the first half of 2011, due mainly to the increase in gas purchase-sale transactions carried out to maintain the technical and physical performance of storage facilities in an environment marked by lower storage capacity sales in France and colder weather conditions (as compared to warmer weather in 2011).

Revenues trends also reflect:

- a 21 TWh increase in volumes transported by GrDF due to colder weather conditions in the first half of 2012 than in the same prior-year period;
- a 1.85% decrease in the rate for accessing distribution infrastructure as from July 1, 2011;
- a 2.9% increase in the rate for accessing transport infrastructure as from April 1, 2011 and a 6.5% increase as from April 1, 2012;
- the acquisition of new gas storage facilities by Storengy in Germany on August 31, 2011, making GDF SUEZ No. 1 in Europe in terms of storage capacity sales.

In the same regulatory and weather conditions, the business line's contribution to Group revenues was €932 million, 35.0% higher than in the six months to June 30, 2011. This increase reflects:

- the acquisition of new gas storage facilities by Storengy in Germany on August 31, 2011;
- the growth of transportation, storage and terminal services on behalf of third parties due to an increasingly deregulated market;
- the ramp-up of gas purchase-sale transactions to maintain storage performance.

The business line's **EBITDA** came in at €1,718 million, up 2.9% on the first half of 2011, thanks to the return to cooler weather conditions, but was negatively impacted by price impacts on employee costs.

Current Operating Income was stable compared to the same prior-year period, at €1,087 million.

2.5 ENERGY SERVICES

<i>In millions of euros</i>	June 30, 2012	June 30, 2011	% change (reported basis)
Revenues	7,392	7,087	4.3%
EBITDA	531	540	-1.7%
Depreciation, amortization and provisions	(150)	(144)	
Net disbursements under concession contracts	(17)	(11)	
Share-based payment	(6)	(8)	
CURRENT OPERATING INCOME	358	377	-5.0%

Revenues for the Energy Services business line advanced 4.3% to €7,392 million in the first half of 2012, up €305 million on a reported basis.

The 3.6% rise based on organic figures stems from:

- 5.3% growth in the activity of the networks in France, particularly the positive impact of rate increases and the return to colder weather conditions in the first six months of the year;
- solid growth in installation activities in France and Benelux (5.9% in both regions) and to a lesser extent in services in France (up 2.2%), primarily in the first quarter of 2012;
- the stability of the international business (positive 0.8% growth) with contrasting results across all geographic areas (positive growth in Northern Europe and International activities outside Europe; decrease in Southern Europe);

- a 4.9% decline in the engineering activity which still managed to partially offset the impact of the downturn in energy investments in Europe by expanding its international activities outside Europe.

EBITDA edged down 1.7% or €9 million to €531 million in the first half of 2012. The €10 million decrease on an organic basis resulted from the following adverse impacts:

- the non-recurring impact, related to a €17 million indemnification, which positively impacted the EBITDA of the Italian cogeneration activities in the first half of 2011;
- the end of certain gas cogeneration contracts in France (negative impact of €14 million);

- the price scissors effect in relation to the cogeneration and heating network rates in France resulting in a negative €8 million impact;
- narrower margins, especially in engineering.

These items were partially offset by:

- the return of colder weather conditions;
- the positive impact of the commissioning of the SWIFT drilling rig in May 2011 operated on behalf of Shell, the robust performance of the Oil & Gas activity in the United Kingdom and the resilience of the installation and services activities in Belgium.

Current Operating Income fell to €358 million in line with the drop in EBITDA. It was also dragged down by increased net disbursements under concession contracts, and the difficult macro-economic environment in Europe.

2.6 SUEZ ENVIRONNEMENT

<i>In millions of euros</i>	June 30, 2012	June 30, 2011	% change (reported basis)
Revenues	7,318	7,373	-0.7%
EBITDA	1,133	1,232	-8.1%
Depreciation, amortization and provisions	(524)	(529)	
Net disbursements under concession contracts	(137)	(128)	
Share-based payment	(12)	(14)	
CURRENT OPERATING INCOME	460	561	-18.0%

Revenues for the first half of 2012 came in at €7,318 million, falling 0.7% compared to the first half of 2011 and 1.4% on an organic basis. The Water Europe segment grew 2.5% thanks to positive price impacts in the three main countries and higher volumes in Chile and Spain, and despite a slight decline in France. The Waste Europe segment benefited from 1.4% growth as prices in France held up well and was also buoyed by higher taxes, the reopening of treatment facilities in the United Kingdom that had been shut down in 2011 and a busy six months for construction (France, UK) while volumes declined in line with European industrial output in the second quarter. The International segment retreated 9.0% due to construction cost overruns in Melbourne (loss on completion) and despite upbeat activities in North America, Asia-Pacific (China and Australia), Central Europe (Waste Poland) and North Africa (Water and Waste Morocco).

EBITDA declined by 7.2% to €1,133 million in organic figures compared to the first half of 2011. This was due to worsening economic conditions for the Waste Europe segment (down 14.6%), reflected in a 3.2% drop in volumes treated during the period, and

plant construction cost overruns in Melbourne. If these overruns are factored out, EBITDA for the International segment fell 6.3% and reflected the slowdown in Degremont's business (North Africa & the Middle East), partially offset by positive volume and price impacts in North America. The 3.4% increase in Water Europe EBITDA is a result of the buoyant performance in Chile – both in terms of volumes and prices – and positive indicators applied to slightly higher volumes in Spain and slightly lower volumes in France.

EBITDA also benefited from €60 million in savings related to the performance plan when compared to the first half of 2011.

Current Operating Income declined by 18% period on period to €460 million, mainly reflecting the recognition of additional provisions totaling €83 million in the second quarter of 2012 for construction cost overruns in Melbourne and the slowdown in the Waste business in Europe.

The operating performance of the business line for the first half of 2012 is presented in SUEZ Environnement's management report.

2.7 OTHER

<i>In millions of euros</i>	June 30, 2012	June 30, 2011	% change (reported basis)
EBITDA	(209)	(130)	-60.4%
Depreciation, amortization and provisions	(67)	(28)	
Share-based payment	(28)	(43)	
CURRENT OPERATING INCOME	(303)	(201)	-50.7%

The €79 million drop in **EBITDA** during the first half of 2012 as well as the decrease in **Current Operating Income** for the "Other" business lines are primarily attributable to one-off positive items in the prior-year period that did not recur during the first half of 2012.

3 OTHER INCOME STATEMENT ITEMS

<i>In millions of euros</i>	June 30, 2012	June 30, 2011	% change (reported basis)
CURRENT OPERATING INCOME	5,436	5,231	3.9%
Mark-to-market on commodity contracts other than trading instruments	295	(95)	
Impairment of property, plant and equipment, intangible assets and financial assets	(361)	(63)	
Restructuring costs	(78)	(51)	
Changes in scope of consolidation	33	592	
Other non-recurring items	243	51	
INCOME FROM OPERATING ACTIVITIES	5,569	5,664	-1.7%
Net financial expense	(1,528)	(1,075)	
Income tax expense	(1,208)	(1,371)	
Share in net income of associates	261	300	
NET INCOME	3,094	3,519	-12.1%
Non-controlling interests	763	781	
NET INCOME GROUP SHARE	2,331	2,738	-14.9%

Income from Operating Activities came in at €5,569 million, representing a 1.7% decrease on the first half of 2011. This performance mainly reflects the positive impact of non-recurring items relating to business combinations and other one-off items in the prior-year period that did not recur during the first half of 2012.

Changes in the fair value of commodity instruments had a positive €295 million impact on income from operating activities (reflecting the impact of transactions not eligible for hedge accounting), compared with a negative impact of €95 million in the first half of 2011. This gain is mainly due to the positive impact of the unwinding of positions with a negative market value at December 31, 2011.

Income from operating activities was also affected by:

- impairment losses in the amount of €361 million, including €80 million for listed ACEA securities; €279 million for asset write-downs, including €90 million for impairment at the Wilhelmshaven plant related to the replacement of defective parts; €42 million was booked in relation to Greek assets used in electricity production in view of the country's current economic problems and for technical problems at a combined cycle plant; an amount of €25 million was set aside in the wake of the announcement at the beginning of the year of the closure of the Shotton and Derwent plants in the United Kingdom;

- restructuring costs totaling €78 million, including an amount of €35 million on the books of SUEZ Environnement;
- “Changes in scope of consolidation” (gains and losses on the disposal of consolidated equity interests or on the remeasurement of previously-held interests in accordance with IFRS 3) totaling €33 million, primarily corresponding to capital gains on the disposal of Eurawasser;
- “Other non-recurring items” for a positive €243 million for the first six months of 2012, mainly corresponding to income relating to the reduction of a penalty within the scope of the “Megal” proceedings.

The Group reported a net financial expense of €1,528 million for the first half of 2012 compared to a €1,075 million expense for the same prior-year period. The increase in this item primarily reflects two non-recurring items: the increase in the valuation of the derivative instrument for the International Power convertible US bonds, particularly following movements in the share price in the wake of the Group’s offer to buy the remaining 30% of its share capital; and the impact of lower interest rates on the portfolio of fixed-rate derivatives that do not qualify as hedging instruments.

The effective tax rate, adjusted for disposal gains and losses, non-deductible asset impairment charges and other non-recurring items, came out at 30.9% in the period under review versus 33.9% in the first half of 2011.

The decrease in the effective tax rate resulted primarily from the combined effect of the following:

- the non-recurring impact of the 12 percentage point increase in the tax rate on Exploration & Production activities in the United Kingdom in 2011;
- non-recurring deferred tax income of €90 million recognized in the first half of the period on the Group’s Australian electricity production business following recent changes in tax legislation;
- the increase in the contribution relating to nuclear activities in Belgium. In light of the Belgian government’s recent statements and the budget bill, the Group’s annual contribution in respect of the tax on nuclear activities in Belgium for 2012 is currently estimated at €469 million and at €550 million for the sector as a whole. Income tax expense for the first half of 2012 takes this increase into account. GDF SUEZ will contest these measures by any legal means available.

The share in net income of associates dropped €39 million compared to the first half of 2011, mainly due to operations and developments in 2011 involving the inter-municipal companies in the Walloon and Flemish regions.

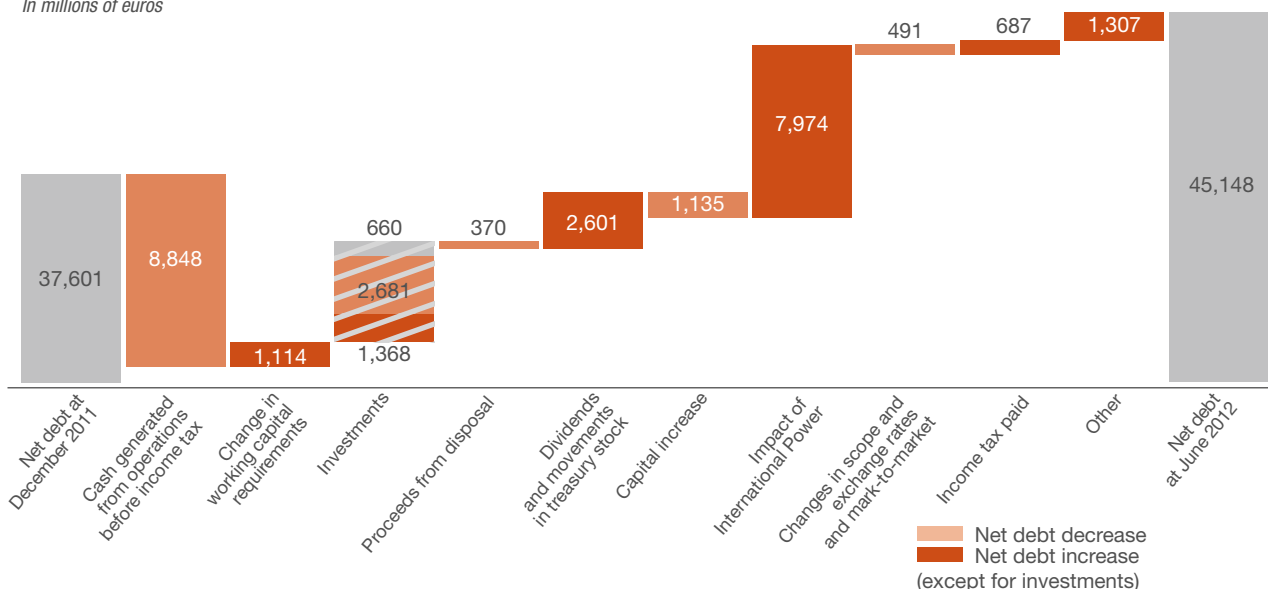
Non-controlling interests in net income totaled €763 million, down slightly on the same prior-year period.

4 CHANGES IN NET DEBT

At June 30, 2012, **net debt** stood at €45.1 billion, up €7.5 billion on end-December 2011 (€37.6 billion), and mainly reflects the impact of the acquisition of non-controlling interests in International Power.

Changes in net debt over the period break down as follows:

In millions of euros



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 €8,848 million at June 30, 2012, an increase of €178 million on the June 30, 2011 figure. It grew by less than EBITDA which included the impact of provision reversals for long-term employee benefits (related to employment subsidies).

4.2 CHANGE IN WORKING CAPITAL REQUIREMENTS

The change in working capital requirements (WCR) represented a cash outflow of €1,114 million, reflecting the seasonality of the Group's operations.

4.3 NET INVESTMENTS

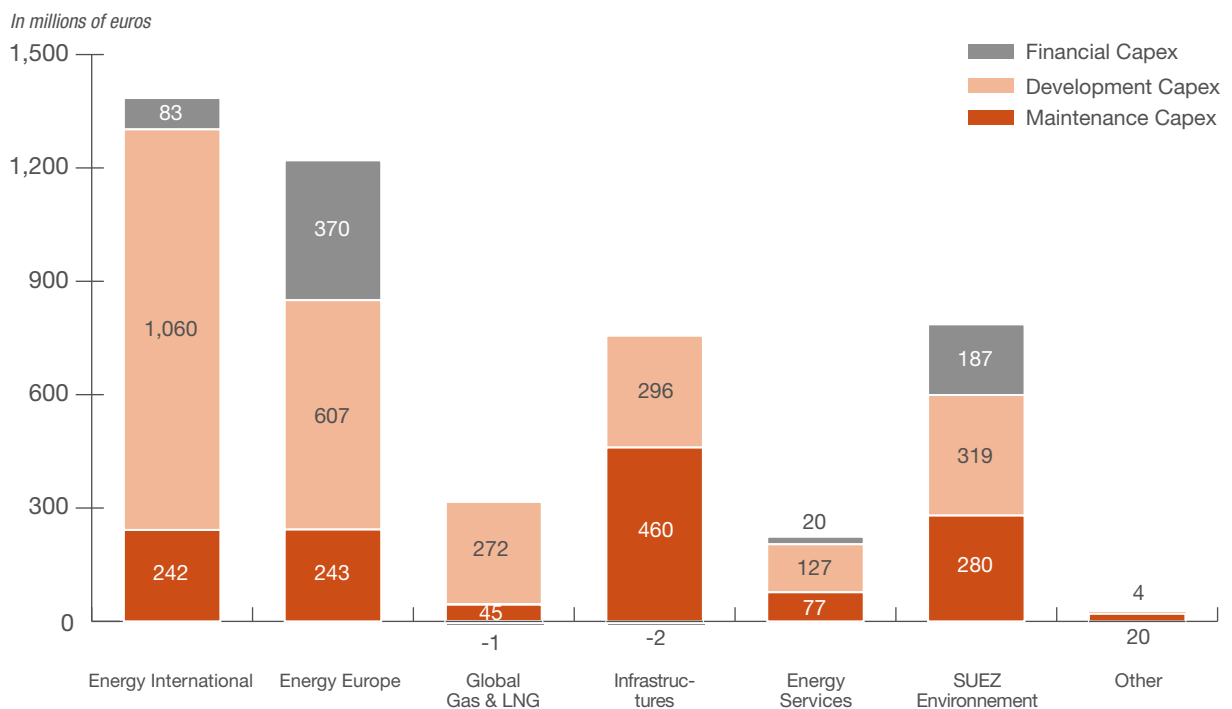
Investments in the first half of 2012 totaled €4,709 million and included:

- financial investments for €660 million, primarily relating to the acquisition of non-controlling interests in AES;
- development expenditure totaling €2,681 million. Most of this amount was invested by the Energy International business line to build power plants in Brazil (Jirau) and Peru (Chilca and Quitaracsa), and by the Energy Europe business line to build two coal power plants in Wilhelmshaven and Maasvlakte;

- maintenance expenditure of €1,368 million.

Disposals for the first six months of 2012 totaled €370 million and essentially related to Eurawasser which was sold by SUEZ Environnement for €95 million, and Hidd Power Company and the Choctaw plant, sold for €87 million and €74 million, respectively.

Capital expenditure breaks down as follows by business line:



4.4 SHARE BUYBACKS AND DIVIDENDS & CAPITAL INCREASE

Total dividends paid by GDF SUEZ SA during the period to its shareholders amounted to €1,475 million. This amount corresponds to the balance of the €0.67 per share dividend for 2011 paid on May 24, 2012 for an amount of €341 million in cash and by the creation of 69 million new shares (capital increase and share premium of €1,134 million to remunerate the shareholders having chosen payment in shares of the 2011 dividend balance and representing 77% of the share capital).

Dividends paid by various subsidiaries to non-controlling interests totaled €824 million.

The Group also bought back its own shares for an amount of €302 million.

4.5 NET DEBT AT JUNE 30, 2012

Excluding amortized cost and the €8 billion impact of the commitment to buy back 30% of non-controlling interests in International Power, but including the currency impact of derivatives, at end-June 2012, 55% of net debt was in euros, 21% in US dollars and 6% in Brazilian reals.

Including the impact of financial instruments, 87% of net debt is at fixed rates.

The average maturity of net debt (excluding the €8 billion impact of the commitment to buy back 30% of non-controlling interests in International Power) is 11.2 years.

At June 30, 2012, the Group had undrawn confirmed credit lines (which may be used as back-up lines for commercial paper programs) totaling €18.1 billion. This includes a remaining amount of €3 billion, out of an initial amount of €6 billion, on the syndicated credit facility set up to finance the acquisition of non-controlling interests in International Power.

5 OTHER ITEMS IN THE STATEMENTS OF FINANCIAL POSITION

Property, plant and equipment and intangible assets stood at €103.3 billion at June 30, 2012. This amount was largely unchanged compared to the December 31, 2011 balance as a result of the combined impacts of acquisitions (positive €3.6 billion impact) and depreciation and amortization (negative €3.8 billion impact). Disposals and changes in the scope of consolidation and translation adjustments canceled each other out.

Goodwill decreased €0.7 billion to €30.7 billion. This was mainly due to the finalization of the allocation of goodwill concerning the acquisition of storage facilities in Germany in August 2011 and to changes in the scope of consolidation.

Available-for-sales securities were stable at €3.3 billion.

Investments in associates totaled €3 billion, up €0.3 billion due mainly to Energy International (Asia).

Total equity amounted to €73.7 billion, down €6.6 billion compared to December 31, 2011 (€80.3 billion), essentially reflecting the recognition of the buyback of non-controlling interests in International Power (negative €8.1 billion impact), net income for the first half of the year (positive €3.1 billion impact), the dividend payout (negative €1.4 billion impact), and purchases of treasury stock (negative €0.3 billion impact). Other items of comprehensive income (translation adjustments, etc.) canceled each other out.

Provisions rose €0.3 billion to €16.5 billion, mainly resulting from the impact of unwinding discounting adjustments to provisions.

6 RELATED PARTY TRANSACTIONS

Related party transactions are described in Note 24 to the consolidated financial statements included in the 2011 Reference Document. An update is provided in Note 9 to the condensed interim consolidated financial statements for the six months ended June 30, 2012.

7 DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF 2012

The Risk Factors section of GDF SUEZ's 2011 Reference Document (Section 2) provides a detailed description of the risk factors to which the Group is exposed. Developments over the period in risks arising from financial instruments and litigations to which the Group is exposed are respectively set out in Note 7 and Note 8

to the condensed interim consolidated financial statements for the six months ended June 30, 2012.

The Group has not identified any risks or uncertainties other than those described in this document.

8 OUTLOOK

The 1st half 2012 results allow confirming the 2012 financial objectives⁽¹⁾, assuming average weather conditions and a stable regulatory environment:

- Recurring net income Group share between €3.7 and €4.2 billion
- Ordinary dividend stable or higher than in 2011
- Net debt/EBITDA ratio ~2.5x and an "A" credit rating

Gross Capex for 2012 is now estimated to range between €10 and 11 billion⁽²⁾.

In addition, the Efficio 2 performance plan target of €0.6 billion is confirmed, with €0.3 billion achieved at June 30 and included in the 2012 indicative EBITDA of some €17 billion.

For the second half, in an economic environment that promises to be difficult, the Group will pursue its action plan aimed at optimizing costs and Group performance, while maintaining its dynamic social policy in order to leverage the know-how of its employees.

Moreover, the Group expects legislative precisions in autumn about the Belgian government's declarations related to future of the nuclear sector. The Group notes the closing of Doel 1 and Doel 2 (i.e. 866MW) at the end of the authorized period at present and the possible extension of Tihange 1. To proceed with the prolongation of Tihange 1, for which the cost estimate reaches €600 million (Group share € 300 million), the Group underlines the necessity of a clarified and stable legal framework, allowing it to evaluate the economic profitability of such investment.

The closing of Doel 1 and 2 should reduce net result before tax by approximately €100 million after 2015.

Generally speaking, the Group has not, at this stage, changed its industrial vision on the sector and is waiting for the necessary precisions on the conditions of implementation.

Regarding natural gas tariffs in France, the government's decision to limit the July increase to 2% is not enough to cover the supply costs of GDF SUEZ, as was pointed out by the French Energy Regulation Commission (CRE) in its July 17 proceedings. The Group evaluates at some €30 million the impact of the limitation of this increase on the third quarter EBITDA.

Moreover, following the Council of State's cancellation of the tariff freeze from October 1, 2011 to January 1, 2012, the Group will be billing its customers €290 million over a period permitting to reduce the impact of their purchasing power. Finally, GDF SUEZ is pursuing its discussions with the government to establish a progressive tariff and expand the social welfare tariff to protect households in difficulty.

GDF SUEZ will also continue its negotiations with its long-term natural gas suppliers with the continuing objective of maintaining the profitability of its gas supply activity.

The Group maintains its policy of providing shareholders a sustainable and competitive return and confirms a stable or increased dividend for 2012. On October 25, 2012, GDF SUEZ will pay an interim dividend of €0.83/share for fiscal year 2012 whose ex-dividend date is set for September 25, 2012. In connection with financing for the buyout of International Power minority interests, GDF SUEZ shareholders will exceptionally have the possibility of receiving this interim dividend in the form of shares.

(1) Assuming average weather conditions, full pass-through of natural gas supply costs in regulated gas tariffs in France, and no other substantial change in regulations or in the macro-economic environment. Underlying assumptions for 2012 are: average Brent \$98/bbl; average electricity baseload in Belgium €55/MWh; average NBP gas price €27/MWh.

(2) Excluding buyout of IPR minority interests.

Consolidated Financial Statements

STATEMENTS OF FINANCIAL POSITION

<i>In millions of euros</i>	Notes	June 30, 2012	December 31, 2011
Non-current assets			
Intangible assets, net	5	13,392	13,226
Goodwill	5	30,710	31,362
Property, plant and equipment, net	5	89,952	90,120
Available-for-sale securities	6	3,288	3,299
Loans and receivables at amortized cost	6	3,839	3,813
Derivative instruments	6	3,053	2,911
Investments in associates		2,953	2,619
Other non-current assets		1,173	1,173
Deferred tax assets		1,368	1,379
TOTAL NON-CURRENT ASSETS		149,728	149,902
Current assets			
Loans and receivables at amortized cost	6	1,406	1,311
Derivative instruments	6	5,571	5,312
Trade and other receivables, net	6	23,912	23,135
Inventories		5,114	5,435
Other current assets		8,377	9,455
Financial assets at fair value through profit or loss	6	1,004	2,885
Cash and cash equivalents	6	18,318	14,675
Assets classified as held for sale	2	660	1,298
TOTAL CURRENT ASSETS		64,362	63,508
TOTAL ASSETS		214,090	213,410

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.

STATEMENTS OF FINANCIAL POSITION

<i>In millions of euros</i>	Notes	June 30, 2012	December 31, 2011
Shareholders' equity		62,217	62,930
Non-controlling interests		11,440	17,340
TOTAL EQUITY		73,657	80,270
Non-current liabilities			
Provisions		14,723	14,431
Borrowings and debt	6	43,988	43,375
Derivative instruments	6	3,781	3,310
Other financial liabilities	6	343	684
Other liabilities		2,120	2,202
Deferred tax liabilities		12,492	13,038
TOTAL NON-CURRENT LIABILITIES		77,447	77,040
Current liabilities			
Provisions		1,786	1,751
Borrowings and debt	6	21,826	13,213
Derivative instruments	6	5,160	5,185
Trade and other payables	6	17,656	18,387
Other liabilities		16,155	16,738
Liabilities directly associated with assets classified as held for sale	2	403	827
TOTAL CURRENT LIABILITIES		62,986	56,100
TOTAL EQUITY AND LIABILITIES		214,090	213,410

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.

INCOME STATEMENTS

<i>In millions of euros</i>	Notes	June 30, 2012	June 30, 2011
Revenues	3.2	50,535	45,678
Purchases		(27,546)	(23,534)
Personnel costs		(6,625)	(6,395)
Depreciation, amortization and provisions		(3,589)	(3,425)
Other operating expenses		(8,401)	(7,985)
Other operating income		1,061	892
CURRENT OPERATING INCOME	3.2	5,436	5,231
Mark-to-market on commodity contracts other than trading instruments		295	(95)
Impairment of property, plant and equipment, intangible assets and financial assets		(361)	(63)
Restructuring costs		(78)	(51)
Changes in scope of consolidation		33	592
Other non-recurring items		243	51
INCOME FROM OPERATING ACTIVITIES	4.1	5,569	5,664
Financial expenses		(2,220)	(1,613)
Financial income		692	538
NET FINANCIAL EXPENSE	4.2	(1,528)	(1,075)
Income tax expense	4.3	(1,208)	(1,371)
Share in net income of associates		261	300
NET INCOME		3,094	3,519
Net income Group share		2,331	2,738
Non-controlling interests		763	781
EARNINGS PER SHARE (Euros)*		1.05	1.23
DILUTED EARNINGS PER SHARE (Euros)*		1.03	1.22

* Earnings per share for the first half of 2011 were adjusted to take into account the impact of the May 2012 dividend payment in shares. Basic earnings per share and diluted earnings per share as published in the condensed interim consolidated financial statements for the six months ended June 30, 2011 amounted to €1.25 and €1.24, respectively.

STATEMENTS OF COMPREHENSIVE INCOME

<i>In millions of euros</i>	Notes	June 30, 2012	June 30, 2012 Group share	June 30, 2012 Non-controlling interests	June 30, 2011	June 30, 2011 Group share	June 30, 2011 Non-controlling interests
NET INCOME		3,094	2,331	763	3,519	2,738	781
Available-for-sale financial assets	6	97	64	33	(35)	(22)	(13)
Net investment hedges		(151)	(126)	(25)	215	156	59
Cash flow hedges (excl. commodity instruments)		(292)	(310)	18	81	104	(23)
Commodity cash flow hedges		(200)	(233)	33	192	185	6
Deferred tax on items above		214	218	(4)	(128)	(130)	2
Share of associates in items that will be reclassified subsequently to profit or loss, net of taxes		(62)	(40)	(22)	(140)	(98)	(42)
Translation adjustments		509	275	234	(990)	(661)	(329)
TOTAL ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		114	(152)	266	(806)	(466)	(339)
Actuarial gains and losses		(149)	(131)	(18)	90	54	35
Deferred tax on actuarial gains and losses		40	34	6	(21)	(12)	(9)
Share of associates in items that will not be reclassified subsequently to profit or loss, net of taxes		32	32	0	61	61	0
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		(77)	(65)	(13)	129	103	26
TOTAL COMPREHENSIVE INCOME		3,131	2,114	1,017	2,842	2,375	468

STATEMENTS OF CASH FLOWS

<i>In millions of euros</i>	June 30, 2012	June 30, 2011
NET INCOME	3,094	3,519
- Share in net income of associates	(261)	(300)
+ Dividends received from associates	157	137
- Net depreciation, amortization and provisions	3,635	3,313
- Impact of changes in scope of consolidation, other non-recurring items	(276)	(608)
- Mark-to-market on commodity contracts other than trading instruments	(295)	95
- Other items with no cash impact	59	68
- Income tax expense	1,208	1,371
- Net financial expense	1,528	1,075
Cash generated from operations before income tax and working capital requirements	8,848	8,670
+ Tax paid	(687)	(1,082)
Change in working capital requirements	(1,114)	(741)
CASH FLOW FROM OPERATING ACTIVITIES	7,048	6,847
Acquisitions of property, plant and equipment and intangible assets	(4,049)	(3,811)
Acquisitions of controlling interests in entities net of cash and cash equivalents acquired	(86)	(805)
Acquisitions of investments in associates and joint ventures	(72)	(40)
Acquisitions of available-for-sale securities	(116)	(86)
Disposals of property, plant and equipment and intangible assets	57	84
Disposals of entities/loss of control net of cash and cash equivalents sold	222	8
Disposals of investments in associates and joint ventures	52	1,073
Disposals of available-for-sale securities	44	96
Interest received on non-current financial assets	31	29
Dividends received on non-current financial assets	44	49
Change in loans and receivables originated by the Group and other	(194)	215
CASH FLOW USED IN INVESTING ACTIVITIES	(4,065)	(3,188)
Dividends paid	(1,164)	(2,066)
Repayment of borrowings and debt	(5,060)	(3,657)
Change in financial assets at fair value through profit or loss	1,887	207
Interest paid	(1,158)	(1,165)
Interest received on cash and cash equivalents	102	98
Flows on financial derivatives qualifying as net investment hedges and compensation payments on financial derivatives ⁽¹⁾	(437)	166
Increase in borrowings and debt	6,882	2,013
Increase/decrease in capital	108	181
Acquisitions/disposals of treasury stock	(302)	(85)
Changes in ownership interests in controlled entities	(202)	(45)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	656	(4,353)
Effect of changes in exchange rates and other	4	(230)
TOTAL CASH FLOW FOR THE PERIOD	3,643	(924)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	14,675	11,296
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18,318	10,372

(1) Since December 31, 2011, the Group has applied a new definition of total "Net debt" (see Note 14.3, "Net debt" to the consolidated financial statements for the year ended December 31, 2011).

In order to ensure consistency with this new definition and clearly present the non-recurring impact of compensation payments associated with the settlement of financial derivatives, the cash flows related to net investment hedges and compensation payments made/received in connection with the settlement of financial derivatives are presented in the statements of cash flows on the line entitled "Flows on financial derivatives qualifying as net investment hedges and compensation payments on financial derivatives". Comparative information from the first half of 2011 has been restated in order to present the relevant cash flows in accordance with this new procedure.

STATEMENTS OF CHANGES IN EQUITY

<i>In millions of euros</i>	Number of shares	Share capital	Additional paid-in capital	Conso- lidated reserves	Fair value adjust- ments and other	Translation adjustments	Treasury stock	Share- holders' equity	Non- controlling interests	Total equity
EQUITY AT JANUARY 1, 2011	2,250,295,757	2,250	29,682	29,524	800	522	(665)	62,114	8,513	70,627
Net income				2,738				2,738	781	3,519
Other comprehensive income				103	196	(662)		(363)	(313)	(676)
Total comprehensive income				2,841	196	(662)		2,375	468	2,842
Employee share issues and share-based payment	871,535	1	15	60				76	4	80
Cash dividends paid				(1,490)				(1,490)	(789)	(2,279)
Acquisitions/disposals of treasury stock				(14)			(71)	(85)		(85)
Business combinations (International Power)				159				159	6,171	6,330
Transactions between owners (GRTgaz transaction)				185				185	925	1,110
Share capital increases subscribed by non-controlling interests									157	157
Stock dividends and change in treasury stock, net (SUEZ Environnement Company)				(40)				(40)	131	91
Other changes				(83)				(83)	(2)	(85)
EQUITY AT JUNE 30, 2011	2,251,167,292	2,251	29,697	31,141	996	(139)	(736)	63,211	15,578	78,788
EQUITY AT DECEMBER 31, 2011	2,252,636,208	2,253	29,716	31,205	240	447	(930)	62,931	17,340	80,270
Net income				2,331				2,331	763	3,094
Other comprehensive income				(65)	(427)	275		(217)	253	37
Total comprehensive income				2,266	(427)	275		2,114	1,017	3,131
Employee share issues and share-based payment	134,434	0	1	52				53	4	57
Stock dividends paid ⁽¹⁾	69,002,807	69	1,065	(1,134)						
Cash dividends paid ⁽¹⁾				(341)				(341)	(1,042)	(1,382)
Acquisitions/disposals of treasury stock ⁽²⁾				(75)			(228)	(302)		(302)
Transactions between owners (International Power transaction – see Note 2.1)				(2,276)	(127)	240		(2,164)	(5,898)	(8,062)
Other transactions between owners				(110)				(110)	(60)	(171)
Share capital increases subscribed by non-controlling interests									108	108
Other changes			(6)	43				37	(28)	9
EQUITY AT JUNE 30, 2012	2,321,773,449	2,322	30,775	29,630	(314)	961	(1,157)	62,217	11,440	73,657

(1) An interim dividend of €0.83 per share for 2011 was paid on November 15, 2011. On April 23, 2012, the Shareholders' Meeting resolved that a €1.50 dividend per share would be paid for 2011 and gave shareholders the choice as to whether the remaining €0.67 per share would be paid in cash or stock. The balance of the dividend was paid in May 2012. €341 million was paid in cash and €1,134 million was paid in stock.

(2) As part of its stock repurchase program, the Group acquired €302 million in treasury stock (net of disposals) during the first half of 2012.

Notes to the Consolidated Financial Statements

INFORMATION ON THE GDF SUEZ GROUP

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, energy services and environment) 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 August 1, 2012, the Group's Board of Directors approved and authorized for issue the condensed interim consolidated financial statements of GDF SUEZ and its subsidiaries for the six months ended June 30, 2012.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

In accordance with the European Regulation on international accounting standards dated July 19, 2002, the Group's annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and endorsed by the European Union⁽¹⁾.

The Group's condensed interim consolidated financial statements for the six months ended June 30, 2012 were prepared in accordance with the provisions of IAS 34 – *Interim Financial Reporting*, which allows entities to present selected explanatory notes. The condensed interim consolidated financial statements for the six months ended June 30, 2012 do not therefore incorporate all of the notes and disclosures required by IFRS for the annual consolidated financial statements, and accordingly must be read in conjunction with the consolidated financial statements for the year ended December 31, 2011, subject to specific provisions relating to the preparation of interim financial information as described hereafter.

1.2 Accounting policies

The accounting policies used to prepare the Group's condensed interim consolidated financial statements for the six months ended June 30, 2012 are consistent with those used to prepare the consolidated financial statements for the year ended December 31, 2011 in accordance with IFRS as published by the IASB and endorsed by the European Union, with the exception of the following items in Note 1.2.1:

1.2.1 Amendments effective in 2012

- Amendments to IAS 12 – *Deferred tax - Recovery of underlying assets*⁽²⁾. The Group is not concerned by these amendments;
- Amendment to IFRS 7 – *Disclosures – Transfers of financial assets*. As there is no significative transfer for the Group realized on the six months ended June 30, 2012, this amendment has no impact.

1.2.2 Amendments effective after 2012 that the Group has elected to early adopt in 2011

- Amendments to IAS 1 – *Presentation of items of Other Comprehensive Income*.

(1) Available on the European Commission's website: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

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

1.2.3 IFRS standards and amendments effective after 2012 that the Group has elected not to early adopt in 2012

Standards and amendments applicable in 2013

- IFRS 10 – *Consolidated Financial Statements*⁽¹⁾;
- IFRS 11 – *Joint arrangements*⁽¹⁾;
- IFRS 12 – *Disclosure of Interests in Other Entities*⁽¹⁾;
- Amendment to IAS 28 – *Investments in Associates and joint ventures*⁽¹⁾;
- IFRS 13 – *Fair value measurement*⁽¹⁾;
- Amendments to IAS 19 – *Employee benefits*;
- Amendments to IFRS 7 – *Disclosures – Offsetting financial assets and financial liabilities*⁽¹⁾;
- Annual improvements 2009-2011⁽¹⁾.

Amendments effective in 2014

- Amendments to IAS 32 – *Offsetting financial assets and financial liabilities*⁽¹⁾.

Standard effective in 2015

- IFRS 9 – *Financial Instruments: Classification and Measurement*⁽¹⁾.

The impact resulting from the application of these new or revised standards is currently being assessed.

1.3 Use of estimates and judgment

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

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 statement of financial position reporting date, as well as revenues and expenses reported during the period.

Due to uncertainties inherent in the estimation process, the Group regularly revises its estimates in light of currently available information. Final outcomes could differ from those estimates.

The key estimates used in preparing the Group's consolidated financial statements relate mainly to:

- measurement at fair value of assets acquired and liabilities assumed in a business combination;
- measurement of the recoverable amount of goodwill, property, plant and equipment and intangible assets;

- measurement of provisions, particularly for nuclear waste processing and storage, dismantling obligations, disputes, pensions and other employee benefits;
- financial instruments;
- measurement of un-metered revenues;
- measurement of recognized tax loss carry-forwards.

Detailed information related to the use of estimates is provided in Note 1 to the consolidated financial statements for the year ended December 31, 2011.

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 related accounting issues.

In particular, the Group exercised its judgment in determining the accounting treatment applicable to concession contracts, the classification of arrangements which contain a lease, the recognition of acquisitions of non-controlling interests prior to January 1, 2010 and the identification of electricity and gas purchase and sale "own use" contracts as defined by IAS 39.

In accordance with IAS 1, the Group's current and non-current assets and liabilities are shown separately on the consolidated statement of financial position. For most of the Group's activities, the breakdown into current and non-current items is based on when assets are expected to be realized, or liabilities extinguished. Assets expected to be realized or liabilities extinguished within 12 months of the statement of financial position date are classified as current, while all other items are classified as non-current.

1.4 Interim financial reporting

Seasonality of operations

Although the Group's operations are intrinsically subject to seasonal fluctuations, key performance indicators and income from operating activities are more influenced by changes in climatic conditions than by seasonality. Consequently, the interim results for the six months ended June 30, 2012 are not necessarily indicative of those that may be expected for full-year 2012.

Income tax expense

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

Pension benefit obligations

Pension costs for interim periods are calculated on the basis of the actuarial valuations performed at the end of the prior year. If necessary, these valuations are adjusted to take account of

(1) These standards and interpretations have not yet been adopted by the European Union.

curtailments, settlements or other major non-recurring events during the period. Furthermore, amounts recognized in the statement of financial position in respect of defined benefit plans are adjusted, if necessary, in order to reflect material changes impacting the

yield on investment-grade corporate bonds in the geographic area concerned (the benchmark used to determine the discount rate) and the actual return on plan assets.

NOTE 2 MAIN CHANGES IN GROUP STRUCTURE

2.1 Acquisition of non-controlling interests in International Power

2.1.1 Description of the transaction

On June 29, 2012, the GDF SUEZ Group completed the acquisition of 30.26% of non-controlling interests in International Power following the approval of the transaction by the qualified British authorities. GDF SUEZ now holds 100% of the voting rights of the International Power group. On July 2, 2012, International Power's shares were delisted from the London Stock Exchange.

The purchase offer was carried out as part of a scheme of arrangement at 418 pence per share in compliance with British legislation and approved by more than 99% of International Power's minority shareholders at its Shareholders' Meeting on June 7, 2012.

The purchase of International Power's 1,542 million ordinary shares, which were not yet held by the Group, amounted to €7,974 million, *i.e.*, GBP 6,445 million. On July 12, 2012, a cash payment of €7,875 million was made and loan notes with a nominal value of €99 million were issued. These non-subordinated loan notes pay annual interest of 0.25% and can be reimbursed from June 29, 2013 and up to June 29, 2015 at the latest.

The purchase offer does not modify the initial terms and conditions of bonds convertible into International Power shares or International Power stock option plans. The holders of these instruments will receive a cash payment of 418 pence per share in the event they are exercised or converted into shares.

2.1.2 Impacts on the consolidated financial statements at June 30, 2012

As the transaction is carried out between owners, the €2,076 million difference between the purchase price, *i.e.*, €7,974 million, and the carrying amount of the non-controlling interests is deducted from shareholders' equity.

Including transaction fees, this transaction reduced shareholders' equity by €8,062 million at June 30, 2012.

Following the cash payment on July 12, a financial liability of €7,974 million with respect to International Power's non-controlling interests was recognized in the following lines of the statements of financial position at June 30, 2012: €7,875 million under "Current - Borrowings and debt" in respect of the cash payment and €99 million under "Non-current - Borrowings and debt" in respect of the loan notes.

2.2 Disposals carried out during the first half of 2012

During the first half of 2012, the Group continued to roll out its "portfolio optimization" program aimed at slashing consolidated net debt.

The disposals carried out in the first half of 2012 within the scope of this program led to a €303 million reduction in net debt versus the figure at December 31, 2011.

The table below shows the cumulative impact of the disposals on the Group's financial statements at June 30, 2012:

<i>In millions of euros</i>	Disposal price	Reduction in net debt	Net gain (loss) on disposals and impact of changes in scope recognized in income
Disposal of a 40% interest in Hidd Power Company (Bahrain)	87	(87)	(0)
Disposal of the Choctaw plant (United States)	200	(74)	4
Disposal of Eurawasser (Germany)	95	(89)	34
Disposal of the 17.44% interest in HUBCO (Pakistan)	52	(52)	(9)
TOTAL		(303)	29

In addition to these disposals, the Group has recognized operations which are highly probable to be sold within a reasonable timeframe as "Non-current assets classified as held for sale" and "Liabilities directly associated with non-current assets classified as held for sale". The operations concerned are described in Note 2.3, "Assets classified as held for sale".

Hidd Power Company and the Choctaw plant were classified as "Assets classified as held for sale" at December 31, 2011. This classification resulted in a €580 million decrease in net debt at December 31, 2011. In total, both transactions reduced consolidated net debt by €741 million.

2.2.1 Disposal of a 40% interest in Hidd Power Company (Bahrain)

On May 10, 2012, the Group sold 40% of the share capital of its subsidiary Hidd Power Company to Malakoff International Ltd for \$113 million (€87 million).

The Group's residual 30% interest in Hidd Power Company is accounted for by the equity method. The carrying amount of this associate totaled €36 million at June 30, 2012.

This transaction had no impact on the income statement for the six months ended June 30, 2012.

2.2.2 Disposal of the Choctaw plant (United States)

On February 7, 2012, the Group finalized the sale of the 746 MW Choctaw combined cycle plant in Mississippi for a total of \$259 million (€200 million).

An initial payment of \$96 million (€74 million) was made in February 2012. The remaining amount should be paid in February 2013.

The gain on disposal amounted to €4 million.

2.2.3 Disposal of Eurawasser (Germany)

On February 13, 2012, the Group sold its subsidiary Eurawasser, which specializes in water distribution and treatment services, to the Remondis group for €95 million. The gain on disposal amounted to €34 million (see Note 4.1.3).

2.2.4 Disposal of the 17.44% interest in HUBCO (Pakistan)

On June 13, 2012, the Group sold its 17.44% interest in The Hub Power Company Ltd (HUBCO), an independent power producer in Pakistan, for 6.3 billion Pakistani rupees (€52 million). The sale generated a capital loss of €9 million.

2.3 Assets classified as held for sale

At June 30, 2012, total assets classified as held for sale and total liabilities directly associated with assets classified as held for sale amounted to €660 million and €403 million, respectively.

The table below shows the main categories of assets and liabilities reclassified on these two lines of the statements of financial position:

<i>In millions of euros</i>	June 30, 2012	December 31, 2011
Property, plant and equipment, net	557	1,125
Other assets	103	173
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	660	1,298
Borrowings and debt	289	596
Other liabilities	114	231
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	403	827

At June 30, 2012, assets classified as held for sale included the Hot Spring plant in the United States, the interest in the T-Power project in Belgium and Sohar Power Company SAOG in Oman.

Following their disposal during the first half of 2012, Hidd Power Company and the Choctaw plant are no longer shown on the "Assets classified as held for sale" line at June 30, 2012.

Sohar Power Company SAOG (Oman)

During the first half of 2012, the Group began the process of selling a portion of its interest in the capital of Sohar Power Company SAOG which will lead to the loss of control of this subsidiary. The Group expects to finalize this partial disposal during the second half of 2012.

2.4 Other transactions and changes in consolidation methods during the first half of 2012

On June 29, 2012, an amendment to Senoko's shareholders' agreement approved by the shareholders and the company's lenders resulted in a loss of joint control of the company. The Group's 30% interest in Senoko, which was previously proportionately consolidated, is now accounted for under the equity method. The carrying amount of this associate amounted to €302 million at June 30, 2012. The fair value adjustment for this change in consolidation method was not material.

Furthermore, different acquisitions, equity transactions and disposals took place in the first half of 2012, including the acquisition of controlling interests in Uch Power (Pvt) Limited in Pakistan and the acquisition of a non-controlling interest in AES Energia Cartagena. The individual and aggregate impacts of these transactions on the consolidated financial statements for the six months ended June 30, 2012 are not material.

2.5 Update to the purchase price allocation of German storage facilities acquired in 2011

On August 31, 2011, the Group acquired BEB Speicher GmbH ("BEB") and ExxonMobil Gasspeicher Deutschland GmbH ("EMGSG") which operate underground natural gas storage sites in Germany.

The accounting for this business combination was provisional at December 31, 2011. Provisional goodwill amounted to €566 million.

During the first half of 2012, the Group continued to measure the fair value of identifiable acquired assets and liabilities assumed at the acquisition date and accounted for adjustments in comparison to the provisional fair values recognized in 2011.

The main adjustments relate to industrial storage facilities whose fair value was increased by €153 million compared with provisional values in 2011 and the relevant deferred tax liabilities which increased by €44 million. After recognition of these adjustments, goodwill arising on this acquisition amounted to €436 million.

The purchase price allocation will be finalized in the consolidated financial statements for the year ended December 31, 2012.

NOTE 3 SEGMENT INFORMATION

3.1 Operating segments

On January 1, 2012, the Group reorganized its Energy businesses by creating two business lines, Energy International and Energy Europe, and redefining the scope of the Global Gas & LNG business line.

The Group is now organized around the following six operating segments: the Energy International, Energy Europe, Global Gas & LNG, Infrastructures, Energy Services and Environment business lines.

The scope of the **Energy International** business line corresponds to the International Power group. Up until December 31, 2011, these activities were grouped under the International Power operating segment within the Energy Europe & International business line as described in Note 3, "Segment information" to the consolidated financial statements for the year ended December 31, 2011.

The **Energy Europe** business line includes the following former operating segments, as described in Note 3, "Segment information" to the consolidated financial statements for the year ended December 31, 2011: the Energy France business line; the Energy Benelux & Germany and Energy Europe business areas of the Energy Europe & International business line; and the "Gas Supply" and "Key Account Sales" activities within the Global Gas &

LNG business line. Energy Europe carries out activities involving distribution of natural gas, electricity production and energy sales in continental Europe. It operates the Group's assets in continental Europe in the fields of gas (excluding infrastructure managed by the Infrastructures business line) and electricity (excluding certain assets historically operated by International Power in Italy, Germany, the Netherlands, Spain and Portugal).

Following the transfer of the "Gas Supply" and "Key Account Sales" activities to Energy Europe, **Global Gas & LNG** now 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.

The Group's other operating segments are described in Note 3, "Segment information", to the consolidated financial statements for the year ended December 31, 2011.

Comparative segment information for the first half of 2011 has been restated to reflect the Group's new organization at June 30, 2012.

3.2 Key indicators by operating segment

Revenues

<i>In millions of euros</i>	June 30, 2012			June 30, 2011		
	External revenues	Intra-group revenues	Total	External revenues	Intra-group revenues	Total
Energy International	8,129	207	8,336	7,601	169	7,770
Energy Europe	24,269	923	25,193	21,324	773	22,096
Global Gas & LNG	2,494	1,758	4,252	1,604	1,931	3,535
Infrastructures	932	2,214	3,146	691	2,258	2,949
Energy Services	7,392	105	7,497	7,087	83	7,170
SUEZ Environnement	7,318	4	7,322	7,373	3	7,375
Other	-	-	-	-	-	-
Intra-group eliminations	-	(5,212)	(5,212)	-	(5,217)	(5,217)
TOTAL REVENUES	50,535	-	50,535	45,678	-	45,678

EBITDA

<i>In millions of euros</i>	June 30, 2012	June 30, 2011
Energy International	2,164	2,056
Energy Europe	2,485	2,252
Global Gas & LNG	1,415	1,246
Infrastructures	1,718	1,669
Energy Services	531	540
SUEZ Environnement	1,133	1,232
Other	(209)	(130)
TOTAL EBITDA	9,236	8,865

Current Operating Income

<i>In millions of euros</i>	June 30, 2012	June 30, 2011
Energy International	1,448	1,287
Energy Europe	1,647	1,434
Global Gas & LNG	740	687
Infrastructures	1,087	1,086
Energy Services	358	377
SUEZ Environnement	460	561
Other	(303)	(201)
TOTAL CURRENT OPERATING INCOME	5,436	5,231

Depreciation and amortization

<i>In millions of euros</i>	June 30, 2012	June 30, 2011
Energy International	(712)	(779)
Energy Europe	(784)	(779)
Global Gas & LNG	(670)	(545)
Infrastructures	(630)	(576)
Energy Services	(161)	(159)
SUEZ Environnement	(529)	(511)
Other	(45)	(38)
TOTAL DEPRECIATION AND AMORTIZATION	(3,532)	(3,388)

Industrial capital employed

<i>In millions of euros</i>	June 30, 2012	Dec. 31, 2011
Energy International	30,455	30,263
Energy Europe	25,921	25,460
Global Gas & LNG	5,215	5,639
Infrastructures	19,860	20,581
Energy Services	3,352	3,030
SUEZ Environnement	13,932	13,628
Other	1,684	938
TOTAL INDUSTRIAL CAPITAL EMPLOYED	100,419	99,539

Capital expenditure (CAPEX)

<i>In millions of euros</i>	June 30, 2012	June 30, 2011
Energy International	1,385	1,013
Energy Europe	1,220	1,048
Global Gas & LNG	316	207
Infrastructures	754	720
Energy Services	224	201
SUEZ Environnement	785	928
Other	24	71
TOTAL CAPITAL EXPENDITURE	4,709	4,189

Cash and cash equivalents acquired are not included in financial investments within CAPEX. However, CAPEX includes the acquisitions of additional interests in controlled entities which are presented under cash flows used in financing activities in the statement of cash flows (€177 million).

3.3 Key indicators by geographic area

The amounts set out below are analyzed by:

- destination of products and services sold for revenues;
- geographic location of consolidated companies for industrial capital employed.

<i>In millions of euros</i>	Revenues		Industrial capital employed	
	June 30, 2012	June 30, 2011	June 30, 2012	Dec. 31, 2011
France	19,108	16,261	34,036	34,302
Belgium	5,974	6,214	4,485	4,010
Other EU countries	15,189	13,247	30,424	29,789
Other European countries	501	957	1,483	1,691
North America	2,580	2,736	10,544	9,947
Asia, Middle East and Oceania	4,149	3,470	9,445	10,285
South America	2,571	2,350	9,796	9,297
Africa	462	444	206	216
TOTAL	50,535	45,678	100,419	99,539

3.4 Reconciliation of EBITDA with Current Operating Income

<i>In millions of euros</i>	June 30, 2012	June 30, 2011
CURRENT OPERATING INCOME	5,436	5,231
Depreciation, amortization and provisions	3,589	3,425
Share-based payment (IFRS 2) and other	58	69
Net disbursements under concession contracts	154	140
EBITDA	9,236	8,865

3.5 Reconciliation of industrial capital employed with items in the statements of financial position

<i>In millions of euros</i>	June 30, 2012	Dec. 31, 2011
(+) Property, plant and equipment and intangible assets, net	103,344	103,346
(+) Goodwill	30,710	31,362
(-) Goodwill arising on the Gaz de France-SUEZ merger ⁽¹⁾	(11,832)	(11,832)
(-) Goodwill arising on the International Power combination ⁽¹⁾	(2,912)	(2,894)
(+) IFRIC 4 and IFRIC 12 receivables	2,582	2,483
(+) Investments in associates	2,953	2,619
(+) Trade and other receivables	23,912	23,135
(-) Margin calls ⁽¹⁾⁽²⁾	(624)	(567)
(+) Inventories	5,114	5,435
(+) Other current and non-current assets	9,550	10,628
(+) Deferred taxes	(11,124)	(11,659)
(-) Provisions	(16,509)	(16,183)
(+) Actuarial gains and losses recorded in equity (net of deferred taxes) ⁽¹⁾	1,018	1,156
(-) Trade and other payables	(17,656)	(18,387)
(+) Margin calls ⁽¹⁾⁽²⁾	511	518
(-) Other liabilities	(18,618)	(19,623)
INDUSTRIAL CAPITAL EMPLOYED	100,419	99,539

(1) 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.

(2) 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.

NOTE 4 INCOME STATEMENTS

4.1 Income from operating activities

<i>In millions of euros</i>	June 30, 2012	June 30, 2011
CURRENT OPERATING INCOME	5,436	5,231
Mark-to-market on commodity contracts other than trading instruments	295	(95)
Impairment of property, plant and equipment, intangible assets and financial assets	(361)	(63)
Restructuring costs	(78)	(51)
Changes in scope of consolidation	33	592
Other non-recurring items	243	51
INCOME FROM OPERATING ACTIVITIES	5,569	5,664

4.1.1 Mark-to-market on commodity contracts other than trading instruments

In the first half of 2012, this item represents a net gain of €295 million (compared with a net loss of €95 million in the first half of 2011), mainly reflecting:

- changes in the fair value of electricity and natural gas sale and purchase contracts falling within the scope of IAS 39 and financial instruments used as economic hedges but not eligible for hedge

accounting, resulting in a net gain of €273 million (net loss of €114 million in the first half of 2011). This gain is mainly due to the positive impact of the settlement of positions with a negative market value at December 31, 2011;

- the ineffective portion of cash flow hedges, resulting in a gain of €22 million (compared to a gain of €27 million in the first half of 2011).

4.1.2 Impairment of property, plant and equipment, intangible assets and financial assets

<i>In millions of euros</i>	June 30, 2012	June 30, 2011
Impairment losses		
Goodwill	-	-
Property, plant and equipment and other intangible assets	(279)	(45)
Financial assets	(88)	(32)
Other	-	-
TOTAL IMPAIRMENT LOSSES	(368)	(77)
Reversals of impairment losses		
Property, plant and equipment and other intangible assets	5	2
Financial assets	2	13
TOTAL REVERSALS OF IMPAIRMENT LOSSES	7	15
TOTAL	(361)	(63)

In addition to the annual impairment tests on goodwill and non-amortizable intangible assets carried out in the second half of the year, the Group also tests goodwill, property, plant and equipment, intangible assets or financial assets for impairment whenever there is an indication that the asset may be impaired.

4.1.2.1 Impairment of property, plant and equipment and intangible assets (excluding goodwill)

The net impairment losses of €279 million recognized in the first half of 2012 mainly related to power production assets in the Energy Europe business line in Greece (€42 million) and in Germany (€90 million).

The current economic conditions in Greece as well as technical problems at a combined cycle plant resulted in the recognition of an impairment loss of €42 million on property, plant and equipment in Greece.

In Germany, technical problems forced the Group to recognize an impairment loss of €90 million on a coal power plant under construction.

In the first half of 2011, the Group recognized impairment losses on property, plant and equipment and intangible assets (excluding goodwill) of €45 million, with no individual impairment loss being material.

4.1.2.2 Impairment of financial assets

Impairment losses recognized in the first half of 2012 amounted to €88 million. This amount included an impairment loss of €80 million recognized by the Group against its ACEA shares based on the closing share price at June 29, 2012 (see Note 6.1).

In the first half of 2011, the Group recognized impairment losses on financial assets in the amount of €32 million, with no individual impairment loss being material.

A breakdown of available-for-sale securities and their values is presented in Note 6, "Financial instruments".

4.1.3 Changes in scope of consolidation

In the first half of 2012, this item mainly includes the €34 million in capital gains on the disposal of Eurawasser (see Note 2.2.3).

In the first half of 2011, this item primarily reflected the €425 million gain attributable to the remeasurement at fair value of the Group's interest in the Flemish inter-municipal companies further to the Group ceasing to exercise significant influence over these entities and the recognition of the corresponding shares within "Available-for-sale securities". It also included the capital gains on the disposal of a portion of the share capital of the inter-municipal companies in the Walloon region (€83 million) and the disposal of equity interests in Noverco (€28 million).

4.1.4 Other non-recurring items

In the first half of 2012, this item includes a €233 million gain which corresponds to the decrease in the fine paid related to the "Megal" legal proceedings following the judgment handed down by the General Court of the European Union on June 29, 2012 (see Note 8.2.1, "Megal").

In the first half of 2011, this item mainly included €39 million in capital gains on the disposal of property, plant and equipment in SUEZ Environnement business line.

4.2 Net financial expense

In millions of euros	June 30, 2012			June 30, 2011		
	Expenses	Income	Total	Expenses	Income	Total
Cost of net debt⁽¹⁾	(1,086)	107	(979)	(1,024)	121	(903)
Interest on gross borrowings	(1,255)	-	(1,255)	(1,215)	-	(1,215)
Foreign exchange gains/losses on borrowings and hedges	(14)	-	(14)	(3)	-	(3)
Gains and losses on economic hedges of borrowings	(10)	-	(10)	-	1	1
Gains and losses on cash and cash equivalents and financial assets at fair value through profit or loss	-	107	107	-	120	120
Capitalized borrowing costs	192	-	192	193	-	193
Gains (losses) on debt restructuring and settlement of derivative instruments	(248)	205	(43)	0	0	0
Compensation payments on swap settlements	(228)	-	(228)	-	-	-
Change in fair value of settled derivative instruments	-	205	205	-	-	-
Expenses on early refinancing transactions	(19)	-	(19)	-	-	-
Other financial income and expenses⁽¹⁾	(886)	380	(506)	(588)	417	(171)
Unwinding of discounting adjustments to provisions	(417)	-	(417)	(391)	-	(391)
Expected return on plan assets	-	104	104	-	101	101
Change in fair value of derivative instruments not included in net debt	(253)	-	(253)	-	62	62
Income from available-for-sale securities	-	50	50	-	62	62
Other	(215)	226	11	(198)	192	(5)
NET FINANCIAL EXPENSE	(2,220)	692	(1,528)	(1,613)	538	(1,075)

(1) Since December 31, 2011, the Group has applied a new definition of total "Net debt" (see Note 14.3, "Net debt" to the consolidated financial statements for the year ended December 31, 2011). The definitions of the "Cost of net debt" and "Other financial income and expenses" were also revised to ensure consistency with the new definition of net debt. To ensure comparability with the six months ended June 30, 2012, an amount of €34 million has been reclassified from "Cost of net debt" to "Other financial income and expenses" for the six months ended June 30, 2011.

During the period, the Group settled a number of US dollar interest rate swaps. The compensation payments amount to €213 million with a negative impact of €25 million on the income statement, taking into account the €188 million positive impact on the change in fair value of the related derivative instruments.

At June 30, 2012, the item "Other financial income and expenses" included a €162 million expense in respect of the change in fair value of the derivative corresponding to the optional component of bonds convertible into International Power shares denominated

in US dollars (against an increase of €25 million during the first half of 2011). The increase in fair value of this derivative is primarily due to the terms and conditions of the purchase offer in respect of non-controlling interests in International Power (see Note 2.1, "Acquisition of non-controlling interests in International Power").

This item also includes the negative impact of changes in the fair value of interest rate derivative instruments not qualifying for hedge accounting: a negative €85 million impact on the first half of 2012 versus a positive impact of €27 million on the first half of 2011.

4.3 Income tax expense

In millions of euros	June 30, 2012	June 30, 2011
Net income (A)	3,094	3,519
Total income tax expense recognized in income for the period (B)	(1,208)	(1,371)
Share in net income of associates (C)	261	300
INCOME BEFORE INCOME TAX EXPENSE AND SHARE IN NET INCOME OF ASSOCIATES (A)-(B)-(C)=(D)	4,040	4,590
EFFECTIVE TAX RATE - (B)/(D)	29.9%	29.9%

The effective tax rate has not changed since the first half of 2011. It primarily benefits from the offsetting effect of:

- the recognition of a non-taxable gain of €233 million at June 30, 2012 in relation to the decrease of the fine imposed by the European Commission in relation to the "Megal" proceedings; and
- the recognition of an increase in the contribution relating to nuclear activities in Belgium.

In light of the Belgian government's recent statements and the budget bill, the Group's annual contribution in respect of the tax on nuclear activities in Belgium for 2012 is currently estimated at €469 million and at €550 million for the sector as a whole. The income tax expense recognized in the first half of 2012 therefore includes this increase. GDF SUEZ will contest these measures by any legal means available.

Income tax expense in the first half of 2011 included a levy on nuclear activities in Belgium based on an annual contribution of €212 million as estimated by the Group for 2011.

4.4 Net recurring income Group share

Net recurring income Group share is a financial indicator used by the Group in its financial communication to present net income Group share adjusted for unusual, irregular or non-recurring items.

This financial indicator therefore excludes:

- all items presented between the lines "Current Operating Income" and "Income from operating activities", i.e. "Mark-to-market on commodity contracts other than trading instruments", "Impairment of property, plant and equipment, intangible assets and financial assets", "Restructuring costs", "Changes in scope of consolidation" and "Other non-recurring items". These items are defined in Note 1.5.17 to the consolidated financial statements for the year ended December 31, 2011;
- the following components of net financial expense: the impact of debt restructuring, the compensation payments on the settlement of derivative instruments, changes in the fair value of derivative instruments which, in accordance with IAS 39, do not qualify as hedges, as well as the ineffective portion of derivative instruments that qualify as hedges;
- the tax impact of the items described above and determined using the statutory income tax rate applicable to the relevant tax entity;
- the net expense relating to the nuclear contribution in Belgium, the legality of which is contested by the Group;
- net non-recurring items included in "Share in net income of associates". The excluded items correspond to non-recurring items as defined above.

The reconciliation of net recurring income Group share with net income is as follows:

<i>In millions of euros</i>	Notes	June 30, 2012	June 30, 2011
NET INCOME GROUP SHARE		2,331	2,738
Non-controlling interests		763	781
NET INCOME		3,094	3,519
Reconciliation between Current Operating Income and Income from operating activities		(132)	(434)
Mark-to-market on commodity contracts other than trading instruments	4.1	(295)	95
Impairment of property, plant and equipment, intangible assets and financial assets	4.1	361	63
Restructuring costs	4.1	78	51
Changes in scope of consolidation	4.1	(33)	(592)
Other non-recurring items	4.1	(243)	(51)
Other adjustment items (not included in Income from operating activities)		383	(24)
Gains (losses) on debt restructuring and settlement of derivative instruments	4.2	43	0
Changes in the fair value of derivative instruments	4.2	262	(63)
Taxes on non-recurring items		(40)	(31)
Net expense relating to the nuclear contribution in Belgium		133	70
Net non-recurring income included in share of net income of associates		(15)	0
NET RECURRING INCOME		3,345	3,061
NET RECURRING INCOME GROUP SHARE		2,477	2,337
Non-controlling interests recurring income		868	724

NOTE 5 GOODWILL, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

<i>In millions of euros</i>	Goodwill	Intangible assets	Property, plant and equipment
A. GROSS AMOUNT AT DECEMBER 31, 2011	31,782	20,480	127,869
Acquisitions		363	3,248
Disposals		(230)	(327)
Changes in scope of consolidation	(426)	55	(585)
Transferred to assets classified as held for sale			(420)
Other changes	(355)	294	(166)
Translation adjustments	138	124	984
At June 30, 2012	31,138	21,086	130,603
B. ACCUMULATED AMORTIZATION, DEPRECIATION AND IMPAIRMENT AT DECEMBER 31, 2011	(420)	(7,254)	(37,749)
Depreciation, amortization and impairment	(0)	(607)	(3,204)
Disposals		218	288
Changes in scope of consolidation	0	2	99
Transferred to assets classified as held for sale			71
Other changes		(19)	86
Translation adjustments	(9)	(34)	(243)
At June 30, 2012	(429)	(7,694)	(40,652)
C. CARRYING AMOUNT AT DECEMBER 31, 2011 (A+B)	31,362	13,226	90,120
At June 30, 2012	30,710	13,392	89,952

Changes in the scope of consolidation for the first half of 2012 are due mainly to the change in the consolidation method applied to Senoko (see Note 2.4), the disposal of Eurawasser (see Note 2.2.3), and individually non-material acquisitions.

The €355 million decrease in the carrying amount of goodwill, shown under "Other changes", is mainly due to:

- the update to the purchase price allocation of the German storage facilities acquired in 2011 (see Note 2.5);
- the decrease in the fair value of the financial liabilities relating to the put option granted by the Group for shares comprising 43.16% of the share capital of La Compagnie du Vent (see Note 6.2), for which the offsetting entry is recognized in goodwill in accordance with Group accounting policies (see Note 1.5.11.2 "Financial liabilities" of the consolidated financial statements for the year ended December 31, 2011).

Sohar Power Company SAOG was classified as held for sale (see Note 2.3), and the carrying amount of the corresponding property, plant and equipment was transferred to "Assets classified as held for sale" in the statements of financial position.

Impairment losses recognized against property, plant and equipment and intangible assets in the first half of 2012 amounted to €279 million. These losses are detailed in Note 4.1.2.1 "Impairment of property, plant and equipment and intangible assets (excluding goodwill)" and mainly concern a power production asset in Greece and a power plant under construction in Germany.

Translation adjustments recorded on the net amount of property, plant and equipment mainly relate to translation gains on the US dollar (€374 million), the Chilean peso (€179 million), the pound sterling (€128 million), the Australian dollar (€103 million) and the Norwegian krone (€90 million), and translation losses on the Brazilian real (€285 million).

NOTE 6 FINANCIAL INSTRUMENTS

6.1 Financial assets

The following table presents the Group's different categories of financial assets, broken down into current and non-current items:

In millions of euros	June 30, 2012			December 31, 2011		
	Non-current	Current	Total	Non-current	Current	Total
Available-for-sale securities	3,288		3,288	3,299		3,299
Loans and receivables at amortized cost	3,839	25,318	29,157	3,813	24,446	28,260
<i>Loans and receivables at amortized cost (excluding trade and other receivables)</i>	3,839	1,406	5,244	3,813	1,311	5,124
<i>Trade and other receivables, net</i>		23,912	23,912		23,135	23,135
Other financial assets at fair value	3,053	6,574	9,628	2,911	8,197	11,108
<i>Derivative instruments</i>	3,053	5,571	8,624	2,911	5,312	8,223
<i>Financial assets at fair value through profit or loss (excluding derivatives)</i>		1,004	1,004		2,885	2,885
Cash and cash equivalents		18,318	18,318		14,675	14,675
TOTAL	10,181	50,211	60,391	10,023	47,319	57,342

Available-for-sale securities

In millions of euros

At December 31, 2011	3,299
Acquisitions	116
Disposals – carrying amount excluding changes in fair value recorded in “Other comprehensive income”	(48)
Disposals – “Other comprehensive income” derecognized	(1)
Other changes in fair value recorded in equity	98
Changes in fair value recorded in income	(111)
Changes in scope of consolidation, foreign currency translation and other changes	(65)
At June 30, 2012	3,288

The Group's available-for-sale securities amounted to €3,288 million at June 30, 2012, broken down as €1,283 million of listed securities and €2,005 million of unlisted securities.

The Group recognized impairment losses of €80 million on ACEA's listed securities at June 30, 2012, as a result of the prolonged decline of the market price below its historical cost.

6.2 Financial liabilities

Financial liabilities are recognized in:

- “Liabilities at amortized cost” (borrowings and debt, trade and other payables, and other financial liabilities);
- “Financial liabilities at fair value through income” (derivative instruments).

The following table presents the Group’s different categories of financial liabilities at June 30, 2012, broken down into current and non-current items:

<i>In millions of euros</i>	June 30, 2012			December 31, 2011		
	Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt	43,988	21,826	65,814	43,375	13,213	56,588
Derivative instruments	3,781	5,160	8,941	3,310	5,185	8,495
Trade and other payables	-	17,656	17,656	-	18,387	18,387
Other financial liabilities	343	-	343	684	-	684
TOTAL	48,112	44,642	92,754	47,369	36,784	84,153

Changes in “Other financial liabilities” in the first half of 2012 mainly reflect the decrease of the fair value of the put option granted by the Group on “non-controlling interests” for shares comprising 43.16% of the share capital of La Compagnie du Vent.

6.3 Net debt

6.3.1 Net debt by type

In millions of euros	June 30, 2012			December 31, 2011		
	Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt in respect of International Power's non-controlling interests	99	7,875	7,974			
Outstanding borrowings and debt	43,191	12,684	55,875	42,404	12,163	54,568
Impact of measurement at amortized cost	309	367	676	689	243	932
Impact of fair value hedge ⁽¹⁾	390	98	488	281	77	358
Cash collateral on derivatives hedging borrowings – under liabilities		801	801		730	730
BORROWINGS AND DEBT	43,988	21,826	65,814	43,375	13,213	56,588
Derivatives hedging borrowings – under liabilities ⁽²⁾	183	172	354	76	331	407
GROSS DEBT⁽⁴⁾	44,171	21,998	66,168	43,451	13,543	56,994
Financial assets related to debt instruments ⁽³⁾	(261)	(46)	(307)	(311)	(20)	(331)
FINANCIAL ASSETS RELATED TO DEBT INSTRUMENTS	(261)	(46)	(307)	(311)	(20)	(331)
Financial assets at fair value through profit or loss	-	(532)	(532)	-	(2,572)	(2,572)
Cash collateral on derivatives hedging borrowings – under assets		(472)	(472)		(314)	(314)
Cash and cash equivalents	-	(18,318)	(18,318)	-	(14,675)	(14,675)
Derivatives hedging borrowings – under assets ⁽²⁾	(1,157)	(235)	(1,392)	(1,187)	(314)	(1,502)
NET CASH	(1,157)	(19,557)	(20,714)	(1,187)	(17,875)	(19,063)
NET DEBT	42,753	2,394	45,148	41,952	(4,352)	37,601
Borrowings and debt in respect of International Power's non-controlling interests	99	7,875	7,974			
Outstanding borrowings and debt	43,191	12,684	55,875	42,404	12,163	54,568
Financial assets related to debt instruments ⁽³⁾	(261)	(46)	(307)	(311)	(20)	(331)
Financial assets at fair value through profit or loss	-	(532)	(532)	-	(2,572)	(2,572)
Cash and cash equivalents	-	(18,318)	(18,318)	-	(14,675)	(14,675)
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, CASH COLLATERAL AND AMORTIZED COST	43,029	1,663	44,692	42,093	(5,104)	36,990

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

(2) This item represents the fair value of debt-related derivatives irrespective of whether or not they are designated as hedges.

(3) Financial assets pledged as collateral for the Group's financing have been shown as a deduction from gross borrowings and debt since December 31, 2011. These assets consist mainly of deposits pledged as collateral for loans granted to subsidiaries.

(4) At June 30, 2012, the Group's gross debt includes at the same time:

a. Borrowings and debt totaling €7,974 million which corresponds to the Group's borrowings and debt in respect of International Power's non-controlling interests; and

b. Bond issues totaling €3,000 million carried out on May 22, 2012 to finance this purchase of International Power's shares on July 12, 2012.

However, this bond issue does not impact the amount of net debt at June 30, 2012.

6.3.2 Main events of the period

6.3.2.1 Impact of changes in the scope of consolidation and in the exchange rates on the changes in net debt

During the first half of 2012, changes in the scope of consolidation led to a €7,146 million increase in net debt, which breaks down as follows:

- the purchase of non-controlling interests in International Power (see Note 2.1 “Acquisition of non-controlling interests in International Power”) which led to an increase of €7,974 million in net debt at June 30, 2012;
- the disposals carried out as part of the “portfolio optimization” program (see Note 2.2 “Disposals carried out during the first half of 2012”) which reduced net debt by €303 million;
- Sohar’s classification as “Assets classified as held for sale” (see Note 2.3 “Assets classified as held for sale”), as well as the other changes in the scope of consolidation, which had an overall negative impact of €525 million on net debt.

Changes in exchange rates during the first half of the year resulted in a €392 million increase in net debt (including €251 million in relation to the US dollar).

6.3.2.2 Financing set up as part of the acquisition of non-controlling interests in International Power

In order to comply with British regulatory requirements, the Group put in place a €6,000 million dedicated syndicated credit facility on May 4, 2012. The amount of this facility was reduced to €3,000 million after the €3,000 million bond issue carried out on May 22, 2012. No drawdowns were carried out on this credit line at June 30, 2012.

On May 22, 2012, the Group carried out a €3,000 million bond issue in three tranches of €1,000 million each:

- a first tranche expiring in February 2016 with a coupon of 1.5%;
- a second tranche expiring in June 2018 with a coupon of 2.25%;

- a third tranche expiring in February 2023 with a coupon of 3%.

Variable interest rate swaps were used to hedge a portion of the bond issue. The average cost of this bond issue was therefore reduced to 1.83% during the first half of 2012.

6.3.2.3 Other financing and refinancing transactions with no impact on net debt

The Group carried out the following transactions during the first half of 2012 in connection with its current financing transactions:

- GDF SUEZ redeemed the remaining €1,140 million of the €1,750 million bond issue paying interest of 4.375% which expired on January 16, 2012. In 2010, €610 million worth of these bonds were redeemed;
- SUEZ Environnement Company carried out a drawdown of €250 million on the “Club Deal” syndicated credit line;
- on June 11, 2012, SUEZ Environnement Company launched an intermediated redemption of its bonds maturing in 2014, issued in 2009 and paying interest of 4.875%. At the close of the transaction, €191 million in bonds had been redeemed. On the same day, SUEZ Environnement Company launched an additional €250 million 10-year bond issue, maturing on June 24, 2022 and paying interest of 4.125%.

Furthermore, the Group also paid off in advance of term some bank debts of International Power’s North American affiliates for an amount of \$514 million (€397 million).

The bank debt expiring at the end of June 2012 for the Australian-based entities of the business line Energy International was refinanced as follows:

- Hazelwood’s debt totaling 652 million Australian dollars (€519 million) was internally refinanced on June 29, 2012 by the Group;
- Loy Yang B’s debt amounting to 1,107 million Australian dollars (€881 million) was refinanced through a new syndicated bank loan of 1,062 million Australian dollars (€846 million) expiring on June 30, 2017.

6.4 Derivative instruments

6.4.1 Derivative financial assets

<i>In millions of euros</i>	June 30, 2012			December 31, 2011		
	Non-current	Current	Total	Non-current	Current	Total
Derivatives hedging borrowings	1,157	235	1,392	1,187	314	1,502
Derivatives hedging commodities	1,079	5,305	6,384	969	4,916	5,885
Derivatives hedging other items	818	30	848	755	81	836
TOTAL	3,053	5,571	8,624	2,911	5,312	8,223

6.4.2 Derivative financial liabilities

<i>In millions of euros</i>	June 30, 2012			December 31, 2011		
	Non-current	Current	Total	Non-current	Current	Total
Derivatives hedging borrowings	183	172	354	76	331	407
Derivatives hedging commodities	1,077	4,891	5,968	994	4,699	5,693
Derivatives hedging other items	2,522	97	2,619	2,241	155	2,396
TOTAL	3,781	5,160	8,941	3,310	5,185	8,495

6.4.3 Fair value of commodity derivatives

<i>In millions of euros</i>	June 30, 2012				December 31, 2011			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Derivative instruments relating to portfolio management activities	2,478	1,079	(2,022)	(1,077)	2,653	969	(2,297)	(994)
<i>Cash flow hedges</i>	1,018	394	(627)	(320)	1,227	349	(710)	(208)
<i>Other derivative instruments</i>	1,460	685	(1,395)	(757)	1,426	620	(1,587)	(786)
Derivative instruments relating to trading activities	2,827	-	(2,869)	-	2,263	-	(2,402)	-
TOTAL	5,305	1,079	(4,891)	(1,077)	4,916	969	(4,699)	(994)

6.4.4 Classification of financial instruments and fair value by level

In the first half of 2012, the Group made no significant changes in the classification of financial instruments and did not recognize any material transfers between levels of the fair value hierarchy.

NOTE 7 MANAGEMENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

GDF SUEZ mainly uses derivative instruments to manage its exposure to market risks. The Group's risk management policy is described in Note 15 to the consolidated financial statements for the year ended December 31, 2011.

7.1 Market risks

7.1.1 Commodity risk

7.1.1.1 Portfolio management activities

Sensitivity analyses for portfolio management activities, as presented in the table below, are calculated on a fixed commodity derivative portfolio at a given date (June 30, 2012) and may not

necessarily be representative of future changes in consolidated earnings and equity. This sensitivity analysis is determined excluding the commodity purchase and sale own use contracts in accordance with IAS 39, as well as the underlying elements on these derivatives.

Sensitivity analysis <i>In millions of euros</i>	Price movements	June 30, 2012	
		Pre-tax impact on income	Pre-tax impact on equity
Oil-based products	+\$US10/bbl	(13)	122
Natural gas	+€3/MWh	194	(154)
Coal	+\$US10/ton	34	54
Electricity	+€5/MWh	(408)	61
Greenhouse gas emission rights	+€2/ton	49	(4)
EUR/USD	+10%	(5)	(163)
EUR/GBP	+10%	40	27
GBP/USD	+10%	24	-

As option contracts are not frequently used, the sensitivity analysis is symmetrical for price increases and decreases.

7.1.1.2 Trading activities

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.

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.

Value at Risk

<i>In millions of euros</i>	June 30, 2012	2012 average ⁽¹⁾	2012 maximum ⁽²⁾	2012 minimum ⁽²⁾
Trading activities	3	4	7	2

(1) Average daily VaR.

(2) Based on daily highs and lows observed in 2012.

7.1.2 Currency risk

Sensitivity was analyzed based on the Group's net debt position (including the impact of foreign currency derivatives) at the reporting date.

For currency risk, sensitivity corresponds to a 10% rise or fall in exchange rates compared to closing rates.

Impact on income

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 €17 million.

Impact on equity

For financial instruments (debt and derivatives) designated as net investment hedges, a uniform adverse change of 10% in foreign currencies against the euro would have a positive impact of €368 million on equity. This impact is countered by the offsetting change in the net investment hedged.

7.1.3 Interest rate risk

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

For interest rate risk, sensitivity corresponds to a 1% rise or fall in the yield curve compared with period-end interest rates.

Impact on income

A uniform rise of 1% in short-term interest rates (across all currencies) on the nominal amount of floating-rate net debt and on the floating-rate leg of derivatives, would increase net interest expense by €46 million. A fall of 1% in short-term interest rates would reduce net interest expense by €16 million. The asymmetrical impacts are attributable to the low short-term interest rates (less than 1%) applicable to certain financial assets and liabilities.

A uniform rise of 1% in interest rates (across all currencies) applied to derivative instruments not qualifying for hedge accounting would result in a gain of €194 million attributable to changes in the fair value of derivatives in the income statement. However, a fall of 1% in interest rates would generate a loss of €269 million. The asymmetrical impacts are attributable to the interest rate options portfolio.

Impact on equity

A uniform rise of 1% in interest rates (across all currencies) would have a positive impact of €366 million on equity, attributable to changes in the interest rate impact of the fair value of derivative instruments designated as cash flow and net investment hedges recognized in the statement of financial position. However, a fall of 1% in interest rates would generate a loss of €449 million.

7.2 Counterparty risk

The Group is exposed to counterparty risk from customers, suppliers, intermediaries and banks on its operating and financing activities, when such parties are unable to honor their contractual obligations.

7.2.1 Operating activities

Past-due trade and other receivables are analyzed below:

Trade and other receivables, net <i>In millions of euros</i>	Past due assets not impaired at the reporting date				Impaired assets Total	Assets neither impaired nor past due Total	Total
	0-6 months	6-12 months	More than one year	Total			
At June 30, 2012	1,444	327	356	2,127	1,444	21,381	24,953

In view of the diversity of its customer portfolio, the Group does not consider that it is exposed to any material concentration of risk in respect of receivables.

In the case of commodity derivatives, counterparty risk arises from the positive fair value. Counterparty risk is taken into account when calculating the fair value of these derivative instruments.

Counterparty risk ⁽¹⁾ <i>In millions of euros</i>	June 30, 2012	
	Investment Grade ⁽²⁾	Total
Gross exposure	5,450	6,384
Net exposure ⁽³⁾	2,390	2,537
% exposure to Investment Grade counterparties	94.2%	

(1) Excluding positions with a negative fair value.

(2) Investment Grade corresponds to transactions with counterparties rated at least BBB- by Standard & Poor's, Baa3 by Moody's, or an equivalent by Dun & Bradstreet.

Investment Grade is also determined based on an internal rating model currently being rolled out to the Group and based on the main counterparties.

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

7.2.2 Financing activities

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

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

Loans and receivables at amortized cost (excluding trade and other receivables) <i>In millions of euros</i>	Past due assets not impaired at the reporting date				Impaired assets Total	Assets neither impaired nor past due Total	Total
	0-6 months	6-12 months	More than one year	Total			
At June 30, 2012	1	1	62	64	427	5,106	5,597

After taking into account the impact of amortized cost, changes in fair value and impairment losses, the carrying amount of outstanding loans and receivables carried at amortized cost (excluding trade and other receivables) totaled €5,244 million at June 30, 2012.

7.2.2.2 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 profit or loss, counterparty risk arises on instruments with a positive fair value.

At June 30, 2012, total outstandings exposed to credit risk amounted to €20,242 million.

<i>In millions of euros</i>	June 30, 2012			
	Total	Investment Grade ⁽¹⁾	Unrated ⁽²⁾	Non Investment Grade ⁽²⁾
Exposure ⁽³⁾	20,242	92%	6%	2%

(1) Counterparties rated at least BBB- by Standard & Poor's or Baa3 by Moody's.

(2) The bulk of exposure to unrated or non Investment Grade counterparties arises within consolidated companies comprising non-controlling interests, or within Group companies operating in emerging countries where cash cannot be pooled and is therefore invested locally.

(3) After collateralization agreements.

At June 30, 2012, no single counterparty represented more than 9% of cash investments.

7.3 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, cash collateral is required in certain market activities.

Liquidity is based on maintaining cash and cash equivalents and access to confirmed credit facilities. 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 €20,050 million at June 30, 2012, of which €1,911 million had been drawn down. 78% of total credit lines and 83% of undrawn facilities are centralized.

At June 30, 2012, bank loans accounted for 33% of gross debt (excluding overdrafts, amortized cost, the impact of derivatives, and borrowings and debt in respect of International Power's shareholders), while the remaining debt was mainly raised on capital markets (including €30,877 million in bonds, or 57% of gross debt). Outstanding short-term commercial paper issues represented 10% of gross debt, or €5,467 million at June 30, 2012.

Available cash, comprising cash and cash equivalents, financial assets qualifying or designated as at fair value through profit or loss, less overdrafts, totaled €17,586 million at June 30, 2012.

7.3.1 Undiscounted contractual payments relating to financial activities

At June 30, 2012, undiscounted contractual payments on net debt (excluding the impact of derivatives, cash collateral and amortized cost) break down as follows by maturity:

<i>In millions of euros</i>	Total At June 30, 2012	2012	2013	2014	2015	2016	Beyond 5 years
BORROWINGS AND DEBT IN RESPECT OF INTERNATIONAL POWER'S NON- CONTROLLING INTERESTS⁽¹⁾	7,974	7,875	-	-	99	-	-
Bond issues	30,877	1,236	1,350	2,980	2,856	2,630	19,824
Commercial paper	5,467	5,291	176	-	-	-	-
Drawdowns on credit facilities	1,911	186	284	102	96	671	572
Liabilities under finance leases	1,383	67	152	142	122	108	792
Other bank borrowings	13,605	1,311	1,642	2,055	1,107	969	6,522
Other borrowings	1,369	248	66	99	70	51	836
Bank overdrafts and current accounts	1,264	1,264	-	-	-	-	-
OUTSTANDING BORROWINGS AND DEBT	55,875	9,603	3,669	5,379	4,250	4,429	28,546
Financial assets related to debt instruments	(307)	(24)	(219)	(24)	-	-	(40)
Financial assets qualifying or designated as at fair value through profit or loss	(532)	(532)	-	-	-	-	-
Cash and cash equivalents	(18,318)	(18,318)	-	-	-	-	-
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, CASH COLLATERAL AND AMORTIZED COST	44,692	(1,397)	3,450	5,356	4,349	4,429	28,506

(1) Borrowings and debt in respect of International Power's non-controlling interests were settled in cash and loan notes on July 12, 2012.

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

<i>In millions of euros</i>	Total At June 30, 2012	2012	2013	2014	2015	2016	Beyond 5 years
Undiscounted contractual interest payments on outstanding borrowings and debt	20,550	812	2,087	1,921	1,766	1,592	12,373

Undiscounted contractual payments on outstanding derivatives (excluding commodity instruments) recognized in assets and liabilities break down as follows by maturity (net amounts):

<i>In millions of euros</i>	Total At June 30, 2012	2012	2013	2014	2015	2016	Beyond 5 years
Derivatives (excluding commodity instruments)	1,030	332	161	(39)	107	66	402

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

<i>In millions of euros</i>	Total At June 30, 2012	2012	2013	2014	2015	2016	Beyond 5 years
Confirmed undrawn credit facility programs	18,140	638	4,448	2,290	4,736	1,070	4,957

Confirmed undrawn credit facilities include, in particular, a syndicated credit facility of €3,000 million put in place as part of the purchase of non-controlling interests in International Power (see Note 6.3.2.2).

7.3.2 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 <i>In millions of euros</i>	Total	2012	2013	2014	2015	2016	Beyond 5 years
Derivative instruments carried in liabilities							
<i>relating to portfolio management activities</i>	(3,142)	(1,488)	(1,014)	(317)	(126)	(99)	(98)
<i>relating to trading activities</i>	(2,862)	(2,856)	(6)				
Derivative instruments carried in assets							
<i>relating to portfolio management activities</i>	3,608	1,852	1,195	369	106	40	46
<i>relating to trading activities</i>	2,828	2,820	8				
TOTAL AT JUNE 30, 2012	432	328	183	52	(20)	(59)	(52)

NOTE 8 LEGAL AND ANTI-TRUST PROCEEDINGS

The Group is party to a number of legal and anti-trust proceedings with third parties or with the tax authorities of certain countries in the normal course of its business. These legal and arbitration proceedings are recognized as liabilities or give rise to contingent assets or liabilities.

This note describes the key developments in the proceedings presented in Note 26 to the consolidated financial statements for the year ended December 31, 2011, as well as new proceedings which have arisen in the first half of 2012.

Provisions recorded in respect of these proceedings totaled €818 million at June 30, 2012 (€763 million at December 31, 2011).

8.1 Legal proceedings

8.1.1 Slovak Gas Holding (SGH)

In 2011, negotiations between SGH and the Slovak State resulted in the withdrawal of the legal framework which limited the possibility to request price increases to cover gas selling costs plus a reasonable profit margin (law referred to as "Lex SPP").

However, negotiations between the foreign investors GDF SUEZ and E.ON on the one hand and the Slovak State on the other hand regarding other disputed issues have not yet been successful. Consequently, SGH and its two shareholders, GDF SUEZ and E.ON, filed international arbitration proceedings against the Republic of Slovakia before the International Centre for Settlement of Investment Disputes (ICSID) for breach of the Energy Charter Treaty. The request for arbitration was registered on April 5, 2012 and the members of the arbitration tribunal are currently being designated.

8.1.2 Squeeze-out bid for Electrabel shares

Mr. Geenen appealed the decision of December 24, 2009 handed down by the Brussels Court of Appeal before the Court of Cassation on June 2, 2010. In its decision, the Court of Appeal had dismissed Mr. Geenen's claim for additional consideration following the squeeze-out bid launched by SUEZ in June 2007 on Electrabel shares that it did not already own.

On May 3, 2012, the Court of Cassation annulled the decision of the Brussels Court of Appeal.

8.1.3 Total Énergie Gaz

GDF SUEZ purchases natural gas from Total Énergie Gaz ("TEGAZ"), a subsidiary of the Total group, under the Natural Gas Supply Agreement signed on October 17, 2004 and claimed a revision of the contractual price with effect from May 1, 2011. Following unsuccessful negotiations with TEGAZ, in March 2012 GDF SUEZ submitted the dispute concerning the revision of the contractual price to a panel of experts in accordance with the agreement. The panel of appraisers has been appointed and the schedule and the terms and conditions of the appraisal will soon be determined. In April 2012, TEGAZ filed a notice of dispute regarding the interpretation of certain clauses of the abovementioned agreement

which is currently subject to an arbitration procedure in accordance with the regulations of French Arbitration Association (*Association Française de l'Arbitrage* – AFA). TEGAZ requested, as an emergency measure, the suspension of the appraisal during the arbitration procedure, the validity and the necessity of which are contested by GDF SUEZ. These procedures are currently in progress.

8.1.4 Fos Cavaou – Operation

The prefectural order authorizing the full operation of the Fos Cavaou terminal was granted on February 14, 2012.

8.1.5 La Compagnie du Vent

Jean-Michel Germa holds GDF SUEZ in contract and in tort in respect of his removal as Chairman and Chief Executive Officer of La Compagnie du Vent. In this regard, Jean-Michel Germa summoned GDF SUEZ to appear before the Commercial Court (*Tribunal de Commerce*) of Paris on February 15, 2012 seeking damages.

Furthermore, SOPER summoned GDF SUEZ, La Compagnie du Vent and the current Chairman and Chief Executive Officer to appear before the Commercial Court of Montpellier on May 15, 2012. SOPER requests an expert legal opinion concerning certain management decisions in order to obtain damages.

8.1.6 Freeze of regulated natural gas prices in France

On July 10, 2012, further to claims filed by GDF SUEZ and the French association of energy retail operators (*Association nationale des opérateurs détaillants en énergie* – ANODE), the *Conseil d'État* (France's highest administrative court) canceled the decree of September 29, 2011 on regulated natural gas prices issued by the Ministers for Economic Affairs and Energy.

In its decision on the merits, the *Conseil d'État* held that the decree was vitiated by an error of law, in that it set the prices at a level lower than that which would have resulted from the application of the pricing formula as defined under current regulations.

According to the *Conseil d'État*, if the Ministers believed that it was necessary to alter the pricing formula due to changes in supply costs, they should have altered the formula before setting any new prices.

The *Conseil d'État* instructed the Ministers to issue a new decree, within one month, setting prices for the period from October 1, 2011 to December 31, 2011 in accordance with current regulations.

The freeze of regulated natural gas prices over the last quarter of 2011, represented a shortfall amounting approximately €290 million. The financial consequences of the decision of the *Conseil d'État* and of the new decree will be recognized during the second half of 2012.

In addition, the ministerial decree of July 18, 2012 sets the increase in regulated natural gas prices in France at 2% for the period from July 20, 2012 to December 31, 2012. The Group considers that this price change will not enable it to cover all of its natural gas supply costs and other costs.

8.1.7 Objection to the CREG's approval of Elia's injection tariffs

In December 2011, the Belgian Gas and Electricity Regulation Commission (*Commission de Régulation de l'Electricité et du Gaz* – CREG) approved the tariff proposal submitted by the electricity transmission grid operator, Elia System Operator, for the 2012-2015 period. Electrabel objects to two main aspects in relation to this proposal, namely the application of injection tariffs (i) for use of the grid and (ii) for ancillary services.

Electrabel launched proceedings in January 2012 before the Brussels Court of Appeal to suspend and cancel the CREG's decision. The appeal is pending.

8.1.8 Melbourne – AquaSure

On April 24, 2012, a new moratorium was signed between AquaSure (21%-owned by SUEZ Environnement) and the joint venture – comprising Thiess a subsidiary of the Leighton group (65%) and Degrémont (35%), a subsidiary of SUEZ Environnement – responsible for the design and construction of the seawater desalination plant. The purpose of this moratorium is to ensure financing by AquaSure between July 1, 2012 and the date of completion of the plant, on the one hand, and to submit and pursue claims against the State of Victoria, on the other hand.

This moratorium, which is set to expire on February 28, 2013, was approved by the lending banks on May 18, 2012.

SUEZ Environnement and its partner, the Leighton group, believe that most of the cost overruns are due to *force majeure* and that they cannot be attributed to them in full. Claims for over 1 billion Australian dollars have been filed by the joint venture.

8.1.9 NAM (Nederlandse Aardolie Maatschappij)

In June 2011, NAM filed a claim against GDF SUEZ E&P Nederland BV and the GDF SUEZ Group for the payment of a price adjustment, under the sale agreements entered into with GDF SUEZ for the sale of exploration and production assets in the Netherlands and of an interest in Nogat BV, in respect of an income tax expense of €50 million that NAM claimed to have paid on behalf of GDF SUEZ between the effective date and the completion date of the transaction. This claim was always contested by GDF SUEZ as in breach of the agreements.

In response to this action, GDF SUEZ E&P Nederland BV filed a separate claim for €5.9 million against NAM.

On May 21, 2012, the District Court of The Hague dismissed GDF SUEZ E&P Nederland BV's claim and ordered it to pay the principal amount claimed by NAM, together with interest of 3.8% accrued since January 17, 2011.

As the decision was enforceable, this payment has already been made. However, GDF SUEZ E&P Nederland BV has appealed this decision. The result of this appeal should be known in approximately one year's time.

8.1.10 Claim by the Brazilian tax authorities

Tractebel Energia, a GDF SUEZ Group company, contested the tax assessment notice of BRL 323 million (€128 million) issued by the Brazilian tax authorities on December 30, 2010 in respect of fiscal years 2005 to 2007. Tractebel Energia considered that the tax authorities wrongly refused to grant it deductions in relation to the tax incentive which provides consideration for intangible assets.

In February 2012, a decision was issued in favor of Tractebel Energia and has been submitted to the Administrative Court for confirmation.

8.2 Competition and concentration

8.2.1 Megal

On July 8, 2009, the European Commission fined GDF SUEZ and E.ON €553 million each for agreeing not to compete against each other in their respective gas markets. GDF SUEZ has paid the fine. GDF SUEZ brought an action for annulment against the Commission's decision before the General Court of the European Union on September 18, 2009.

On June 29, 2012, the General Court of the European Union set the fine to be paid by GDF SUEZ at €320 million, thus reducing the original fine of €553 million by €233 million. This decision may be appealed, without suspending the payment due, before the European Court of Justice within two months and ten days.

On July 31, 2012, the Group received the €233 million reimbursement.

8.2.2 Inquiry into the water distribution and treatment sector in France

During March 2012, the European Commission began a new inspection of Lyonnaise des Eaux's premises.

NOTE 9 RELATED PARTY TRANSACTIONS

Transactions with related parties during the period did not have a material impact on the Group's financial position or results for the six months ended June 30, 2012.

In the first half of 2012, there were no material changes to relations between related parties as described in Note 24 to the consolidated financial statements for the year ended December 31, 2011.

NOTE 10 SUBSEQUENT EVENTS

10.1 Decisions by the Belgian government on nuclear power production

The Belgian Council of Ministers announced a series of decisions on the electricity market following its meetings on July 4 and July 20, 2012. In particular, the Belgian government confirmed the following schedule and removed the possibility – provided for by Article 9 of the Act of 2003 on the phase-out of nuclear power – to derogate from the phase-out schedule by ordinary Royal Decree:

- the Doel 1 and Doel 2 reactors will be closed in 2015, while the operating lifetime of Tihange 1 will be extended by ten years until 2025;
- the Doel 3, Tihange 2 and Tihange 3/Doel 4 reactors will be closed in 2022, 2023 and 2025, respectively.

The Council of Ministers also announced certain other decisions, including the offering to the market of the nuclear capacity that would be extended. It also confirmed its intent to continue receiving a nuclear contribution during the current parliamentary term.

The Group publicly expressed that as a result of these decisions the Belgian government was not complying with the Memorandum of Understanding entered into in October 2009, which contains firm and reciprocal commitments that are binding on the parties, especially as regards the ten-year extension of the lifespans of the Doel 1, Doel 2 and Tihange 1 nuclear power plants.

No information was provided that allows GDF SUEZ to assess the economic sustainability of the nuclear capacity that would be extended and offered to the market. At this stage, the content and consequences of most of these announcements remain unclear, both in terms of the energy landscape as a whole and the conditions in which the measures announced are to be implemented and applied.

Accordingly, and pending further clarification, the Group is prepared to meet with the government to put forward its position and obtain the necessary clarifications on the economic aspects.

At this stage, on the basis of the information available at the date of publication and of independent expert reports, the Group has not modified its position with respect to its vision of the power industry and, in particular, considers that a nuclear power production will still be necessary to ensure the security of supply in Belgium beyond 2025.

Based on the above, the Group considers that these decisions do not have an impact on its consolidated financial statements and, in particular, the recoverable amount of the related depreciable assets and goodwill is still higher than their carrying amount.

10.2 Issuance of €1,500 million in bonds

On July 10, 2012, the Group carried out a €1,500 million bond issue in two tranches of €750 million each:

- a first tranche expiring in July 2017 and paying interest of 1.5%;
- a second tranche expiring in July 2022 and paying interest of 2.625%.

This issue was carried out to finance the acquisition of non-controlling interests in International Power.

It reduces the syndicated credit facility entered into on May 4, 2012 (see Note 6.3.2.2) by the same amount, bringing the confirmed amount of this credit line to €1,500 million.

10.3 Purchase of International Power shares created following the conversion of a portion of bonds convertible into International Power shares

On July 13, 2012, the Group purchased 118 million International Power shares that had been created following the conversions carried out between July 1, 2012 and July 10, 2012 by the holders of bonds convertible into International Power shares.

The total amount paid came to €620 million. These transactions led to a €54 million rise in net debt and a €69 million reduction in shareholders' equity, in light of the derecognition of (i) borrowings and debt corresponding to the bonds converted into shares, the carrying amount of which totaled €566 million at June 30, 2012, and (ii) the related €15 million in deferred tax assets.

Statement by the Persons Responsible for the 2012 First-Half financial report

We hereby declare that to the best of our knowledge, the condensed interim consolidated financial statements for the six months ended June 30, 2012 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of operations of the Company and its subsidiaries, and that the interim management report provides a fair view of the significant events of first-half 2012, their impact on the interim financial statements, the main related party transactions and the main risks and uncertainties to which the Group is exposed for the second half of 2012.

Courbevoie, August 1, 2012

Gérard Mestrallet

Chairman and Chief Executive Officer

Jean-François Cirelli

Vice-Chairman, President

Statutory Auditors' Review Report on the first half-year financial information

This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information presented in the Group's interim management report. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code («Code monétaire et financier»), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of GDF SUEZ, for the period from January 1 to June 30, 2012, and
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements were prepared under the responsibility of GDF SUEZ board of directors in a context of high volatility of the markets and of financial crisis in the euro zone, which already prevailed at the December 31, 2011 year-end and whose consequences make it difficult to forecast economic mid-term perspectives. This context is described in note 1.3 "Use of estimates and judgment" in the condensed half-year consolidated financial statements. Our role is to express a conclusion on these financial statements based on our review.

1. CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Consequently, the level of assurance we obtained about whether the condensed half-year consolidated financial statements taken as a whole, are free of material misstatements is moderate, and lower than that obtained in an audit.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-year consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

2. SPECIFIC VERIFICATION

We have also verified the information provided in the interim management report commenting on the condensed half-year consolidated financial statements that were the object of our review.

We have no matters to report on the fairness and consistency of this information with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, August 1, 2012

*The statutory auditors
French original signed by*

DELOITTE & ASSOCIES
Véronique Laurent
Pascal Pincemin

ERNST & YOUNG et Autres
Pascal Macioce
Charles-Emmanuel Chosson

MAZARS
Isabelle Sapet
Thierry Blanchetier



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Our values

drive
commitment
daring
cohesion

GDF SUEZ

A public limited company with a share capital of €2,321,773,449
Corporate headquarters: 1, place Samuel de Champlain
92400 Courbevoie - France
Tel.: +33 (0)1 44 22 00 00
NANTERRE Register of commerce: 542 107 651 RCS NANTERRE
VAT FR 13 542 107 651

gdfsuez.com