CONSOLIDATED FINANCIAL STATEMENTS

2014

INCLUDING THE MANAGEMENT REPORT

BY PEOPLE FOR PEOPLE

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I

MANAGEMENT REPORT

Data included in the income statement, statement of financial position and statement of cash flows for the year ended December 31, 2013 are based on unaudited pro forma figures[1], calculated as if SUEZ Environnement had been accounted for using the equity method as of January 1, 2013. The basis used to prepare this pro forma data is disclosed in Section 6 of this report. In addition, the 2013 data have been restated due to the application of the new consolidation standards and incorporate the new definition of EBITDA *(see Note 2 to the consolidated financial statements)*.

2014 was marked by a particularly mild climate in Europe as well as the shutdown of the Doel 3 and Tihange 2 nuclear power plants on March 26, 2014, followed by the Doel 4 plant between August 5 and December 19.

Revenues fell by 6.6% on a reported basis to €74.7 billion (down by 7.2% on an organic basis) compared with 2013. This decrease is due in particular to the impact of climatic conditions on sales of natural gas in France (2014 was particularly mild compared with 2013) and lower electricity market prices in Europe. Adjusted for climate impacts in France and the gas price "catch-up" recorded in 2013, which had a €2.3 billion impact, revenues were down by 4.4% on an organic basis.

EBITDA, which amounted to €12.1 billion for the year, was down 6.7% on a reported basis (organic decrease of 4.2%). Adjusted for climatic conditions in France and the gas price "catch-up" recorded in 2013 with a total €815 million year-on-year impact, EBITDA was up 2.4% on an organic basis. This indicator was boosted by the positive impact of the commissioning of new assets, a strong operating performance, the positive results of the Group's Perform 2015 plan and the positive variation in net additions to provisions compared with 2013, which were partially offset by outages at certain nuclear power plants, the fall in electricity market prices in Europe and adverse hydrological conditions in Latin America.

Current operating income after share in net income of entities accounted for using the equity method declined by 6.6% on a reported basis and 3.4% on an organic basis to €7.2 billion. The decrease in EBITDA was mitigated by lower depreciation and amortization charges mainly owing to the significant impairment losses recognized at end-2013. Adjusted for climatic conditions in France and the gas price "catch-up", this indicator was up 8.2% on an organic basis.

Net income Group share totaled €2.4 billion in 2014, up €12.1 billion on a reported basis compared with 2013. 2013 was heavily impacted by impairment losses, which reduced net income Group share by €12.7 billion.

Net recurring income Group share amounted to €3.1 billion in 2014, down €0.3 billion year on year. The decline in current operating income after share in net income of entities accounted for using the equity method was offset to a large extent by lower recurring financial expenses thanks to more active debt management and a lower recurring tax expense.

Cash flow from operations amounted to €7.9 billion, down €2.4 billion compared with 2013. This decrease is mainly due to the fall in cash generated from operations before income tax and working capital requirements, and the change in working capital requirements, which was related in particular to the impact of changes in oil prices on margin calls. This was partially offset by lower interest payments thanks to the decrease in average net debt.

Net debt stood at €27.5 billion at end-December 2014, down €1.3 billion year on year, reflecting the following items: (i) cash generated from operations before income tax and working capital requirements for the year (€11.8 billion) and the issue of hybrid notes also called deeply-subordinated perpetual notes by GDF SUEZ SA at the beginning of June (€2.0 billion); (ii) this was offset by the change in working capital requirements (€1.2 billion), net investments (including changes in scope of consolidation) carried out by the Group (€3.9 billion) as well as dividends paid to GDF SUEZ SA shareholders (€2.8 billion) and to non-controlling interests (€0.8 billion).

(1) The IFRS consolidated financial statements presented in Section II were approved and authorized for issue by the Board of Directors on February 25, 2015. They have been audited by the Group's Statutory Auditors.

I.1 REVENUES AND EARNINGS TRENDS

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**74,686**	**79,985**	**-6.6%**	**-7.2%**
EBITDA	**12,138**	**13,017**	**-6.7%**	**-4.2%**
Net depreciation and amortization charges/Other	(4,977)	(5,351)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,161**	**7,665**	**-6.6%**	**-3.4%**

Consolidated **revenues** for the year ended December 31, 2014 amounted to €74.7 billion, down 6.6% compared with 2013. On an organic basis (excluding the impact of changes in the scope of consolidation and exchange rates), revenues fell by 7.2%. Adjusted for the impacts of climatic conditions in France and the gas price “catch-up” adjustments recorded in 2013 (€2.3 billion impact), revenues were down 4.4% on an organic basis.

Changes in the scope of consolidation had a net positive €689 million impact, mainly corresponding to Energy Services’ acquisition of Balfour Beatty Workplace in the United Kingdom (positive €847 million impact) and Ecova in the United States (positive €68 million impact), the full consolidation of GTT by Global Gas & LNG (positive €186 million impact) and Energy International’s acquisition of Meenakshi in India (positive €83 million impact). These positive impacts were partly offset by the decline in revenues resulting from disposals carried out in Europe (negative €280 million impact) and the United States (negative €164 million impact), mainly by Energy International and Energy Europe.

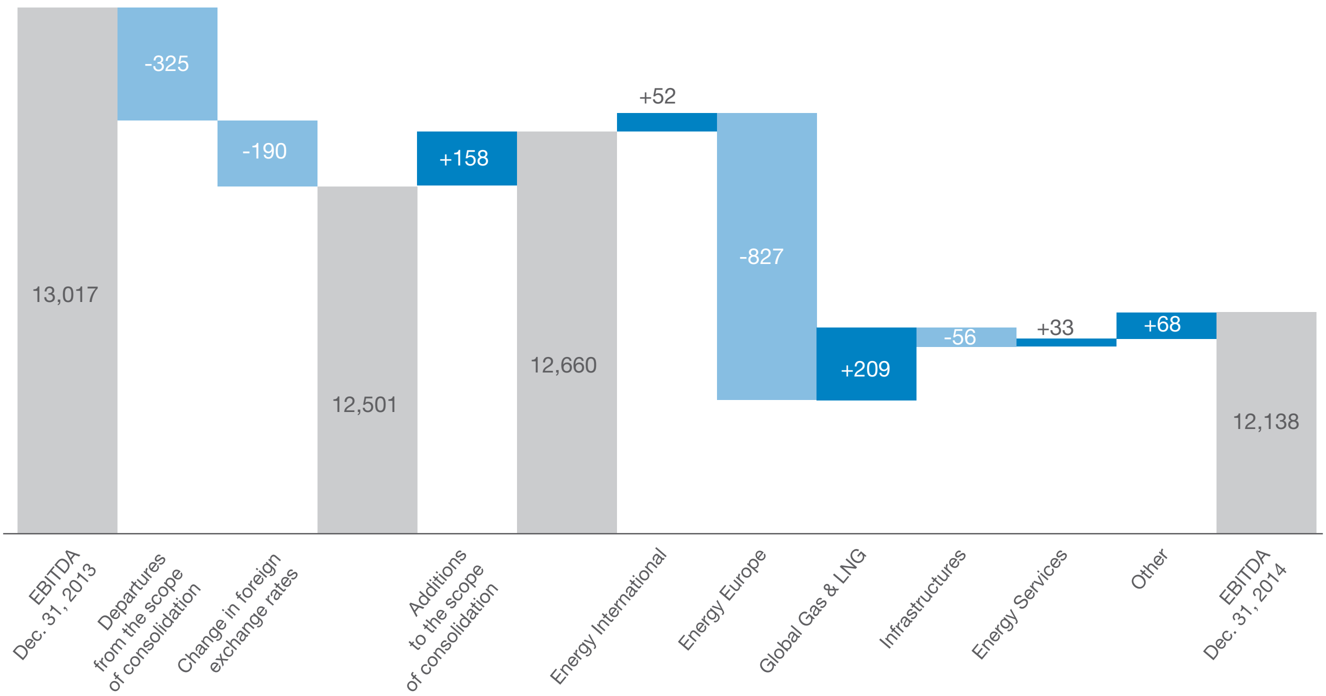
Exchange rates had a negative €302 million impact on Group revenues, mainly reflecting the appreciation of the euro against the Brazilian real, the Norwegian krone, the Australian dollar and the Thai baht. This was partly offset by the euro’s depreciation against the pound sterling. The euro/dollar exchange rate, however, remained stable on average compared with 2013.

Organic revenue performance varied across the Group’s business lines: Global Gas & LNG and Infrastructures reported growth for the year, while revenues remained stable at Energy International and Energy Services and were down at Energy Europe.

EBITDA declined by 6.7% to €12.1 billion over the year. Excluding the impact of changes in the scope of consolidation and exchange rates, the decrease in EBITDA came out at 4.2%.

EBITDA TRENDS

In millions of euros



Departures from the scope of consolidation had a negative €325 million impact on EBITDA, largely due to the sale of power generation assets in France, Italy, Portugal and the United States. Conversely, additions to the scope of consolidation had a positive €158 million impact, largely thanks to the acquisitions made by Energy Services (mainly Balfour Beatty Workplace in the United Kingdom and Ecova in the United States) and Energy International's acquisition of Meenakshi in India, as well as the full consolidation of GTT further to its initial public offering at the end of February 2014.

Changes in exchange rates had a negative €190 million impact, mainly due to the appreciation of the euro against the Brazilian real and the Norwegian krone.

On an organic basis, EBITDA was down 4.2%, or €521 million, but up 2.4%, or €294 million, when adjusted for climate impacts in France and the gas price "catch-up" recorded in 2013. Excluding the positive impact of the Group's performance plan across all business lines, this reflects the following trends:

- EBITDA for Energy International amounted to €3,716 million, up by 1.4% on an organic basis. This was driven by improved performances in the United States, Thailand, Chile, the United Kingdom, Peru and Pakistan, despite a decline in results in Australia and weaker results in Brazil due to adverse hydrological conditions;
- EBITDA for Energy Europe totaled €2,020 million, down 29.2% on an organic basis, adversely impacted by unfavorable climatic conditions, partial outages at three nuclear power plants in Belgium, the decrease in electricity market prices and the gas price "catch-up" adjustments in France recorded in 2013. Adjusted for climatic conditions in France and the gas price "catch-up", this decrease was contained at 11.5% on an organic basis;
- EBITDA for Global Gas & LNG of €2,225 million was up 10.9% on an organic basis, thanks to a strong performance in the LNG sector in Europe and Asia and the increase in production recorded by the Group's Exploration & Production business as a result of the commissioning of new assets that took place over the year;
- EBITDA for Infrastructures declined 1.7% on an organic basis to €3,274 million year on year, due to the milder climate compared with the previous year, which weakened the positive impact of higher gas prices and of increases in transport and storage capacities marketed in Europe. Adjusted for climatic conditions in France, EBITDA for Infrastructures was up 6.8% on an organic basis;
- EBITDA for Energy Services advanced 3.2% on an organic basis to €1,127 million.

Current operating income after share in net income of entities accounted for using the equity method amounted to €7.2 billion, down 3.4% on an organic basis compared with 2013, but up 8.2% on an organic basis when adjusted for climatic conditions and the gas price "catch-up" in France. This indicator shows trends by business line comparable to those of EBITDA and is positively impacted by lower depreciation and amortization charges following the significant impairment losses recognized at end-2013.

I.2 BUSINESS TRENDS

I.2.1 Energy International

In millions of euros	Dec. 31, 2014 Total(1)	Latin America	Asia-Pacific	North America	UK - Turkey	South Asia, Middle East & Africa
Revenues	**13,977**	**3,818**	**2,740**	**3,782**	**2,957**	**679**
EBITDA	**3,716**	**1,343**	**857**	**956**	**380**	**298**
Net depreciation and amortization charges/Other	(971)	(361)	(218)	(268)	(109)	(11)
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**2,745**	**982**	**638**	**688**	**271**	**286**

(1) The Energy International business line also has a “headquarters” function, the costs for which are not broken down in the table above.

In millions of euros	Dec. 31, 2013 Total(1)	Latin America	Asia-Pacific	North America	UK - Turkey	South Asia, Middle East & Africa	% change (reported basis)	% change (organic basis)
Revenues	**14,393**	**3,627**	**2,891**	**3,818**	**3,527**	**531**	**-2.9%**	**+0.7%**
EBITDA	**4,029**	**1,473**	**928**	**941**	**488**	**320**	**-7.8%**	**+1.4%**
Net depreciation and amortization charges/Other	(1,093)	(368)	(233)	(327)	(153)	(6)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**2,937**	**1,105**	**695**	**615**	**335**	**314**	**-6.5%**	**+4.1%**

(1) The Energy International business line also has a “headquarters” function, the costs for which are not broken down in the table above.

Energy International’s **revenues**, at €13,977 million, fell 2.9% on a reported basis (up 0.7% on an organic basis). These movements reflect, on the one hand, the negative €313 million impact of changes in the scope of consolidation and the negative €195 million impact of changes in exchange rates (due mostly to the Brazilian real, but also the Australian dollar and Thai baht, partly offset by a stronger pound sterling), and on the other hand, a limited organic increase. The organic increase results chiefly from the impact of higher prices in North and Latin America and the commissioning of new plants in Latin America, South Asia, the Middle East and Africa, offset by lower sales volumes in the UK retail business.

EBITDA amounted to €3,716 million, down 7.8% based on reported figures (up 1.4% on an organic basis), after taking into account the negative €249 million impact of changes in the scope of consolidation and the negative €116 million impact of exchange rate fluctuations. The organic increase mainly reflects improved performances in North America, the United Kingdom, Peru, Chile, Thailand and Pakistan, partly offset by exceptionally unfavorable hydrological conditions in Brazil.

Current operating income after share in net income of entities accounted for using the equity method, at €2,745 million, decreased by 6.5% on a reported basis and improved by 4.1% on an organic basis, in line with EBITDA trends.

Latin America

Revenues for the Latin America region rose by 5.3% based on reported figures to €3,818 million, and moved up 11.1% on an organic basis. In Brazil, sales growth resulted from an increase in average bilateral sales contract prices, primarily due to inflation indexation, an increase in transactions in the short-term market and the progressive commissioning of the Trairi wind farm complex (115 MW). Peru trended upwards thanks to the commissioning of the Ilo Cold Reserve thermal plant (560 MW) in June 2013. In Chile, slightly higher revenues were mostly driven by improved energy prices linked to fuel price indexation.

Electricity sales increased by 1.4 TWh to 56.2 TWh, while gas sales were down 1.8 TWh, particularly in Chile, coming in at 9.5 TWh.

EBITDA totaled €1,343 million, down 4.2% on an organic basis. The decline in EBITDA mainly results from:

- a weaker performance in Brazil, mainly due to the unfavorable hydrological conditions which affected the entire hydro generation system (shortfall) and led to a significant increase in spot prices. This decline was partly offset by an increase in activity at thermal power plants, the completion of the commissioning of the Trairi wind farm complex and the increase in average bilateral sales contract prices, mainly due to inflation;
- a robust performance in Chile, driven by wider margins thanks to higher electricity prices and a strong operating performance from E-CL; and for GNLM Mejillones, the commissioning of the onshore LNG storage tank in February 2014;
- positive trends in Peru, mainly reflecting the commissioning of the Ilo Cold Reserve thermal plant and higher energy demand, particularly from regulated customers.

Current operating income after share in net income of entities accounted for using the equity method amounted to €982 million, down 5.9% on an organic basis in line with EBITDA trends.

Asia-Pacific

Revenues for the region totaled €2,740 million, down 5.2% based on reported figures and down 0.6% on an organic basis, chiefly reflecting a decline in revenues for coal facilities in Australia on the back of lower market prices, weaker demand and less availability (following maintenance outages). These factors were partly offset by improved activity in Thailand, spurred by an increase in demand from industrial customers and higher prices, along with growth in the Australian retail business.

Electricity sales remained stable at 42.8 TWh, with lower volumes in Australia fully offsetting the 1.1 TWh increase in Thailand. Natural gas sales rose by 0.6 TWh to 3.7 TWh.

EBITDA came in at €857 million, down 7.7% on a reported basis and down 2.7% based on organic figures. The strong performance from the Thailand facilities, driven mainly by the good availability of the Gheco-1 plant and improved margins on industrial customers was more than offset by the lower performance from Australian coal facilities, which suffered depressed market conditions and lower availability, and a weaker contribution from Singapore reflecting pressure on market prices and volumes.

Current operating income after share in net income of entities accounted for using the equity method came out at €638 million, decreasing by 3.3% on an organic basis in line with EBITDA trends.

North America

Revenues for the North America region totaled €3,782 million, representing a decrease on 2013 of 0.9% based on reported figures and an increase of 4.0% on an organic basis. This performance was driven primarily by the impact of the strong operating performance of US power generation activities, aided further by extreme weather events in the north-east of the country in the first quarter of 2014.

Electricity sales decreased 1.1 TWh on a reported basis to 64.9 TWh, reflecting lower sales volumes in the US retail business. Prior-year volumes included 3.4 TWh from assets subsequently sold.

Natural gas sales[1], excluding intra-group transactions, fell by 9.6 TWh to 31.6 TWh as a consequence of increased LNG diversions performed by the Global Gas & LNG business line.

EBITDA came in at €956 million, up 10.2% on an organic basis, mainly due to the strong year-round performance from the US power business, which benefited from the extreme weather in the north-east of the country in the first quarter. This was partly offset by weaker overall performances in the LNG business due to a decline in average cargo diversion margins.

Current operating income after share in net income of entities accounted for using the equity method totaled €688 million, representing an organic increase of 23.3% due to a combination of EBITDA growth and lower depreciation and amortization charges.

United Kingdom & Turkey

Revenues for the United Kingdom & Turkey region totaled €2,957 million, down 16.2% on a reported basis partly due to asset disposals in Continental Europe. On an organic basis, revenues for the region fell 14.5%, hit by lower sales volumes from UK retail activities.

Electricity sales fell 5.9 TWh to 30.1 TWh, mainly due to lower volumes in the UK generation and retail business. The decline also reflects a reduction of 1.0 TWh due to the impact of the asset portfolio optimization program in Continental Europe. Gas sales were 35.2 TWh, down 4.3 TWh on an organic basis due to lower volumes for the UK and Turkish retail businesses.

EBITDA came in at €380 million, up 10.6% on an organic basis due to an improvement in captured spreads compared to 2013. Favorable one-off items in the UK retail business offset the fall in sales volumes.

Current operating income after share in net income of entities accounted for using the equity method was €271 million, up 22.1% on an organic basis, spurred by a rise in EBITDA coupled with lower depreciation and amortization charges due to the impairment losses recognized against certain assets in 2013.

(1) Natural gas total sales volumes increased by 3.5 TWh to 72.7 TWh, primarily due to higher LNG cargo diversion volumes.

South Asia, Middle East & Africa

Revenues for the South Asia, Middle East & Africa region ("SAMEA") totaled €679 million, an increase of 28.0% on a reported basis and 16.9% on an organic basis. This organic growth is mainly related to the commissioning of Uch II (Pakistan, 375 MW) in April 2014 and to higher development fees earned on projects. Growth in reported revenues also reflects the acquisition of Meenakshi (India, 300 MW) in December 2013, mitigated by the equity consolidation of Sohar in Oman (the interest in the company decreased from 45% to 35% in May 2013).

Electricity sales amounted to 8.7 TWh, representing an increase of 1.4 TWh. This is mainly due to the acquisition of Meenakshi (positive 1.3 TWh impact) at the end of 2013 and the commissioning of Uch II (positive 2 TWh impact), offset to some extent by the partial sale of Sohar and resulting change of consolidation method (negative 1.3 TWh impact).

EBITDA came in at €298 million, representing an increase of 1.6% on an organic basis. This increase comes mainly from the commissioning of Uch II and a rise in the development fees earned in 2014, and is partly offset by higher maintenance costs and one-off items.

Current operating income after share in net income of entities accounted for using the equity method amounted to €286 million, up 1.7% on an organic basis. This increase is explained by the same factors that impacted EBITDA trends.

I.2.2 Energy Europe

	Dec. 31, 2014			Dec. 31, 2013				
In millions of euros	Total[(1)]	Central Western Europe	Southern & Eastern Europe	Total[(1)]	Central Western Europe	Southern & Eastern Europe	% change (reported basis)	% change (organic basis)
Revenues	**35,158**	**29,285**	**5,873**	**42,713**	**36,090**	**6,623**	**-17.7%**	**-17.5%**
EBITDA	**2,020**	**1,571**	**585**	**2,877**	**2,592**	**398**	**-29.8%**	**-29.2%**
Net depreciation and amortization charges/Other	(1,107)	(909)	(195)	(1,447)	(1,178)	(264)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**913**	**662**	**390**	**1,430**	**1,414**	**134**	**-36.2%**	**-36.4%**

(1) Of which business line corporate function costs.

VOLUMES SOLD BY THE BUSINESS LINE

In TWh	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)
Gas sales	605.8	686.3	-11.7%
Electricity sales	159.9	181.4	-11.9%

Energy Europe's **revenues** totaled €35,158 million, down 17.7%, or 17.5% on an organic basis. This decrease chiefly reflects the impact of climatic conditions on gas sales (2014 was a particularly mild year whereas 2013 had been a particularly cold one), the fall in sales prices, and periods of outages at certain nuclear facilities. Gas sales amounted to 606 TWh, including 95 TWh to key accounts. Electricity sales amounted to 160 TWh. At end-December 2014, Energy Europe had almost 13.8 million individual customers for gas and almost 5.7 million electricity customers.

The business line's **EBITDA** dropped 29.8% to €2,020 million (down 29.2% on an organic basis). 2014 was penalized by unfavorable weather conditions, the shutdown of the Doel 3 and Tihange 2 power plants as from March 26, 2014 and the Doel 4 plant between August 5 and December 19, the fall in prices on the electricity market, and the price "catch-up" adjustments in France recognized in 2013 (relating to 2011 and 2012, and concerning natural gas). These impacts were partly offset by performance efforts within the business line and by the fall in net additions to provisions compared to 2013.

Current operating income after share in net income of entities accounted for using the equity method also fell, reflecting the decline in EBITDA. This was partially offset by lower depreciation and amortization charges following the impairment losses recognized against certain assets at December 31, 2013.

Central Western Europe (CWE)

The contribution of CWE to Group **revenues** amounted to €29,285 million, down 18.9%, or 18.8% lower on an organic basis.

CWE's **EBITDA** declined by 39.4% (38.9% on an organic basis), due to unfavorable climatic conditions, lower prices, outages at the three nuclear reactors Doel 3, Tihange 2 and Doel 4, and the impact of price "catch-up" adjustments recorded in France in 2013.

Current operating income after share in net income of entities accounted for using the equity method also fell in line with the decline in EBITDA, partially offset by lower depreciation and amortization charges following the impairment losses recognized against certain assets at December 31, 2013.

CWE FRANCE

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**13,698**	**17,676**	**-22.5%**	**-22.3%**
EBITDA	**633**	**1,494**	**-57.7%**	**-57.2%**
Net depreciation and amortization charges/Other	(380)	(466)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**252**	**1,028**	**-75.5%**	**-76.0%**

VOLUMES SOLD IN FRANCE

In TWh	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)
Gas sales(1)	205.7	280.5	-26.7%
Electricity sales	46.3	51.7	-10.5%

(1) Business line contribution data.

FRANCE CLIMATIC ADJUSTMENT

In TWh	Dec. 31, 2014	Dec. 31, 2013	Total change in TWh
Climate adjustment volumes (negative figure = warm climate, positive figure = cold climate)	(21.7)	17.3	(39.0)

France's contribution to Group **revenues** amounted to €13,698 million in 2014, down 22.5% (down 22.3% on an organic basis), notably due to less favorable climatic conditions in 2014 and the price "catch-up" adjustments recorded in 2013.

Natural gas sales were down 74.9 TWh; mild weather during the year reduced sales by 21.7 TWh, whereas the very cold weather in 2013 added 17.3 TWh to sales. The decline in sales was also linked to competitive pressure and weaker demand due to energy saving efforts. GDF SUEZ still holds around 80% of the retail market and around 42% of the business market.

Electricity sales declined by 5.4 TWh despite higher sales to direct customers which were more than offset by the fall in market sales, chiefly as a result of lower gas-fired power plant production and lower levels of hydroelectricity.

EBITDA was down €861 million due to a fall in volumes sold, price "catch-up" adjustments recorded in 2013 and the decrease in electricity market prices.

Current operating income after share in net income of entities accounted for using the equity method decreased in line with EBITDA.

CWE BENELUX & GERMANY

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**9,964**	**12,273**	**-18.8%**	**-19.1%**
EBITDA	**826**	**1,167**	**-29.3%**	**-33.0%**
Net depreciation and amortization charges/Other	(461)	(624)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**365**	**543**	**-32.7%**	**-40.4%**

Revenues from the Benelux & Germany region amounted to €9,964 million, a drop of 18.8% (down 19.1% on an organic basis) compared to 2013.

Electricity sales in Belgium and Luxembourg were down 7.9 TWh. This mainly reflects a decrease in wholesale market sales due to lower electricity production (down 8.8 TWh) resulting from the extended outage at certain nuclear reactors, and the erosion of market share in 2013 (retail market share has since stabilized at around 49%).

Electricity sales fell 0.7 TWh in the Netherlands and held firm in Germany, slipping 0.1 TWh.

Natural gas volumes sold fell 31.7 TWh, or 25%, in the Benelux & Germany region due to unfavorable climatic conditions in 2014 and the erosion of market share. Market share has stabilized since the beginning of the year, at around 45% of the retail market in Belgium.

EBITDA for the region was down 33.0% on an organic basis, reflecting the unavailability of certain nuclear reactors, falling electricity prices and spreads, and a decline in natural gas volumes sold.

Current operating income after share in net income of entities accounted for using the equity method declined in line with EBITDA despite a fall in net depreciation and amortization charges.

SOUTHERN & EASTERN EUROPE

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**5,873**	**6,623**	**-11.3%**	**-10.6%**
EBITDA	**585**	**398**	**+47.2%**	**+45.5%**
Net depreciation and amortization charges/Other	(195)	(264)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**390**	**134**	**NA**	**NA**

Southern & Eastern Europe region **revenues** dropped by 11.3% (down 10.6% on an organic basis), mainly due to lower sales of electricity and gas in Italy (wholesale market and end customers).

EBITDA for Southern & Eastern Europe jumped 45.5% driven by the increase in prices for green certificates in Poland, a rise in tariffs in Romania and one-off impacts in Italy.

Current operating income after share in net income of entities accounted for using the equity method mirrored EBITDA growth and benefited from lower depreciation and amortization charges.

I.2.3 Global Gas & LNG

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**6,883**	**5,644**	**+22.0%**	**+21.5%**
Total revenues *(incl. intra-group transactions)*	**9,551**	**8,404**	**+13.6%**	
EBITDA	**2,225**	**2,028**	**+9.7%**	**+10.9%**
Net depreciation and amortization charges/Other	(1,162)	(1,056)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**1,064**	**973**	**+9.4%**	**+10.0%**

Global Gas & LNG's contribution to Group **revenues** for the year ended December 31, 2014 amounted to €6,883 million, up 22.0% on a reported basis compared to 2013. Organic growth came in at 21.5%.

The sharp increase in the contribution to revenues was driven by:

- growth of 40 TWh in external LNG sales with volumes of 119 TWh for 2014, representing 142 cargoes (of which 75 shipped to Asia), compared to volumes of 79 TWh for 2013, representing 87 cargoes (of which 67 shipped to Asia);
- an increase in the Exploration & Production hydrocarbon production contribution (48.9 Mboe for 2014 versus 45.4 Mboe for 2013), following the recent commissioning of facilities, offset by the negative impact of the decrease in commodity prices;
- the full consolidation of GTT further to its initial public offering (IPO) in late February 2014.

Hydrocarbon production for 2014 was up 3.6 Mboe to 55.5 Mboe versus 51.9 Mboe in 2013. The level of hydrocarbon production over the full year was boosted by the restart of Njord and the commissioning of the Amstel field in the Netherlands (February), and Gudrun and H-North in Norway (April and September, respectively).

EBITDA for the Global Gas & LNG business line in 2014 amounted to €2,225 million, up 9.7% on a reported basis compared to 2013. Organic growth came in at 10.9%, spurred by a fall in net additions to provisions, strong LNG activity in Europe and Asia, and the rise in total hydrocarbon production (newly commissioned facilities), partially offset by the fall in commodity prices.

Current operating income after share in net income of entities accounted for using the equity method was €1,064 million in 2014, up 9.4% based on reported figures and up 10.0% on an organic basis, in line with EBITDA trends.

1.2.4 Infrastructures

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**2,994**	**2,557**	**+17.1%**	**+17.1%**
Total revenues *(incl. intra-group transactions)*	**6,812**	**6,775**	**+0.5%**	
EBITDA	**3,274**	**3,334**	**-1.8%**	**-1.7%**
Net depreciation and amortization charges/Other	(1,280)	(1,264)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**1,994**	**2,069**	**-3.6%**	**-3,5%**

Total **revenues** for the Infrastructures business line, including intra-group transactions, remained stable year on year at €6,812 million in 2014, reflecting:

- the annual review in France of distribution infrastructure access tariffs (2.9% increase on July 1, 2014 and 4.1% increase on July 1, 2013) and of transport infrastructure tariffs (3.9% increase on April 1, 2014 and 8.3% increase on April 1, 2013);
- additional transport capacity offered in the South through JTS (Joint Transport Storage), enabling combined reservations of transport and storage capacity on the North-South link ("*PEG Nord-Sud*");
- improved marketing of storage capacity in France linked to the start of sales operations for new storage caverns in Germany (Peckensen 4 and 5) and the United Kingdom (Stublach);
- and despite the 55.1 TWh fall in volumes[(1)] distributed by GrDF due to milder climatic conditions in 2014 compared to 2013.

In this climatic and regulatory context, the business line's contribution to Group revenues was €2,994 million, up 17.1% year on year as a result of:

- growth in distribution, transportation and storage activities for third parties in an increasingly deregulated market;
- solid natural gas purchase and sale activities to maintain technical storage performance.

EBITDA for the Infrastructures business line amounted to €3,274 million for the period, down 1.8% year on year (down 1.7% on an organic basis). This decline mainly concerns the distribution business, which was hit by a milder climate. Apart from this climate effect, EBITDA was up 6.8% on an organic basis.

Current operating income after share in net income of entities accounted for using the equity method for the Infrastructures business line came in at €1,994 million for the period, down 3.6% year on year (down 3.5% on an organic basis), with net depreciation and amortization charges edging up 1.4%. The decrease in these charges following the impairment losses recorded at December 31, 2013 is offset by the commissioning of new facilities.

(1) 23 TWh distributed due to cold weather conditions in 2013 versus a negative 32.1 TWh during the milder 2014.

I.2.5 Energy Services

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
Revenues	**15,673**	**14,678**	**+6.8%**	**+0.4%**
EBITDA	**1,127**	**1,041**	**+8.2%**	**+3.2%**
Net depreciation and amortization charges/Other	(335)	(333)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**791**	**708**	**+11.8%**	**+5.5%**

Revenues for the Energy Services business line climbed 6.8% on a reported basis to €15,673 million for 2014, buoyed by the acquisitions carried out in late 2013 and in 2014 of Balfour Beatty Workplace and Lend Lease in the United Kingdom (€847 million) and Ecova in the United States (€68 million).

Organic revenue growth came in at 0.4%, chiefly reflecting the growth in installation activities in France and Benelux countries, particularly in electrical and climatic engineering activities. However, revenue growth was partly offset by the unfavorable impact of mild weather conditions in 2014 and the final impacts of the expiration of gas cogeneration contracts in France and Italy resulting from the termination of the purchasing agreements for electricity produced by these plants.

EBITDA for Energy Services rose 8.2% to €1,127 million on a reported basis, due chiefly to the acquisitions made in the United Kingdom and the United States. Organic growth came out at 3.2%, chiefly reflecting:

- a positive volume impact on installation activities, particularly in France, Benelux countries and Germany;
- cost-reduction measures – especially on overheads – and measures to boost operating performance;
- the positive impact of the commissioning of new heating networks and services in France.

These items were partially offset by:

- the final impacts of the expiration of gas cogeneration contracts in France and Italy;
- exceptionally mild weather in Europe in 2014 which had an adverse impact on the urban heating networks activity and on energy sales.

Current operating income after share in net income of entities accounted for using the equity method amounted to €791 million, up 5.5% on an organic basis.

I.2.6 Other

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)	% change (organic basis)
EBITDA	**(224)**	**(292)**	**+23.2%**	**+23.2%**
Net depreciation and amortization charges/Other	(121)	(159)		
CURRENT OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**(346)**	**(451)**	**+23.3%**	**+23.3%**

EBITDA for this business line came in at a negative €224 million for 2014, an improvement on 2013 due mainly to the increase in the income of SUEZ Environnement attributable to GDF SUEZ, the effects of the Perform 2015 plan, and reversals of provisions in the Group’s reinsurance subsidiary.

Current operating loss after share in net income of entities accounted for using the equity method narrowed in 2014, on the back of improved EBITDA and the positive adjustment of expenses in relation to share-based payments (IFRS 2).

I.3 OTHER INCOME STATEMENT ITEMS

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	% change (reported basis)
Current operating income after share in net income of entities accounted for using the equity method	**7,161**	**7,665**	**-6.6%**
Mark-to-market on commodity contracts other than trading instruments	(298)	(225)	
Impairment losses	(1,037)	(14,773)	
Restructuring costs	(167)	(285)	
Changes in scope of consolidation	562	(41)	
Other non-recurring items	353	535	
Income/(loss) from operating activities	**6,574**	**(7,124)**	**NA**
Net financial income/(loss)	(1,876)	(1,715)	
Income tax expense	(1,588)	(641)	
NET INCOME/(LOSS)	**3,110**	**(9,481)**	**NA**
o/w net income/(loss) Group share	2,440	(9,646)	
o/w non-controlling interests	669	165	

Income/(loss) from operating activities amounted to €6,574 million in 2014 versus a loss of €7,124 million in 2013.

Impairment losses totaling €14,773 million had been recognized in 2013 (€1,037 million in 2014), of which €5,689 million against goodwill (including goodwill on entities accounted for using the equity method) and €8,994 million against property, plant and equipment and intangible assets. In recognizing these impairment losses, the Group acknowledged the profound change in the energy paradigm in Europe.

The €1,037 million in impairment losses for 2014 were recognized chiefly in respect of the Global Gas & LNG business line (€362 million), the Energy International business line (€306 million) and the Energy Europe business line (€291 million). The impairment losses chiefly concern (i) exploration and production assets in the North Sea (€261 million) which have been affected by the fall in proven and probable production reserves and by the decline in gas prices in Europe, and (ii) thermal power plants in the UK (€181 million) as a result of a deterioration in the market outlook.

Income/(loss) from operating activities was also affected by:

- changes in the fair value of commodity derivatives (mark-to-market) that had a negative impact of €298 million on income from operating activities (reflecting the impact of transactions not eligible for hedge accounting), compared with a negative impact of €225 million in 2013. The impact for the period results chiefly from negative overall price effects, partly offset by the net positive impact of unwinding positions with a negative market value at December 31, 2013;
- restructuring costs of €167 million, compared with €285 million the previous year;
- "Changes in scope of consolidation" (gains and losses on the disposal of consolidated equity interests or on remeasurements of previously held interests in accordance with IFRS 3) which had a positive impact of €562 million in 2014, compared with a negative impact of €41 million in 2013. Changes in the scope of consolidation mainly relate to gains on remeasuring the previous interest in GTT (after the Group acquired control of the company) totaling €359 million and in Walloon inter-municipal companies (loss of significant influence) totaling €174 million;
- "Other non-recurring items" representing income of €353 million (chiefly reflecting the gain on the disposal of interests in Flemish mixed inter-municipal companies), compared with income of €535 million in 2013 (primarily resulting from the reversal of a provision for the back-end of the nuclear fuel cycle in Belgium).

The Group reported a net financial loss of €1,876 million for 2014, compared to a loss of €1,715 million the previous year. The €266 million decrease in the cost of debt resulting from the fall in outstanding borrowings and the average cost of gross debt was more than offset by the negative €328 million impact of non-recurring expenses compared to 2013 (negative €236 million impact of changes in the fair value of derivatives not eligible for hedge accounting and negative €69 million impact of debt restructuring transactions), and by the €114 million increase in the discounting expense relating to provisions.

The 2013 income tax charge included an income tax benefit of €1,593 million arising on non-recurring income statement items (versus €659 million in 2014). The non-recurring items essentially related to the impairment losses recognized against property, plant and equipment and intangible assets in 2013. Adjusted for these items, the effective recurring tax rate was 35.0%, slightly down on the 35.7% rate for 2013.

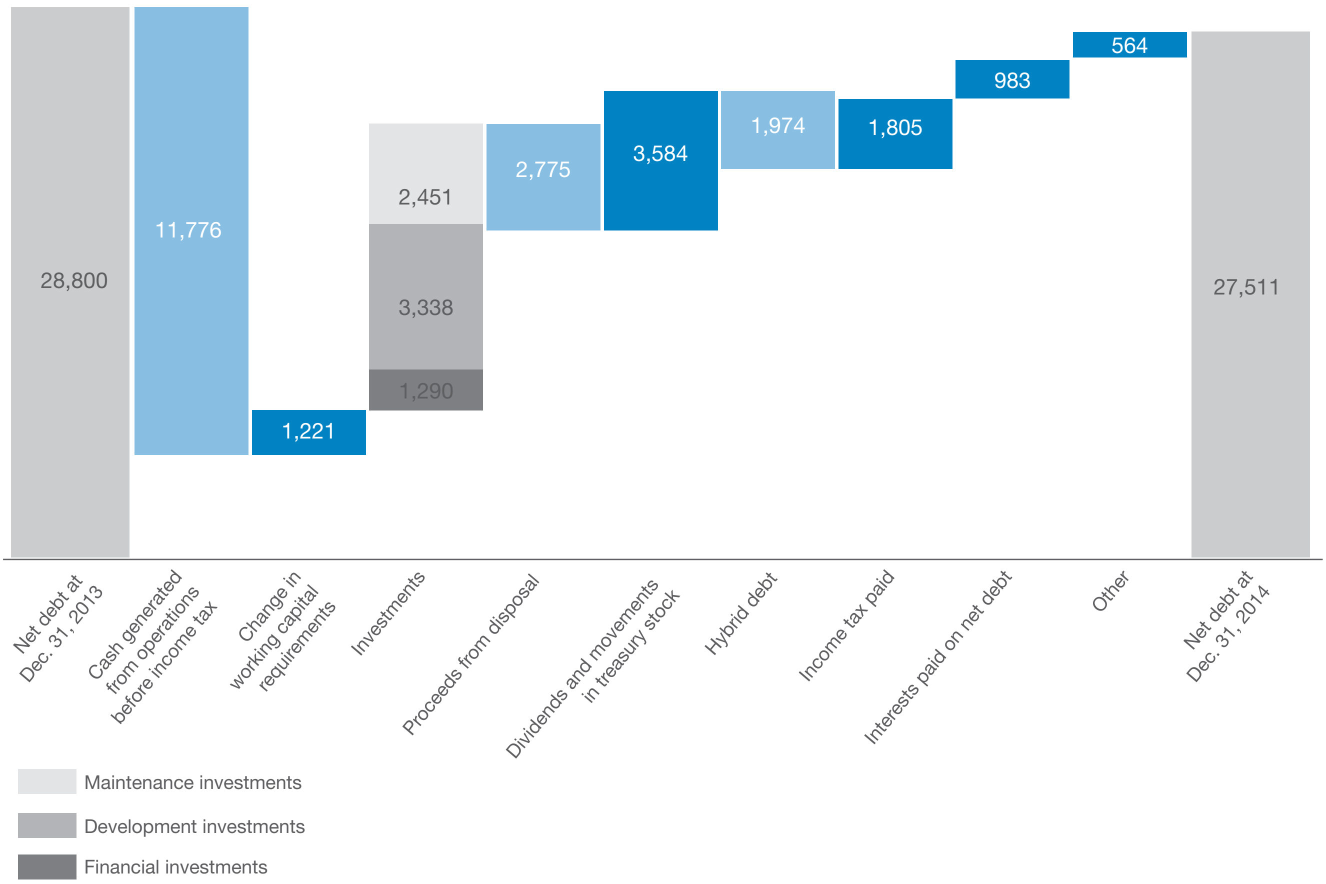
Net income attributable to non-controlling interests was up sharply year-on-year, at €669 million, owing to the impairment losses recognized in 2013.

I.4 CHANGES IN NET DEBT

Net debt stood at €27.5 billion at end-December 2014 and was down €1.3 billion compared to net debt at end-December 2013, reflecting the following items: (i) cash generated from operations before income tax and working capital requirements for the period (€11.8 billion) and the issue of hybrid notes by GDF SUEZ SA at the beginning of June (€2.0 billion); (ii) offset by the change in working capital requirements (€1.2 billion), net investments (including changes in Group structure) carried out by the Group (€3.9 billion) as well as dividends paid to GDF SUEZ SA shareholders (€2.8 billion) and to non-controlling interests (€0.8 billion).

Changes in net debt break down as follows:

In millions of euros



The net debt to EBITDA ratio came out at 2.27 at December 31, 2014.

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Net debt	27,511	28,800
EBITDA	12,138	13,017
Net debt/EBITDA ratio	**2.27**	**2.21**

I.4.1 Cash generated from operations before income tax and working capital requirements

Cash generated from operations before income tax and working capital requirements amounted to €11,776 million in 2014, down €1,349 million compared with 2013.

The fall was in line with the EBITDA performance and also reflected net changes in additions to provisions since these are now taken into account in the revised definition of EBITDA.

1.4.2 Change in working capital requirements

The change in working capital requirements represents a negative impact of €1.2 billion, mainly related to the impact of fluctuations in commodity prices (Brent crude) on margin calls.

1.4.3 Net investments

Gross investments during the period amounted to €7,079 million and included:

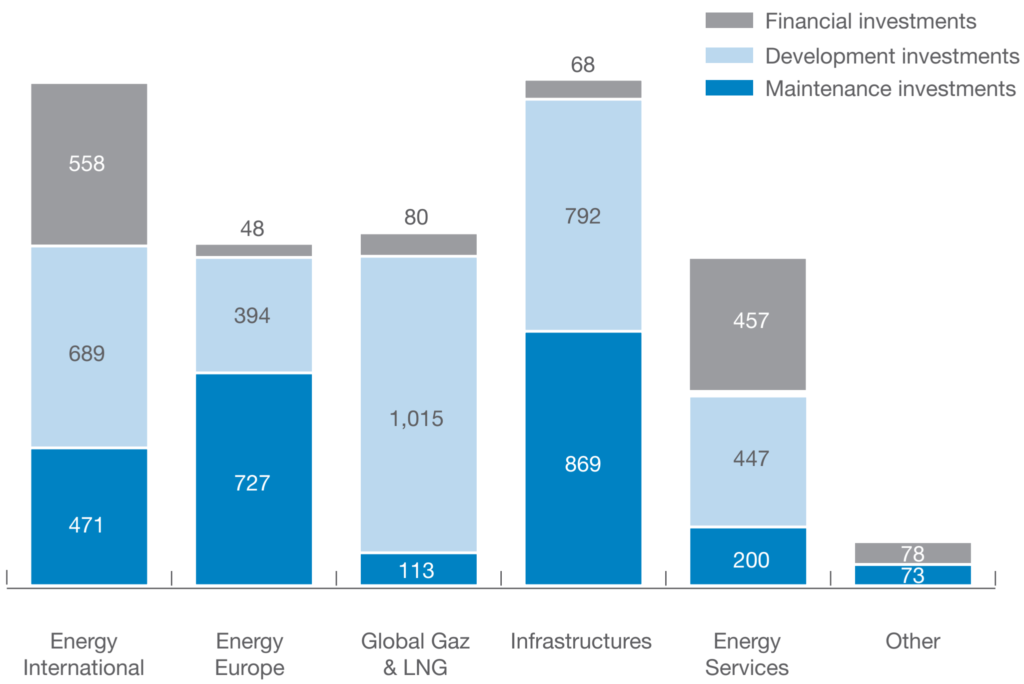
- financial investments for €1,290 million, relating chiefly to the acquisition of Ecova (United States) by Cofely; payments for the capital increases subscribed in Jirau (€213 million); Synatom investments which rose by €171 million, loans and capitalization transactions for the Los Ramones pipeline construction project (Mexico) for €134 million; and the acquisition of Flemish municipalities' non-controlling interests in Electrabel Customer Solutions (Belgium) for €101 million;
- development investments totaling €3,338 million. Most of this amount was invested by the Global Gas & LNG business line (€1,015 million) to develop gas fields in the United Kingdom, Indonesia, the Netherlands, Norway and Algeria; by the Infrastructures business line (€792 million) in respect of the natural gas transport network in France and the Gazpar project to develop communicating "smart" meters; and by the Energy International business line (€689 million) in connection with the construction of facilities in Peru, India and Brazil;
- maintenance investments for an amount of €2,451 million.

Disposals represented a cash amount of €2,775 million and related essentially to the sale of interests in Flemish mixed inter-municipal companies (Belgium) for €911 million; the sale of the power generation asset portfolio in Panama and Costa Rica and the repayment of loans granted by the Group to these entities for €455 million; the sale of 20% of Jirau (Brazil) for €318 million; the sale of ISAB (Italy) for €153 million; and the early repayment of the residual SPP sale price (Slovakia) for €122 million.

Including changes in the scope of consolidation resulting from these acquisitions and disposals, net investments represent €3,879 million.

Capital expenditure breaks down as follows by business line:

In millions of euros



I.4.4 Dividends and movements in treasury stock

Dividends and movements in treasury stock during the period amounted to €3,584 million and included:

- €2,767 million in dividends paid by GDF SUEZ SA to its shareholders, consisting of the outstanding balance on the 2013 dividend (€0.67 per share) paid in May 2014, and an interim dividend in respect of 2014 (€0.50 per share) paid in October 2014;
- dividends paid by various subsidiaries to their non-controlling shareholders in an amount of €761 million, payment of interest on hybrid debt, withholding tax and movements in treasury stock.

I.4.5 Net debt at December 31, 2014

Excluding amortized cost but including the impact of foreign currency derivatives, at December 31, 2014 a total of 69% of net debt was denominated in euros, 13% in US dollars and 6% in pounds sterling.

Including the impact of financial instruments, 80% of net debt is at fixed rates.

The average maturity of the Group's net debt is 9.1 years.

At December 31, 2014, the Group had total undrawn credit lines of €13.3 billion.

I.5 OTHER ITEMS IN THE STATEMENT OF FINANCIAL POSITION

In millions of euros	Dec. 31, 2014	Dec. 31, 2013	Net change
Non-current assets	**109,999**	**105,813**	**4,187**
of which goodwill	21,222	20,420	802
of which property, plant and equipment and intangible assets, net	71,601	70,154	1,447
of which investments in entities accounted for using the equity method	7,055	6,799	255
Current assets	**55,306**	**50,120**	**5,186**
Total equity	**55,959**	**53,659**	**2,299**
Provisions	18,539	16,098	2,441
Borrowings	38,321	38,892	(570)
Other liabilities	52,486	47,283	5,203

The carrying amount of property, plant and equipment and intangible assets was €71.6 billion, an increase of €1.4 billion compared to December 31, 2013. This increase was primarily the result of investments made over the period (positive €5.8 billion impact) and translation adjustments (positive €1.7 billion impact), partially offset by depreciation and amortization (negative €4.7 billion impact).

Goodwill increased by €0.8 billion to €21.2 billion, mainly as a result of the controlling interest acquired in GTT (positive €0.4 billion impact), along with the acquisitions of Ecova (positive €0.2 billion impact) and Lahmeyer (positive €0.1 billion impact).

Total equity amounted to €56.0 billion, an increase of €2.3 billion compared to December 31, 2013. This increase chiefly reflects net income for the period (positive €3.1 billion impact), the hybrid notes issue (positive €2.0 billion impact), the controlling interest acquired in GTT (positive €0.5 billion impact), the effect of employee share issues carried out as part of the Link 2014 worldwide employee share ownership plan (positive €0.3 billion impact), and the payment of cash dividends (negative €3.5 billion impact).

Regarding other items of comprehensive income, actuarial losses and net investment or cash flow hedges net of tax representing a negative €1.9 billion impact are virtually offset by translation adjustments with a positive impact of €1.8 billion.

Provisions increased by €2.4 billion due chiefly to actuarial differences arising in the period on provisions for post-employment benefits (positive €1.8 billion impact), and to unwinding discounts on provisions (positive €0.6 billion impact).

I.6 PRO FORMA FINANCIAL STATEMENTS INCLUDING THE SUEZ ENVIRONNEMENT COMPANY GROUP AS AN ASSOCIATE

Further to the expiration of the shareholders' agreement on July 22, 2013, GDF SUEZ no longer controls SUEZ Environnement Company, which has been accounted for using the equity method as from that date in GDF SUEZ's consolidated financial statements *(see Note 5.7.1)*.

To allow better operational and financial performance comparability between the two reporting periods, the Group has prepared pro forma information as at December 31, 2013.

The tables below and hereafter show the transition from a reported income statement and statement of cash flows to a pro forma income statement and statement of cash flows for the year ended December 31, 2013, including SUEZ Environnement as an equity-accounted associate as from January 1, 2013.

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

In millions of euros	Dec. 31, 2013[1]	Exclusion of SUEZ Environnement Group contribution and presentation as an associate	Intra-group and others	Pro forma GDF SUEZ: SUEZ Environnement as investment in associates
Revenues	87,898	(7,922)	9	79,985
Purchases	(50,396)	1,642	(4)	(48,758)
Personnel costs	(11,615)	2,091	-	(9,524)
Depreciation, amortization and provisions	(6,426)	537	-	(5,889)
Other operating expenses	(13,853)	3,219	(14)	(10,648)
Other operating income	2,077	(153)	10	1,933
CURRENT OPERATING INCOME	**7,685**	**(587)**	**-**	**7,098**
Share in net income of entities accounted for using the equity method	570	(3)	-	567
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**8,254**	**(589)**	**-**	**7,665**
Mark-to-market on commodity contracts other than trading instruments	(226)	1	-	(225)
Impairment losses	(14,770)	(4)	-	(14,773)
Restructuring costs	(302)	17	-	(285)
Changes in scope of consolidation[2]	405	2	(448)	(41)
Other non-recurring items	544	(10)	-	535
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**(6,093)**	**(583)**	**(448)**	**(7,124)**
Financial expenses	(2,444)	269	(3)	(2,177)
Financial income	498	(40)	3	461
NET FINANCIAL INCOME/(LOSS)	**(1,945)**	**230**	**-**	**(1,715)**
Income tax expense	(745)	104	-	(641)
NET INCOME/(LOSS)	**(8,783)**	**(249)**	**(448)**	**(9,481)**
Net income/(loss) Group share	(9,198)	-	(448)	(9,646)
Non-controlling interests	414	(249)	-	165
EBITDA	**14,223**	**(1,206)**	**-**	**13,017**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards and to the presentation changes in the income statement (see Note 2).

(2) The €448 million impact is related to the net revaluation gain recognized in the consolidated financial statements following the accounting for SUEZ Environnement using the equity method.

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2013

In millions of euros	Dec. 31, 2013[(1)]	Exclusion of SUEZ Environnement Group contribution and presentation as an associate	Intra-group and others	Pro forma GDF SUEZ: SUEZ Environnement as investment in associates
NET INCOME	**(8,783)**	**(249)**	**(448)**	**(9,481)**
- Share in net income of entities accounted for using equity method	(570)	3	-	(567)
+ Dividends received from entities accounted for using equity method	433	89	-	522
- Net depreciation, amortization, impairment and provisions	20,519	(505)	-	20,014
- Impact of changes in scope of consolidation and other non-recurring items	(479)	8	448	(23)
- Mark-to-market on commodity contracts other than trading instruments	226	(2)	-	225
- Other items with no cash impact	93	(14)	-	79
- Income tax expense	745	(104)	-	641
- Net financial expense	1,945	(230)	-	1,715
Cash generated from operations before income tax and working capital requirements	**14,129**	**(1,004)**	**-**	**13,125**
+ Tax paid	(2,058)	97	-	(1,961)
Change in working capital requirements	**(91)**	**259**	**-**	**169**
CASH FLOW FROM OPERATING ACTIVITIES	**11,980**	**(648)**	**-**	**11,333**
Acquisitions of property, plant and equipment and intangible assets	(6,518)	580	-	(5,938)
Acquisitions of controlling interest in entities, net of cash and cash equivalents acquired	(363)	14	-	(349)
Acquisitions of investments in entities accounted for using equity method and joint operations	(688)	5	-	(683)
Acquisitions of available-for-sale securities	(143)	14	-	(128)
Disposals of property, plant and equipment, and intangible assets	267	(24)	-	243
Loss of controlling interest in entities, net of cash and cash equivalents sold	468	(17)	-	451
Disposals of investments in entities accounted for using equity method and joint operations	1,569	(17)	-	1,552
Disposals of available-for-sale securities	171	(1)	-	171
Interest received on non-current financial assets	74	3	3	80
Dividends received on non-current financial assets	127	(8)	-	119
Change in loans and receivables originated by the Group and other	(69)	40	143	114
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(5,103)**	**588**	**146**	**(4,368)**
Dividends paid	(4,694)	348	-	(4,346)
Repayment of borrowings and debt	(5,640)	505	-	(5,135)
Change in financial assets at fair value through income	(435)	28	-	(407)
Interest paid	(1,553)	228	(3)	(1,328)
Interest received on cash and cash equivalents	116	(25)	-	91
Cash flow on derivatives qualifying as net investment hedges and compensation payments on derivatives and on early buyback of borrowings	(184)	(11)	-	(195)
Increase in borrowings	3,393	(951)	(143)	2,299
Increase/decrease in capital	388	(2)	-	387
Hybrid issue of perpetual subordinated notes	1,657	-	-	1,657
Purchase and/or sale of treasury stock	(5)	-	-	(5)
Changes of ownership interests in controlled entities	(71)	12	-	(59)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(7,027)**	**132**	**(146)**	**(7,041)**
Effects of changes in exchange rates and other	(2,083)	2,056	-	(27)
TOTAL CASH FLOW FOR THE PERIOD	**(2,233)**	**2,129**	**-**	**(103)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**10,939**	**(2,129)**	**-**	**8,809**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8,706**	**-**	**-**	**8,706**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

I.7 PARENT COMPANY FINANCIAL STATEMENTS

The figures provided below relate to the financial statements of GDF SUEZ SA, prepared in accordance with French GAAP and applicable regulations.

Revenues for GDF SUEZ SA totaled €24,562 million in 2014, down 14% on 2013 due mainly to less favorable weather conditions.

The Company posted a net operating loss of €1,354 million versus a net operating loss of €676 million in 2013, chiefly reflecting the decrease in energy margins, partly offset by a reduction in external expenses, and in depreciation, amortization and provisions.

The Company reported net financial income of €1,590 million, compared with €1,054 million one year earlier. This mainly includes dividends received from subsidiaries for €2,297 million compared to €1,778 million in 2013, the cost of debt which remained stable at €859 million, chiefly consisting of the interest expense on bond issues.

Non-recurring items included €203 million in non-recurring expenses, chiefly due to the combined effect of debt restructuring (expense of €267 million), impairment losses on securities, net of reversals (expense of €30 million), offset by the reversal of the provision for price increases (income of €54 million) and capital gains on disposals of buildings and property (income of €20 million).

The income tax benefit amounts to €378 million compared to €768 million in 2013. These two amounts include a tax consolidation benefit of €368 million and €441 million in 2014 and 2013, respectively.

Net income for the year came out at €411 million.

Shareholders' equity amounted to €41,896 million at end-2014, versus €43,984 million at December 31, 2013, reflecting the dividend payout, partially offset by the capital increase in respect of the LINK 2014 plan and by net income for the period.

At December 31, 2014, net debt stood at €29,695 million, and cash and cash equivalents totaled €7,079 million.

INFORMATION RELATING TO SUPPLIER PAYMENT DEADLINES

The law in favor of the modernization of the economy ("LME" law No. 2008-776 of August 4, 2008) and its implementing decree (No. 2008-1492 of December 30, 2008), provide that companies whose annual financial statements are certified by a Statutory Auditor must publish information regarding supplier payment deadlines. The purpose of publishing this information is to demonstrate that there are no significant delays in the payment of suppliers.

The breakdown by maturity of outstanding amounts payable by GDF SUEZ SA to its suppliers over the last two reporting periods is as follows:

	Dec. 31, 2014			Dec. 31, 2013		
In millions of euros	External	Group	Total	External	Group	Total
Past due	33	94	127	142	114	256
30 days	414	28	442	614	40	654
45 days	8	251	259	15	6	21
More than 45 days	23	-	23	17	-	17
TOTAL	**478**	**373**	**851**	**788**	**160**	**948**

I.8 OUTLOOK

2015 financial targets[1]: a resilient net recurring income despite the drop in oil/gas price thanks to the implementation of a targeted "Quick Reaction Plan"

Given the recent major drop in oil and gas price, which has a significant impact, in the short term, on the Group's businesses (estimated at around -€900 million on EBITDA 2015 and -€350 million on Net recurring income, Group share, based on forward prices as of December 31, 2014), the Group has decided to launch a **quick operational reaction plan** in addition to *Perform 2015*, focused on **targeted reductions** in opex (€250 million impact on EBITDA 2015) combined with a shift of some growth capex (€2 billion over 2015-2016).

This plan enables the Group to announce for 2015 **a Net recurring income, Group share between €3.0 and 3.3 billion**, at average weather in France, **in line with the figure published for 2014**. This guidance is based on estimates for EBITDA and current operating income[2] of, respectively, €11.7 to 12.3 billion and €6.8 to 7.4 billion.

In addition, given its medium term growth perspectives and cash generation for 2015-2016, the Group reaffirms its capital allocation policy for the period 2014-2016 as follows:

- **net capex**[3] between €6 and 7 billion per year on average;
- **net debt/EBITDA** ratio below or equal to 2.5x and "A" category credit rating;
- and **a stable dividend policy** with a pay-out ratio[4] of 65-75% and a minimum of 1 euro per share, payable in cash.

(1) *Targets assume average weather conditions in France, full pass through of supply costs in French regulated gas tariffs, restart of Doel 3 and Tihange 2 as of July 1, 2015, no significant regulatory and macro-economic changes, commodity price assumptions based on market conditions as of December 31, 2014 for the non-hedged part of the production, and average foreign exchange rates as follows for 2015: €/$: 1.22, €/BRL: 3.23.*

(2) *After share in net income of entities accounted for using the equity method.*

(3) *Net capex = gross capex – disposals (cash and net debt impact).*

(4) *Based on net recurring income, Group share.*

II

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

In millions of euros	Notes	Dec. 31, 2014	Dec. 31, 2013(1) (2)
Revenues	7.1	74,686	87,898
Purchases		(44,155)	(50,396)
Personnel costs	7.2	(9,779)	(11,615)
Depreciation, amortization and provisions	7.3	(4,797)	(6,426)
Other operating expenses		(10,999)	(13,853)
Other operating income		1,764	2,077
CURRENT OPERATING INCOME	**7**	**6,720**	**7,685**
Share in net income of entities accounted for using the equity method	4	441	570
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD		**7,161**	**8,254**
Mark-to-market on commodity contracts other than trading instruments	8.1	(298)	(226)
Impairment losses	8.2	(1,037)	(14,770)
Restructuring costs	8.3	(167)	(302)
Changes in scope of consolidation	8.4	562	405
Other non-recurring items	8.5	353	544
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**8**	**6,574**	**(6,093)**
Financial expenses		(2,462)	(2,444)
Financial income		586	498
NET FINANCIAL INCOME/(LOSS)	**9**	**(1,876)**	**(1,945)**
Income tax expense	10	(1,588)	(745)
NET INCOME/(LOSS)		**3,110**	**(8,783)**
Net income/(loss) Group share		2,440	(9,198)
Non-controlling interests		669	414
BASIC EARNINGS/(LOSS) PER SHARE *(EUROS)*	**12**	**1.00**	**(3.90)**
DILUTED EARNINGS/(LOSS) PER SHARE *(EUROS)*	**12**	**1.00**	**(3.90)**

(1) Comparative data at December 31, 2013 have been restated due to the application of standards on consolidation and to the presentation changes in the income statement (see Note 2).

(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

II

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Notes	Dec. 31, 2014	Dec. 31, 2014 Owners of the parent	Dec. 31, 2014 Non-controlling interests	Dec. 31, 2013[(1) (2)]	Dec. 31, 2013 Owners of the parent[(1) (2)]	Dec. 31, 2013 Non-controlling interests[(1) (2)]
NET INCOME/(LOSS)		**3,110**	**2,440**	**669**	**(8,783)**	**(9,198)**	**414**
Available-for-sale financial assets	16	47	47	-	(47)	(41)	(6)
Net investment hedges		(442)	(442)	-	375	327	48
Cash flow hedges (excl. commodity instruments)	17	(717)	(702)	(15)	494	405	89
Commodity cash flow hedges	17	298	234	64	(262)	(256)	(6)
Deferred tax on items above	10	182	211	(29)	(201)	(169)	(32)
Share of entities accounted for using the equity method in recyclable items, net of tax		(128)	(128)	-	156	122	34
Translation adjustments		1,836	1,546	290	(2,054)	(1,590)	(464)
TOTAL RECYCLABLE ITEMS		**1,076**	**767**	**310**	**(1,539)**	**(1,202)**	**(337)**
Actuarial gains and losses	20	(1,762)	(1,658)	(105)	624	595	29
Deferred tax on actuarial gains and losses	10	516	482	33	(199)	(189)	(11)
Share of entities accounted for using the equity method in actuarial gains and losses, net of tax		7	7	(1)	(4)	(10)	6
TOTAL NON-RECYCLABLE ITEMS		**(1,240)**	**(1,168)**	**(72)**	**420**	**397**	**24**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**2,946**	**2,039**	**907**	**(9,902)**	**(10,003)**	**101**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

STATEMENT OF FINANCIAL POSITION

ASSETS

In millions of euros	Notes	Dec. 31, 2014	Dec. 31, 2013[(1)]	Jan. 1, 2013[(1) (2)]
Non-current assets				
Intangible assets, net	14	7,569	7,042	12,663
Goodwill	13	21,222	20,420	29,535
Property, plant and equipment, net	15	64,032	63,112	81,761
Available-for-sale securities	16	2,893	3,015	3,341
Loans and receivables at amortized cost	16	2,960	1,898	3,051
Derivative instruments	16	2,733	2,351	3,109
Investments in entities accounted for using the equity method	4	7,055	6,799	6,158
Other assets	27	557	685	933
Deferred tax assets	10	980	490	1,333
TOTAL NON-CURRENT ASSETS		**109,999**	**105,813**	**141,884**
Current assets				
Loans and receivables at amortized cost	16	925	1,470	1,974
Derivative instruments	16	7,886	3,833	4,292
Trade and other receivables, net	16	21,558	21,057	24,797
Inventories	27	4,891	4,973	5,332
Other assets	27	10,049	8,157	8,811
Financial assets at fair value through income	16	1,450	1,001	431
Cash and cash equivalents	16	8,546	8,706	10,939
Assets classified as held for sale	5	-	922	2,754
TOTAL CURRENT ASSETS		**55,306**	**50,120**	**59,329**
TOTAL ASSETS		**165,305**	**155,932**	**201,213**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

LIABILITIES

In millions of euros	Notes	Dec. 31, 2014	Dec. 31, 2013 (1)	Jan. 1, 2013 (1) (2)
Shareholders' equity		49,527	47,971	59,760
Non-controlling interests		6,432	5,689	11,672
TOTAL EQUITY	**18**	**55,959**	**53,659**	**71,432**
Non-current liabilities				
Provisions	19	16,402	14,066	15,405
Long-term borrowings	16	28,024	28,576	41,945
Derivative instruments	16	3,020	2,062	2,657
Other financial liabilities	16	286	213	624
Other liabilities	27	1,078	1,147	2,025
Deferred tax liabilities	10	9,039	9,466	11,697
TOTAL NON-CURRENT LIABILITIES		**57,849**	**55,530**	**74,353**
Current liabilities				
Provisions	19	2,137	2,032	2,042
Short-term borrowings	16	10,297	10,316	12,069
Derivative instruments	16	5,895	4,043	4,066
Trade and other payables	16	18,799	16,398	19,019
Other liabilities	27	14,370	13,521	16,749
Liabilities directly associated with assets classified as held for sale	5	-	434	1,483
TOTAL CURRENT LIABILITIES		**51,498**	**46,743**	**55,428**
TOTAL EQUITY AND LIABILITIES		**165,305**	**155,932**	**201,213**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

STATEMENT OF CHANGES IN EQUITY

In millions of euros	Number of shares	Share capital	Additional paid-in capital	Consolidated reserves	Deeply-subordinated perpetual notes	Changes in fair value and other	Translation adjustments	Treasury stock	Shareholder's equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2012	**2,412,824,089**	**2,413**	**32,207**	**26,427**	**-**	**(242)**	**235**	**(1,206)**	**59,834**	**11,468**	**71,303**
IFRS 10 & 11 impact *(see Note 2)*				(79)		3	1		(74)	204	130
EQUITY AT JANUARY 1, 2013[(1)]	**2,412,824,089**	**2,413**	**32,207**	**26,349**	**-**	**(239)**	**236**	**(1,206)**	**59,760**	**11,672**	**71,432**
Net income/(loss)[(1)]				(9,198)					(9,198)	414	(8,783)
Other comprehensive income[(1)]				397		388	(1,590)		(805)	(313)	(1,119)
TOTAL COMPREHENSIVE INCOME[(1)]				**(8,801)**	**-**	**388**	**(1,590)**	**-**	**(10,003)**	**101**	**(9,902)**
Employee share issues and share-based payment				88					88	5	93
Dividends paid in cash				(3,539)					(3,539)	(1,071)	(4,610)
Acquisitions/disposals of treasury stock				(101)				97	(5)	-	(5)
Loss of control of SUEZ Environnement *(see Note 5.7)*									-	(5,225)	(5,225)
Issuance of deeply-subordinated perpetual notes *(see Note 18.2.1)*					1,657				1,657	-	1,657
Transactions between owners				19		3			22	(187)	(165)
Share capital increases subscribed by non-controlling interests									-	379	379
Other changes				(8)					(8)	15	7
EQUITY AT DECEMBER 31, 2013[(1)]	**2,412,824,089**	**2,413**	**32,207**	**14,005**	**1,657**	**152**	**(1,353)**	**(1,109)**	**47,971**	**5,689**	**53,659**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

In millions of euros	Number of shares	Share capital	Additional paid-in capital	Consolidated reserves	Deeply-subordinated perpetual notes	Changes in fair value and other	Translation adjustments	Treasury stock	Shareholder's equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2013[(1)]	**2,412,824,089**	**2,413**	**32,207**	**14,005**	**1,657**	**152**	**(1,353)**	**(1,109)**	**47,971**	**5,689**	**53,659**
Net income/(loss)				2,440					2,440	669	3,110
Other comprehensive income				(1,168)		(779)	1,546		(401)	238	(163)
TOTAL COMPREHENSIVE INCOME				**1,273**	**-**	**(779)**	**1,546**	**-**	**2,039**	**907**	**2,946**
Employee share issues and share-based payment	22,460,922	22	299	35					357	-	357
Dividends paid in cash *(see Note 18.2.3)*				(2,767)					(2,767)	(761)	(3,527)
Acquisitions/disposals of treasury stock *(see Note 18.1.2)*				(17)				152	136	-	136
Issuance of deeply-subordinated perpetual notes *(see Note 18.2.1)*					1,974				1,974	-	1,974
Coupons of deeply-subordinated perpetual notes *(see Note 18.2.1)*					(67)				(67)	-	(67)
Transactions between owners				(114)					(114)	12	(102)
Acquisition of control over Gaztransport & Technigaz *(see Note 5.1)*									-	476	476
Share capital increases subscribed by non-controlling interests									-	60	60
Other changes				(1)					(1)	49	48
EQUITY AT DECEMBER 31, 2014	**2,435,285,011**	**2,435**	**32,506**	**12,414**	**3,564**	**(627)**	**193**	**(957)**	**49,527**	**6,432**	**55,959**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

STATEMENT OF CASH FLOWS

In millions of euros	Notes	Dec. 31, 2014	Dec. 31, 2013[(1) (2)]
NET INCOME/(LOSS)		**3,110**	**(8,783)**
- Share in net income of entities accounted for using the equity method		(441)	(570)
+ Dividends received from entities accounted for using the equity method		526	433
- Net depreciation, amortization, impairment and provisions		5,722	20,519
- Impact of changes in scope of consolidation and other non-recurring items		(924)	(479)
- Mark-to-market on commodity contracts other than trading instruments		298	226
- Other items with no cash impact		21	93
- Income tax expense		1,588	745
- Net financial expense		1,876	1,945
Cash generated from operations before income tax and working capital requirements		**11,776**	**14,129**
+ Tax paid		(1,805)	(2,058)
Change in working capital requirements	**27.1**	**(1,221)**	**(91)**
CASH FLOW FROM OPERATING ACTIVITIES		**8,751**	**11,980**
Acquisitions of property, plant and equipment and intangible assets	6.4.3	(5,790)	(6,518)
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	6.4.3	(340)	(363)
Acquisitions of investments in entities accounted for using the equity method and joint operations	6.4.3	(398)	(688)
Acquisitions of available-for-sale securities	6.4.3	(246)	(143)
Disposals of property, plant and equipment, and intangible assets		241	267
Loss of controlling interests in entities, net of cash and cash equivalents sold		565	468
Disposals of investments in entities accounted for using the equity method and joint operations		822	1,569
Disposals of available-for-sale securities		1,064	171
Interests received on non-current financial assets		29	74
Dividends received on non-current financial assets		107	127
Change in loans and receivables originated by the Group and other	6.4.3	8	(69)
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES		**(3,939)**	**(5,103)**
Dividends paid[(3)]		(3,720)	(4,694)
Repayment of borrowings and debt		(6,394)	(5,640)
Change in financial assets at fair value through income		(412)	(435)
Interests paid		(1,079)	(1,553)
Interests received on cash and cash equivalents		100	116
Cash flow on derivatives qualifying as net investment hedges and compensation payments on derivatives and on early buyback of borrowings		(873)	(184)
Increase in borrowings		5,033	3,393
Increase/decrease in capital		388	388
Hybrid issue of perpetual subordinated notes	18.2.1	1,974	1,657
Purchase and/or sale of treasury stock		136	(5)
Changes of ownership interests in controlled entities	6.4.3	(126)	(71)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		**(4,973)**	**(7,027)**
Effects of changes in exchange rates and other		1	(2,083)
TOTAL CASH FLOW FOR THE PERIOD		**(160)**	**(2,233)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**8,706**	**10,939**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**8,546**	**8,706**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date. The impact of the change in accounting method on "Cash and cash equivalents" is presented under the line "Effect of changes in exchange rates and other" and amounts to a negative €2,056 million (see Note 5.7).

(3) The line "Dividends paid" includes the coupons paid to the owners of the deeply subordinated perpetual notes for an amount of €67 million at December 31, 2014.

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

III

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GDF SUEZ SA, the parent company of the GDF SUEZ Group, is a French *Société Anonyme* with a Board of Directors that is subject to the provisions of Book II of the French Commercial Code (*Code de Commerce*), as well as all other provisions of French law applicable to commercial companies. GDF SUEZ was incorporated on November 20, 2004 for a period of 99 years.

It is governed by current and future laws and by regulations applicable to *sociétés anonymes* and its bylaws.

The Group is headquartered at 1 place Samuel de Champlain, 92400 Courbevoie (France).

GDF SUEZ shares are listed on the Paris, Brussels and Luxembourg stock exchanges.

The Group is one of the world's leading energy providers, active across the entire energy value chain – upstream and downstream – in both electricity and natural gas. It develops its businesses (energy and energy services) around a responsible growth model in order to meet the challenges of satisfying energy needs, safeguarding supplies, combating climate change and optimizing the use of resources.

On February 25, 2015, the Group's Board of Directors approved and authorized for issue the consolidated financial statements of the Group for the year ended December 31, 2014.

NOTE 1 Accounting standards and methods

1.1 Accounting standards

Pursuant to European Regulation (EC) 809/2004 on prospectuses dated April 29, 2004, financial information concerning the assets, liabilities, financial position, and profit and loss of GDF SUEZ has been provided for the last two reporting periods (ended December 31, 2013 and 2014). This information was prepared in accordance with European Regulation (EC) 1606/2002 on international accounting standards (IFRS) dated July 19, 2002. The Group's consolidated financial statements for the year ended December 31, 2014 have been prepared in accordance with IFRS as published by the International Accounting Standards Board (IASB) and endorsed by the European Union [(1)].

The accounting standards applied in the consolidated financial statements for the year ended December 31, 2014 are consistent with the policies used to prepare the consolidated financial statements for the year ended December 31, 2013, except for those described in § 1.1.1 below.

1.1.1 IFRS standards, amendments and IFRIC interpretations applicable in 2014

- IFRS 10 – *Consolidated Financial Statements*.
- IFRS 11 – *Joint Arrangements*.
- Amendment to IAS 28 – *Investments in Associates and Joint Ventures*.

Modifications introduced by these new consolidation standards are briefly described in § 1.4.1. For the impact on the Group's consolidated financial statements, see Note 2.

- IFRS 12 – *Disclosure of Interests in Other Entities*.

  This standard requires the disclosure of information that enables to evaluate the risks associated with the Group's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities, as well as the impact of those interests on the Group's financial position, financial performance and cash flows. Thus, information has to be provided about significant assumptions and judgments made to determine that the Group has control, joint control and the type of joint arrangement (i.e. joint operation or joint venture) or significant influence. The first application of this standard implies an extension of the information reflected in the Notes to the annual consolidated financial statements.
- Amendments to IAS 32 – *Financial Instruments: Presentation – Offsetting financial assets and financial liabilities*; these amendments have no material impact on the Group's consolidated financial statements.
- Amendments to IAS 36 – *Impairment of Assets – Recoverable amount disclosures for non-financial assets*; these amendments have been early adopted at December 31, 2013.
- Amendments to IAS 39 – *Financial Instruments: Recognition and Measurement – Novation of derivatives and continuation of hedge accounting*; these amendments have no material impact on the Group's consolidated financial statements.

1.1.2 IFRS standards, amendments and IFRIC interpretations effective in 2015 and that the Group has elected not to early adopt in 2014

- Annual Improvements to IFRSs 2011-2013.
- IFRIC 21 – *Levies;* this interpretation has no material impact on the Group's annual consolidated financial statements.

1.1.3 IFRS standards and amendments applicable after 2015

- IFRS 9 – *Financial Instruments* [(2)].
- IFRS 15 – *Revenue from Contracts with Customers* [(2)].
- Amendments to IFRS 11 – *Joint Arrangements: Accounting for acquisitions of interests in Joint Operations* [(2)].
- Amendments to IAS 16 – *Property, Plant and Equipment and IAS 38 – Intangible Assets: Clarification of acceptable methods of depreciation and amortization* [(2)].
- Amendments to IFRS 10 and IAS 28 – *Sale or contribution of assets between an investor and its associate or joint venture* [(2)].
- Amendments to IAS 1 – *Disclosure initiative* [(2)].

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

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

- Amendments to IAS 19 – *Employee Benefits – Defined benefit plans: employee contributions*.
- *Annual Improvements to IFRSs 2010-2012*.
- *Annual Improvements to IFRSs 2012-2014* [(1)].

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

1.1.4 Reminder of IFRS 1 transition options

The Group used some of the options available under IFRS 1 for its transition to IFRS in 2005. The options that continue to have an effect on the consolidated financial statements are:

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

1.2 Measurement and presentation basis

The consolidated financial statements have been prepared using the historical cost convention, except for financial instruments that are accounted for according to the financial instrument categories defined by IAS 39.

Assets or group of assets held for sale

In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", assets or groups of assets held for sale are presented separately on the face of the statement of financial position, at the lower of their carrying amount and fair value less costs to sell.

Assets are classified as "held for sale" when they are available for immediate sale in their present condition, their sale is highly probable within twelve months from the date of classification, management is committed to a plan to sell the asset and an active program to locate a buyer and complete the plan has been initiated. To assess whether a sale is highly probable, the Group takes into consideration among other items, indications of interest and offers received from potential buyers and specific risks to the execution of certain transactions.

1.3 Use of estimates and judgment

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

1.3.1 Estimates

The preparation of consolidated financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities and contingent assets and liabilities at the reporting date, as well as revenues and expenses reported during the period.

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

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

- measurement of the fair value of assets acquired and liabilities assumed in a business combination *(see Note 5)*;
- measurement of the recoverable amount of goodwill and other intangible assets, property, plant and equipment *(see § 1.4.4 and 1.4.5)*;
- measurement of provisions, particularly for nuclear waste processing and storage, dismantling obligations, disputes, pensions and other employee benefits *(see § 1.4.15)*;
- financial instruments *(see § 1.4.11)*;
- measurement of revenues not yet metered, so called un-metered revenues *(see § 1.3.1.6)*;
- measurement of recognized tax loss carry-forwards *(see Note 10.3)*.

1.3.1.1 Measurement of the fair value of assets acquired and liabilities assumed in a business combination

The key assumptions and estimates used to determine the fair value of assets acquired and liabilities assumed include the market outlook for the measurement of future cash flows, and the applicable discount rate.

These assumptions reflect management's best estimates.

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

The recoverable amount of goodwill, intangible assets and property, plant and equipment is based on estimates and assumptions, regarding in particular the expected market outlook and the evolution of the regulatory framework, which are used for the measurement of cash flows, whose sensitivity varies depending on the activity, and the determination of the discount rate. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in adjustments to the impairment losses to be recognised.

The key assumptions used in the impairment tests on material goodwill CGUs are as follows:

- Energy – Central Western Europe (CWE) CGU (Energy Europe business line)

  The cash flow projections for the electricity and gas activities in the CWE region are based on a large number of key assumptions, such as the long-term prices for fuel and CO_2, expected trends in gas and electricity demand and in power prices, the market outlook, as well as changes in the regulatory environment (especially concerning nuclear capacities in Belgium and the extension of drawing rights agreements for French nuclear plants), and the prospects of renewal of the Group's hydro concessions in France. The key assumptions also include the discount rate used to calculate the value in use of this goodwill CGU.
- Distribution CGU (Infrastructures business line)

  The cash flow projections are drawn up based on the tariff for public natural gas distribution networks (known as "ATRD 4"), which entered into effect for a period of four years on July 1,

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

2012, and on the overall level of investments agreed by the French Energy Regulatory Commission (Commission de Régulation de l'Énergie – CRE) as part of its decision on the ATRD 4 tariff. The terminal value calculated at the end of the medium-term business plan corresponds to the expected Regulated Asset Base (RAB) with no premium at the end of 2020. The RAB is the value assigned by the regulator to the assets operated by the distributor.

- Global Gas & LNG CGU

  The main assumptions and key estimates primarily include the discount rates, expected trends in hydrocarbon prices, changes in the euro/US dollar exchange rate, proven and probable reserve estimates, expected trends in liquefied natural gas supply and demand, as well as the market outlook.

- Energy – North America CGU (Energy International business line).

  The main assumptions and key estimates primarily include the values assigned to long-term power and fuel prices, the market outlook and the discount rates.

1.3.1.3 Estimates of provisions

Parameters having a significant influence on the amount of provisions, and particularly, but not solely, those relating to the back-end of nuclear fuel cycle and to the dismantling of nuclear facilities, as well as those relating to the dismantling of gas infrastructures in France, include:

- cost forecasts (notably the retained scenario for reprocessing and storage of radioactive nuclear fuel consumed),
- the timing of expenditure (notably, for nuclear power generation activities, the timetable for reprocessing of radioactive nuclear fuel consumed and for dismantling facilities as well as the timetable for the end of gas operations regarding the gas infrastructure businesses in France),
- and the discount rate applied to cash flows.

These parameters are based on information and estimates deemed to be appropriate by the Group at the current time.

The modification of certain parameters could involve a significant adjustment of these provisions.

1.3.1.4 Pensions

Pension commitments are measured on the basis of actuarial assumptions. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

1.3.1.5 Financial instruments

To determine the fair value of financial instruments that are not listed on an active market, the Group uses valuation techniques that are based on certain assumptions. Any change in these assumptions could have a material impact on the resulting calculations.

1.3.1.6 Revenues

Revenues generated from types of customers whose energy consumption is metered during the accounting period, particularly customers supplied with low-voltage electricity or low-pressure gas, are estimated at the reporting date based on historical data, consumption statistics and estimated selling prices. For sales on networks used by a large number of grid operators, the Group is allocated a certain volume of energy transiting through the networks by the grid managers. The final allocations are sometimes only known several months down the line, which means that revenue figures are only an estimate.

However, the Group has developed measuring and modeling tools allowing it to estimate revenues with a satisfactory degree of accuracy and subsequently ensure that risks of error associated with estimating quantities sold and the resulting revenues can be considered as not material. In France, delivered unbilled natural gas ("gas in the meter") is calculated using a direct method taking into account estimated customers consumption since the last metering not yet billed. These estimates are in line with the volume of energy allocated by the grid managers over the same period. The average price is used to measure the "gas in the meter". The average price used takes account of the category of customer and the age of the delivered unbilled "gas in the meter". The portion of unbilled revenues at year-end is sensitive to the assumptions about volume and average price.

1.3.1.7 Measurement of recognized tax loss carry-forwards

Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. The probability that taxable profit will be available against which the unused tax losses can be utilized, is based on taxable temporary differences relating to the same taxation authority and the same taxable entity and estimates of future taxable profits. These estimates and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts as included in the medium-term business plan and, if necessary, on the basis of additional forecasts.

1.3.2 Judgment

As well as relying on estimates, Group management also makes judgments to define the appropriate accounting policies to apply to certain activities and transactions, particularly when the effective IFRS standards and interpretations do not specifically deal with the related accounting issues.

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

Entities for which judgment has been exercised are listed in Notes 3 "Main subsidiaries at December 31, 2014" and 4 "Investments in entities accounted for using the equity method".

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

1.4 Accounting methods

1.4.1 Scope and methods of consolidation

IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements* and amendments to IAS 28 – *Investments in Associates and Joint Ventures*, were endorsed by the European Union in May 2012 and have to be applied since January 1, 2014.

IFRS 10 – Consolidated Financial Statements

IFRS 10 supersedes IAS 27 – *Consolidated and separate Financial Statements* and SIC 12 – *Consolidation – Special purpose entities*. This standard introduces a new definition of control. An investor (the Group) controls an entity and therefore must consolidate it as a subsidiary, if it has all the following:

- the ability to direct the relevant activities of the entity;
- rights to variable returns from its involvement with the entity;
- the ability to use its power over the entity to affect the amount of the investor's return.

IFRS 11 – Joint Arrangements

IFRS 11 supersedes IAS 31 – *Interests in Joint Ventures* and SIC 13 – *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*.

The new standard distinguishes between two types of joint arrangements: joint ventures and joint operations.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

Amendments to IAS 28 – Investments in Associates and Joint Ventures

The amendments to IAS 28 mainly concern the following points:

- when a portion of an investment in an associate or a joint venture meets the criteria to be classified as held for sale, the accounting treatment of the retained portion is now clarified. IFRS 5 applies to the portion that is held for sale, whereas the retained portion continues to be accounted for using the equity method;
- if an investment in an associate becomes an investment in a joint venture because the ownership interest has increased, previously held interests can no longer be remeasured at fair value. Likewise, when an investment in a joint operation becomes an investment in an associate due to a decrease of the ownership interest, the retained interest can no longer be remeasured at fair value.

Applying these new standards has the following consequences for the Group:

- controlled entities (subsidiaries) are fully consolidated in accordance with IFRS 10;
- interests in associates and joint ventures:

  The Group accounts for its investments in associates (entities over which the Group has significant influence) and joint ventures, using the equity method;
- interests in joint operations:

  The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to these assets, liabilities, revenues and expenses.

  Production sharing contracts, in particular in oil and gas exploration and production activities, are considered to be outside the scope of IFRS 11. Contractors account for their rights to a portion of production and reserves, based on the contractual clauses.

The impact of these new consolidation standards on the comparative 2013 financial statements is disclosed in Note 2 "Impact of applying the new consolidation standards to the comparative 2013 financial statements".

The lists of the main entities accounted for using the full consolidation method and the equity method are respectively listed in Note 3 "Main subsidiaries at December 31, 2014" and Note 4 "Investments in entities accounted for using the equity method".

1.4.2 Foreign currency translation methods

1.4.2.1 Presentation currency of the consolidated financial statements

The Group's consolidated financial statements are presented in euros (€).

1.4.2.2 Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates, which in most cases corresponds to local currency. However, certain entities may have a functional currency different from local currency when that other currency is used for an entity's main transactions and better reflects its economic environment.

1.4.2.3 Foreign currency transactions

Foreign currency transactions are recorded in the functional currency at the exchange rate prevailing on the date of the transaction. At each reporting date:

- monetary assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. The related translation gains and losses are recorded in the consolidated statement of income for the year to which they relate;
- non-monetary assets and liabilities denominated in foreign currencies are recognized at the historical cost applicable at the date of the transaction.

1.4.2.4 Translation of the financial statements of subsidiaries with a functional currency other than the euro (the presentation currency)

The statements of financial position of these subsidiaries are translated into euros at the official year-end exchange rates. Income statement and cash flow statement items are translated using the average exchange rate for the year. Any differences arising from the translation of the financial statements of these subsidiaries are recorded under "Cumulative translation differences" as other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are classified as assets and liabilities of those foreign entities and are therefore denominated in the functional currencies of the entities and translated at the year-end exchange rate.

1.4.3 Business combinations

Business combinations carried out prior to January 1, 2010 have been accounted for in accordance with IFRS 3 prior to the revision. In accordance with IFRS 3 revised, these business combinations have not been restated.

Since January 1, 2010, the Group applied the purchase method as defined in IFRS 3 revised, which consists in recognizing the identifiable assets acquired and liabilities assumed at their fair values at the acquisition date, as well as any non-controlling interest in the acquiree. Non-controlling interests are measured either at fair value or at the entity's proportionate interest in the net identifiable assets of the acquiree. The Group determines on a case-by-case basis which measurement option to be used to recognize non-controlling interests.

1.4.4 Intangible assets

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

1.4.4.1 Goodwill

Recognition of goodwill

Due to the application of IFRS 3 revised at January 1, 2010, the Group is required to separately identify business combinations carried out before or after this date.

Business combinations carried out prior to January 1, 2010

Goodwill represents the excess of the cost of a business combination (acquisition price of shares plus any costs directly attributable to the business combination) over the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognized at the acquisition date (except if the business combination is achieved in stages).

For a business combination achieved in stages – i.e. where the Group acquires a subsidiary through successive share purchases – the amount of goodwill is determined for each exchange transaction separately based on the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of each exchange transaction.

Business combinations carried out after January 1, 2010

Goodwill is measured as the excess of the aggregate of:

(i) the consideration transferred;

(ii) the amount of any non-controlling interests in the acquiree; and

(iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree;

over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

The amount of goodwill recognized at the acquisition date cannot be adjusted after the end of the measurement period.

Goodwill relating to interests in associate companies is recorded under "Investments in entities accounted for using the equity method".

Measurement of goodwill

Goodwill is not amortized but tested for impairment each year, or more frequently where an indication of impairment is identified. Impairment tests are carried out at the level of cash-generating units (CGUs) or groups of CGUs which constitute groups of assets generating cash inflows that are largely independent of the cash inflows from other CGUs.

The methods used to carry out these impairment tests are described in § 1.4.8 "Impairment of property, plant and equipment and intangible assets".

Impairment losses in relation to goodwill cannot be reversed and are shown under "Impairment losses" in the consolidated income statement.

1.4.4.2 Other intangible assets

Development costs

Research costs are expensed as incurred.

Development costs are capitalized when the asset recognition criteria set out in IAS 38 are met. Capitalized development costs are amortized over the useful life of the intangible asset recognized.

Other internally-generated or acquired intangible assets

Other intangible assets include mainly:

- amounts paid or payable as consideration for rights relating to concession contracts or public service contracts;
- customer portfolios acquired on business combinations;
- capacity rights, in particular regarding power stations; the Group helped finance the construction of certain nuclear power stations operated by third parties and in consideration received the right to purchase a share of the production over the life of the assets. Said capacity rights are amortized over the useful life of the related assets, not exceeding 40 years;
- concession assets;
- the GDF Gaz de France brand and gas supply contracts acquired as part of the business combination with Gaz de France in 2008.

Intangible assets are amortized on the basis of the expected pattern of consumption of the estimated future economic benefits embodied in the asset. Amortization is calculated mainly on a straight-line basis over the following useful lives:

	Useful life	
Main amortization periods (years)	**Minimum**	**Maximum**
Concession rights	10	30
Customer portfolio	10	40
Other intangible assets	1	40

Some intangible assets (brand, etc.) with an indefinite useful life are not amortized but an impairment test has to be performed annually.

1.4.5 Property, plant and equipment

1.4.5.1 Initial recognition and subsequent measurement

Items of property, plant and equipment are recognized at historical cost less any accumulated depreciation and any accumulated impairment losses.

The carrying amount of these items is not revalued as the Group has elected not to apply the allowed alternative method, which consists of regularly revaluing one or more categories of property, plant and equipment.

Investment subsidies are deducted from the gross value of the assets concerned.

In accordance with IAS 16, the initial cost of the item of property, plant and equipment includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has a present, legal or constructive obligation to dismantle the item or restore the site. A corresponding provision for this obligation is recorded for the amount of the asset component.

Property, plant and equipment acquired under finance leases is carried in the consolidated statement of financial position at the lower of market value and the present value of the related minimum lease payments. The corresponding liability is recognized under borrowings. These assets are depreciated using the same methods and useful lives as set out below.

Borrowing costs that are directly attributable to the construction of the qualifying asset are capitalized as part of the cost of that asset.

Cushion gas

"Cushion" gas injected into underground storage facilities is essential for ensuring that reservoirs can be operated effectively, and is therefore inseparable from these reservoirs. Unlike "working" gas which is included in inventories, cushion gas is reported in property, plant and equipment.

1.4.5.2 Depreciation

In accordance with the components approach, each significant component of an item of property, plant and equipment with a different useful life from that of the main asset to which it relates is depreciated separately over its own useful life.

Property, plant and equipment is depreciated mainly using the straight-line method over the following useful lives:

	Useful life	
Main depreciation periods (years)	**Minimum**	**Maximum**
Plant and equipment		
• Storage – Production – Transport – Distribution	5	60(*)
• Installation – Maintenance	3	10
• Hydraulic plant and equipment	20	65
Other property, plant and equipment	2	33

(*) Excluding cushion gas.

The range of useful lives is due to the diversity of the assets in each category. The minimum periods relate to smaller equipment and furniture, while the maximum periods concern network infrastructures and storage facilities. In accordance with the law of January 31, 2003 adopted by the Belgian Chamber of Representatives with respect to the gradual phase-out of nuclear energy for the industrial production of electricity, the useful lives of nuclear power stations were reviewed and adjusted prospectively to 40 years as from 2003, except Tihange 1 the operating life of which has been extended by 10 years by the law of December 18, 2013.

Fixtures and fittings relating to the hydro plant operated by the Group are depreciated over the shorter of the contract term and useful life of the assets, taking into account the renewal of the concession period if such renewal is considered to be reasonably certain.

1.4.6 Assets relating to the exploration and production of mineral resources

The Group applies IFRS 6 – Exploration for and Evaluation of Mineral Resources.

Geological and geophysical studies are expensed in the year in which they are incurred.

Exploration costs (other than geological and geophysical studies) are temporarily capitalized in "pre-capitalized exploration costs" before the confirmation of the technical feasibility and commercial viability of extracting resources. These exploration drilling costs are temporarily capitalized when the following two conditions are met:

- sufficient reserves have been found to justify completion as a producing well assuming the required capital expenditure is made;
- the Group has made significant progress in determining that reserves exist and that the project is technically and economically viable. This progress is assessed based on criteria such as whether any additional exploratory work (drilling, seismic studies or other significant surveys) is underway or firmly planned for the near future. Progress is also assessed based on any expenses incurred in conducting development studies and on the fact that the Group may be required to wait for the relevant government or third party authorizations for the project, or for available transport capacity or treatment capacity at existing facilities.

In accordance with this method known as "successful efforts" method, when the exploratory phase has resulted in proven, commercially viable reserves, the related costs are reported in property, plant and equipment and depreciated over the period during which the reserves are extracted. Otherwise, the costs are expensed as incurred.

The depreciation of production assets, including site rehabilitation costs, starts when the oil or gas field is brought into production, and is based on the unit of production method (UOP). According to this method, the depletion rate is equal, since January 1, 2014, to the ratio of oil and gas production for the period to probable reserves. Before this date, the ratio was based on proven developed reserves.

This change of estimate has been decided in view of the evolution of the Group's portfolio of production assets. This change aims to improve the economic vision of benefits consumption of the production assets, given the new production cycle that considerably affected the profile of the portfolio.

The estimated annual impact resulting from this change is an increase of the current operating income after share in net income of entities accounted for using the equity method of €250 million, and an increase of net income Group share of €75 million.

1.4.7 Concession arrangements

SIC 29 – *Service Concession Arrangements:* Disclosures, prescribes the information that should be disclosed in the notes to the financial statements of a concession grantor and concession operator, while IFRIC 12 deals with the treatment to be applied by the concession operator in respect of certain concession arrangements.

For a concession arrangement to fall within the scope of IFRIC 12, usage of the infrastructure must be controlled by the concession grantor. This requirement is met when the following two conditions are met:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls the infrastructure, i.e., retains the right to take back the infrastructure at the end of the concession.

Concessions outside the scope of IFRIC 12

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

This is the case of the distribution of gas in France. The related assets are recognized in accordance with IAS 16, since GrDF operates its network under long-term concession arrangements, most of which are mandatorily renewed upon expiration pursuant to French law no. 46-628 of April 8, 1946.

1.4.8 Impairment of property, plant and equipment and intangible assets

In accordance with IAS 36, impairment tests are carried out on items of property, plant and equipment and intangible assets where there is an indication that the assets may be impaired. Such indications may be based on events or changes in the market environment, or on internal sources of information. Intangible assets that are not amortized are tested for impairment annually.

Impairment indicators

Property, plant and equipment and intangible assets with finite useful lives are only tested for impairment when there is an indication that they may be impaired. This is generally the result of significant changes to the environment in which the assets are operated or when economic performance is worse than expected.

The main impairment indicators used by the Group are described below:

- external sources of information:
  - significant changes in the economic, technological, political or market environment in which the entity operates or to which an asset is dedicated,
  - fall in demand,
  - changes in energy prices and US dollar exchange rates;
- internal sources of information:
  - evidence of obsolescence or physical damage not budgeted for in the depreciation/amortization schedule,
  - worse-than-expected performance,
  - fall in resources for exploration & production activities.

Impairment

Items of property, plant and equipment and intangible assets are tested for impairment at the level of the individual asset or cash-generating unit (CGU) as appropriate, determined in accordance with IAS 36. If the recoverable amount of an asset is lower than its carrying amount, the carrying amount is written down to the recoverable amount by recording an impairment loss. Upon recognition of an impairment loss, the depreciable amount and possibly the useful life of the assets concerned is revised.

Impairment losses recorded in relation to property, plant and equipment or intangible assets may be subsequently reversed if the recoverable amount of the assets is once again higher than their carrying value. The increased carrying amount of an item of property, plant or equipment attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined (net of depreciation/amortization) had no impairment loss been recognized in prior periods.

Measurement of recoverable amount

In order to review the recoverable amount of property, plant and equipment and intangible assets, the assets are grouped, where appropriate, into cash-generating units (CGUs) and the carrying amount of each unit is compared with its recoverable amount.

For operating entities which the Group intends to hold on a long-term and going concern basis, the recoverable amount of an asset corresponds to the higher of its fair value less costs to sell and its value in use. Value in use is primarily determined based on the present value of future operating cash flows and a terminal value. Standard valuation techniques are used based on the following main economic data:

- discount rates based on the specific characteristics of the operating entities concerned;
- terminal values in line with the available market data specific to the operating segments concerned and growth rates associated with these terminal values, not to exceed the inflation rate.

Discount rates are determined on a post-tax basis and applied to post-tax cash flows. The recoverable amounts calculated on the basis of these discount rates are the same as the amounts obtained by applying the pre-tax discount rates to cash flows estimated on a pre-tax basis, as required by IAS 36.

For operating entities which the Group has decided to sell, the related recoverable amount of the assets concerned is based on market value less costs of disposal. Where negotiations are ongoing, this value is determined based on the best estimate of their outcome as of the reporting date.

In the event of a decline in value, the impairment loss is recorded in the consolidated income statement under “Impairment losses”.

1.4.9 Leases

The Group holds assets for its various activities under lease contracts.

These leases are analyzed based on the situations and indicators set out in IAS 17 in order to determine whether they constitute operating leases or finance leases.

A finance lease is defined as a lease which transfers substantially all the risks and rewards incidental to the ownership of the related asset to the lessee. All leases which do not comply with the definition of a finance lease are classified as operating leases.

The following main factors are considered by the Group to assess if a lease transfers substantially all the risks and rewards incidental to ownership: whether (i) the lessor transfers ownership of the asset to the lessee by the end of the lease term; (ii) the lessee has an option to purchase the asset and if so, the conditions applicable to exercising that option; (iii) the lease term is for the major part of the economic life of the asset; (iv) the asset is of a highly specialized nature; and (v) the present value of minimum lease payments amounts to at least substantially all of the fair value of the leased asset.

1.4.9.1 Accounting for finance leases

On initial recognition, assets held under finance leases are recorded as property, plant and equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments.

1.4.9.2 Accounting for operating leases

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

1.4.9.3 Accounting for arrangements that contain a lease

IFRIC 4 deals with the identification of services and take-or-pay sales or purchasing contracts that do not take the legal form of a lease but convey rights to customers/suppliers to use an asset or a group of assets in return for a payment or a series of fixed payments. Contracts meeting these criteria should be identified as either operating leases or finance leases. In the latter case, a finance receivable should be recognized to reflect the financing deemed to be granted by the Group where it is considered as acting as lessor and its customers as lessees.

The Group is concerned by this interpretation mainly with respect to:

- some energy purchase and sale contracts, particularly where the contract conveys to the purchaser of the energy an exclusive right to use a production asset;
- certain contracts with industrial customers relating to assets held by the Group.

1.4.10 Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value corresponds to the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is determined based on the first-in, first-out method or the weighted average cost formula.

Nuclear fuel purchased is consumed in the process of producing electricity over a number of years. The consumption of this nuclear fuel inventory is recorded based on estimates of the quantity of electricity produced per unit of fuel.

Gas inventories

Gas injected into underground storage facilities includes working gas which can be withdrawn without adversely affecting the operation of the reservoir, and cushion gas which is inseparable from the reservoirs and essential for their operation (see § 1.4.5.1).

Working gas is classified in inventory and measured at weighted average purchase cost upon entering the transportation network regardless of its source, including any regasification costs.

Group inventory outflows are valued using the weighted average unit cost method.

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

Greenhouse gas emissions rights

European Directive 2003/87/EC establishes a greenhouse gas (GHG) emissions allowance trading scheme within the European Union. Under the Directive, each year the sites concerned have to surrender a number of allowances equal to the total emissions from the installations during the previous calendar year.

As there are no specific rules under IFRS dealing with the accounting treatment of GHG emissions allowances, the Group decided to apply the following principles:

- emission rights are classified as inventories, as they are consumed in the production process;
- emission rights purchased on the market are recognized at acquisition cost;
- emission rights granted free of charge are recorded in the statement of financial position at a value of nil.

The Group records a liability at year-end in the event that it does not have enough emission rights to cover its GHG emissions during the period. This liability is measured at the market value of the allowances required to meet its obligations at year-end or based on the contracts price concluded to hedge this lack of emission rights.

Energy savings certificates (ESC)

In the absence of current IFRS standards or interpretations on accounting for energy savings certificates, the following principles are applied:

- in the event that the number of ESC's held exceeds the obligation at the reporting date this is accounted for as inventory; otherwise, a liability is recorded;
- ESC inventories are valued at weighted average cost (acquisition cost for those ESC's acquired or cost incurred for those ESC's generated internally).

1.4.11 Financial instruments

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

1.4.11.1 Financial assets

Financial assets comprise available-for-sale securities, loans and receivables carried at amortized cost including trade and other receivables, and financial assets measured at fair value through income, including derivative financial instruments. Financial assets are broken down into current and non-current assets in the consolidated statement of financial position.

Available-for-sale securities

"Available-for-sale securities" include the Group's investments in non-consolidated companies and equity or debt instruments that do not satisfy the criteria for classification in another category (see below). Cost is determined using the weighted average cost formula.

These items are measured at fair value on initial recognition, which generally corresponds to the acquisition cost plus transaction costs.

At each reporting date, available-for-sale securities are measured at fair value. For listed securities, fair value is determined based on the quoted market price at the reporting date. For unlisted securities, fair value is measured using valuation models based primarily on recent market transactions, discounted dividends and future cash flows or net asset value. Changes in fair value are recorded directly in other comprehensive income, except when the decline in the value of the investment below its historical acquisition cost is judged significant or prolonged enough to require an impairment loss to be recognized. In this case, the loss is recognized in income under "Impairment losses". Only impairment losses recognized on debt instruments (debt securities/bonds) may be reversed through income.

Loans and receivables carried at amortized cost

This item primarily includes loans and advances to associates or non-consolidated companies, guarantee deposits, trade and other receivables.

On initial recognition, these loans and receivables are recorded at fair value plus transaction costs. At each statement of financial position date, they are measured at amortized cost using the effective interest rate method.

Leasing guarantee deposits are recognized at their nominal value.

On initial recognition, trade and other receivables are recorded at fair value, which generally corresponds to their nominal value. Impairment losses are recorded based on the estimated risk of non-recovery. This item also includes amounts due from customers under construction contracts.

Financial assets at fair value through income

These financial assets meet the qualification or designation criteria set out in IAS 39.

This item mainly includes trading securities and short-term investments which do not meet the criteria for classification as cash or cash equivalents (see § 1.4.12). The financial assets are measured at fair value at the statement of financial position date and changes in fair value are recorded in the consolidated income statement.

1.4.11.2 Financial liabilities

Financial liabilities include borrowings, trade and other payables, derivative financial instruments and other financial liabilities.

Financial liabilities are broken down into current and non-current liabilities in the consolidated statement of financial position. Current financial liabilities primarily comprise:

- financial liabilities with a settlement or maturity date within 12 months after the reporting date;
- financial liabilities in respect of which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date;
- financial liabilities held primarily for trading purposes;
- derivative financial instruments qualifying as fair value hedges where the underlying is classified as a current item;
- all commodity trading derivatives not qualifying as hedges.

Measurement of borrowings and other financial liabilities

Borrowings and other financial liabilities are measured at amortized cost using the effective interest rate method.

On initial recognition, any issue or redemption premiums and discounts and issuing costs are added to/deducted from the nominal value of the borrowings concerned. These items are taken into account when calculating the effective interest rate and are therefore recorded in the consolidated income statement over the life of the borrowings using the amortized cost method.

As regards structured debt instruments that do not have an equity component, the Group may be required to separate an “embedded” derivative instrument from its host contract. The conditions under which these instruments must be separated are detailed below. When an embedded derivative is separated from its host contract, the initial carrying amount of the structured instrument is broken down into an embedded derivative component, corresponding to the fair value of the embedded derivative, and a financial liability component, corresponding to the difference between the amount of the issue and the fair value of the embedded derivative. The separation of components upon initial recognition does not give rise to any gains or losses.

The debt is subsequently recorded at amortized cost using the effective interest method, while the derivative is measured at fair value, with changes in fair value taken to income.

Put options on non-controlling interests

Other financial liabilities primarily include put options granted by the Group in respect of non-controlling interests.

Put options on non-controlling interests granted prior to January 1, 2010

As no specific guidance is provided by IFRS, and based on recommendations issued by the AMF for the 2009 reporting period, the Group decided to continue accounting for instruments recognized prior to January 1, 2010 using its previous accounting policies:

- when the put option with a variable price is initially granted, the present value of the exercise price is recognized as a financial liability, with a corresponding reduction in non-controlling interests. When the value of the put option is greater than the carrying amount of the non-controlling interests, the difference is recognized as goodwill;
- at each reporting date, the amount of the financial liability is revised and any changes in the amount are recorded with a corresponding adjustment to goodwill;
- payments of dividends to non-controlling interests result in an increase in goodwill;
- in the consolidated income statement, non-controlling interests are allocated their share in income. In the consolidated statement of financial position, the share in income allocated to non-controlling interests reduces the carrying amount of goodwill. No finance costs are recognized in respect of changes in the fair value of liabilities recognized against goodwill.

1.4.11.3 Derivatives and hedge accounting

The Group uses financial instruments to manage and reduce its exposure to market risks arising from fluctuations in interest rates, foreign currency exchange rates and commodity prices, mainly for gas and electricity. The use of derivative instruments is governed by a Group policy for managing interest rate, currency and commodity risks.

Definition and scope of derivative financial instruments

Derivative financial instruments are contracts: (i) whose value changes in response to the change in one or more observable variables; (ii) that do not require any material initial net investment; and (iii) that are settled at a future date.

Derivative instruments therefore include swaps, options, futures and swaptions, as well as forward commitments to purchase or sell listed and unlisted securities, and firm commitments or options to purchase or sell non-financial assets that involve physical delivery of the underlying.

For purchases and sales of electricity and natural gas, the Group systematically analyzes whether the contract was entered into in the “normal” course of operations and therefore falls outside the scope of IAS 39. This analysis consists firstly of demonstrating that the contract is entered into and held for the purpose of making or taking physical delivery of the commodity in accordance with the Group’s expected purchase, sale or usage requirements.

The second step is to demonstrate, in particular, that:

- the Group has no practice of settling similar contracts on a net basis. In particular, forward purchases or sales with physical delivery of the underlying that are carried out with the sole purpose of balancing Group energy volumes are not considered by the Group as contracts that are settled net;
- the contract is not negotiated with the aim of realizing financial arbitration;
- the contract is not equivalent to a written option. In particular, in the case of electricity and gas sales allowing the buyer a certain degree of flexibility concerning the volumes delivered, the Group distinguishes between contracts that are equivalent to capacity sales considered as transactions falling within the scope of ordinary operations and those that are equivalent to written financial options, which are accounted for as derivative financial instruments.

Only contracts that meet all of the above conditions are considered as falling outside the scope of IAS 39. Adequate specific documentation is compiled to support this analysis.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

The main Group contracts that may contain embedded derivatives are contracts with clauses or options affecting the contract price, volume or maturity. This is the case primarily with contracts for the purchase or sale of non-financial assets, whose price is revised based on an index, the exchange rate of a foreign currency or the price of an asset other than the contract's underlying.

Embedded derivatives are separated from the host contract and accounted for as derivatives when:

- the host contract is not a financial instrument measured at fair value through income;
- if separated from the host contract, the embedded derivative fulfills the criteria for classification as a derivative instrument (existence of an underlying, no material initial net investment, settlement at a future date); and
- its characteristics are not closely related to those of the host contract. The analysis of whether or not the characteristics of the derivative are "closely related" to the host contract is made when the contract is signed.

Embedded derivatives that are separated from the host contract are recognized in the consolidated statement of financial position at fair value, with changes in fair value recognized in income (except when the embedded derivative is part of a designated hedging relationship).

Hedging instruments: recognition and presentation

Derivative instruments qualifying as hedging instruments are recognized in the consolidated statement of financial position and measured at fair value. However, their accounting treatment varies according to whether they are classified as:

- a fair value hedge of an asset or liability;
- a cash flow hedge;
- a hedge of a net investment in a foreign operation.

Fair value hedges

A fair value hedge is defined as a hedge of the exposure to changes in fair value of a recognized asset or liability such as a fixed-rate loan or borrowing, or of assets, liabilities or an unrecognized firm commitment denominated in a foreign currency.

The gain or loss from remeasuring the hedging instrument at fair value is recognized in income. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in income even if the hedged item is in a category in respect of which changes in fair value are recognized through other comprehensive income. These two adjustments are presented net in the consolidated income statement, with the net effect corresponding to the ineffective portion of the hedge.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that could affect the Group's income. The hedged cash flows may be attributable to a particular risk associated with a recognized financial or non-financial asset or a highly probable forecast transaction.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income, net of tax, while the ineffective portion is recognized in income. The gains or losses accumulated in equity are reclassified to the consolidated income statement under the same caption as the loss or gain on the hedged item – i.e., current operating income for operating cash flows and financial income or expenses for other cash flows – in the same periods in which the hedged cash flows affect income.

If the hedging relationship is discontinued, in particular because the hedge is no longer considered effective, the cumulative gain or loss on the hedging instrument remains separately recognized in equity until the forecast transaction occurs. However, if a forecast transaction is no longer expected to occur, the cumulative gain or loss on the hedging instrument is recognized in income.

Hedge of a net investment in a foreign operation

In the same way as for a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge of the currency risk is recognized directly in other comprehensive income, net of tax, while the ineffective portion is recognized in income. The gains or losses accumulated in other comprehensive income are transferred to the consolidated income statement when the investment is sold.

Identification and documentation of hedging relationships

The hedging instruments and hedged items are designated at the inception of the hedging relationship. The hedging relationship is formally documented in each case, specifying the hedging strategy, the hedged risk and the method used to assess hedge effectiveness. Only derivative contracts entered into with external counterparties are considered as being eligible for hedge accounting.

Hedge effectiveness is assessed and documented at the inception of the hedging relationship and on an ongoing basis throughout the periods for which the hedge was designated. Hedges are considered to be effective when changes in fair value or cash flows between the hedging instrument and the hedged item are offset within a range of 80%-125%.

Hedge effectiveness is demonstrated both prospectively and retrospectively using various methods, based mainly on a comparison between changes in the fair value or cash flows between the hedging instrument and the hedged item. Methods based on an analysis of statistical correlations between historical price data are also used.

Derivative instruments not qualifying for hedge accounting: recognition and presentation

These items mainly concern derivative financial instruments used in economic hedges that have not been – or are no longer – documented as hedging relationships for accounting purposes.

When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, changes in fair value are recognized directly in income, under "Mark-to-market" or "Mark-to-market on commodity contracts other than trading instruments" below the current operating income for derivative instruments with non-financial assets as the underlying, and in financial income or expenses for currency, interest rate and equity derivatives.

Derivative instruments used by the Group in connection with proprietary energy trading activities and energy trading on behalf of customers and other derivatives expiring in less than 12 months are recognized in the consolidated statement of financial position in current assets and liabilities, while derivatives expiring after this period are classified as non-current items.

Fair value measurement

The fair value of instruments listed on an active market is determined by reference to the market price. In this case, these instruments are presented in level 1 of the fair value hierarchy.

The fair value of unlisted financial instruments for which there is no active market and for which observable market data exist is determined based on valuation techniques such as option pricing models or the discounted cash flow method.

Models used to evaluate these instruments take into account assumptions based on market inputs:

- the fair value of interest rate swaps is calculated based on the present value of future cash flows;
- the fair value of forward foreign exchange contracts and currency swaps is calculated by reference to current prices for contracts with similar maturities by discounting the future cash flow spread (difference between the forward exchange rate under the contract and the forward exchange rate recalculated in line with the new market conditions applicable to the nominal amount);
- the fair value of currency and interest rate options is calculated using option pricing models;
- commodity derivatives contracts are valued by reference to listed market prices based on the present value of future cash flows (commodity swaps or commodity forwards) or option pricing models (options), which may factor in market price volatility. Contracts with maturities exceeding the depth of transactions for which prices are observable, or which are particularly complex, may be valued based on internal assumptions;
- exceptionally, for complex contracts negotiated with independent financial institutions, the Group uses the values established by its counterparties.

These instruments are presented in level 2 of the fair value hierarchy except when the evaluation is based mainly on data that are not observable; in this case they are presented in level 3 of the fair value hierarchy. Most often, this is the case for derivatives with a maturity that falls outside the observability period for market data relating to the underlying or when some parameters such as the volatility of the underlying are not observable.

Except in case of enforceable master netting arrangements or similar agreements, counterparty risk is included in the fair value of financial derivative instrument assets and liabilities. It is calculated according to the “expected loss” method and takes into account the exposure at default, the probability of default and the loss given default.

The probability of default is determined on the basis of credit ratings assigned to each counterparty (“historical probability of default” approach).

1.4.12 Cash and cash equivalents

These items include cash equivalents as well as short-term investments that are considered to be readily convertible into a known amount of cash and where the risk of a change in their value is deemed to be negligible based on the criteria set out in IAS 7.

Bank overdrafts are not included in the calculation of cash and cash equivalents and are recorded under “Short-term borrowings”.

1.4.13 Treasury shares

Treasury shares are recognized at cost and deducted from equity. Gains and losses on disposals of treasury shares are recorded directly in equity and do not therefore impact income for the period.

1.4.14 Share-based payment

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

The Group share-based payments are equity-settled instruments (currently no cash-settled instruments).

Equity-settled instruments: bonus share plans and performance shares granted to employees

The fair value of bonus share plans is estimated by reference to the share price at the grant date, taking into account the fact that no dividends are payable over the vesting period, and based on the estimated turnover rate for the employees concerned and the probability that the Group will meet its performance targets. The fair value measurement also takes into account the non-transferability period associated with these instruments. The cost of shares granted to employees is expensed over the vesting period of the rights and offset against equity.

A Monte Carlo pricing model is used for performance shares granted on a discretionary basis and subject to external performance criteria.

1.4.15 Provisions

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

Depending on the laws and practices in force in the countries where GDF SUEZ operates, Group companies have obligations in terms of pensions, early retirement payments, retirement bonuses and other benefit plans. Such obligations generally apply to all of the employees within the companies concerned.

The Group's obligations in relation to pensions and other employee benefits are recognized and measured in compliance with IAS 19. Accordingly:

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

Provisions are recorded when commitments under these plans exceed the fair value of plan assets. Where the value of plan assets (capped where appropriate) is greater than the related commitments, the surplus is recorded as an asset under "Other current assets" or "Other non-current assets".

As regards post-employment benefit obligations actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income. Where appropriate, adjustments resulting from applying the asset ceiling to net assets relating to overfunded plans are treated in a similar way.

However, actuarial gains and losses on other long-term benefits such as long-service awards, are recognized immediately in income.

Net interest on the net defined benefit liability (asset) is presented in net financial expense (income).

1.4.15.2 Other provisions

The Group records a provision where it has a present obligation (legal or constructive), the settlement of which is expected to result in an outflow of resources embodying economic benefits with no corresponding consideration in return.

A provision for restructuring costs is recorded when the general criteria for setting up a provision are met, i.e., when the Group has a detailed formal plan relating to the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Provisions with a maturity of over 12 months are discounted when the effect of discounting is material. The Group's main long-term provisions are provisions for nuclear waste reprocessing and storage, provisions for dismantling facilities and provisions for site restoration costs. The discount rate (or rates) used reflects current market assessments of the time value of money and the risks specific to the liability concerned. Expenses corresponding to the reversal of discounting adjustments to long-term provisions are recorded under other financial income and expenses.

A provision is recognized when the Group has a present legal or constructive obligation to dismantle facilities or to restore a site. An asset is recorded simultaneously by including this dismantling obligation in the carrying amount of the facilities concerned. Adjustments to the provision due to subsequent changes in the expected outflow of resources, the dismantling date or the discount rate are deducted from or added to the cost of the corresponding asset in a symmetrical manner. The impacts of unwinding the discount are recognized in expenses for the period.

1.4.16 Revenues

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

- energy sales;
- rendering of services;
- lease and construction contracts.

Revenues on sales of goods are recognized on delivery, i.e., when the significant risks and rewards of ownership are transferred to the buyer. For services and construction contracts, revenues are recognized using the percentage-of-completion method. In both cases, revenues are recognized solely when the transaction price is fixed or can be reliably determined and the recovery of the amounts due is probable.

Revenues are measured at the fair value of the consideration received or receivable. Where deferred payment has a material impact on the measurement of the fair value of this consideration, this is taken into account by discounting future receipts.

1.4.16.1 Energy sales

These revenues primarily include sales of electricity and gas, transport and distribution fees relating to services such as electricity and gas distribution network maintenance, and heating network sales.

Part of the price received by the Group under certain long-term energy sales contracts may be fixed rather than being based on volumes. In rare cases, the fixed amount can change over the term of the contract. In accordance with IAS 18, revenues from such components are recognized on a straight-line basis because, in substance, the fair value of the services rendered does not vary from one period to the next.

In accordance with IAS 1 and IAS 18, both proprietary energy trading transactions and energy trading carried out on behalf of customers are recorded within "Revenues" after netting off sales and purchases. Under the same principle, when sale contracts are offset by similar purchase contracts, or if the sale contracts are entered into as part of an offset strategy, the contribution of operational energy trading activities (wholesale or arbitrage) relating to assets, aimed at optimizing production assets and fuel purchase energy sale portfolios, is recognized in revenues based on the net amount.

1.4.16.2 Rendering of services

These revenues relate mainly to installation, maintenance and energy services, and are recognized in accordance with IAS 18, which requires services to be accounted for on a percentage-of-completion basis.

1.4.16.3 Lease and construction contracts

Revenues from construction contracts are determined using the percentage-of-completion method and more generally according to the provisions of IAS 11. Depending on the contract concerned, the stage of completion may be determined either based on the proportion that costs incurred to date bear to the estimated total costs of the transaction, or on the physical progress of the contract based on factors such as contractually defined stages.

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

1.4.17 Current operating income

Current operating income is an indicator used by the Group to present "a level of operational performance that can be used as part of an approach to forecast recurring performance" (this complies with ANC Recommendation 2013-03 on the format of financial statements of entities applying IFRSs). Current operating income is a sub-total which helps management to better understand the Group's performance because it excludes elements which are inherently difficult to predict due to their unusual, irregular or non-recurring nature. For GDF SUEZ, such elements relate to mark-to-market on commodity contracts other than trading instruments, impairment losses, restructuring costs, changes in the scope of consolidation and other non-recurring items, and are defined as follows:

- mark-to-market on commodity contracts other than trading instruments corresponds to changes in the fair value (marked-to-market) of financial instruments relating to commodities, gas and electricity, which do not qualify as either trading or hedging instruments. These contracts are used in economic hedges of operating transactions in the energy sector. Since changes in the fair value of these instruments which must be recognized through income in IAS 39 can be material and difficult to predict, they are presented on a separate line of the consolidated income statement;
- impairment losses include impairment losses on goodwill, property, plant and equipment, and intangible assets, investments in entities accounted for using the equity method and available-for-sale securities;
- restructuring costs concern costs corresponding to a restructuring program planned and controlled by management that materially changes either the scope of a business undertaken by the entity, or the manner in which that business is conducted, based on the criteria set out in IAS 37;
- changes in the scope of consolidation. This line includes:
  - costs related to acquisitions of controlling interests,
  - in the event of a business combination achieved in stages, impacts of the remeasurement of the previously held equity interest at acquisition-date fair value,
  - subsequent changes in the fair value of contingent consideration,
  - gains or losses from disposals of investments which result in a change in consolidation method, as well as any impact of the remeasurement of retained interests;
- other non-recurring items notably include capital gains and losses on disposals of non-current assets and available-for-sale securities.

Since January 1, 2014 "Share in net income of entities accounted for using the equity method", is now presented after "Current operating income" and before a new sub-total, called "Current operating income after share in net income of entities accounted for using the equity method".

This change in presentation and its impacts on the comparative financial statements 2013 are disclosed in Note 2.2 "Changes in the presentation of the income statement and certain key indicators" and Note 2.3 "Restatement of 2013 comparative data".

1.4.18 Consolidated statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method starting from net income.

"Interest received on non-current financial assets" is classified within investing activities because it represents a return on investments. "Interest received on cash and cash equivalents" is shown as a component of financing activities because the interest can be used to reduce borrowing costs. This classification is consistent with the Group's internal organization, where debt and cash are managed centrally by the treasury department.

As impairment losses on current assets are considered to be definitive losses, changes in current assets are presented net of impairment.

Cash flows relating to the payment of income tax are presented on a separate line of the consolidated statement of cash flows.

1.4.19 Income tax expense

The Group computes taxes in accordance with prevailing tax legislation in the countries where income is taxable.

In accordance with IAS 12, deferred taxes are recognized according to the liability method on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases, using tax rates that have been enacted or substantively enacted by the reporting date. However, under the provisions of IAS 12, no deferred taxes are recognized for temporary differences arising from goodwill for which impairment losses are not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting income nor taxable income. In addition, deferred tax assets are only recognized to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilized.

Temporary differences arising on restatements of finance leases result in the recognition of deferred taxes.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates, joint ventures and branches, except if the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Net balances of deferred tax are calculated based on the tax position of each company or on the total income of companies included within the consolidated tax group, and are presented in assets or liabilities for their net amount per tax entity.

Deferred taxes are reviewed at each reporting date to take into account factors including the impact of changes in tax laws and the prospects of recovering deferred tax assets arising from deductible temporary differences.

Deferred tax assets and liabilities are not discounted.

Tax effects relating to coupon payments on deeply-subordinated perpetual notes are recognised in profit or loss.

1.4.20 Earnings per share

Basic earnings per share are calculated by dividing net income Group share for the year by the weighted average number of ordinary shares outstanding during the year. The average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year.

The weighted average number of shares and basic earnings per share are adjusted to take into account the impact of the conversion or exercise of any dilutive potential ordinary shares (options, warrants and convertible bonds, etc.).

NOTE 2 Impact of applying the new consolidation standards to the comparative 2013 financial statements

The new consolidation standards, IFRS 10 – *Consolidated Financial Statements* and IFRS 11 – *Joint Arrangements* and amendments to IAS 28 – *Investments in Associates and Joint Ventures*, were applicable from January 1, 2014. In accordance with the transitional provisions provided for by these new standards, the restatement of comparative data is limited to the period that immediately precedes the year during which these standards are applied for the first time. As a result, the Group's comparative data have been restated at January 1, 2013. The main changes in consolidation method introduced by the application of these new standards as well as their quantified impact on the financial statements are described in Notes 2.1 and 2.3 below.

The Group also adapted the presentation of its income statement and the definition of certain key performance indicators following the implementation of IFRS 11 – *Joint Arrangements*. These presentation changes, described in Note 2.2 below, were also applied retrospectively as of January 1, 2013 to ensure the comparability of financial information with financial year 2013. The quantified impacts on the comparative financial statements of these presentation changes are described in Note 2.3.

2.1 Impacts of the application of IFRS 10 and IFRS 11 and amendments to IAS 28

IFRS 11 – Joint Arrangements

In accordance with IAS 31 – *Interests in Joint Ventures*, the Group accounted for its interests in jointly controlled entities using the proportionate method. Pursuant to IFRS 11, joint ventures must now be accounted for using the equity method. Joint arrangements classified as joint operations within the Group are not material.

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The main joint ventures at December 31, 2013 were as follows:

Entity	% interest	Country	Operating segment	Activity
Energia Sustentável do Brasil - "Jirau"	60.0	Brazil	Energy International	Created to build, own and operate a 3,750 MW hydroelectric power plant
EcoEléctrica	35.0	Puerto Rico	Energy International	Operates a 507 MW combined-cycle gas-fired power plant and an LNG terminal
Portfolio of power generation assets in Portugal held by NPIH holding(1)	50.0	Portugal	Energy Europe	Operates a portfolio of thermal power generation and wind farm assets (3,108 MW)
WSW Energie und Wasser AG	33.1	Germany	Energy Europe	A municipal utility company (*Stadtwerk*) for the sale and distribution of electricity, gas and heat
MEGAL GmbH	36.8	Germany	Infrastructures	Owns a 1,167 km natural gas transmission network
Tirreno Power	50.0	Italy	Energy Europe	Operates a portfolio of thermal power generation assets (3,274 MW)
Maia Eolis	49.0	France	Energy Europe	Operates a portfolio of wind farm assets (229 MW)
Tihama Power Generation Co	60.0	Saudi Arabia	Energy International	Operates a portfolio of thermal power generation assets (1,595 MW)

(1) The joint venture NPIH was created as part of the transaction with Marubeni Corporation on October 13, 2013 (see Note 5.7.2.2 "Sale of 50% of the portfolio of power generation assets in Portugal").

In the published financial statements for the year ended December 31, 2013, the Group's entire share in the assets and liabilities of Energia Sustentável do Brasil (ESBR) was classified under "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale", respectively, subsequent to the Group's decision to sell a portion of its interest in ESBR to Mitsui & Co. Ltd *(see Note 5.4.1)*. In accordance with the provisions of IAS 28 Revised – *Investments in Associates and Joint Ventures* and IFRS 11 – *Joint Arrangements*, only the portion of the interest held for sale, i.e., 20%, is classified under "Assets classified as held for sale" in the comparative statement of financial position at December 31, 2013 while the residual 40% interest is recorded under "Investments in entities accounted for using the equity method". Following the disposal of the 20% interest on January 16, 2014, the residual interest in ESBR has been accounted for as an associate.

Contributions made by joint ventures to the income statement for 2014 and the statement of financial position at December 31, 2014 as well as the comparative financial statements for the year ended December 31, 2013 are presented in Note 4.

The Group also carried out the following transactions in accordance with the transitional provisions of IFRS 11:

- the Group determined the equity-accounted carrying amount of each joint venture at January 1, 2013 and allocated to each joint venture a share of the goodwill of the CGU to which it belongs in accordance with the provisions defined by IFRS 11. Goodwill reclassified under "Investments in entities accounted for using the equity method" amounted to €495 million at January 1, 2013;
- the joint ventures to which goodwill was allocated at January 1, 2013 were tested for impairment. These tests resulted in the recognition by the Group of €127 million in total impairment losses, Group share, on the joint ventures' equity-accounted values. These losses are attributable to the goodwill allocated to the joint ventures in accordance with the transitional provisions of IFRS 11 and were recognized as a deduction from shareholders' equity at January 1, 2013.

IFRS 10 - Consolidated Financial Statements

As a result of the analyses carried out in light of the criteria set out in IFRS 10 – Consolidated Financial Statements, the Group modified the consolidation method used for a very limited number of entities. The impacts were not material.

2.2 Changes in the presentation of the income statement and certain key indicators

In view of the application of IFRS 11 and the growing importance of activities and new projects carried out with partners within joint ventures or associates, the Group adapted the presentation of its income statement and the definition of the financial indicator EBITDA.

The income statement line item "Share in net income of associates", which is now "Share in net income of entities accounted for using the equity method", is now presented within "Current operating income after share in net income of entities accounted for using the equity method". The Group also continues to present "Current operating income" before share in net income of entities accounted for using the equity method.

Similarly, the calculation method for the financial indicator EBITDA has been broadened to include the contribution of entities accounted for using the equity method, net disbursements under concession contracts, net additions to provisions and "Net write-downs of inventories, trade receivables and other assets". In view of this new definition, reconciling items between EBITDA and "Current operating income after share in net income of entities accounted for using the equity method" are now limited to net additions to depreciation and amortization and share-based payments (IFRS 2).

Note 2.3.6 "Impacts on certain key indicators" presents the quantified reconciliation of current operating income and EBITDA as published in the consolidated financial statements at December 31, 2013 and the comparative data at this date taking into account the presentation changes.

The Group considers that the inclusion of the share in net income of entities accounted for using the equity method under the new line item "Current operating income after share in net income of entities accounted for using the equity method" and in EBITDA provides a more accurate presentation of the performance of the Group's operating activities and its operating segments. Following the application of the new consolidation standards, the Management Committee regularly reviews the Group's operating performance with regard to "Current operating income after share in net income of entities accounted for using the equity method" and the new definition of EBITDA, which are key performance indicators and are therefore presented in Note 6 "Segment information" as well as in the annual management report.

2.3 Restatement of 2013 comparative data

2.3.1 Income statement for the year ended December 31, 2013

In millions of euros	Dec. 31, 2013 (published)[1]	Presentation changes in the income statement	First-time application of consolidation standards	Dec. 31, 2013 (restated)[1]
Revenues	89,300	-	(1,402)	87,898
Purchases	(51,216)	-	820	(50,396)
Personnel costs	(11,704)	-	89	(11,615)
Depreciation, amortization and provisions	(6,600)	-	174	(6,426)
Other operating expenses	(14,058)	-	205	(13,853)
Other operating income	2,107	-	(30)	2,077
CURRENT OPERATING INCOME	**7,828**	**-**	**(144)**	**7,685**
Share in net income of entities accounted for using the equity method	-	490	80	570
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,828**	**490**	**(64)**	**8,254**
Mark-to-market on commodity contracts other than trading instruments	(226)	-	-	(226)
Impairment losses[2]	(14,943)	-	173	(14,770)
Restructuring costs	(305)	-	3	(302)
Changes in scope of consolidation	406	-	-	405
Other non-recurring items	545	-	(1)	544
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**(6,695)**	**490**	**112**	**(6,093)**
Financial expenses	(2,487)	-	44	(2,444)
Financial income	510	-	(12)	498
NET FINANCIAL INCOME/(LOSS)	**(1,977)**	**-**	**32**	**(1,945)**
Income tax expense	(727)	-	(18)	(745)
Share in net income of associates	490	(490)	-	-
NET INCOME/(LOSS)	**(8,909)**	**-**	**126**	**(8,783)**
Net income/(loss) Group share	(9,289)	-	92	(9,198)
Non-controlling interests	380	-	35	414
BASIC EARNINGS/(LOSS) PER SHARE *(EUROS)*	**(3.94)**	**-**	**-**	**(3.90)**
DILUTED EARNINGS/(LOSS) PER SHARE *(EUROS)*	**(3.94)**	**-**	**-**	**(3.90)**

(1) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and then accounted for using the equity method as from that date (see Note 5.7).

(2) The decrease of €173 million under "Impairment losses" resulting from the first-time application of the consolidation standards, is mainly due to:

(i) the €80 million impairment loss attributable to the goodwill allocated to a joint venture of the Energy - Central Western Europe (CWE) CGU in accordance with the transitional provisions of IFRS 11 described in Note 2.1 and recognized as a deduction from shareholders' equity at January 1, 2013. The impairment loss recognized within the CWE goodwill CGU in the reported income statement for 2013 has been reduced by €80 million. This adjustment led to an increase for the same amount in net income/(loss) Group share.

(ii) the reclassification of impairment losses on property, plant and equipment and intangible assets of joint ventures from "Impairment losses" to "Share in net income of entities accounted for using the equity method". These reclassifications had no impact on net income for the year ended December 31, 2013.

2.3.2 Statement of comprehensive income for the year ended December 31, 2013

In millions of euros	Dec. 31, 2013 (published)[1]	First-time application of consolidation standards	Dec. 31, 2013 (restated)[1]
NET INCOME/(LOSS)	**(8,909)**	**126**	**(8,783)**
Available-for-sale financial assets	(51)	4	(47)
Net investment hedges	375	-	375
Cash flow hedges (excl. commodity instruments)	537	(43)	494
Commodity cash flow hedges	(261)	(1)	(262)
Deferred tax on items above	(212)	11	(201)
Share of entities accounted for using the equity method in recyclable items, net of tax	128	28	156
Translation adjustments	(2,043)	(11)	(2,054)
TOTAL RECYCLABLE ITEMS	**(1,527)**	**(12)**	**(1,539)**
Actuarial gains and losses	633	(9)	624
Deferred tax on actuarial gains and losses	(200)	1	(199)
Share of entities accounted for using the equity method in non-recyclable items from actuarial gains and losses, net of tax	(12)	8	(4)
TOTAL NON-RECYCLABLE ITEMS	**420**	**-**	**420**
TOTAL COMPREHENSIVE INCOME/(LOSS)	**(10,016)**	**114**	**(9,902)**
o/w Owners of the parent	(10,093)	90	(10,003)
o/w Non-controlling interests	77	24	101

(1) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and then accounted for using the equity method as from that date (see Note 5.7).

2.3.3 Statement of financial position at January 1, 2013

In millions of euros	January 1, 2013 (published)(1)	First-time application of consolidation standards	January 1, 2013 (restated)(1)
Non-current assets			
Intangible assets, net	13,020	(357)	12,663
Goodwill	30,035	(500)	29,535
Property, plant and equipment, net	86,597	(4,835)	81,761
Available-for-sale securities	3,398	(57)	3,341
Loans and receivables at amortized cost	3,541	(490)	3,051
Derivative instruments	3,108	1	3,109
Investments in entities accounted for using the equity method	2,961	3,197	6,158
Other assets	962	(28)	933
Deferred tax assets	1,487	(154)	1,333
TOTAL NON-CURRENT ASSETS	**145,109**	**(3,225)**	**141,884**
Current assets			
Loans and receivables at amortized cost	1,630	344	1,974
Derivative instruments	4,280	12	4,292
Trade and other receivables, net	25,034	(238)	24,797
Inventories	5,423	(91)	5,332
Other assets	9,012	(201)	8,811
Financial assets at fair value through income	432	(1)	431
Cash and cash equivalents	11,383	(444)	10,939
Assets classified as held for sale	3,145	(391)	2,754
TOTAL CURRENT ASSETS	**60,339**	**(1,009)**	**59,329**
TOTAL ASSETS	**205,448**	**(4,234)**	**201,213**
Shareholder's equity(2)	59,834	(74)	59,760
Non-controlling interests	11,468	204	11,672
TOTAL EQUITY	**71,303**	**130**	**71,432**
Non-current liabilities			
Provisions	15,480	(75)	15,405
Long-term borrowings	45,247	(3,302)	41,945
Derivative instruments	2,751	(94)	2,657
Other financial liabilities	343	281	624
Other liabilities	2,063	(38)	2,025
Deferred tax liabilities	11,959	(262)	11,697
TOTAL NON-CURRENT LIABILITIES	**77,843**	**(3,490)**	**74,353**
Current liabilities			
Provisions	2,071	(29)	2,042
Short-term borrowings	11,962	108	12,069
Derivative instruments	4,092	(26)	4,066
Trade and other payables	19,481	(462)	19,019
Other liabilities	16,820	(71)	16,749
Liabilities directly associated with assets classified as held for sale	1,875	(392)	1,483
TOTAL CURRENT LIABILITIES	**56,302**	**(873)**	**55,428**
TOTAL EQUITY AND LIABILITIES	**205,448**	**(4,234)**	**201,213**

(1) The Group's interest in SUEZ Environnement was fully consolidated at January 1, 2013 (see Note 5.7).

(2) This negative €74 million impact on shareholders' equity resulted from (i) the €127 million impairment loss recognized at January 1, 2013, on the equity-accounted values of certain joint ventures, to which goodwill was allocated at January 1, 2013 in accordance with the transitional provisions of IFRS 11 described in Note 2.1 and (ii) the reversal of the joint venture Tirreno Power's negative net equity (€53 million at January 1, 2013), which was accounted for using the proportionate method until December 31, 2012 and the equity method as from January 1, 2013. At that date, the Group did not consider that it had any legal, contractual or constructive obligation to make any payments in respect of these accumulated losses and therefore did not recognize a liability corresponding to the negative net equity of €53 million.

2.3.4 Statement of financial position at December 31, 2013

In millions of euros	Dec. 31, 2013 (published)	First-time application of consolidation standards	Dec. 31, 2013 (restated)
Non-current assets			
Intangible assets, net	7,286	(244)	7,042
Goodwill	20,697	(277)	20,420
Property, plant and equipment, net	65,037	(1,925)	63,112
Available-for-sale securities	3,015	-	3,015
Loans and receivables at amortized cost	2,368	(471)	1,898
Derivative instruments	2,351	1	2,351
Investments in entities accounted for using the equity method	4,636	2,163	6,799
Other assets	723	(38)	685
Deferred tax assets	662	(172)	490
TOTAL NON-CURRENT ASSETS	**106,775**	**(963)**	**105,813**
Current assets			
Loans and receivables at amortized cost	1,078	393	1,470
Derivative instruments	3,825	9	3,833
Trade and other receivables, net	21,318	(261)	21,057
Inventories	5,070	(97)	4,973
Other assets	8,229	(72)	8,157
Financial assets at fair value through income	1,004	(3)	1,001
Cash and cash equivalents	8,691	15	8,706
Assets classified as held for sale	3,620	(2,699)	922
TOTAL CURRENT ASSETS	**52,836**	**(2,716)**	**50,120**
TOTAL ASSETS	**159,611**	**(3,678)**	**155,932**
Shareholder's equity	47,955	16	47,971
Non-controlling interests	5,535	154	5,689
TOTAL EQUITY	**53,490**	**170**	**53,659**
Non-current liabilities			
Provisions	14,129	(64)	14,066
Long-term borrowings	29,424	(848)	28,576
Derivative instruments	2,101	(39)	2,062
Other financial liabilities	158	55	213
Other liabilities	1,187	(40)	1,147
Deferred tax liabilities	9,792	(326)	9,466
TOTAL NON-CURRENT LIABILITIES	**56,792**	**(1,262)**	**55,530**
Current liabilities			
Provisions	2,050	(18)	2,032
Short-term borrowings	10,490	(175)	10,316
Derivative instruments	4,062	(19)	4,043
Trade and other payables	16,599	(201)	16,398
Other liabilities	13,606	(85)	13,521
Liabilities directly associated with assets classified as held for sale	2,521	(2,088)	434
TOTAL CURRENT LIABILITIES	**49,329**	**(2,586)**	**46,743**
TOTAL EQUITY AND LIABILITIES	**159,611**	**(3,678)**	**155,932**

2.3.5 Statement of cash flows for the year ended December 31, 2013

In millions of euros	Dec. 31, 2013 (published)(1)	First-time application of consolidation standards	Dec. 31, 2013 (restated)(1)
NET INCOME/(LOSS)	**(8,909)**	**126**	**(8,783)**
Cash generated from operations before income tax and working capital requirements	14,313	(184)	14,129
Change in working capital requirements	(186)	95	(91)
CASH FLOW FROM OPERATING ACTIVITIES	**12,024**	**(44)**	**11,980**
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(5,611)**	**508**	**(5,103)**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(6,982)**	**(45)**	**(7,027)**
Effects of changes in exchange rates and other	(2,123)	39	(2,083)
TOTAL CASH FLOW FOR THE PERIOD	**(2,691)**	**458**	**(2,233)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**11,383**	**(444)**	**10,939**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8,691**	**15**	**8,706**

(1) *The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and then accounted for using the equity method as from that date (see Note 5.7).*

2.3.6 Impacts on certain key indicators

RECONCILIATION OF EBITDA – CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

In millions of euros	Dec. 31, 2013 (published)(1)	Incorporation of income of entities accounted for using the equity method	First-time application of consolidation standards	New EBITDA definition	Dec. 31, 2013 (restated)(1)
CURRENT OPERATING INCOME	**7,828**	**-**	**(144)**	**-**	**7,685**
Share in net income of entities accounted for using the equity method	-	490	80	-	570
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,828**	**490**	**(64)**	**-**	**8,254**
Net depreciation, amortization and provisions	6,600	-	(174)	(551)	5,875
Share-based payments (IFRS 2) and other	99	-	-	(6)	93
Net disbursements under concession contracts	247	-	(1)	(247)	-
EBITDA	**14,775**	**490**	**(239)**	**(804)**	**14,223**

(1) *The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and then accounted for using the equity method as from that date (see Note 5.7).*

NET DEBT

In millions of euros	January 1, 2013 (published)(1)	First-time application of consolidation standards	January 1, 2013 (restated)(1)
GROSS DEBT	**57,489**	**(3,196)**	**54,292**
ASSETS RELATED TO FINANCING	**(295)**	**-**	**(295)**
NET CASH	**(13,279)**	**445**	**(12,834)**
NET DEBT	**43,914**	**(2,751)**	**41,163**

(1) *The Group's interest in SUEZ Environnement was fully consolidated at January 1, 2013 (see Note 5.7).*

In millions of euros	Dec. 31, 2013 (published)	First-time application of consolidation standards	Dec. 31, 2013 (restated)
GROSS DEBT	40,421	(1,028)	39,393
ASSETS RELATED TO FINANCING	(91)	-	(91)
NET CASH	(10,490)	(11)	(10,502)
NET DEBT	29,840	(1,039)	28,800

NOTE 3 Main subsidiaries at December 31, 2014

3.1 List of main subsidiaries at December 31, 2014

The list of main subsidiaries presented below was determined, as regards operating entities, based on their contribution to Group revenues, EBITDA and net debt. The main equity-accounted investments (associates and joint ventures) are presented in Note 4 “Investments in entities accounted for using the equity method”.

“FC” indicates the full consolidation method, “EM” designates the equity method and “NC” indicates non-consolidated entities.

GDF SUEZ SA comprises both operating activities and headquarters functions which report to management teams of different business lines. In the following tables, these operating activities and headquarters functions are shown under GDF SUEZ SA (*) within the respective business lines.

ENERGY INTERNATIONAL BUSINESS LINE

			% interest		Consolidation method	
Company name	Activity	Country	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
E-CL Group	Electricity production	Chile	52.8	52.8	FC	FC
Enersur	Electricity production	Peru	61.8	61.8	FC	FC
Tractebel Energia Group	Electricity production	Brazil	68.7	68.7	FC	FC
GLOW Group	Electricity distribution and production	Thailand	69.1	69.1	FC	FC
Hazelwood Power Partnership	Electricity production	Australia	72.0	72.0	FC	FC
Loy Yang B Consolidated	Electricity production	Australia	70.0	70.0	FC	FC
GDF SUEZ Energy Generation North America Group	Electricity production	United States	100.0	100.0	FC	FC
GDF SUEZ Gas NA LLC Group	Natural gas/LNG	United States	100.0	100.0	FC	FC
GDF SUEZ Energy Resources North America Group	Energy sales	United States	100.0	100.0	FC	FC
FHH (Guernsey) Ltd	Electricity production	United Kingdom	75.0	75.0	FC	FC
Rugeley Power Limited	Electricity production	United Kingdom	75.0	75.0	FC	FC
Saltend	Electricity production	United Kingdom	75.0	75.0	FC	FC
Baymina Enerji A.S.	Electricity production	Turkey	95.0	95.0	FC	FC
GDF SUEZ Energy UK Retail	Energy sales	United Kingdom	100.0	100.0	FC	FC
International Power plc	Energy International business line headquarters	United Kingdom	100.0	100.0	FC	FC

ENERGY EUROPE BUSINESS LINE

			% interest		Consolidation method	
Company name	**Activity**	**Country**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**
GDF SUEZ Energie Deutschland AG	Electricity production/Energy sales	Germany	100.0	100.0	FC	FC
Electrabel SA	Electricity production	Belgium/France	100.0	100.0	FC	FC
Electrabel Customer Solutions	Energy sales	Belgium	98.8	95.8	FC	FC
Synatom	Managing provisions relating to nuclear power plants and nuclear fuel	Belgium	100.0	100.0	FC	FC
GDF SUEZ Nederland N.V.	Electricity production/Energy sales	Netherlands	100.0	100.0	FC	FC
GDF SUEZ Trading	Energy management trading	France/Belgium	100.0	100.0	FC	FC
GDF SUEZ Energy Management Trading	Energy management trading	France/Belgium	100.0	100.0	FC	FC
Compagnie Nationale du Rhône	Electricity production	France	49.9	49.9	FC	FC
GDF SUEZ SA (*)	Energy management trading/Energy sales	France	100.0	100.0	FC	FC
GDF SUEZ Cartagena Energia	Electricity production	Spain	100.0	100.0	FC	FC
GDF SUEZ Energia Italia Spa	Electricity production	Italy	100.0	100.0	FC	FC
GDF SUEZ Energia Polska SA	Electricity production	Poland	100.0	100.0	FC	FC
GDF SUEZ Energy Romania SA	Natural gas distribution/Energy sales	Romania	51.0	51.0	FC	FC

GLOBAL GAS & LNG BUSINESS LINE

			% interest		Consolidation method	
Company name	**Activity**	**Country**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**
GDF SUEZ E&P International Group	Exploration-production	France and other countries	70.0	70.0	FC	FC
GDF SUEZ E&P International	*Holding company - parent company*	*France*	*70.0*	*70.0*	*FC*	*FC*
GDF SUEZ E&P Nederland B.V.	*Exploration-production*	*Netherlands*	*70.0*	*70.0*	*FC*	*FC*
GDF SUEZ E&P Deutschland GmbH	*Exploration-production*	*Germany*	*70.0*	*70.0*	*FC*	*FC*
GDF SUEZ E&P Norge AS	*Exploration-production*	*Norway*	*70.0*	*70.0*	*FC*	*FC*
GDF SUEZ E&P UK Ltd	*Exploration-production*	*United Kingdom*	*70.0*	*70.0*	*FC*	*FC*
Gaztransport & Technigaz (GTT)	Engineering	France	40.4	40.0	FC	EM
GDF SUEZ SA (*)	LNG/Global Gas & LNG business line headquarters	France	100.0	100.0	FC	FC

INFRASTRUCTURES BUSINESS LINE

			% interest		Consolidation method	
Company name	**Activity**	**Country**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**
ELENGY	LNG terminals	France	100.0	100.0	FC	FC
GrDF	Natural gas distribution	France	100.0	100.0	FC	FC
GRTgaz Group	Natural gas transmission	France	75.0	75.0	FC	FC
STORENGY SA	Underground natural gas storage	France	100.0	100.0	FC	FC

ENERGY SERVICES BUSINESS LINE

			% interest		Consolidation method	
Company name	**Activity**	**Country**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**
Cofely Fabricom SA	Systems, Facilities and Maintenance	Belgium	100.0	100.0	FC	FC
Cofely Nederland N.V.	Energy services	Netherlands	100.0	100.0	FC	FC
Axima Concept	Systems, Facilities and Maintenance	France	100.0	100.0	FC	FC
Endel Group	Systems, Facilities and Maintenance	France	100.0	100.0	FC	FC
INEO Group	Systems, Facilities and Maintenance	France	100.0	100.0	FC	FC
Tractebel Engineering	Engineering	Belgium	100.0	100.0	FC	FC
Ecova	Energy services	United States	100.0	-	FC	NC
Cofely Italia Spa	Energy services	Italy	100.0	100.0	FC	FC
Cofely UK Ltd	Energy services	United Kingdom	100.0	100.0	FC	FC
Cofely Workplace Limited	Energy services	United Kingdom	100.0	100.0	FC	FC
Cofely Réseaux	Heating networks	France	100.0	100.0	FC	FC
CPCU	Heating networks	France	64.4	64.4	FC	FC

OTHER BUSINESS LINE

			% interest		Consolidation method	
Company name	**Activity**	**Country**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**
GDF SUEZ SA (*)	Holding company - parent company	France	100.0	100.0	FC	FC
GDF SUEZ CC	Central functions	Belgium	100.0	100.0	FC	FC
GDF SUEZ Finance SA	Financial subsidiaries	France	100.0	100.0	FC	FC

3.2 Significant judgments exercised when assessing control

The Group primarily considers the following information and criteria when determining whether it has control over an entity:

- governance arrangements: voting rights and whether the Group is represented on the governing bodies, majority, rights of veto;
- whether substantive or protective rights are granted to shareholders, particularly in relation to the entity's relevant activities;
- the consequences of a "*deadlock*" clause;
- whether the Group is exposed, or has rights, to variable returns from its involvement with the entity.

The Group exercised its judgment regarding the entities and sub-groups described below.

Entities in which the Group has the majority of the voting rights

This category mainly comprises the GDF SUEZ E&P International (70%) and GRTgaz (75%) sub-groups.

GDF SUEZ E&P International (Global Gas & LNG): 70%

On October 31, 2011, GDF SUEZ and China Investment Corporation (CIC) signed a partnership agreement for the acquisition by CIC of a 30% stake in the Group's exploration-production activities (GDF SUEZ E&P). The shareholder agreement provides that certain investment decisions relating to major development projects require a unanimous decision from the two shareholders, after a consultation period.

The GDF SUEZ Group considered that it continued to control GDF SUEZ E&P, as the rights granted to CIC represent minority protective rights, regarding in particular the risks to which all shareholders are exposed when undertaking exploration-production activities.

GRTgaz (Infrastructures): 75%

In addition to the analysis of the shareholder agreement with Société d'Infrastructures Gazières, a subsidiary of *Caisse des Dépôts et Consignations* (CDC), which owns 25% of the share capital of GRTgaz, the Group also assessed the rights granted to the French Energy Regulatory Commission (*Commission de régulation de l'énergie* – CRE). As a regulated activity, GRTgaz has a dominant position on the gas transportation market in France. Accordingly, since the transposition of the Third European Directive of July 13, 2009 into French law (Energy code of May 9, 2011), GRTgaz has been subject to independence rules as concerns its directors and senior management team. The French energy code confers certain powers on the CRE in the context of its duties to control the proper functioning of the gas markets in France, including verifying the independence of the members of the board of directors and senior management and assessing its choice of investments. The Group considers that it exercises control over GRTgaz in view of its current ability to appoint the majority of the members of the board of directors and take decisions about the relevant activities, especially in terms of the level of investment and planned financing.

Entities in which the Group does not have the majority of the voting rights

In the entities in which the Group does not have a majority of the voting rights, judgment is exercised with regard to the following items, in order to assess whether there is a situation of de facto control:

- dispersion of shareholding structure: number of voting rights held by the Group relative to the number of rights held respectively by the other vote holders and their dispersion;
- voting patterns at shareholders' meetings: the percentages of voting rights exercised by the Group at shareholders' meetings during recent years;
- governance arrangements: representation on the governing body with strategic and operational decision-making power over the relevant activities, as well as the rules for appointing key management personnel;
- contractual relationships and material transactions.

The main fully consolidated entities in which the Group does not have the majority of the voting rights are Compagnie Nationale du Rhône (49.98%) and Gaztransport & Technigaz (40.4%).

Compagnie Nationale du Rhône (CNR): 49.98%

The Group holds 49.98% of the share capital of CNR, with CDC holding 33.2%, and the balance (16.82%) being dispersed among around 200 local authorities. In view of the current provisions of the French "Murcef" law, under which a majority of CNR's share capital must remain under public ownership, the Group is unable to hold more than 50% of the share capital of CNR. However, the Group considers that it exercises de facto control as it holds the majority of the voting rights exercised at shareholders' meetings owing to the widely dispersed shareholding structure and the absence of evidence of minority shareholders acting in concert.

Gaztransport & Technigaz (GTT): 40.4%

As described in Note 5.1.1, further to GTT's initial public offering, the GDF SUEZ Group became the largest shareholder in that company with a 40.4% stake. The free float represented around 44% of the share capital at December 31, 2014. The Group considers that it exercises de facto control over GTT. Indeed, at the time of its stock market listing, GDF SUEZ held the majority of the seats on the Board of Directors and, in view of the widely dispersed shareholding structure and the absence of evidence of minority shareholders acting in concert, GDF SUEZ considers that it will have the majority of the voting rights exercised at forthcoming shareholders' meetings.

3.3 Subsidiaries with material non-controlling interests

The following table shows the non-controlling interests in Group entities that are deemed to be material, the respective contributions to equity and attributable net income at December 31, 2014 and December 31, 2013, as well as the dividends paid to non-controlling interests of these significant subsidiaries:

		% interest of non-controlling interests		Net income of non-controlling interests		Equity of non-controlling interests		Dividends paid to non-controlling interests	
In millions of euros	**Activity**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2014**	**Dec. 31, 2013**
GDF SUEZ E&P International Group (Global Gas & LNG, France and other countries)(1)	Portfolio of exploration-production assets and oil and gas field operation assets	30.0	30.0	80	108	940	954	171	196
GRTgaz Group (Infrastructures, France)	Regulated gas transmission activities in France	25.0	25.0	91	70	938	941	70	60
E-CL Group (BEI, Chile)(2)	Electricity production - thermal power plants	47.2	47.2	15	9	741	625	34	2
GLOW Group (BEI, Thailand)(2)	Electricity distribution and production	30.9	30.9	109	85	490	392	57	27
GDF SUEZ Energy Romania (BEE, Romania)(2)	Distribution of natural gas/Energy sales	49.0	49.0	50	44	418	396	31	21
GTT (Global Gas & LNG, France)	Engineering	59.6	-	19	-	418	-	78	-
Other subsidiaries with non-controlling interests(3)				307	100	2,486	2,380	319	767
TOTAL				**669**	**414**	**6,432**	**5,689**	**761**	**1,073**

(1) *The main subsidiaries of the GDF SUEZ E&P International group are shown in Note 3.1.*

(2) *The E-CL and GLOW groups, along with GTT, are listed on the stock markets in their respective countries. The non-controlling interests in the E-CL group and GTT correspond to the free float.*

(3) *In 2013, the amount of €767 million in dividends includes the dividends paid to non-controlling interests of SUEZ Environnement and the subsidiaries of SUEZ Environnement for an amount of €396 million.*

3.3.1 Condensed financial information on subsidiaries with material non-controlling interests

The condensed financial information concerning these subsidiaries presented in the table below is based on a 100% interest, and is shown before intragroup eliminations.

	GDF SUEZ E&P International Group		GRTgaz Group		E-CL Group		GLOW Group		GDF SUEZ Energy Romania		GTT[2]	
In millions of euros	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Income statement												
Revenues	2,863	2,903	2,051	1,889	933	908	1,681	1,659	951	914	186	-
Net income/(loss)	246	366	363	278	24	9	260	226	101	89	33	-
Net income/(loss) Group share	166	259	272	209	9	-	152	142	52	46	13	-
Other comprehensive income/(loss) - Owners of the parent	41	(24)	(72)	22	(2)	7	(7)	15	-	2	-	-
TOTAL COMPREHENSIVE INCOME - OWNERS OF THE PARENT	**208**	**234**	**200**	**231**	**7**	**8**	**145**	**157**	**51**	**47**	**13**	**-**
Statement of financial position												
Current assets	2,112	2,434	557	601	554	726	628	656	408	394	182	-
Non-current assets	7,042	6,656	8,855	8,553	1,970	1,628	2,644	2,413	748	738	755	-
Current liabilities	(1,302)	(1,897)	(798)	(885)	(170)	(433)	(493)	(598)	(219)	(215)	(122)	-
Non-current liabilities	(4,879)	(4,172)	(4,864)	(4,507)	(861)	(676)	(1,483)	(1,436)	(101)	(120)	(114)	-
TOTAL EQUITY	**2,972**	**3,020**	**3,750**	**3,763**	**1,494**	**1,245**	**1,297**	**1,036**	**836**	**797**	**701**	**-**
TOTAL NON-CONTROLLING INTERESTS	**940**	**954**	**938**	**941**	**741**	**625**	**490**	**392**	**418**	**396**	**418**	**-**
Statement of cash flows												
Cash flow from operating activities	956	1,044	884	868	202	164	429	286	204	119	98	-
Cash flow from (used in) investing activities	(896)	(756)	(720)	(777)	(39)	(88)	(21)	(15)	(61)	(106)	116	-
Cash flow from (used in) financing activities	(631)	61	(292)	(96)	(105)	(49)	(404)	(447)	(97)	(50)	(135)	-
TOTAL CASH FLOW FOR THE PERIOD[1]	**(571)**	**349**	**(128)**	**(5)**	**57**	**26**	**3**	**(176)**	**47**	**(38)**	**80**	**-**

(1) *Excluding effects of changes in exchange rates and other.*
(2) *Data presented in the table correspond to the GTT's contribution in the Group's financial statements since March 3, 2014, date on which it was fully consolidated for the first time. Before that date, GTT was accounted for using the equity method in the Group's financial statements.*

3.3.2 Other information on material non-controlling interests

The main transactions with non-controlling interests in 2014 and 2013 concern the repurchase in 2014 of interests in Electrabel Customer Solutions held by the public sector in Flanders *(see Note 5 "Main changes in Group structure")* and the sale in 2013 of a 28% interest in a power production asset portfolio in Australia to Mitsui & Co. Ltd *(see Note 2 "Main changes in Group structure" to the consolidated financial statements for the year ended December 31, 2013)*.

NOTE 4 Investments in entities accounted for using the equity method

The respective contributions of associates and joint ventures in the statement of financial position at December 31, 2014 and December 31, 2013, and in the income statement and statement of comprehensive income for the years then ended, are as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Statement of financial position		
Investments in associates	5,191	4,522
Investments in joint ventures	1,864	2,277
INVESTMENTS IN ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,055**	**6,799**
Income statement		
Share in net income of associates	196	493
Share in net income of joint ventures	246	77
SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**441**	**570**
Statement of comprehensive income		
Share of associates in “Other comprehensive income”	(98)	127
Share of joint ventures in “Other comprehensive income”	(23)	25
SHARE OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD IN “OTHER COMPREHENSIVE INCOME”	**(121)**	**152**

Significant judgments

The Group primarily considers the following information and criteria in determining whether it has joint control or significant influence over an entity:

- governance arrangements: whether the Group is represented on the governing bodies, majority rules, rights of veto;
- whether substantive or protective rights are granted to shareholders, particularly in relation to the entity’s relevant activities.

  This can be difficult to determine in the case of “project management” or “one-asset” entities, as certain decisions concerning the relevant activities are made upon the creation of the joint arrangement and valid throughout the project. Accordingly, the decision-making analysis concerns the relevant residual activities of the entity (those that significantly affect the returns of the entity);
- the consequences of a “*deadlock*” clause;
- whether the Group is exposed, or has rights, to variable returns from its involvement with the entity.

  This can also involve analyzing the Group’s contractual relations with the entity, and in particular the conditions in which contracts are entered into, contract terms and the management of any conflicts of interest that may arise when the entity’s governing body casts votes.

The Group exercised its judgment regarding the following entities and sub-groups:

Project management entities in the Middle East

The significant judgments made in determining the consolidation method to be applied to these project management entities concerned the risks and rewards relating to a contract between GDF SUEZ and the entity concerned, as well as an analysis of the residual relevant activities over which the entity retains control after its creation. The Group considers that it has significant influence or joint control over these entities, since the decisions taken throughout the term of the project about the relevant activities such as refinancing, or the renewal or amendment of significant contracts (sales, purchases, operating and maintenance services), require, depending on the case, the unanimous consent of two or more of parties sharing control.

SUEZ Environnement (33.7%)

With effect from July 22, 2013, the date on which the SUEZ Environnement shareholders’ agreement expired, GDF SUEZ no longer controls SUEZ Environnement but exercises significant influence over the company. In particular, this is because: a) the Group does not have a majority of members on SUEZ Environnement’s Board of Directors; b) at Shareholders’ Meetings, although SUEZ Environnement’s shareholder base is fragmented and GDF SUEZ holds a large interest, past voting shows that GDF SUEZ alone did not have the majority at Ordinary and Extraordinary Shareholders’ Meetings between 2010 and 2014; and c) the operational transition agreements (essentially relating to a framework agreement governing purchases and IT) were entered into on an arm’s length basis.

Associates in which the Group holds an interest of less than 20%

Cameron Holding LNG LLC (16.6%)

GDF SUEZ entered into a partnership agreement with Sempra (50.2%), Mitsubishi (16.6%) and Mitsui (16.6%) to develop the Cameron LNG project in the US. Pursuant to these agreements, GDF SUEZ has held a 16.6% stake in the project management entity Cameron Holding LNG LLC since October 1, 2014 and will have a long-term liquefaction capacity of 4 million tonnes per year (mtpa). Construction work has begun on the project and the facility should be operational for commercial purposes as from 2018. The agreement grants all shareholders the right to participate in all decisions about the relevant activities, on the basis of qualified majorities. Accordingly, GDF SUEZ has significant influence over this entity, which it has accounted for as an associate.

Joint ventures in which the Group holds an interest of more than 50%

Tihama (60%)

GDF SUEZ holds a 60% stake in the Tihama cogeneration plant in Saudi Arabia and its partner Saudi Oger holds 40%. The Group considers that it has joint control of Tihama since the decisions about its relevant activities, including for example preparation of the budget and amendments to major contracts, require the unanimous consent of the parties sharing control.

Joint control - difference between joint ventures and joint operations

Classifying a joint arrangement requires the Group to use its judgment to determine whether the entity in question is a joint venture or a joint operation. IFRS 11 requires an analysis of "other facts and circumstances" when determining the classification of jointly controlled entities.

The IFRS Interpretations Committee ("IFRS IC") (November 2014) decided that for an entity to be classified as a joint operation, other facts and circumstances must give rise to direct enforceable rights to the assets, and obligations for the liabilities, of the joint arrangement.

In view of this position and its application to our analyses, the Group has no material joint operation at December 31, 2014.

4.1 Investments in associates

4.1.1 Contribution of material associates and of associates that are not material to the Group taken individually

The table hereafter shows the contribution of each material associate along with the aggregate contribution of associates deemed not material taken individually, in the consolidated statement of financial position, income statement, statement of comprehensive income, and the "Dividends received from companies accounted for using the equity method" line of the statement of cash flows.

The Group used qualitative and quantitative criteria to determine material associates. These criteria include the contribution to the consolidated line items "Share in net income of associates" and "Investments in associates", the total assets of associates in Group share, and associates carrying major projects in the study or construction phase for which the related investment commitments are material.

Corporate name	Activity	% interest		Carrying amount of investments in associates		Share in net income/(loss) of associates		Other comprehensive income/(loss) of associates		Dividends received from associates	
In millions of euros		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
SUEZ Environnement Group (Other, Europe/Asia/Latin America)	Water and waste processing	33.70	35.68	1,996	1,882	118	106	60	35	118	30
Paiton (BEI, Indonesia)	Coal-fired power plant (2,035 MW)	40.51	40.51	726	581	65	64	(5)	7	-	67
Energia Sustentável Do Brasil (BEI, Brazil)(1)	Hydro power plant (3,750 MW)	40.00	-	676	-	(165)	-	(1)	-	-	-
Project management entities in the Middle East (BEI, Saudi Arabia, Bahrain, Qatar, United Arab Emirates, Oman)(2)	Gas-fired power plants and seawater desalination facilities			459	485	121	127	(71)	77	82	77
Senoko (BEI, Singapore)	Gas-fired power plants (3,201 MW)	30.00	30.00	302	319	10	33	(50)	4	1	4
GASAG (BEE, Germany)	Gas and heat networks	31.58	31.58	295	316	9	21	(12)	5	18	10
Canadian renewable energy activities (BEI, Canada)	Wind farm (679 MW)	40.00	40.00	191	210	12	-	(7)	8	32	2
Cameron (Global Gas & LNG, United States)	Gas liquefaction terminal	16.60	-	166	-	(1)	-	(15)	-	-	-
Astoria Energy, Phase I (BEI, United States)	Gas-fired power plant (575 MW)	44.80	44.80	124	171	10	1	-	-	-	-
ISAB Energy (BEE, Italy/BEI, Italy)(3)	Integrated gasification combined cycle plant (532 MW)	-	49.00	-	212	8	29	-	-	26	7
Other investments in associates that are not material taken individually				257	347	9	114	3	(9)	29	84
INVESTMENTS IN ASSOCIATES				**5,191**	**4,522**	**196**	**493**	**(98)**	**127**	**306**	**281**

(1) At December 31, 2013, the 60% interest in Energia Sustentável do Brasil (ESBR) was recognized as a joint venture. The 20% interest held for sale to Mitsui & Co. Ltd was recognized within "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" in the statement of financial position. ESBR has been accounted for as an associate since the Group completed the sale of the 20% interest in January 2014.

(2) Investments in associates operating gas-fired power plants and seawater desalination facilities in the Arabian peninsula have been grouped together under "Project management entities in the Middle East". This includes around 40 associates operating thermal power plants with a total installed capacity of 24,943 MW (at 100%) and a further 2,032 MW (at 100%) in capacity under construction.

These associates have fairly similar business models and joint arrangements: the project management entities selected as a result of a competitive bidding process develop, build and operate power generation plants and seawater desalination facilities. The entire output of these facilities is sold to government-owned companies under power and water purchase agreements, over periods generally spanning 20 to 30 years.

In accordance with their contractual arrangements, the corresponding plants are recognized as property, plant and equipment or as financial receivables whenever substantially all of the risks and rewards associated with the assets are transferred to the buyer of the output. This treatment complies with IFRIC 4 and IAS 17. The shareholding structure of these entities systematically includes a government-owned company based in the same country as the project management entity. The Group's percent interest and percent voting rights in each of these entities varies between 20% and 50%.

(3) On June 16, 2014, the Group sold its interest in ISAB Energy to the ERG group (see Note 5 "Main changes in Group structure").

The share in net income/(loss) of associates includes net non-recurring expenses for a total amount of €17 million in 2014 (compared to net non-recurring income of €14 million in 2013), mainly including changes in the fair value of derivative instruments and disposal gains and losses, net of taxes *(see Note 11 "Net recurring income Group share")*.

4.1.2 Financial information regarding material associates

The tables below provide condensed financial information for the Group's main associates.

The amounts shown have been determined in accordance with IFRS, before the elimination of intragroup items and after (i) adjustments made in line with Group accounting policies, and (ii) fair value measurements of the assets and liabilities of the associate at the level of GDF SUEZ, as required by IAS 28. All amounts are presented based on a 100% interest with the exception of "Total equity attributable to GDF SUEZ".

In millions of euros	Revenues	Net income/ (loss)	Other compre-hensive income/ (loss)	Total compre-hensive income/ (loss)	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Total equity	% interest of Group	Total equity attributable to GDF SUEZ
AT DECEMBER 31, 2014											
SUEZ Environnement Group(1)	14,324	417	(31)	386	7,863	18,992	9,086	10,773	6,996	33.70	1,996
Paiton	657	161	(54)	107	483	3,260	478	1,473	1,791	40.51	726
Energia Sustentável do Brasil	233	(413)	(1)	(414)	481	5,897	1,278	3,409	1,690	40.00	676
Project management entities in the Middle East	2,957	510	(328)	182	2,254	20,445	3,119	17,706	1,873		459
Senoko	1,976	32	(167)	(135)	312	2,944	353	1,895	1,007	30.00	302
GASAG	1,099	30	(39)	(9)	969	1,964	1,782	217	934	31.58	295
Canadian renewable energy activities	171	39	(18)	21	86	1,384	70	924	476	40.00	191
Cameron	13	(6)	(91)	(97)	34	1,497	429	104	998	16.60	166
Astoria Energy, Phase I	222	(28)	-	(28)	37	819	28	551	277	44.80	124
ISAB Energy(2)	233	16	-	16	-	-	-	-	-	-	-
AT DECEMBER 31, 2013											
SUEZ Environnement Group	14,323	352	93	445	7,988	18,433	9,077	9,863	6,951	35.68	1,882
Paiton	706	157	16	174	405	2,984	493	1,463	1,433	40.51	581
Project management entities in the Middle East	2,812	514	282	796	1,695	17,861	2,472	15,355	1,729		485
Senoko	2,339	109	12	121	319	2,810	645	1,421	1,063	30.00	319
GASAG	1,285	65	16	81	1,001	1,987	1,786	202	1,000	31.58	316
ISAB Energy	593	59	-	59	411	264	187	56	433	49.00	212
Canadian renewable energy activities	115	(1)	19	18	81	1,378	74	861	524	40.00	210
Astoria Energy, Phase I	165	6	-	6	37	748	38	366	381	44.80	171

(1) The data indicated in the table for SUEZ Environnement correspond to financial information published by SUEZ Environnement. Total SUEZ Environnement equity attributable to the Group amounts to €5,478 million based on the published financial statements of SUEZ Environnement and €5,923 million based on the financial statements of GDF SUEZ. The €445 million difference in these amounts chiefly reflects the fair value measurement of the assets and liabilities of SUEZ Environnement at the date the Group changed its consolidation method (July 22, 2013).

(2) ISAB Energy was sold on June 16, 2014.

SUEZ Environnement is the only material listed associate. Based on the closing share price at December 31, 2014, the market value of this interest was €2,628 million.

4.1.3 Transactions between the Group and its associates

The data below set out the impact of transactions with associates on the Group's 2014 consolidated financial statements.

In millions of euros	Purchases of goods and services	Sales of goods and services	Net financial income (excluding dividends)	Trade and other receivables	Loans and receivables at amortized cost	Trade and other payables	Borrowings and debt
Ores Assets[1]	270	4	-	7	-	-	-
Project management entities in the Middle East	-	255	-	12	434	-	-
Paiton	-	-	25	-	256	-	-
Contassur[2]	-	-	-	176	-	-	-
Energia Sustentável do Brasil	29	-	-	-	-	-	-
Other	19	111	-	20	6	-	1
AT DECEMBER 31, 2014	**318**	**370**	**25**	**215**	**696**	**-**	**1**

(1) The Walloon mixed inter-municipal company Ores Assets manages the electricity and gas distribution network in Wallonia. Following changes in governance arrangements in first-half 2014, as of June 26, 2014 the Group no longer exercised significant influence over the Walloon distribution network operator. The table above only shows transactions with Ores Assets in the first half of the year. The transportation costs incurred by Electrabel Customer Solutions (ECS) in connection with the use of Ores Assets' gas and electricity distribution network amounted to €270 million in first-half 2014 (€865 million in the year to December 31, 2013).

(2) Contassur is a life insurance company accounted for using the equity method. Contassur offers insurance contracts, chiefly with pension funds that cover post-employment benefit obligations for Group employees and also employees of other companies mainly engaged in regulated activities in the electricity and gas sector in Belgium. Insurance contracts entered into by Contassur represent reimbursement rights recorded within "Other assets" in the statement of financial position. These reimbursement rights totaled €176 million at December 31, 2014 (€167 million at December 31, 2013).

4.2 Investments in joint ventures

4.2.1 Contribution of material joint ventures and of joint ventures that are not material to the Group taken individually

The table below shows the contribution of each material joint venture along with the aggregate contribution of joint ventures deemed not material taken individually, in the consolidated statement of financial position, income statement, statement of comprehensive income, and the "Dividends received from entities accounted for using the equity method" line of the statement of cash flows.

The Group used qualitative and quantitative criteria to determine material joint ventures. These criteria include the contribution to the lines "Share in net income of joint ventures" and "Investments in joint ventures", the total assets of joint ventures in Group share, and joint ventures carrying major projects in the study or construction phase for which the related investment commitments are material.

Corporate name	Activity	% interest		Carrying amount of investments in joint ventures		Share in income/(loss) of joint ventures		Other comprehensive income/(loss) of joint ventures		Dividends received from joint ventures	
In millions of euros		**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
EcoEléctrica (BEI, Puerto Rico)	Combined-cycle gas-fired power plant and LNG terminal (507 MW)	50.00	50.00	458	388	33	35	-	-	17	27
Portfolio of power generation assets in Portugal (BEE, Portugal)	Electricity production (3,108 MW)	50.00	50.00	348	331	45	44	(10)	17	15	9
WSW Energie und Wasser AG (BEE, Germany)	Electricity distribution and production	33.10	33.10	199	205	3	(13)	-	1	7	8
NELP (BEI, United States)	Gas-fired power plants (591 MW)	50.00	50.00	145	87	59	17	-	-	19	-
Megal GmbH (BEE, Germany)	Gas transmission network	49.00	49.00	122	125	7	1	-	-	10	16
Maia Eolis (BEE, France)	Wind farm (229 MW)	49.00	49.00	97	98	-	(1)	-	-	-	-
Tihama Power Generation Co (BEI, Saudi Arabia)	Gas-fired power plants (1,595 MW)	60.00	60.00	72	62	5	16	-	6	3	-
PTT Natural Gas Distribution Co Ltd (BEI, Thailand)	Natural gas distribution	40.00	40.00	65	59	14	15	-	-	14	13
GNL Sur (BEI, Uruguay)	LNG terminal	50.00	-	62	-	(2)	-	-	-	-	-
Oyster Creek (BEI, United States)	Gas-fired power plant (393 MW)	50.00	50.00	29	89	44	21	(1)	-	93	19
Energia Sustentável do Brasil (BEI, Brazil)(1)	Hydro power plant (3,750 MW)	-	60.00	-	666	-	(30)	-	-	-	-
Other investments in joint ventures not individually significant				268	168	38	(29)	(10)	-	42	60
INVESTMENTS IN JOINT VENTURES				**1,864**	**2,277**	**246**	**77**	**(23)**	**25**	**220**	**151**

(1) At December 31, 2013, the 60% interest in Energia Sustentável do Brasil (ESBR) was recognized as a joint venture. The 20% share held for sale to Mitsui & Co. Ltd was recognized within "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" in the statement of financial position. ESBR has been accounted for as an associate since the Group completed the sale of the 20% interest in January 2014.

The share in net income/(loss) of joint ventures includes non-recurring income of €15 million in 2014 (non-recurring expenses of €78 million in 2013). These result chiefly from changes in the fair value of derivatives and disposal gains and losses, net of tax *(see Note 11 "Net recurring income Group share")*.

4.2.2 Financial information regarding material joint ventures

The amounts shown have been determined in accordance with IFRS before the elimination of intragroup items and after (i) adjustments made in line with Group accounting policies, and (ii) fair value measurements of the assets and liabilities of the joint venture at the level of GDF SUEZ, as required by IAS 28. All amounts are presented based on a 100% interest with the exception of "Total equity attributable to GDF SUEZ" in the statement of financial position.

INFORMATION ON THE INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Revenues	Depreciation and amortization on intangible assets and property, plant and equipment	Net financial income[1]	Income taxes	Net income/ (loss)	Other compre-hensive income	Total compre-hensive income/ (loss)
AT DECEMBER 31, 2014							
EcoEléctrica	333	(70)	(3)	(3)	65	(1)	64
Portfolio of power generation assets in Portugal	652	(74)	(42)	(42)	140	(42)	98
WSW Energie und Wasser AG	976	(13)	(7)	(6)	10	1	11
NELP	126	(23)	(1)	-	117	-	117
Megal GmbH	112	(50)	(9)	5	15	-	15
Maia Eolis	34	(24)	(2)	1	(1)	(1)	(2)
Tihama Power Generation Co	71	(5)	(16)	(1)	9	(1)	8
PTT Natural Gas Distribution Co Ltd	240	(9)	-	(6)	34	-	34
GNL Sur	-	-	-	-	(4)	-	(4)
Oyster Creek	144	(28)	(3)	-	89	(3)	86
AT DECEMBER 31, 2013							
Energia Sustentável do Brasil	50	(2)	(2)	166	(596)	-	(596)
EcoEléctrica	309	(61)	(5)	(3)	71	6	77
Portfolio of power generation assets in Portugal	632	(74)	(18)	(46)	152	4	156
WSW Energie und Wasser AG	976	(18)	(8)	8	(38)	3	(36)
Megal GmbH	89	(45)	(8)	6	3	-	3
Maia Eolis	32	(23)	(2)	1	(2)	1	(1)
Oyster Creek	156	(9)	(2)	-	43	-	43
NELP	121	(23)	(1)	-	34	-	34
Tihama Power Generation Co	82	(5)	(11)	(4)	27	11	38
PTT Natural Gas Distribution Co Ltd	248	(9)	-	(7)	38	-	38

(1) Interest income is not material.

INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

In millions of euros	Cash and cash equivalents	Other current assets	Non-current assets	Short-term borrowings	Other current liabilities	Long-term borrowings	Other non-current liabilities	Total equity	% interest of Group	Total equity attributable to GDF SUEZ
AT DECEMBER 31, 2014										
EcoEléctrica	112	134	923	76	32	118	28	915	50.00	458
Portfolio of power generation assets in Portugal(1)	307	594	2,032	603	142	1,130	182	875	50.00	348
WSW Energie und Wasser AG(2)	48	121	792	46	128	121	94	573	33.10	199
NELP	29	79	285	-	29	-	74	290	50.00	145
Megal GmbH	14	1	724	106	37	249	97	249	49.00	122
Maia Eolis	51	35	313	20	19	123	40	197	49.00	97
Tihama Power Generation Co	38	45	626	53	33	486	18	120	60.00	72
PTT Natural Gas Distribution Co Ltd	12	24	181	-	29	2	21	163	40.00	65
GNL Sur	7	36	158	72	6	-	1	124	50.00	62
Oyster Creek	15	159	54	9	5	149	6	58	50.00	29
AT DECEMBER 31, 2013										
Energia Sustentável do Brasil	1	364	4,224	99	322	3,058	-	1,110	60.00	666
EcoEléctrica	44	114	873	44	25	150	36	777	50.00	388
Portfolio of power generation assets in Portugal	267	968	1,277	455	91	956	180	829	50.00	331
WSW Energie und Wasser AG	38	133	790	32	129	114	95	591	33.10	205
Megal GmbH	27	10	726	175	58	172	104	255	49.00	125
Maia Eolis	56	18	315	18	9	120	42	199	49.00	98
Oyster Creek	21	13	170	6	16	-	5	178	50.00	89
NELP	12	37	184	1	14	3	42	173	50.00	87
Tihama Power Generation Co	58	34	471	49	22	374	15	103	60.00	62
PTT Natural Gas Distribution Co Ltd	10	24	167	-	32	2	20	147	40.00	59

(1) Equity Group share amounts to €696 million for the Portuguese sub-group. The share of this €696 million attributable to GDF SUEZ is therefore €348 million.

(2) Equity Group share amounts to €559 million for the WSW Energie und Wasser AG sub-group. The share of this €559 million attributable to GDF SUEZ is therefore €185 million. This amount is increased by an additional share of €14 million in respect of a non-controlling interest held directly by GDF SUEZ in a subsidiary of this sub-group (and is therefore not included in the €559 million in equity attributable to the owners of the parent).

4.2.3 Transactions between the Group and its joint ventures

The data below set out the impact of transactions with joint ventures on the 2014 consolidated financial statements.

In millions of euros	Purchases of goods and services	Sales of goods and services	Net financial income (excluding dividends)	Trade and other receivables	Loans and receivables at amortized cost	Trade and other payables	Borrowings and debt
EcoEléctrica	-	105	-	-	-	-	-
WSW Energie und Wasser AG	33	42	-	29	-	1	-
Energieversorgung Gera GmbH	12	39	-	13	-	2	-
Megal GmbH	65	-	-	-	-	-	-
GNL Sur	-	-	2	-	37	-	-
Other	138	28	3	35	213	25	-
AT DECEMBER 31, 2014	**248**	**214**	**5**	**77**	**250**	**28**	**-**

4.3 Other information on investments accounted for using the equity method

4.3.1 Unrecognized share of losses of associates and joint ventures

Cumulative unrecognized losses of associates (corresponding to the cumulative amount of losses exceeding the carrying amount of investments in the associates concerned) including other comprehensive income, amounted to €298 million in 2014 (€179 million in 2013). Unrecognized losses relating to financial year 2014 amounted to €119 million.

These unrecognized losses mainly correspond to (i) the negative fair value of derivative instruments designated as interest rate hedges ("Other comprehensive income") contracted by associates in the Middle East in connection with the financing of construction projects for power generation and seawater desalination plants, and (ii) cumulative losses arising on the joint venture Tirreno Power.

4.3.2 Commitments and guarantees given by the Group in respect of entities accounted for using the equity method

At December 31, 2014, the main commitments and guarantees given by the Group in respect of entities accounted for using the equity method concern the following three companies and groups of companies:

- Cameron LNG for an aggregate amount of USD 1,815 million (€1,495 million). Commitments and guarantees given by the Group in respect of this associate correspond to:
  - a capital contribution commitment for USD 490 million (€404 million);
  - a performance bond for USD 1,230 million (€1,013 million), designed to guarantee the lenders against any risk of non-payment in the event that the project cannot be completed or enter into operation;
  - miscellaneous guarantees for a total amount of USD 95 million (€78 million).
- Energia Sustentável do Brasil ("Jirau") for an aggregate amount of BRL 4,530 million (€1,405 million)
  - At December 31, 2014, the amount of loans granted by Banco Nacional de Desenvolvimento Econômico e Social, the Brazilian Development Bank, to Energia Sustentável do Brasil amounted to BRL 11,325 million (€3,512 billion). Each partner stands as guarantor for this debt to the extent of its ownership interest in the consortium;
- the project management entities in the Middle East and Africa, for an aggregate amount of €1,439 million. Commitments and guarantees given by the Group in respect of these project management entities chiefly correspond to:
  - an equity contribution commitment (capital/subordinated debt) for €526 million. These commitments only concern entities acting as holding companies for projects in the construction phase,
  - letters of credit to guarantee debt service reserve accounts for an aggregate amount of €197 million. The project financing set up in certain entities can require those entities to maintain a certain level of cash within the company (usually enough to service its debt for six months). This is particularly the case when the financing is without recourse. This level of cash may be replaced by letters of credit,
  - collateral given to lenders in the form of pledged shares in the project management entities, for an aggregate amount of €293 million,
  - performance bonds and other guarantees for an amount of €423 million.

NOTE 5 Main changes in Group structure

5.1 Acquisition of control over GTT following its initial public offering (IPO)

5.1.1 Description of the transaction

The shareholders of Gaztransport & Technigaz (GTT), a French engineering company specialized in cryogenic membrane confinement technology for the transportation of LNG, listed the shares of the company on the stock market on February 27, 2014 at a price of €46 per share.

Prior to this transaction, the company's share capital was held by GDF SUEZ (40%), Total (30%) and the Hellman & Friedman investment fund (30%). The IPO involved the sale by Total and Hellman & Friedman of some of their shares on the market through the following transactions:

- on February 26, 2014, GDF SUEZ purchased the equivalent of 0.4% of GTT's share capital, i.e., 170,380 shares, for €8 million from Total and Hellman & Friedman at the listing price, i.e., €46 per share;
- on February 27, 2014, following a public offering in France and a global placement with institutional investors, Total and Hellman & Friedman disposed of 13.5 million GTT shares, i.e., 36.5% of the share capital, on the market at a price of €46 per share; the settlement and delivery of the shares took place on March 3, 2014;
- on March 26, 2014, as a result of the partial exercise of the over-allotment option provided for as part of the IPO, Total and Hellman & Friedman disposed of an additional 0.83 million GTT shares at the listing price.

Following the IPO, Hellman & Friedman disposed of its residual interest via two private placements carried out on September 23, 2014 and January 27, 2015, respectively, while Total sold its residual 10.4% interest to Temasek in December 2014. After taking into account the issuances of new shares reserved for senior managers and employees, GTT's ownership structure is as follows:

- GDF SUEZ (40.4%);
- Temasek (10.4%);
- Free float (49%), senior managers and employees hold the remaining share capital (0.2%).

Until the IPO, GDF SUEZ recognized its 40% interest in GTT as an associate accounted for using the equity method. In light of the dispersion of the shareholding structure and GDF SUEZ's ability to control GTT's key decisions, the Group considered that it now exercised de facto control over this company. GTT has therefore been fully consolidated in the Group's financial statements as of March 3, 2014, the date of the settlement and delivery of the shares.

5.1.2 Impacts of the acquisition of control on the consolidated financial statements

The 40% interest previously held in GTT was revalued at €688 million based on the closing price at March 3, 2014, i.e., €46.50 per share. This revaluation resulted in a revaluation gain of €359 million *(see Note 8.4 "Changes in the scope of consolidation")*.

The Group decided to measure non-controlling interests based on their share in the net identifiable assets of GTT.

The accounting for this business combination was complete at December 31, 2014.

The table below shows the fair value assigned to GTT's identifiable assets and liabilities at the acquisition date:

In millions of euros	TOTAL
Non-current assets	
Intangible assets, net	813
Property, plant and equipment, net	9
TOTAL NON-CURRENT ASSETS	**822**
Current assets	
Loans and receivables at amortized cost	1
Trade and other receivables, net and other assets	102
Cash and cash equivalents	123
TOTAL CURRENT ASSETS	**226**
Non-current liabilities	
Provisions	9
Long-term borrowings	3
Deferred tax liabilities	122
TOTAL NON-CURRENT LIABILITIES	**134**
Current liabilities	
Trade and other payables, and other liabilities	120
TOTAL CURRENT LIABILITIES	**120**
TOTAL NET ASSETS (100%)	**795**
Revaluation of the previously-held 40% equity interest	688
Consideration transferred in respect of the 0.4% equity interest acquired	8
Non-controlling interests	475
GOODWILL	**375**

€375 million in goodwill mainly represents GTT's long-term capacity to maintain its technological advantage and its market-leading position in the field of cryogenic containment systems for LNG carriers and storage, as well as its ability to develop in new LNG retail markets, which are currently experiencing rapid growth.

This acquisition resulted in an €834 million increase in shareholders' equity of which €359 million in respect of the recognition of the revaluation gain on the previously held 40% interest and €475 million in respect of the recognition of non-controlling interests.

The transaction had a positive net impact of €115 million on the Group's statement of cash flows, breaking down as follows:

- cash and cash equivalents acquired at the acquisition date: €123 million;
- consideration paid for the acquisition of 0.4% of the share capital: €8 million.

GTT's contribution to revenues, current operating income/(loss) after share in net income/(loss) of entities accounted for using the equity method and net income/(loss) Group share in 2014 amounted to €186 million, €47 million and €19 million, respectively. If control had been acquired at January 1, 2014, the Group would have recorded additional revenues, current operating income/(loss) after share in net income/(loss) of entities accounted for using the equity method and net income/(loss) Group share amounting to €39 million, €6 million and a negative €3 million, respectively.

5.2 Acquisition of Ecova (United States)

On June 30, 2014, the Group (via its subsidiary Cofely USA) completed the acquisition of 100% of US company Ecova, a specialist in energy efficiency, from Avista Corp. Ecova is a provider of technology-enabled energy and sustainability management solutions to major commercial, industrial and utility clients in North America. The transaction was carried out based on an enterprise value of USD 335 million (€245 million).

Provisional goodwill of €240 million was recorded in respect of this acquisition at December 31, 2014 and the purchase price allocation will be finalized in 2015.

5.3 Transactions and changes in consolidation methods relating to the electricity and natural gas distribution and commercialization sectors in Belgium

5.3.1 Sale of interest in mixed inter-municipal companies in Flanders and repurchase of non-controlling interests in Electrabel Customer Solutions

On December 29, 2014, via its subsidiary Electrabel, the Group finalized the two following transactions with the Flemish public authorities:

- Electrabel sold its entire residual 30% interest in seven mixed inter-municipal electricity and gas distribution network operators in Flanders to the public sector for a total of €911 million. The capital gains generated on the sale of these available-for-sale securities, which amounted to €323 million, were presented under "Other non-recurring items" within "Income/(loss) from operating activities". The €911 million payment received on December 29, 2014 is presented under "Disposals of available-for-sale securities" in the statement of cash flows. This transaction marks the end of Electrabel's withdrawal from the management of distribution networks in Flanders, in accordance with the regional decree that required Electrabel to sell its entire interest in these network operators no later than 2018;
- at the same time, Electrabel acquired the minority interests held by the Flemish public authorities in Electrabel Customer Solutions (ECS), the Group subsidiary in charge of the sale of gas and electricity to residential and non-residential customers in Belgium, for a total of €101 million. As the transaction was carried out between owners, the €108 million difference between the purchase price and the carrying amount of the interest acquired was recognized as a deduction from shareholders' equity. The consideration of €101 million is presented under "Changes in ownership interests in controlled entities" in the statement of cash flows.

5.3.2 Investments in mixed inter-municipal companies in Wallonia

At December 31, 2013, the eight mixed inter-municipal companies that operate the Walloon electricity and gas networks, in which wholly-owned Group subsidiary Electrabel held a 25% interest, merged to form a single network operator named Ores Assets.

Following the merger, Ores Assets redefined its organizational structure, its governance and its management bodies, which resulted in new shareholders' agreements being signed at the end of June 2014. These agreements are in continuity with the agreements previously entered into by the Group and the public sector as part of the deregulation of the energy markets, and with the European Union and the Belgian Government's willingness to reinforce the independence of transportation and distribution network operators.

Electrabel's rights have changed significantly as a result of these new agreements and Ores Assets' new bylaws. The Group is no longer represented in the governance and management bodies of operator Ores, a wholly-owned subsidiary of Ores Assets responsible for the day-to-day operational management of the networks, while its rights in Ores Assets' decision-making bodies are limited to protective rights of its financial interests.

This process is fully in line with operations carried out in other regions: in Flanders, where the Group recently sold its entire residual interest in the distribution network operators at the end of 2014 *(see Note 5.3.1)* and in Brussels, where the Group sold its interest in Sibelga in 2012.

Further to these events, and in light of its residual rights, the Group no longer has significant influence over the Walloon distribution network operator since June 26, 2014, the date on which the abovementioned agreements were signed. As a result, this interest has been recognized in the Group's consolidated financial statements under "Available-for-sale securities" as of this date. In accordance with the applicable standards, the residual interest was recognized at fair value on June 26, 2014, which led the Group to record a revaluation gain of €174 million under "Changes in scope of consolidation" within "Income/(loss) from operating activities".

5.4 Disposals carried out in 2014

Disposals carried out in 2014 led to a €3,231 million decrease in net debt compared with December 31, 2013.

The table below shows the cumulative impact of these disposals on the Group's net debt at December 31, 2014.

In millions of euros	**Decrease in net debt**
Transactions finalized in 2014 relating to "Assets held for sale" at December 31, 2013	**(385)**
Disposal of a 20% interest in Energia Sustentável do Brasil – "Jirau" (Brazil)	(318)
Disposal of a 50% interest in Futures Energies Investissement Holding (France)	(67)
Transactions carried out in 2014	**(2,196)**
Disposal of investments in mixed inter-municipal companies in Flanders (Belgium)	(911)
Disposal of the portfolio of power generation assets in Panama and Costa Rica	(771)
Disposal of the 49% interest in ISAB Energy (Italy)	(153)
Disposal of Exploration-Production assets	(239)
Disposal of a 20% interest in NGT B.V. (Netherlands)	
Disposal of Enerci (Ivory Coast)	
Disposal of an Exploration-Production asset in Germany	
Cash received on the remaining disposal price of the 24.5% interest in SPP (Slovakia) - transaction finalized in 2013	(122)
Other disposals that are not material taken individually	**(650)**
TOTAL	**(3,231)**

The cumulative gain resulting from these disposals amounted to €593 million in 2014 (of which €233 million is presented under "Changes in scope of consolidation" and €360 million under "Other non-recurring items" in the consolidated income statement).

The 20% interest in Energia Sustentável do Brasil (ESBR), held for sale to Mitsui & Co. Ltd, and Futures Energies Investissement Holding, were classified as "Assets held for sale" in the statement of financial position at December 31, 2013 *(see Note 2 "Impact of applying the new consolidation standards to the comparative 2013 financial statements")*.

5.4.1 Disposal of a 20% interest in Energia Sustentável do Brasil – "Jirau" (Brazil)

On January 16, 2014, the Group finalized an agreement to sell to Mitsui & Co. Ltd a 20% equity interest in Energia Sustentável do Brasil (ESBR), which was created to build, own and operate the 3,750 MW Jirau hydroelectric power plant. The Group recorded a payment of BRL. 1,024 million (€318 million) at this date.

GDF SUEZ's residual 40% stake in ESBR is accounted for as an associate.

5.4.2 Disposal of a 50% interest in Futures Energies Investissement Holding (France)

On April 29, 2014, the Group finalized the sale of a 50% interest in Futures Energies Investissement Holding (FEIH), a subsidiary operating a portfolio of wind farm assets in France with a total installed capacity of 440 MW, to Crédit Agricole Assurances (via its subsidiary Predica). The Group received a payment of €67 million corresponding to the sale price for half of the FEIH shares (€16 million) and the repayment of 50% by Predica of the outstanding portion of the shareholder's loan granted to FEIH (€51 million).

This transaction resulted in the loss of control of this subsidiary and the Group's remaining 50% interest in FEIH is now accounted for as a joint venture. This transaction did not have a material impact on the Group's consolidated income statement for the year ended December 31, 2014.

5.4.3 Disposal of the portfolio of power generation assets in Panama and Costa Rica

On December 2, 2014, the Group sold its entire portfolio of power generation assets located in Panama and Costa Rica to Colombian group Celsia for a total amount of USD 565 million (i.e., €455 million), of which USD 614 million (i.e., €494 million) in respect of repayments of loans granted by the Group to these entities. The disposal gain is not material.

The transaction concerns the following companies, all of which were fully consolidated until the date on which they were sold: Altenergy (wholly-owned), operator of two 118 MW hydroelectric power plants and an 83 MW fuel oil plant; Bontex (wholly-owned), operator of the third plant at the Dos Mares hydroelectric complex; Bahia Las Minas (51%-owned), operator of 280 MW power plants; and Planta Eolica Guanacaste (wholly-owned), operator of the 50 MW wind farm in Guanacaste).

The transaction reduced net debt by €771 million (i.e., €455 million consideration received, plus the impact of derecognizing the €316 million external net debt carried on the books of the entities concerned at the date on which they were sold).

These Panamanian and Costa Rican assets contributed a negative €19 million to "Net income/(loss) Group share" in 2014 (not including disposal proceeds).

5.4.4 Disposal of the 49% interest in ISAB Energy (Italy)

On June 16, 2014, the Group finalized the sale to the ERG Group of its entire 49% interest in ISAB Energy, a company which operates an integrated gasification combined cycle plant (532 MW) in Southern Italy, for €153 million.

This transaction did not have a material impact on the Group's consolidated income statement for the year ended December 31, 2014.

5.5 Assets held for sale

All "Assets held for sale" at December 31, 2013 (20% interest in Energia Sustentável do Brasil – "Jirau" in Brazil and Futures Energies Investissement Holding in France) were disposed of in 2014 *(see Note 5.4 "Disposals carried out in 2014")*.

At December 31, 2014, the Group no longer had any "Assets held for sale".

5.6 Other transactions in 2014

Various other acquisitions, equity transactions and disposals took place in 2014, notably the acquisition of Ferrari Termoelétrica, a biomass cogeneration plant operator in Brazil, West Coast Energy Ltd in the UK wind-energy industry, and German engineering company Lahmeyer; as well as the sale of DUNAMENTI Erőmű in Hungary, and of a 50% interest in a portfolio of wind farm assets in the UK. Their individual and cumulative impact on the Group's financial statements are not material.

5.7 Main changes in Group structure in 2013

5.7.1 Loss of control of SUEZ Environnement

On July 22, 2013, the SUEZ Environnement Company shareholders' agreement expired for all the parties concerned. As a result, GDF SUEZ no longer controls SUEZ Environnement Company. Since July 22, 2013, the interest held by the Group in SUEZ Environnement Company has been accounted for using the equity method in its consolidated financial statements.

As a result of this loss of control, the Group has recognized its remaining interest in SUEZ Environnement Company at fair value based on its market price at July 22, 2013 and recorded the corresponding net revaluation gain of €448 million in the income statement for the year ended December 31, 2013.

In accordance with the provisions of IAS 28 – *Investments in Associates and Joint Ventures*, the Group has also measured SUEZ Environnement's identifiable assets and liabilities at their fair value. The fair value of the identifiable assets and liabilities, which had only been measured on a provisional basis at December 31, 2013, was finalized in 2014. The adjustments made to these measurements are non-material.

SUEZ Environnement group's contribution to the consolidated income statement and statement of cash flows in 2013 and the consolidated statement of financial position at January 1, 2013 is presented in the table below:

INCOME STATEMENT

In millions of euros	SUEZ Environnement Group contribution as at July 22, 2013	Net revaluation gain at July 22, 2013	SUEZ Environnement as investment in associates from July 22, 2013	Total SUEZ Environnement contribution at Dec. 31, 2013(1)
Revenues	7,922			7,922
Purchases	(1,642)			(1,642)
Personnel costs	(2,091)			(2,091)
Depreciation, amortization and provisions	(537)			(537)
Other operating expenses	(3,219)			(3,219)
Other operating income	153			153
CURRENT OPERATING INCOME	**587**			**587**
Share in net income of entities accounted for using the equity method	43		62	106
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**630**		**62**	**692**
Mark-to-market on commodity contracts other than trading instruments	(1)			(1)
Impairment losses	4			4
Restructuring costs	(17)			(17)
Changes in scope of consolidation	(2)	448		446
Other non-recurring items	10			10
INCOME FROM OPERATING ACTIVITIES	**623**	**448**	**62**	**1,134**
Financial expenses	(269)			(269)
Financial income	40			40
NET FINANCIAL EXPENSE	**(230)**			**(230)**
Income tax expense	(104)			(104)
Share in net income of associates	-			-
NET INCOME	**290**	**448**	**62**	**800**
Net income Group share	41	448	62	551
Non-controlling interests	249			249

(1) Comparative data for 2013 have been restated due to the application of the consolidation standards and to the presentation changes in the income statement (see Note 2).

STATEMENT OF FINANCIAL POSITION

In millions of euros	January 1, 2013(1)
Non-current assets	
Intangible assets, net	3,847
Goodwill	3,202
Property, plant and equipment, net	8,812
Available-for-sale securities	336
Loans and receivables at amortized cost	670
Derivative instruments	257
Investments in entities accounted for using the equity method	914
Other assets	80
Deferred tax assets	762
TOTAL NON-CURRENT ASSETS	**18,880**
Current assets	
Loans and receivables at amortized cost	220
Derivative instruments	5
Trade and other receivables, net	276
Inventories	3,759
Other assets	1,098
Financial assets at fair value through income	24
Cash and cash equivalents	2,129
Assets classified as held for sale	-
TOTAL CURRENT ASSETS	**7,511**
TOTAL ASSETS	**26,391**
Shareholder's equity	1,451
Non-controlling interests	5,446
TOTAL EQUITY	**6,898**
Non-current liabilities	
Provisions	1,395
Long-term borrowings	8,335
Derivative instruments	91
Other financial liabilities	3
Other liabilities	639
Deferred tax liabilities	571
TOTAL NON-CURRENT LIABILITIES	**11,034**
Current liabilities	
Provisions	550
Short-term borrowings	1,449
Derivative instruments	11
Trade and other payables	2,781
Other liabilities	3,670
Liabilities directly associated with assets classified as held for sale	-
TOTAL CURRENT LIABILITIES	**8,460**
TOTAL EQUITY AND LIABILITIES	**26,391**

(1) Comparative data at January 1, 2013 have been restated due to the application of the consolidation standards (see Note 2).

CONDENSED STATEMENT OF CASH FLOWS

In millions of euros	Dec. 31, 2013[1]
NET INCOME/(LOSS)	**800**
Cash generated from operations before income tax and working capital requirements	1,123
Change in working capital requirements	(259)
CASH FLOW FROM OPERATING ACTIVITIES	**766**
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(588)**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(251)**
Effects of changes in exchange rates and other	(2,056)
TOTAL CASH FLOW FOR THE PERIOD	**(2,129)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**2,129**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**-**

(1) Comparative data for 2013 have been restated due to the application of the consolidation standards (see Note 2).

5.7.2 Impact of disposals carried out in 2013

In millions of euros	Disposal price	Decrease in net debt	Net gain (loss) on disposals, and changes in scope recognized in income	Impacts recognized in shareholders' equity
Transactions finalized in 2013 relating to "Assets held for sale" at December 31, 2012	**1,283**	**(1,168)**	**2**	**-**
Disposal of the 24.5% interest in SPP (Slovakia)	1,242	(1,127)	-	-
Disposal of 80% of IP Maestrale (Italy and Germany)	28	(28)	-	-
Disposal of a 10% interest in Sohar Power Company SAOG (Oman)	13	(13)	2	-
Transactions carried out in 2013	**1,000**	**(1,960)**	**21**	**(11)**
Disposal of 50% of the portfolio of power generation assets in Portugal	328	(567)	(22)	-
Disposal of 28% stake in the portfolio of power generation assets in Australia	301	(301)	-	(11)
Disposal of thermal power plants in the United States	82	(809)	25	-
- of which cash received on the remaining disposal price of the Choctaw plant - transaction finalized in 2012	-	(130)	-	-
- of which disposal of the Red Hills plant	-	(226)	34	-
- of which sale of 20.6% of Astoria Energy, Phase I power plant	82	(453)	(9)	-
Disposal of 33.2% stake in NOGAT (Netherlands)	182	(177)	14	-
Disposal of 36% stake in KAPCO (Pakistan)	107	(106)	4	-
Other disposals that are not material taken individually	**201**	**(301)**	**74**	**-**
TOTAL	**2,484**	**(3,429)**	**97**	**(11)**

5.7.2.1 Disposal of the 24.5% interest in SPP (Slovakia)

On January 23, 2013, GDF SUEZ and E.ON finalized the sale of their interests in Slovak Gas Holding (SGH) – in which they held equal stakes – to Energetický a Průmyslový Holding (EPH). SGH is a holding company with a 49% interest in the Slovak gas operator Slovenský Plynárenský Priemysel a.s. (SPP).

For the purposes of the disposal, the Group's 24.5% interest in SPP was valued at €1,301 million. On January 23, 2013, the Group received a payment of €1,127 million corresponding to the sale price of €1,301 million less the €59 million dividend paid in December 2012 and a guaranteed deferred payment of €115 million.

The balance of the sale price, plus interest, (a total of €122 million) was received in June 2014 *(see Note 5.4 "Disposals carried out in 2014")*.

5.7.2.2 Sale of 50% of the portfolio of power generation assets in Portugal

On October 13, 2013, the Group sold 50% of its portfolio of thermal and renewable power generation assets in Portugal to Marubeni Corporation for €328 million.

The transaction was carried out through the creation of a joint venture with Marubeni, which acquired from the Group a 50% interest in NPIH, a holding company that owns a portfolio of power generation assets in Portugal (100% of the wind farm operator Eurowind; 42.5% of the renewable energy producer Generg; 100% of Turbogas and 50% of Elecgas, both of which operate combined cycle power plants; and 50% of Tejo Energia, a coal-fired power plant operator).

Following the transaction, the Group's remaining 50% stake in NPIH has been recognized as a joint venture and is therefore accounted for in the Group's consolidated financial statements using the equity method.

NOTE 6 Segment information

6.1 Operating segments

The operating segments presented below reflect the segments used by the Group's Management Committee to allocate resources to the segments and assess their performance. No operating segments have been aggregated. The Group's Management Committee is the Group's "chief operating decision maker" within the meaning of IFRS 8.

The Group is organized around the following five operating segments: GDF SUEZ Energy International, GDF SUEZ Energy Europe, GDF SUEZ Global Gas & LNG, GDF SUEZ Infrastructures and GDF SUEZ Energy Services.

Energy International business line: these subsidiaries produce and market power in North America, Latin America, Asia-Pacific, the United Kingdom, Turkey and the Middle East. They also distribute and market gas in North America, Latin America, Asia and Turkey. GDF SUEZ Energy International is active in LNG import and regasification in North America and Chile and seawater desalination in the Arabian peninsula.

Energy Europe business line carries out activities involving electricity production and energy sales in continental Europe. It operates the Group's assets in continental Europe in the fields of gas (excluding infrastructures managed by the Infrastructures business line) and electricity.

Global Gas & LNG business line carries out upstream activities of the natural gas value chain. In the area of exploration and production, the business line engages in the exploration, development and operation of oil and gas fields. On the LNG chain, the business line manages a long-term gas supply contract portfolio and interests in liquefaction facilities, operates an LNG fleet, and owns regasification capacities in LNG terminals. Global Gas & LNG is selling a portion of its LNG supply contracts to other Group entities and, in particular, the "Gas Supply" activity of the Energy Europe business line.

Infrastructures business line: subsidiaries in this segment operate natural gas transportation, storage and distribution networks, and LNG terminals, essentially in France and Germany. They also sell access rights to this infrastructure to third parties.

Energy Services business line: these subsidiaries design and implement environmental and energy efficiency solutions through multi-technical services in the fields of engineering, installations, and energy services.

SUEZ Environnement was a separate business line until July 22, 2013. As such its contribution to the income statement key indicators in 2013 (until the loss in control) remains presented in a dedicated line of the segment information. From now on, the SUEZ Environnement contribution to the statement of financial position key indicators is shown in the "Other" line.

The "Other" line presented in the table below includes contributions from corporate holding companies and entities centralizing the Group's financing requirements, as well as the contribution of SUEZ Environnement as an entity accounted for using the equity method since July 22, 2013.

The methods used by the Group's Management Committee to recognize and measure these segments for internal reporting purposes are the same as those used to prepare the consolidated financial statements. EBITDA, industrial capital employed and capital expenditure (CAPEX) are reconciled with the consolidated financial statements.

The main relationships between operating segments other than the GDF SUEZ Global Gas & LNG supply contracts to GDF SUEZ Energy Europe concern Infrastructures and Energy Europe business lines.

Services relating to the use of the Group's gas infrastructures in France are billed based on regulated fees applicable to all network users, except for storage infrastructure. The prices for reservations and use of storage facilities are established by storage operators and notably based on auctions of available capacity.

Due to the variety of its business lines and their geographical location, the Group serves a very diverse range of customer types and situations (industry, local authorities and individual customers). Accordingly, no external customer represents individually 10% or more of the Group's consolidated revenues.

6.2 Key indicators by operating segment

REVENUES

	Dec. 31, 2014			Dec. 31, 2013[1]		
In millions of euros	External revenues	Intra-Group Revenues	Total	External revenues	Intra-Group Revenues	Total
Energy International	13,977	1,268	15,245	14,393	818	15,211
Energy Europe	35,158	1,262	36,420	42,713	1,530	44,243
Global Gas & LNG	6,883	2,668	9,551	5,644	2,760	8,404
Infrastructures	2,994	3,818	6,812	2,557	4,218	6,775
Energy Services	15,673	201	15,874	14,670	227	14,897
Elimination of internal transactions	-	(9,216)	(9,216)	9	(9,554)	(9,545)
SUBTOTAL	**74,686**	**-**	**74,686**	**79,985**	**-**	**79,985**
SUEZ Environnement[2]	-	-	-	7,922	6	7,927
Elimination of internal transactions	-	-	-	(9)	(6)	(14)
TOTAL REVENUES	**74,686**	**-**	**74,686**	**87,898**	**-**	**87,898**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*
(2) *SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).*

EBITDA[1]

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[2]
Energy International	3,716	4,029
Energy Europe	2,020	2,877
Global Gas & LNG	2,225	2,028
Infrastructures	3,274	3,334
Energy Services	1,127	1,041
Other	(224)	(333)
SUBTOTAL	**12,138**	**12,976**
SUEZ Environnement[3]	-	1,247
TOTAL EBITDA	**12,138**	**14,223**

(1) *Data at December 31, 2014 are presented according to the Group's new EBITDA definition (see Note 2.2). Comparative data at December 31, 2013 have been restated according to this new definition (see Note 2.3.6).*
(2) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*
(3) *SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).*

DEPRECIATION AND AMORTIZATION

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Energy International	(970)	(1,089)
Energy Europe	(1,111)	(1,433)
Global Gas & LNG	(926)	(912)
Infrastructures	(1,280)	(1,263)
Energy Services	(338)	(324)
Other	(95)	(110)
SUBTOTAL	**(4,720)**	**(5,131)**
SUEZ Environnement[2]	-	(603)
TOTAL DEPRECIATION AND AMORTIZATION	**(4,720)**	**(5,733)**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*
(2) *SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).*

SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

In millions of euros	Dec. 31, 2014	Dec. 31, 2013(1)
Energy International	204	371
Energy Europe	76	18
Global Gas & LNG	31	57
Infrastructures	12	8
Energy Services	1	9
Other	118	63
Of which share in net income of SUEZ Environnement as an associate	*118*	*62*
SUBTOTAL	**441**	**527**
SUEZ Environnement(2)	-	43
TOTAL SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**441**	**570**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).

CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

In millions of euros	Dec. 31, 2014	Dec. 31, 2013(1)
Energy International	2,745	2,937
Energy Europe	913	1,430
Global Gas & LNG	1,064	973
Infrastructures	1,994	2,069
Energy Services	791	708
Other	(346)	(492)
SUBTOTAL	**7,161**	**7,625**
SUEZ Environnement(2)	-	630
TOTAL CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,161**	**8,254**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).

INDUSTRIAL CAPITAL EMPLOYED

In millions of euros	Dec. 31, 2014	Dec. 31, 2013(1)
Energy International	22,053	21,211
Energy Europe	13,969	14,950
Global Gas & LNG	6,052	4,490
Infrastructures	19,142	19,011
Energy Services	4,099	3,503
Other	3,427	3,561
Of which SUEZ Environnement equity value	*1,994*	*1,891*
TOTAL INDUSTRIAL CAPITAL EMPLOYED	**68,742**	**66,727**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

CAPITAL EXPENDITURE (CAPEX)

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Energy International	1,718	1,807
Energy Europe	1,169	1,573
Global Gas & LNG	1,208	1,041
Infrastructures	1,729	1,934
Energy Services	1,106	804
Other	151	81
SUBTOTAL	**7,080**	**7,239**
SUEZ Environnement[2]	-	663
TOTAL CAPITAL EXPENDITURE (CAPEX)	**7,080**	**7,902**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).

6.3 Key indicators by geographic area

The amounts set out below are analyzed by:

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

	Revenues		Industrial capital employed	
In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1] [2]	Dec. 31, 2014	Dec. 31, 2013[1]
France	27,834	34,954	31,728	30,628
Belgium	8,525	10,875	2,108	2,682
Other EU countries	20,516	23,600	10,880	11,387
Other European countries	1,832	1,059	1,080	1,131
North America	3,829	4,303	6,211	5,433
Asia, Middle East & Oceania	7,404	8,108	8,854	7,758
South America	4,302	4,372	7,267	7,180
Africa	444	627	614	529
TOTAL	**74,686**	**87,898**	**68,742**	**66,727**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

6.4 Reconciliation of indicators with consolidated financial statements

6.4.1 Reconciliation of EBITDA

The bridge between EBITDA and current operating income after share in net income of entities accounted for using the equity method is explained as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1] [2]
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,161**	**8,254**
Net amortization and other	4,956	5,875
Share-based payments (IFRS 2)	22	93
EBITDA	**12,138**	**14,223**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution until July 22, 2013 (see Note 5.7).

6.4.2 Reconciliation of industrial capital employed with items in the statement of financial position

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
(+) Property, plant and equipment and intangible assets, net	71,601	70,154
(+) Goodwill	21,222	20,420
(-) Goodwill arising on the Gaz de France - SUEZ merger[2]	*(8,216)*	*(8,559)*
(-) Goodwill arising on the International Power combination[2]	*(2,502)*	*(2,307)*
(+) IFRIC 4 and IFRIC 12 receivables	1,779	1,554
(+) Investments in entities accounted for using the equity method	7,055	6,799
(-) Goodwill arising on the International Power combination[2]	*(152)*	*(135)*
(+) Trade and other receivables, net	21,558	21,057
(-) Margin calls[2] [3]	*(1,257)*	*(992)*
(+) Inventories	4,891	4,973
(+) Other current and non-current assets	10,606	8,843
(+) Deferred tax	(8,060)	(8,975)
(+) Cancellation of deferred tax on other recyclable items[2]	*(188)*	*20*
(+) Carrying amount of the entities classified as “Assets held for sale”	-	488
(-) Share in net equity to be disposed of in a third party transaction[4]	-	(411)
(-) Provisions	(18,539)	(16,098)
(+) Actuarial gains and losses in shareholders’ equity (net of deferred tax)[2]	*2,168*	*942*
(-) Trade and other payables	(18,799)	(16,398)
(+) Margin calls[2] [3]	*1,309*	*242*
(-) Other liabilities	(15,735)	(14,891)
INDUSTRIAL CAPITAL EMPLOYED	**68,742**	**66,727**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) For the purpose of calculating industrial capital employed, the amounts recorded in respect of these items have been adjusted from those appearing in the statement of financial position.
(3) Margin calls included in “Trade and other receivables” and “Trade and other payables” correspond to advances received or paid as part of collateralization agreements set up by the Group to reduce its exposure to counterparty risk on commodities transactions.
(4) The related operations are detailed in Note 5.5 “Assets held for sale”. The definition of industrial capital employed includes the carrying value of the share in net equity the Group will retain after the transaction. In contrast, the share in net equity to be disposed of in a third party transaction is excluded.

6.4.3 Reconciliation of capital expenditure (CAPEX) with items in the statement of cash flows

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1] [2]
Acquisitions of property, plant and equipment and intangible assets	5,790	6,518
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	340	363
(+) Cash and cash equivalents acquired	*208*	*52*
Acquisitions of investments in entities accounted for using the equity method and joint operations	398	688
Acquisitions of available-for-sale securities	246	143
Change in loans and receivables originated by the Group and other	(8)	69
(+) Other	*(2)*	*-*
Change in ownership interests in controlled entities	126	71
(+) Payments received in respect of the disposal of non-controlling interests	*(18)*	*-*
TOTAL CAPITAL EXPENDITURE (CAPEX)	**7,080**	**7,902**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement’s contribution until July 22, 2013 (see Note 5.7).

NOTE 7 Current operating income

7.1 Revenues

Group revenues break down as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013 (1) (2)
Energy sales	55,605	63,321
Rendering of services	18,308	23,379
Lease and construction contracts	773	1,198
REVENUES	**74,686**	**87,898**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

In 2014, "Lease and construction contracts" mainly include operating lease revenues for €692 million (€729 million in 2013). In 2013, this caption also included revenues from construction contracts amounting to €361 million.

7.2 Personnel costs

In millions of euros	Dec. 31, 2014	Dec. 31, 2013 (1) (2)
Short-term benefits	(9,303)	(11,017)
Share-based payments *(see Note 24)*	(22)	(93)
Costs related to defined benefit plans *(see Note 20.3.4)*	(315)	(382)
Costs related to defined contribution plans *(see Note 20.4)*	(139)	(123)
PERSONNEL COSTS	**(9,779)**	**(11,615)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

7.3 Depreciation, amortization and provisions

In millions of euros	Dec. 31, 2014	Dec. 31, 2013 (1) (2)
Depreciation and amortization *(see Notes 14 and 15)*	(4,720)	(5,733)
Net change in write-downs of inventories, trade receivables and other assets	(249)	(319)
Net change in provisions *(see Note 19)*	172	(374)
DEPRECIATION, AMORTIZATION AND PROVISIONS	**(4,797)**	**(6,426)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

At December 31, 2014, depreciation and amortization mainly break down as €726 million for intangible assets and €4,004 million for property, plant and equipment. A breakdown by type of asset is provided in Note 14 "Intangible assets" and Note 15 "Property, plant and equipment", respectively.

NOTE 8 Income/(loss) from operating activities

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1) (2)]
CURRENT OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,161**	**8,254**
Mark-to-market on commodity contracts other than trading instruments	(298)	(226)
Impairment losses	(1,037)	(14,770)
Restructuring costs	(167)	(302)
Changes in scope of consolidation	562	405
Other non-recurring items	353	544
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**6,574**	**(6,093)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

III

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

In 2014, this item represents a net loss of €298 million, compared with a net loss of €226 million in 2013, and is mainly attributable to changes in the fair value of (i) electricity and natural gas sale and purchase contracts falling within the scope of IAS 39 and (ii) financial instruments used as hedges but not eligible for hedge accounting, which resulted in a net loss of €302 million in 2014 (compared with a net loss of €228 million in 2013). This loss was mainly due to a negative price effect related to changes in the forward prices of the underlying commodities during the period. It also includes the positive net impact of the settlement of derivative instruments with a negative market value at December 31, 2013.

8.2 Impairment losses

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1) (2)]
Impairment losses:		
Goodwill [(3)]	(82)	(5,689)
Property, plant and equipment and other intangible assets	(924)	(9,011)
Financial assets	(87)	(93)
TOTAL IMPAIRMENT LOSSES	**(1,094)**	**(14,793)**
Reversals of impairment losses:		
Property, plant and equipment and other intangible assets	57	12
Financial assets	-	11
TOTAL REVERSALS OF IMPAIRMENT LOSSES	**57**	**23**
TOTAL	**(1,037)**	**(14,770)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).
(3) Including goodwill on entities accounted for using the equity method.

Impairment losses of €1,037 million primarily relate to the Global Gas and LNG (€362 million), Energy International (€306 million) and Energy Europe (€291 million) business lines. After taking into account the deferred tax effects and the share of impairment losses attributable to non-controlling interests, the impact of these impairment losses on net income Group share for 2014 amounts to €655 million.

Impairment losses recognized against goodwill, property, plant and equipment and intangible assets at December 31, 2014 can be analyzed as follows:

In millions of euros	Location	Impairment losses of goodwill	Impairment losses of property, plant and equipment and intangible assets	Total impairment losses	Valuation method	Discount rate
Global Gas & LNG goodwill CGU		**-**	**(362)**	**(362)**	**Value-in-use - DCF**	**8% - 15%**
Exploration-production assets in the North Sea	North Sea		(261)		Value-in-use - DCF	9.0%
Other exploration-production assets/licenses			(44)			
Other property, plant and equipment and intangible assets			(57)			
Energy UK – Europe goodwill CGU		**-**	**(226)**	**(226)**		
Thermal power plants	United Kingdom		(181)		Value-in-use - DCF	7.2% - 8.7%
Wind farm and other property, plant and equipment and intangible assets	United Kingdom		(45)		Fair value	
Energy – Eastern Europe goodwill CGU		**(82)**	**(30)**	**(112)**	**Value-in-use - DCF**	**8.3% - 12.3%**
Tangible assets			(30)		Value-in-use - DCF	
Energy – Central Western Europe goodwill CGU		**-**	**(109)**	**(109)**	**Value-in-use - DCF**	**6.5% - 9.0%**
Thermal power plants	Netherlands/ Belgium		(48)		Value-in-use - DCF	7.4% - 8.1%
Other property, plant and equipment and intangible assets			(61)			
Other impairment losses		**-**	**(197)**	**(197)**		
TOTAL GDF SUEZ GROUP		**(82)**	**(924)**	**(1,006)**		

8.2.1 Exploration-production North Sea assets

As regards to exploration-production activities in the North Sea, the decrease in proven and probable reserves from certain assets combined with the fall in gas prices led the Group to recognize a €261 million impairment loss at December 31, 2014 against assets relating to North Sea gas fields.

The value in use of these exploration-production assets was calculated using the cash flow forecasts drawn up based on the 2015 budget and 2016-2020 medium-term business plan approved by the Group Management Committee and Board of Directors. Cash flows beyond this period were extrapolated until the end of the operating life of the assets concerned.

The discount rate applied to these projections was 9%.

Key assumptions used in the impairment test relate to changes in hydrocarbon prices, estimated levels of reserves for the fields concerned and the discount rate.

A 10% decrease in the hydrocarbon prices used in the projections would lead to the recognition of an additional impairment loss of €184 million for these North Sea gas fields.

A 50 basis points increase in the discount rate used would lead to an additional impairment loss totaling €60 million.

8.2.2 Thermal power plants in the United-Kingdom

In the UK, the Group has a portfolio of thermal power generation assets representing around 2,300 MW (Group share) in installed production capacity.

Worsening forecasts for clean dark spreads and clean spark spreads as well as the initial results of public capacity auctions in the UK have led the Group to record an impairment loss of €181 million on certain thermal power generation assets.

The value-in-use of these assets was calculated on a case-by-case basis using the cash flow forecasts drawn up based on the 2015 budget and 2016-2020 medium-term business plan approved by the Group Management Committee and Board of Directors. Cash flows beyond this period were extrapolated until the end of the operating life of the assets concerned.

The discount rates applied to these forecasts ranged between 7.2% and 8.7%.

Key assumptions used in the impairment test relate to expected trends in electricity demand, prices of electricity and fuel, the carbon floor tax and capacity rates from 2020.

A 50 basis points increase in the discount rate used would lead to an additional impairment loss totaling €3 million against these thermal power generation assets. A 5% decrease in the margin captured by the thermal power plants would lead to an additional impairment loss totaling €22 million.

8.2.3 Energy – Eastern Europe CGU

The Energy – Eastern Europe CGU comprises gas and electricity production, sale and distribution activities in Poland, Romania, and Hungary. This CGU consists of installed production capacity of nearly 1,900 MW, including around 1,800 MW relating to thermal power generation assets.

In Poland, the long-term outlook for the utilization rate for coal-based power plants were revised downwards due to the forecasts for future production capacity and the Polish power generation mix.

In Hungary, sales and distribution activities were held back by a particularly challenging regulatory environment. Sales activities in this country particularly suffered from rate decreases and sluggish demand.

In view of these factors, the recoverable amount of the Energy – Eastern Europe goodwill CGU decreased to €910 million at December 31, 2014, i.e., below its carrying amount. This led the Group to recognize an impairment loss of €112 million, including €82 million corresponding to the CGU's entire goodwill as well as an impairment loss of €30 million on property, plant and equipment and intangible assets, of which €21 million on a wind farm in Romania.

The value in use of the Energy – Eastern Europe CGU was calculated using the cash flow forecasts drawn up based on the 2015 budget and 2016-2020 medium-term business plan approved by the Group Management Committee and Board of Directors. Cash flows beyond this period were extrapolated until the end of the operating life of the assets concerned.

The discount rates applied to these forecasts range from 8.3% to 12.3%, depending on the risk profile assigned to each type of power generation, sales and distribution asset.

Key assumptions used in the impairment test concern expected trends in the demand for electricity and gas and forecast changes in the price of fuel and electricity beyond the liquidity period.

8.2.4 Impairment losses booked in 2013

Impairment losses recognized against goodwill, (including goodwil on entities accounted for using the equity method) property, plant and equipment and intangible assets at December 31, 2013 amounted to €14,700 million and can be analyzed as follows:

In millions of euros	**Impairment losses on goodwill [3]**	**Impairment losses on property, plant and equipment and other assets**	**Total impairment losses**
Energy – Central Western Europe goodwill CGU	**(3,782)**	**(4,165)**	**(7,947)**
Impairment losses on thermal power plants		(3,711)	
Impairment losses on other property, plant and equipment and intangible assets		(454)	
Storage goodwill CGU	**(1,250)**	**(1,896)**	**(3,146)**
Impairment losses on gas storage facilities in Europe		(1,896)	
Energy – South Europe CGU goodwill	**(252)**	**(1,157)**	**(1,409)**
Impairment losses on thermal power generation assets		(1,013)	
Impairment losses on customer relationships		(144)	
Energy – Eastern Europe goodwill CGU	**(264)**	**(178)**	**(442)**
Impairment losses on other thermal assets		(123)	
Other		(55)	
Energy UK – Europe goodwill CGU		**(459)**	**(459)**
Impairment losses on thermal power plants		(459)	
Other impairment losses	**(141)**	**(1,157)**	**(1,298)**
TOTAL GDF SUEZ GROUP AT DECEMBER 31, 2013[1] [2]	**(5,689)**	**(9,011)**	**(14,700)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and then accounted for using the equity method as from that date (see Note 5.7).
(3) Including goodwil on entities accounted for using the equity method.

Including writedowns of financial assets, total impairment losses (net of reversals) for 2013 amounted to €14,770 million. After taking into account the deferred tax effects and the share of impairment losses attributable to non-controlling interests, the impact of these impairment losses on 2013 net income Group share amounted to €12,713 million.

Impairment losses recognized on the Group's European activities amounted to €13,402 million, of which €5,548 million against goodwill (including €55 million against goodwill on entities accounted for using the equity method).

The 2013 annual impairment tests took full account of the difficult economic conditions and structurally unfavorable changes that are durably affecting the profitability of its European power generation and natural gas storage activities.

As regards electricity production, the market fundamentals of the countries in which the Group operates are characterized by contracting demand, the rise of renewable energies, and overcapacity which – coupled with competition from renewables – has triggered a drop in the running hours of the thermal power plants and electricity prices, which remain at very low levels.

Margins on marketing and sales and the gas midstream activities are affected by competitive pressure related to the increase in the supply of gas and in the demand for solutions indexed to market gas prices.

The sales of underground gas storage capacities have also been affected by the difficult environment and market fundamentals described above, as well as the contraction in demand for gas. This tough economic environment has translated into seasonally low TTF spreads, as well as lower storage capacity reservations.

8.3 Restructuring costs

Restructuring costs totaling €167 million in 2014 include costs incurred to adapt to economic conditions, of which €70 million for GDF SUEZ Energy Services and €58 million for GDF SUEZ Energy Europe.

In 2013, this item amounted to €302 million, and included costs incurred to adapt to economic conditions, of which €171 million for GDF SUEZ Energy Europe and €56 million for GDF SUEZ Energy Services.

8.4 Changes in the scope of consolidation

In 2014, this item amounted to a positive €562 million, and mainly comprised:

- the €359 million revaluation gain relating to the 40% interest previously held by the Group in Gaztransport & Technigaz (GTT) following the acquisition of control over the company further to its initial public offering *(see Note 5.1)*;
- the €174 million revaluation gain relating to the Group's interest in the Walloon distribution network operator following the loss of significant influence, and the recognition of these shares under "Available-for-sale securities" *(see Note 5.3.2)*;
- the €61 million gain on the sale of a 20% interest in NGT BV in the Netherlands.

The other items included in this caption are not material taken individually.

In 2013, this item amounted to a positive €405 million, and mainly comprised the €448 million net revaluation gain on the Group's interest in SUEZ Environnement Company subsequent to the termination of the shareholders' agreement on July 22, 2013 resulting in the loss of control of that entity.

8.5 Other non-recurring items

In 2014, this caption mainly includes the gain on the disposal of the Group's interest in the mixed inter-municipal companies in Flanders, for an amount of €323 million *(see Note 5.3.1)*.

In 2013, this item included the impact of the decrease in the provision for the back-end of the nuclear fuel cycle amounting to €499 million, as well as a €73 million gain on the disposal of Medgaz securities, including €75 million in respect of changes in fair value recognized under "Other comprehensive income" recycled to the income statement.

NOTE 9 Net financial income/(loss)

	Dec. 31, 2014			Dec. 31, 2013[(1) (2)]		
In millions of euros	Expense	Income	Total	Expense	Income	Total
Cost of net debt	(1,071)	132	(939)	(1,525)	127	(1,398)
Income from debt restructuring transactions and from early unwinding of derivative financial instruments	(460)	239	(221)	(256)	103	(153)
Other financial income and expenses	(932)	215	(716)	(663)	268	(394)
NET FINANCIAL INCOME/LOSS	**(2,462)**	**586**	**(1,876)**	**(2,444)**	**498**	**(1,945)**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*
(2) *The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).*

9.1 Cost of net debt

The main items of the cost of net debt break down as follows:

			Total	
In millions of euros	Expense	Income	Dec. 31, 2014	Dec. 31, 2013[(1) (2)]
Interest expense on gross debt and hedges	(1,204)	-	(1,204)	(1,659)
Foreign exchange gains/losses on borrowings and hedges	-	21	21	(21)
Ineffective portion of derivatives qualified as fair value hedges	(21)	-	(21)	2
Gains and losses on cash and cash equivalents and financial assets at fair value through income	-	111	111	125
Capitalized borrowing costs	154	-	154	155
COST OF NET DEBT	**(1,071)**	**132**	**(939)**	**(1,398)**

(1) *Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).*
(2) *The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).*

Besides the impact of the change in consolidation method applied to SUEZ Environnement as of July 2013 (negative impact of €230 million), the decrease in the cost of net debt is mainly due to the decrease in average outstanding gross debt as well as the positive impacts of debt refinancing and restructuring transactions carried out by the Group *(see Note 16.3.2 "Financial instruments-Main events of the period")*.

9.2 Income from debt restructuring transactions and from early unwinding of derivative financial instruments

The main effects of debt restructuring break down as follows:

In millions of euros	Expense	Income	Total Dec. 31, 2014	Dec. 31, 2013[(1) (2)]
Impact of early unwinding of derivative financial instruments on income statement	**(249)**	**239**	**(11)**	**(107)**
of which cash payments made on the unwinding of swaps	*(249)*	*-*	*(249)*	*(210)*
of which reversal of the negative fair value of these derivatives that were settled early	*-*	*239*	*239*	*103*
Impact of debt restructuring transactions on the income statement	**(211)**	**-**	**(211)**	**(46)**
of which early refinancing transactions expenses	*(211)*	*-*	*(211)*	*(46)*
GAINS AND LOSSES ON DEBT RESTRUCTURING TRANSACTIONS AND ON THE EARLY UNWINDING OF DERIVATIVE FINANCIAL INSTRUMENTS	**(460)**	**239**	**(221)**	**(153)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

In 2014, the Group carried-out a number of early refinancing transactions *(see Note 16.3.2 "Financial instruments - Main events of the period")*, including several buybacks of bonds with an aggregate par value of €1,776 million. The net impact of these buybacks, and unwinding of related hedges, resulted in the recognition of an expense of €215 million in 2014.

9.3 Other financial income and expenses

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1) (2)]
Other financial expenses		
Change in fair value of derivatives not qualified as hedges	(206)	-
Gains and losses on the dequalification and inefficiency of economic hedges on other financial items	(1)	-
Unwinding of discounting adjustments to other long-term provisions	(518)	(421)
Net interest expense on post-employment benefits and other long-term benefits	(153)	(170)
Interest on trade and other payables	(48)	(69)
Other financial expenses	(6)	(3)
TOTAL	**(932)**	**(663)**
Other financial income		
Income from available-for-sale securities	103	129
Change in fair value of derivatives not qualified as hedges	-	31
Gains and losses on the dequalification and inefficiency of economic hedges on other financial items	-	2
Interest income on trade and other receivables	21	35
Interest income on loans and receivables at amortized cost	85	30
Other financial income	6	41
TOTAL	**215**	**268**
OTHER FINANCIAL INCOME AND EXPENSES, NET	**(716)**	**(394)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

NOTE 10 Income tax expense

10.1 Actual income tax expense recognized in the income statement

10.1.1 Breakdown of actual income tax expense recognized in the income statement

The income tax expense recognized in the income statement for 2014 amounts to €1,588 million (€745 million in 2013), breaking down as:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1) (2) (3)]
Current income taxes	(1,918)	(2,245)
Deferred taxes	330	1,500
TOTAL INCOME TAX EXPENSE RECOGNIZED IN INCOME	**(1,588)**	**(745)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).
(3) The tax expense in 2013 included a €1,542 million tax income (mainly €1,490 million deferred tax income) relating to the impairment losses on tangible and intangible assets.

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10.1.2 Reconciliation of theoretical income tax expense with actual income tax expense

A reconciliation of theoretical income tax expense with the Group's actual income tax expense is presented below:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[(1) (2)]
Net income/(loss)	**3,110**	**(8,783)**
• Share in net income of entities accounted for using the equity method	441	570
• Income tax expense	(1,588)	(745)
Income/(loss) before income tax expense and share in net income of associates (A)	**4,256**	**(8,608)**
Of which French companies	*180*	*(3,851)*
Of which companies outside France	*4,076*	*(4,757)*
Statutory income tax rate of the parent company (B)	38.0%	38.0%
THEORETICAL INCOME TAX EXPENSE (C) = (A) X (B)	**(1,617)**	**3,271**
Reconciling items between theoretical and actual income tax expense:		
Difference between statutory tax rate applicable to the parent and statutory tax rate in force in jurisdictions in France and abroad	25	(812)
Permanent differences[(a)]	(93)	(2,037)
Income taxed at a reduced rate or tax-exempt[(b)]	801	636
Additional tax expense[(c)]	(571)	(848)
Effect of unrecognized deferred tax assets on tax loss carry-forwards and other tax-deductible temporary differences[(d)]	(750)	(1,512)
Recognition of utilization of tax income on previously unrecognized tax loss carry-forwards and other tax-deductible temporary differences	191	137
Impact of changes in tax rates	(42)	38
Tax credits and other tax reductions[(e)]	292	533
Other	176	(152)
ACTUAL INCOME TAX EXPENSE	**(1,588)**	**(745)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

(a) Includes mainly the tax disallowable impairments on goodwill, the non deductible expenses recorded by the project companies in the exploration-production business and the effects relating to the cap on allowable interest on borrowings in France.

(b) Reflects notably capital gains on disposals of securities exempt from tax or taxed at a reduced rate in France, Belgium and in other countries, the impact of the specific tax regimes used by some entities in Luxembourg, Belgium, Thailand and in other countries, and the impact of the untaxed income from remeasuring previously-held equity interests in connection with acquisitions and changes in consolidation methods described in Note 8.4 "Changes in scope of consolidation".

(c) Includes mainly tax on dividends resulting from the parent company tax regime and the withholding tax on dividends and interest levied in several tax jurisdictions, the 3% tax on the dividends paid in cash by the French companies, the contribution on nuclear activities payable by nuclear-sourced electricity utilities in Belgium (€422 million in 2013 and €407 million in 2014), allocations to provisions for income tax, and regional corporate taxes.

(d) Includes the cancellation of the net deferred tax asset position for some tax entities. In 2013, it included notably the impact of the non-recognition of deferred tax assets relating to the impairment losses on property, plant and equipment asset.

(e) Includes mainly the impact of deductible notional interest in Belgium, of tax credits in Norway, the United Kingdom, the Netherlands and France and provisions reversals for income tax.

In 2011, the income tax rate payable by tax entities in France with revenues over €250 million was increased to 36.10% (34.43% in 2010). This tax rate resulted from the introduction of an exceptional 5% contribution payable in respect of 2011 and 2012. The exceptional contribution has been increased to 10.7% for 2013, 2014 and 2015, leading to a 38.00% tax rate for the financial years 2013, 2014 and 2015.

For French companies, the timing differences expected to reverse after 2015 continue to be measured at the rate of 34.43%.

10.1.3 Analysis of the deferred tax income/(expense) recognized in the income statement, by type of temporary difference

	Impact in the income statement	
In millions of euros	Dec. 31, 2014	Dec. 31, 2013(1) (2)
Deferred tax assets:		
Tax loss carry-forwards and tax credits	439	(43)
Pension obligations	(12)	11
Non-deductible provisions	60	183
Difference between the carrying amount of PP&E and intangible assets and their tax bases	(261)	291
Measurement of financial instruments at fair value (IAS 32/39)	229	(27)
Other	(64)	179
TOTAL	**391**	**593**
Deferred tax liabilities:		
Difference between the carrying amount of PP&E and intangible assets and their tax bases	159	817
Tax driven provisions	19	(10)
Measurement of financial instruments at fair value (IAS 32/39)	(264)	(8)
Other	25	109
TOTAL	**(61)**	**907**
DEFERRED TAX INCOME/(EXPENSE)	**330**	**1,500**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

The deferred tax income change results mainly from the record of some impairment losses on property, plant and equipment in 2013.

10.2 Deferred tax income/(expense) recognized in "Other comprehensive income"

Net deferred tax income/(expense) recognized in "Other comprehensive income" is broken down by component as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013(1) (2)
Available-for-sale financial assets	(13)	-
Actuarial gains and losses	516	(201)
Net investment hedges	94	(131)
Cash flow hedges on other items	90	(64)
Cash flow hedges on net debt	11	(4)
TOTAL EXCLUDING SHARE OF ENTITIES ACCOUNTED FOR USING EQUITY METHOD	**698**	**(400)**
Share of entities accounted for using the equity method	21	(43)
TOTAL	**719**	**(443)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

10.3 Deferred taxes presented in the statement of financial position

10.3.1 Change in deferred taxes

Changes in deferred taxes recognized in the statement of financial position, after netting deferred tax assets and liabilities by tax entity, break down as follows:

In millions of euros	Assets	Liabilities	Net position
At December 31, 2013(1)	**490**	**(9,466)**	**(8,975)**
Impact on net income of the year	391	(61)	330
Impact on other comprehensive income items	839	(139)	700
Impact of change in scope of consolidation	(14)	(96)	(110)
Impact of translation adjustments	176	(163)	13
Transfers to assets and liabilities classified as held for sale	(2)	-	(2)
Other	164	(178)	(14)
Impact of netting by tax entity	(1,026)	1,026	-
AT DECEMBER 31, 2014	**1,018**	**(9,077)**	**(8,060)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

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

	Statement of financial position at	
In millions of euros	Dec. 31, 2014	Dec. 31, 2013(1)
Deferred tax assets:		
Tax loss carry-forwards and tax credits	2,655	1,867
Pension obligations	1,633	1,186
Non-deductible provisions	512	492
Difference between the carrying amount of PP&E and intangible assets and their tax bases	1,129	1,053
Measurement of financial instruments at fair value (IAS 32/39)	1,416	1,079
Other	669	822
TOTAL	**8,014**	**6,499**
Deferred tax liabilities:		
Difference between the carrying amount of PP&E and intangible assets and their tax bases	(13,889)	(13,342)
Tax driven provisions	(174)	(193)
Measurement of financial instruments at fair value (IAS 32/39)	(1,191)	(1,118)
Other	(820)	(821)
TOTAL	**(16,074)**	**(15,474)**
NET DEFERRED TAX ASSETS/(LIABILITIES)	**(8,060)**	**(8,975)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

A total of €2,655 million in deferred tax assets were recognized in respect of tax losses and tax credits carried forward at December 31, 2014 (€1,867 million at end-2013). Their increase mainly comes from the recognition of all tax loss carry-forwards relating to the GDF SUEZ SA tax consolidation group and to the company GDF SUEZ E&P UK Ltd.

The deferred tax assets recognized in respect of tax loss carry-forwards are justified by the existence of adequate taxable timing differences and/or by expectations that these loss carry-forwards will be used over the period covered by the medium-term plan (2015-2020), as approved by the management, except when the specific context justifies it.

10.4 Unrecognized deferred taxes

At December 31, 2014, the tax effect of tax losses and tax credits eligible for carry-forward but not utilized and not recognized in the statement of financial position amounted to €2,328 million (€1,123 million at December 31, 2013). Most of these unrecognized tax losses relate to companies based in countries which allow losses to be carried forward indefinitely (mainly Belgium, Luxembourg, France, Australia and the United Kingdom) or up to nine years in the Netherlands. These tax loss carry-forwards did not give rise to the recognition of deferred tax due to the absence of sufficient profit forecasts in the medium-term.

The tax effect of other tax-deductible temporary differences not recorded in the statement of financial position was €1,150 million at end-December 2014 versus €1,371 million at end-December 2013.

NOTE 11 Net recurring income Group share

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

This financial indicator therefore excludes:

- all items presented between the lines "Current operating income after share in net income of entities accounted for using the equity method" and "Income/(loss) from operating activities", i.e., "Mark-to-market on commodity contracts other than trading instruments", "Impairment losses", "Restructuring costs", "Changes in scope of consolidation" and "Other non-recurring items". These items are defined in Note 1.4.17 "Current operating income";
- the following components of net financial income/(loss): the impact of debt restructuring, compensation payments on the early unwinding of derivative instruments net of the reversal of the fair value of these derivatives that were settled early, changes in the fair value of derivative instruments which do not qualify as hedges under IAS 39 – *Financial Instruments: Recognition and Measurement,* as well as the ineffective portion of derivative instruments that qualify as hedges;
- the tax impact of the items described above, determined using the statutory income tax rate applicable to the relevant tax entity;
- the net expense relating to the nuclear contribution in Belgium, the legality of which is contested by the Group *(see Note 28.1.10)*;
- net non-recurring items included in "Share in net income of entities accounted for using the equity method". The excluded items correspond to the non-recurring items as defined above.

III

The reconciliation of net income/(loss) with net recurring income Group share is as follows:

In millions of euros	Notes	Dec. 31, 2014	Dec. 31, 2013[(1) (2)]
NET INCOME/(LOSS) GROUP SHARE		**2,440**	**(9,198)**
Non-controlling interests		669	414
NET INCOME/(LOSS)		**3,110**	**(8,783)**
Reconciliation items between current operating income after share in net income of entities accounted for using the equity method and income/(loss) from operating activities		**587**	**14,348**
Mark-to-market on commodity contracts other than trading instruments	*8.1*	*298*	*226*
Impairment losses	*8.2*	*1,037*	*14,770*
Restructuring costs	*8.3*	*167*	*302*
Changes in scope of consolidation	*8.4*	*(562)*	*(405)*
Other non-recurring items	*8.5*	*(353)*	*(544)*
Other adjusted items		**187**	**(1,138)**
Ineffective portion of derivatives qualified as fair value hedges	*9.1*	*21*	*(2)*
Gains/(losses) on debt restructuring and early unwinding of derivative financial instruments	*9.2*	*221*	*153*
Change in fair value of derivatives not qualified as hedges	*9.3*	*206*	*(31)*
Taxes on non-recurring items		*(659)*	*(1,593)*
Net expense relating to the nuclear contribution in Belgium		*397*	*271*
Non-recurring income included in share in net income of entities accounted for using the equity method	*4*	*2*	*64*
NET RECURRING INCOME		**3,885**	**4,426**
Non-controlling interests net recurring income		760	977
NET RECURRING INCOME GROUP SHARE		**3,125**	**3,449**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) The Group's interest in SUEZ Environnement was fully consolidated in the financial statements until July 22, 2013 and has been accounted for using the equity method since that date (see Note 5.7).

NOTE 12 Earnings per share

	Dec. 31, 2014	Dec. 31, 2013[(1)]
Numerator *(in millions of euros)*		
Net income/(loss) Group share	**2,440**	**(9,198)**
Interests from deeply-subordinated perpetual notes	(67)	-
Net income/(loss) Group share used to calculate earnings per share	**2,373**	**(9,198)**
Impact of dilutive instruments	-	-
Diluted net income/(loss) Group share	**2,373**	**(9,198)**
Denominator *(in millions of shares)*		
Average number of outstanding shares	**2,367**	**2,359**
Impact of dilutive instruments:		
• Bonus share plans reserved for employees	15	15
Diluted average number of outstanding shares	**2,382**	**2,374**
Earnings per share *(in euros)*		
Basic earnings/(loss) per share	**1.00**	**(3.90)**
Diluted earnings/(loss) per share	**1.00**	**(3.90)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

In compliance with IAS 33 – *Earnings per Share,* earnings per share and diluted earnings per share are based on the net income Group share after deduction of payments to bearers of deeply-subordinated perpetual notes.

The Group's dilutive instruments included in the calculation of diluted earnings per share include the bonus shares and performance shares granted in the form of GDF SUEZ securities, together with the stock option plans where the exercise price is lower than the average annual GDF SUEZ share price (the average annual GDF SUEZ share price amounted to €19.02 in 2014). These plans are described in Note 24.

As far as the 2014 financial year is concerned, all stock option plans were excluded from the diluted earnings per share calculation due to their accretive effect. The same stock option plans were also excluded from the 2013 diluted earnings per share calculation due to their accretive effect.

Instruments that were accretive at December 31, 2014 may become dilutive in subsequent periods due to changes in the average annual share price.

NOTE 13 Goodwill

13.1 Movements in the carrying amount of goodwill

In millions of euros	Gross amount	Impairment	Net amount
At January 1, 2013[(1)]	**29,987**	**(452)**	**29,535**
Impairment losses	-	(5,634)	(5,634)
Changes in scope of consolidation and Other	(3,400)	230	(3,170)
Translation adjustments	(341)	30	(310)
At December 31, 2013[(1)]	**26,246**	**(5,826)**	**20,420**
Impairment losses	-	(82)	(82)
Changes in scope of consolidation and Other	500	32	531
Translation adjustments	357	(4)	353
AT DECEMBER 31, 2014	**27,102**	**(5,880)**	**21,222**

(1) Comparative data at January 1, 2013 and December 31, 2013, have been restated due to the application of the consolidation standards (see Note 2).

The impact of changes in the scope of consolidation in the statement of financial position at December 31, 2014 relates primarily to the recognition of €375 million in goodwill arising on the acquisition of a controlling interest in Gaztransport & Technigaz (GTT) following its initial public offering and of €213 million in provisional goodwill arising on the Ecova acquisition, as well as the derecognition of €134 million in goodwill following the change in the consolidation method applied to investments in the Walloon distribution network operator. These transactions and changes in consolidation method are described in Note 5 "Main changes in Group structure".

As a result of the annual impairment tests performed in the second half of 2014 on the goodwill CGUs, the Group recognized impairment losses on goodwill for a total amount of €82 million relating chiefly to the Energy – Eastern Europe CGU (see Note 8.2.3).

The decrease in this caption in 2013 was primarily due to the recognition of impairment losses against goodwill (see Note 8.2.4) totaling €5,634 million (€3,732 million recognized against the Energy – Central Western Europe CGU, €1,250 million against the Storage CGU, €264 million against the Energy – Eastern Europe CGU, €247 million against the Energy – Southern Europe CGU and €60 million against the Energy – Spain CGU), along with changes in the scope of consolidation and other changes for €3,170 million (including €3,162 million relating to the change in the consolidation method applied to SUEZ Environnement).

13.2 Main goodwill CGUs

The breakdown of goodwill by CGU is as follows:

In millions of euros	**Operating segment**	**Dec. 31, 2014**	**Dec. 31, 2013(1)**
MATERIAL CGUs(2)			
Energy - Central Western Europe	Energy Europe	8,181	8,312
Distribution	Infrastructures	4,009	4,009
Global Gas & LNG	Global Gas & LNG	2,207	2,087
Energy - North America	Energy International	1,389	1,231
OTHER SIGNIFICANT CGUs			
Energy Services - International	Energy Services	1,016	625
Energy - United Kingdom - Turkey	Energy International	630	583
Transmission France	Infrastructures	614	614
Storage	Infrastructures	543	543
OTHER CGUs *(goodwill individually less than €500 million)*		**2,633**	**2,416**
TOTAL		**21,222**	**20,420**

(1) Comparative data at December 31, 2013, have been restated due to the application of the consolidation standards (see Note 2).
(2) Material CGUs correspond to CGUs that represent over 5% of the Group's total goodwill.

13.3 Impairment testing of goodwill CGUs

All goodwill Cash Generating Units (goodwill CGUs) are tested for impairment based on data as of end-June, completed by a review of events arisen in the second half of the year. In most cases, the recoverable value of the goodwill CGUs is determined by reference to a value-in-use that is calculated based on cash flow projections drawn from the 2015 budget and from the medium-term 2016-2020 business plan, as approved by the Group Management Committee and the Board of Directors, and on extrapolated cash flows beyond that time frame.

Cash flow projections are drawn up on the basis of macroeconomic assumptions (inflation, exchange rates and growth rates) and price forecasts resulting from the Group's reference scenario for 2015-2035. The forecasts that feature in the reference scenario were approved by the Group Management Committee in September 2014. The forecasts and projections included in the reference scenario were determined on the basis of the following inputs:

- forward market prices over the liquidity period for fuel (coal, oil and gas), CO_2 and electricity on different markets;
- beyond this period, medium- and long-term energy prices were determined by the Group based on macroeconomic assumptions and fundamental supply and demand equilibrium models, the results of which are regularly compared against forecasts prepared by external energy sector specialists. More specifically, medium- and long-term electricity prices were determined by the Group using electricity demand forecasting models, medium- and long-term forecasts of fuel and CO_2 prices, and expected trends in installed capacity and in the technology mix of the production assets within each power generation system.

The discount rates used correspond to the weighted average cost of capital, which is adjusted in order to reflect the business, market, country and currency risk relating to each goodwill CGU reviewed. The discount rates used are consistent with available external information sources. The post-tax rates used in 2014 to measure the value-in-use of the goodwill CGUs for discounting future cash flows ranged between 4.9% and 15.0%, compared with a range of between 5.2% and 15.1% in 2013. The discount rates used for each of the eight main goodwill CGUs are shown in Notes 13.3.1 "Material CGUs" and 13.3.2 "Other significant CGUs" below.

13.3.1 Material CGUs

This section presents the method for determining value-in-use, the key assumptions underlying the valuation, and the sensitivity analyses for the impairment tests on CGUs where the amount of goodwill represents more than 5% of the Group's total goodwill at December 31, 2014.

Goodwill allocated to the CWE CGU

The Energy-Central Western Europe (CWE) CGU groups together natural gas supply, trading, marketing and sales activities, along with power generation and the sale of energy in France, Belgium, the Netherlands, Luxembourg and Germany. The power stations represent 22,711 MW and include mainly nuclear power plants in Belgium (4,134 MW), drawing rights on nuclear facilities in France (1,209 MW), hydropower plants in France (2,295 MW), and thermal power plants (10,053 MW). The total amount of goodwill allocated to the CWE CGU was €8,181 million. In 2013, a €7,947 million impairment loss was recognized against this goodwill CGU, including €3,782 million recognized against goodwill (including €50 million against goodwill on entities accounted for using the equity method) and €4,165 million against property, plant and equipment and intangible assets *(see Note 8.2.4)*.

The value-in-use of the CWE CGU was calculated using the cash flow forecasts drawn up on the basis of the 2015 budget and the 2016-2020 medium-term business plan approved by the Group Management Committee and Board of Directors. Cash flow forecasts beyond this six-year period were based on the reference scenario adopted by the Group.

Cash flow forecasts relating to the main contributing businesses for the period beyond the medium-term business plan were determined as described below:

Activities	Assumptions applied beyond the term of the business plan
Thermal (gas- and coal-fired power plants) and wind power generation	Cash flow projection over the useful life of generation assets and underlying contracts
Nuclear power generation in Belgium	Cash flow projection over the useful life of Tihange 1 (50 years), and over a technical life of 60 years for the Doel 3, Doel 4, Tihange 2 and Tihange 3 reactors
Drawing rights on Chooz B and Tricastin power plants	Cash flow projection over the remaining term of existing contract plus assumption that drawing rights will be extended for a further ten years
Hydropower generation in France	Cash flow projection over the useful life of concessions plus assumption that concessions will be renewed
Natural gas supply, trading and marketing and France sales activities	Cash flow projection over a time period allowing for the convergence towards expected long-term equilibrium price and margins levels, plus application of a terminal value based on a normative cash flow using a long-term growth rate of 1.9%

The discount rates applied to these cash flow forecasts range from 5.6% to 8.5%, depending on the risk profile of each business activity.

Key assumptions used for impairment tests

Key assumptions used for impairment tests for the Central Western Europe goodwill CGU concern discount rates and expected changes in the regulatory environment, in the demand for electricity and gas, and in the price of fuel, CO_2 and electricity beyond the liquidity period.

The most important assumptions concerning the regulatory environment in Belgium relate to the operating life of existing nuclear reactors and the restart of the Doel 3 and Tihange 2 reactors which have been inoperative since March 2014.

In December 2013, the previous government confirmed the following schedule for the gradual phase-out of nuclear power:

- the closure of the Doel 1 and Doel 2 reactors after an operating life of 40 years, i.e., on February 15, 2015 and December 1, 2015, respectively;
- the operating life of Tihange 1 will be extended by ten years, until October 1, 2025. In return, the Belgian government will receive a fee corresponding to 70% of the excess of the proceeds from electricity sales over the full cost of the reactor plus the remuneration of the investments needed to extend the useful life of this facility. This fee will replace the nuclear contribution applicable to Tihange 1;
- the second-generation reactors Doel 3, Tihange 2, Tihange 3 and Doel 4 reactors will be closed in 2022, 2023 and 2025, respectively, after 40 years of operation.

In order to ensure the security of supply in Belgium, the new government decided in its Council of Ministers held on December 18, 2014 to extend the operating life of the Doel 1 and Doel 2 reactors for a period of ten years. The operating life of these reactors cannot however be extended beyond 2025. To take effect, this extension will require an amendment to the law on the phase-out of nuclear power in Belgium, an agreement from the Belgian Federal Agency for Nuclear Control (FANC), and the signature of an agreement between the Group and the Belgian authorities regarding the economic and financial conditions under which these reactors' operating life will be extended. The discussions between the Group and the Belgian government are currently in progress. The Group will only make the investments necessary to extend the useful life of these two reactors if (i) these extensions are profitable from an economic standpoint and (ii) the economic and legal framework governing nuclear power activities in Belgium has been clarified and stabilized. Since the outcome of the discussions regarding the extension of the operating life of the Doel 1 and Doel 2 reactors is not yet known, value-in-use is based on the assumption that the two reactors will shut down in 2015 (assumption also applied in 2013).

In view of (i) the extension of the operating life of Tihange 1 and the Belgian government's decision to extend the operating life of Doel 1 and Doel 2, (ii) the importance of nuclear power generation in the Belgian energy mix, and (iii) the lack of a sufficiently detailed and attractive industrial plan enticing energy utilities to invest in replacement thermal capacity, the Group considers – as in 2013 – that nuclear power will still be needed to guarantee the energy equilibrium in Belgium after 2025. The value-in-use was therefore calculated based on an assumption that the operating life of the second-generation reactors would be extended by 20 years. The value-in-use calculated for the reactors whose operating life is extended is based on a principle of profit sharing with the Belgian State.

In first-half 2014, the Group decided to anticipate the planned outages of the Doel 3 and Tihange 2 reactors. The Group took this decision on March 25, 2014 based on the findings of tests carried out on samples of substances in the reactor vessels, in accordance with the action plan agreed with the FANC when the above reactors were restarted in 2013. Among all the realized tests, one of them did not deliver results in line with experts' expectations. Additional tests and analyses were performed in order to verify and explain the first results observed and were disclosed to a panel of international experts appointed by the FANC. These experts made additional requests and recommendations which are currently being addressed by the Group. At the end of these additional tests, a justification file will be submitted to the FANC, which will decide on the restart of both reactors. The Group remains confident that the reactors will restart in 2015 and has included this assumption in its calculation of the value-in-use of the CWE CGU.

In France, the Group includes an assumption that its drawing rights on the Tricastin and Chooz B nuclear plants expiring in 2021 and 2037, respectively, will be extended by ten years. Although no such decision has been taken by the government and the nuclear safety authority, the Group considers that extending the reactors' operating life is the most credible and likely scenario at this point in time.This is also consistent with the expected French energy mix featured in its reference scenario.

The Group also assumed that its hydropower concession agreements would be renewed, particularly the Compagnie Nationale du Rhône concession expiring in 2023.

The normative margin associated with gas midstream activities represents the best estimate of the profitability of these businesses over the medium and long term.

Results of the impairment test

At December 31, 2014, the recoverable amount of the CWE goodwill CGU is higher than its carrying amount.

Goodwill CGU sensitivity analyses

A decrease of €1/MWh in electricity prices for nuclear power and hydropower generation would have a negative 14% impact on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. Conversely, an increase of €1/MWh in electricity prices would have a positive 14% impact on the calculation.

A decrease of 5% in the margin captured by thermal power plants would have a negative 15% impact on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. Conversely, an increase of 5% in the margin captured by thermal power plants would have a positive 15% impact on the calculation.

A decrease of 5% in the margin on gas and electricity sales activities would have a negative 10% impact on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. Conversely, an increase of 5% in the margin on gas and electricity sales activities would have a positive 10% impact on the calculation.

An increase of 50 basis points in the discount rates used would have a negative 66% impact on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. A decrease of 50 basis points in the discount rates used would have a positive 68% impact on the calculation.

Various transformational scenarios were considered concerning nuclear power generation in Belgium:

- the disappearance of the entire nuclear component from the portfolio after 50 years of operation in the case of Tihange 1 and 40 years of operation for the second-generation reactors would have a strongly adverse impact on the results of the test, with the recoverable amount falling significantly below the carrying amount. In this scenario, the impairment risk would represent around €4,400 million;
- the immediate and definitive shutdown of the Doel 3 and Tihange 2 reactors would have a strongly adverse impact on the results of the test, with the recoverable amount falling significantly below the carrying amount. In this scenario, the impairment risk would represent around €2,200 million;
- if the life of the second-generation reactors were to be extended by ten years and the entire nuclear component subsequently disappear, the recoverable amount would fall below the carrying amount and the impairment risk would represent €1,000 million.

In France, if the drawing rights on the Chooz B and Tricastin reactors were not extended for a further ten years, this would have a negative 23% impact on the excess of the goodwill CGU's recoverable amount over its carrying amount, although the recoverable amount would remain above the carrying amount.

For Belgian nuclear facilities and French hydropower plants under concession, the cash flows for the periods covered by the renewal of the hydropower concessions and the 20-year extension of the operating lives of the second-generation reactors are based on a number of assumptions relating to the economic and regulatory conditions for operating these assets (royalty rates, required level of investment, etc.) during this period. A change in one or more of these inputs could lead to a material adjustment in the CGU's recoverable amount.

Goodwill allocated to the Distribution CGU

The total amount of goodwill allocated to the Distribution CGU was €4,009 million at December 31, 2014. The Distribution CGU groups together the Group's regulated natural gas distribution activities in France.

The value-in-use of the Distribution CGU was calculated using cash flow projections drawn up on the basis of the 2015 budget and the medium-term 2016-2020 business plan, as approved by the Group Management Committee. The discount rate applied to these projections was 5.0%. The terminal value calculated at the end of the medium-term business plan corresponds to the expected Regulated Asset Base (RAB) with no premium at the end of 2020. The RAB is the value assigned by the regulator (CRE) to the assets operated by the distributor. It is the sum of the future pre-tax cash flows, discounted at a rate that equals the pre-tax rate of return guaranteed by the regulator.

The cash flow projections are drawn up based on the tariff for public natural gas distribution networks, known as the "ATRD 4 tariff", which entered into effect for a period of four years on July 1, 2012, and on the overall level of investments agreed by the French Energy Regulatory Commission (CRE) as part of its decision on the ATRD 4 tariff.

Given the regulated nature of the businesses grouped within the Distribution CGU, a reasonable change in any of the valuation parameters would not result in the recoverable value falling below the carrying value.

Goodwill allocated to the Global Gas & LNG CGU

The total amount of goodwill allocated to the Global Gas & LNG CGU was €2,207 million at December 31, 2014. The Global Gas & LNG CGU brings together the upstream activities of the natural gas value chain, including:

- exploration and production activities, i.e., the exploration, development and operation of oil and gas fields, the most important of which for the Group are in Germany, the United Kingdom, Norway, the Netherlands, Algeria and Indonesia;
- activities relating to LNG, i.e., the management and sale of a diversified portfolio of long-term supply contracts, interests in liquefaction facilities, operation of an LNG tanker fleet, regasification capacities in LNG terminals and the development and sale of cryogenic membrane confinement systems to transport LNG, carried out by GTT, the Group's subsidiary specialized in marine engineering.

The recoverable amount of the CGU was determined based on (i) the market price for the listed subsidiary GTT, and (ii) the value-in-use for all other activities included in the CGU.

The value-in-use was calculated using the cash flow projections drawn up on the basis of the 2015 budget and of the medium-term 2016-2020 business plan, as approved by the Group Management Committee. A terminal value was calculated by extrapolating the cash flows beyond that period.

For LNG activities outside GTT, the terminal value corresponds to an exit value determined by applying a long-term growth rate of 2.5% to the cash flows of the last year of the medium-term business plan approved by the Group Management Committee. This 2.5% growth rate includes the effect of inflation at 2% and the effect of an expected long-term increase in LNG volumes of 0.5%. The long-term growth assumption is widely corroborated by external studies and by other market players' forecasts. The discount rate applied to these projections was 9.1%.

The value-in-use of the Exploration-Production assets in the development or production phase is determined based on a projection time frame that corresponds to the useful life of the underlying proven and probable reserves.

The main assumptions and key estimates primarily include the discount rates, hydrocarbon price trends, changes in the euro/US dollar exchange rate, estimates of proven and probable reserves, changes in LNG supply and demand, as well as the future market outlook. The values assigned reflect our best estimates for market prices and the expected future trend for these markets. The projections used for oil and natural gas prices beyond the liquidity period are in line with the consensus drawn up on the basis of several external studies. The discount rates applied range between 8.2% and 15%, and differ primarily in accordance with the risk premiums assigned to the countries in which the Group operates.

An increase of 50 basis points in the discount rate used would have a negative 23% impact on the excess of the recoverable amount over the carrying amount of the goodwill CGU. However, the recoverable value would remain above the carrying amount. A reduction of 50 basis points in the discount rate used would have a positive 37% impact on this calculation.

A decrease of 10% in the hydrocarbon prices used in exploration-production activities would have a negative 66% impact on the excess of the recoverable amount over the carrying amount of the goodwill CGU. However, the recoverable amount would remain above the carrying amount. An increase of 10% in the hydrocarbon prices used would have a positive 74% impact on the excess of the recoverable amount over the carrying amount.

A decrease of 50 basis points in the long-term growth rate used to determine the terminal value of LNG activities would have a negative 11% impact on the excess of the recoverable amount over the carrying amount of the goodwill CGU. However, the recoverable amount would remain above the carrying amount. An increase of 50 basis points in the long term growth rate used would have a positive 11% impact on this calculation.

Goodwill allocated to the Energy – North America CGU

The total amount of goodwill allocated to the Energy – North America CGU was €1,389 million at December 31, 2014. The entities included in this CGU produce electricity and market electricity and gas in the United States, Mexico and Canada. They are also involved in LNG imports and regasification, as well as LNG cargo sales.

The value-in-use was calculated using the cash flow projections drawn up on the basis of the 2015 budget and of the medium-term 2016-2020 business plan, as approved by the Group Management Committee.

For electricity production activities, the terminal value was calculated for each asset class by extrapolating the cash flows until the end of the useful life of the related power plants. For the electricity sales business, the terminal value was calculated by extrapolating cash flows beyond the last year of the medium-term business plan using a long-term growth rate of 1%.

Key assumptions include long-term trends in electricity and fuel prices, the future market outlook and the discount rates applied. The inputs used for these assumptions reflect best estimates of market prices. The discount rates used in 2014 range from 5.5% to 8.7%, depending on the business concerned.

An increase of 50 basis points in the discount rate used would have a negative 22% impact on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. A decrease of 50 basis points in the discount rate used would have a positive 26% impact on this calculation.

A decrease of 10% in the long-term equilibrium prices for electricity would have a negative 25% impact on the excess of the recoverable amount over the carrying amount. However, the recoverable amount would remain above the carrying amount. An increase of 10% in the long-term equilibrium prices would have a positive 25% impact on this calculation.

13.3.2 Other significant CGUs

The table below sets out the assumptions used to determine the recoverable amount of the other main CGUs.

CGU	Operating segment	Measurement	Discount rate
Energy Services - International	Energy Services	DCF	8.1%
Energy - United Kingdom - Turkey	Energy International	DCF + DDM	7.2% - 12.2%
Transmission France	Infrastructures	DCF	5.3%
Storage	Infrastructures	DCF	5.0% - 7.9%

The “DDM” method refers to the method known as the discounted dividend model (DDM).

13.4 Goodwill segment information

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

In millions of euros	**Dec. 31, 2014**	**Dec. 31, 2013(1)**
Energy International	3,466	3,091
Energy Europe	8,181	8,395
Global Gas & LNG	2,207	2,087
Infrastructures	5,324	5,324
Energy Services	2,044	1,524
TOTAL	**21,222**	**20,420**

(1) Comparative data at December 31, 2013, have been restated due to the application of the consolidation standards (see Note 2).

NOTE 14 Intangible assets

14.1 Movements in intangible assets

In millions of euros	Intangible rights arising on concession contracts	Capacity entitlements	Other	Total
GROSS AMOUNT				
At January 1, 2013(1)	**5,790**	**2,379**	**12,156**	**20,325**
Acquisitions	262	-	537	799
Disposals	(87)	-	(67)	(154)
Translation adjustments	(44)	-	(133)	(177)
Changes in scope of consolidation	(3,309)	-	(3,212)	(6,521)
Other	90	66	(31)	125
At December 31, 2013(1)	**2,702**	**2,445**	**9,250**	**14,397**
Acquisitions	225	-	510	735
Disposals	(40)	-	(47)	(87)
Translation adjustments	32	-	209	241
Changes in scope of consolidation	(91)	-	791	700
Other	(2)	48	(191)	(145)
AT DECEMBER 31, 2014	**2,825**	**2,493**	**10,523**	**15,841**
ACCUMULATED AMORTIZATION AND IMPAIRMENT				
At January 1, 2013(1)	**(2,004)**	**(856)**	**(4,801)**	**(7,661)**
Amortization	(189)	(92)	(675)	(956)
Impairment	(36)	(638)	(586)	(1,260)
Disposals	84	-	61	144
Translation adjustments	6	-	42	48
Changes in scope of consolidation	1,149	-	1,245	2,395
Other	(73)	-	8	(65)
At December 31, 2013(1)	**(1,063)**	**(1,586)**	**(4,705)**	**(7,355)**
Amortization	(97)	(60)	(569)	(726)
Impairment	-	-	(221)	(222)
Disposals	37	-	35	72
Translation adjustments	(8)	-	(76)	(84)
Changes in scope of consolidation	65	-	11	77
Other	4	-	(38)	(35)
AT DECEMBER 31, 2014	**(1,062)**	**(1,646)**	**(5,564)**	**(8,272)**
CARRYING AMOUNT				
At December 31, 2013(1)	**1,639**	**858**	**4,545**	**7,042**
AT DECEMBER 31, 2014	**1,763**	**847**	**4,959**	**7,569**

(1) Comparative data at January 1, 2013 and at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Changes in the scope of consolidation in 2014 are mainly due to the acquisition of control over Gaztransport & Technigaz (GTT) following its initial public offering *(see Note 5 "Main changes in Group structure")*.

Translation adjustments on the net value of intangible assets mainly resulted from movements in the US dollar compared to the euro (positive €127 million impact).

14.1.1 Intangible rights arising on concession contracts

This item primarily includes the right to bill users recognized in accordance with the intangible asset model as set out in IFRIC 12.

14.1.2 Capacity entitlements

The Group has acquired capacity entitlements from power stations operated by third parties. These power station capacity rights were acquired in connection with transactions or within the scope of the Group's involvement in financing the construction of certain power stations. In consideration, the Group received the right to purchase a share of the production over the useful life of the underlying assets. These rights are amortized over the useful life of the underlying assets, not to exceed 40 years. The Group currently holds entitlements in the Chooz B and Tricastin power plants in France and in the virtual power plant (VPP) in Italy.

14.1.3 Other

At end-2014, this caption chiefly relates to licenses and intangible assets acquired as a result of the merger with Gaz de France, essentially comprising the GDF Gaz de France brand, customer relationships, and supply agreements. The exploration and production licenses presented under “Other” in the table above are detailed in Note 21 “Exploration-production activities”.

The carrying amount of intangible assets that are not amortized because they have an indefinite useful life was €674 million at December 31, 2014 (€678 million at December 31, 2013). This caption relates mainly to the GDF Gaz de France brand recognized as part of the allocation of the cost of the business combination to the assets and liabilities of Gaz de France.

14.2 Information regarding research and development costs

Research and development activities primarily relate to various studies regarding technological innovation, improvements in plant efficiency, safety, environmental protection, service quality, and the use of energy resources.

Research and development costs, excluding technical assistance costs, totaled €189 million in 2014. Expenses related to in-house projects in the development phase that meet the criteria for recognition as an intangible asset as defined in IAS 38 are not material.

NOTE 15 Property, plant and equipment

15.1 Movements in property, plant and equipment

In millions of euros	Land	Buildings	Plant and equipment	Vehicles	Dismantling costs	Assets in progress	Other	Total
GROSS AMOUNT								
At January 1, 2013(1)	**3,183**	**7,263**	**98,218**	**1,892**	**1,950**	**8,901**	**1,365**	**122,771**
Acquisitions	13	34	707	74	567	4,554	58	6,008
Disposals	(53)	(53)	(546)	(87)	1	-	(43)	(782)
Translation adjustments	(105)	(116)	(2,821)	(24)	(58)	(196)	(14)	(3,334)
Changes in scope of consolidation	(1,824)	(3,369)	(8,460)	(1,502)	(549)	(521)	(429)	(16,653)
Transfers to assets classified as held for sale	-	-	(692)	-	(10)	(23)	-	(725)
Other	(12)	230	3,705	20	26	(4,097)	54	(75)
At December 31, 2013(1)	**1,202**	**3,988**	**90,110**	**373**	**1,926**	**8,619**	**991**	**107,209**
Acquisitions	13	48	669	38	-	4,214	45	5,028
Disposals	(295)	(33)	(2,983)	(38)	(11)	(13)	(63)	(3,435)
Translation adjustments	22	69	1,800	7	(3)	261	8	2,163
Changes in scope of consolidation	(15)	(15)	(1,510)	3	(13)	(19)	18	(1,552)
Other	18	403	4,745	6	243	(5,436)	55	33
AT DECEMBER 31, 2014	**944**	**4,460**	**92,831**	**390**	**2,141**	**7,626**	**1,053**	**109,446**
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
At January 1, 2013(1)	**(1,214)**	**(2,771)**	**(33,544)**	**(1,256)**	**(1,093)**	**(202)**	**(929)**	**(41,009)**
Depreciation	(42)	(276)	(4,036)	(105)	(228)	-	(110)	(4,797)
Impairment	(25)	(80)	(4,808)	-	(18)	(2,404)	(4)	(7,339)
Disposals	10	27	332	74	1	1	39	485
Translation adjustments	37	21	828	14	21	(4)	9	926
Changes in scope of consolidation	843	1,246	3,584	1,016	541	3	273	7,507
Transfers to assets classified as held for sale	-	-	193	-	2	-	-	195
Other	4	2	(77)	11	(12)	10	(4)	(65)
At December 31, 2013(1)	**(387)**	**(1,830)**	**(37,527)**	**(246)**	**(786)**	**(2,596)**	**(725)**	**(44,098)**
Depreciation	(8)	(137)	(3,516)	(42)	(219)	-	(83)	(4,004)
Impairment	(11)	(32)	(402)	-	(42)	(213)	(2)	(702)
Disposals	280	(8)	2,810	34	8	32	59	3,214
Translation adjustments	-	(6)	(613)	(3)	2	(26)	(4)	(650)
Changes in scope of consolidation	1	32	769	-	5	(14)	(7)	786
Other	(21)	(170)	(1,147)	(2)	(7)	1,395	(7)	41
AT DECEMBER 31, 2014	**(147)**	**(2,151)**	**(39,627)**	**(258)**	**(1,039)**	**(1,422)**	**(770)**	**(45,414)**
CARRYING AMOUNT								
At December 31, 2013(1)	**814**	**2,158**	**52,583**	**127**	**1,140**	**6,022**	**266**	**63,112**
AT DECEMBER 31, 2014	**798**	**2,309**	**53,205**	**132**	**1,102**	**6,204**	**283**	**64,032**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

In 2014, the net increase in "Property, plant and equipment" mainly resulted from:

- exchange rate fluctuations for +€1,513 million, mainly resulting from the US dollar (+€1,261 million), the pound sterling (+€186 million), the Thai baht (+€151 million), the Australian dollar (+€92 million), and the Norwegian crown (-€199 million);
- changes in scope of consolidation for -€766 million, mainly due to the disposal of the portfolio of power generation assets in Panama and Costa Rica, as well as the disposal of 50% of the portfolio of wind farm assets in the United Kingdom *(see Note 5 "Main changes in Group structure")*;
- impairment losses amounting to -€702 million, mainly related to exploration-production assets in the North Sea (-€252 million), as well as thermal power plants in Europe (-€228 million), mainly in the United Kingdom *(see Note 8.2 "Impairment losses")*.

In 2013, the net decrease in "Property, plant and equipment" mainly resulted from:

- changes in scope of consolidation for -€9,146 million, mainly resulting from the loss of control of SUEZ Environnement (-€8,437 million), the disposal of the Astoria Energy, Phase I power plant (-€760 million) and the Red Hills power plant (-€176 million), and the change of consolidation method consecutive to the sale of 50% of the portfolio of power generation assets in Portugal (-€107 million), as well as the acquisition of a controlling interest in Meenakshi Energy in India (+€330 million);
- impairment losses amounting to -€7,339 million, and mainly relating to thermal power generation assets in Europe (-€4,746 million), notably on the Central Western Europe thermal power plant portfolio (-€3,711 million), as well as thermal power plants in the United Kingdom (-€459 million) and in Italy (-€375 million). Impairment losses were also recognized on underground gas storage facilities in Europe (-€1,896 million);
- the classification of Futures Energies Investissements as "Assets held for sale"; the carrying amount of the corresponding property, plant and equipment having been transferred to the "Assets classified as held for sale" position in the statements of financial position.

Assets relating to exploration-production included in the table above are detailed in Note 21 "Exploration-production activities". Fields under development are shown under "Assets in progress", while fields in production are included in "Plant and equipment".

15.2 Pledged and mortgaged assets

Items of property, plant and equipment pledged by the Group to guarantee borrowings and debt amounted to €5,068 million at December 2014 versus €6,378 million a year earlier. This variation results primarily from debt refinancing transactions, as well as changes in scope of consolidation that occurred during 2014.

15.3 Contractual commitments to purchase property, plant and equipment

In the ordinary course of their operations, some Group companies have entered into commitments to purchase, and the related third parties to deliver, property, plant and equipment. These commitments relate mainly to orders for equipment, and material required for the construction of energy production units (power plants and fields under development of the exploration-production activities), and for service agreements.

Investment commitments made by the Group to purchase property, plant and equipment totaled €3,849 million at December 31, 2014 versus €2,790 million at December 31, 2013.

15.4 Other information

Borrowing costs for 2014 included in the cost of property, plant and equipment amounted to €154 million at December 31, 2014 *versus* €155 million at December 31, 2013.

NOTE 16 Financial instruments

16.1 Financial assets

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

	Dec. 31, 2014			Dec. 31, 2013[1]		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Available-for-sale securities	2,893	-	2,893	3,015	-	3,015
Loans and receivables at amortized cost	2,960	22,483	25,443	1,898	22,527	24,425
Loans and receivables at amortized cost (excluding trade and other receivables)	*2,960*	*925*	*3,885*	*1,898*	*1,470*	*3,368*
Trade and other receivables	-	*21,558*	*21,558*	-	*21,057*	*21,057*
Other financial assets at fair value	2,733	9,336	12,069	2,351	4,835	7,186
Derivative instruments	*2,733*	*7,886*	*10,619*	*2,351*	*3,833*	*6,184*
Financial assets at fair value through income	-	*1,450*	*1,450*	-	*1,001*	*1,001*
Cash and cash equivalents	-	8,546	8,546	-	8,706	8,706
TOTAL	**8,585**	**40,366**	**48,951**	**7,264**	**36,068**	**43,332**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

16.1.1 Available-for-sale securities

In millions of euros	
At January 1, 2013[1]	**3,341**
Acquisitions	155
Disposals - carrying amount excluding changes in fair value recorded in "Other comprehensive income"	(51)
Disposals - "Other comprehensive income" derecognized	(104)
Other changes in fair value recorded in equity	56
Changes in fair value recorded in income	(81)
Changes in scope of consolidation, foreign currency translation and other changes	(302)
At December 31, 2013[1]	**3,015**
Acquisitions	279
Disposals - carrying amount excluding changes in fair value recorded in "Other comprehensive income"	(669)
Disposals - "Other comprehensive income" derecognized	(37)
Other changes in fair value recorded in equity	84
Changes in fair value recorded in income	(43)
Changes in scope of consolidation, foreign currency translation and other changes	265
AT DECEMBER 31, 2014	**2,893**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The Group’s available-for-sale securities amounted to €2,893 million at December 31, 2014 breaking down as €1,406 million of listed securities and €1,487 million of unlisted securities (respectively, €1,140 million and €1,875 million at December 31, 2013).

The main changes over the period correspond to the disposal of the Group’s interest in the Flemish mixed inter-municipal companies and the accounting for the Group’s interest in the Walloon inter-municipal companies as available-for-sale securities *(see Note 5.3)*.

In 2013, changes in the scope of consolidation mainly related to the loss of control of SUEZ Environnement for -€393 million *(see Note 5.7 "Loss of control of SUEZ Environment")*.

16.1.1.1 Gains and losses on available-for-sale securities recognized in equity or income

The table below shows gains and losses on available-for-sale securities recognized in equity or income:

		Post-acquisition measurement				
In millions of euros	Dividends	Change in fair value	Foreign currency translation	Impairment	Reclassified to income	Net gain (loss) on disposals
Equity[1]	-	84	2	-	(37)	-
Income	103	-	-	(43)	37	365
TOTAL AT DECEMBER 31, 2014	**103**	**84**	**2**	**(43)**	**-**	**365**
Equity[1]	-	56	14	-	(104)	-
Income	129	-	-	(81)	104	112
TOTAL AT DECEMBER 31, 2013	**129**	**56**	**14**	**(81)**	**-**	**112**

(1) Excluding tax impact.

In 2014, net disposal gains/(losses) on available-for-sale securities mainly comprised the disposal gain recorded on the sale of the Group's interest in the Flemish mixed inter-municipal companies *(see Note 5.3)*.

16.1.1.2 Analysis of available-for-sale securities in connection with impairment tests

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

Among factors taken into account, an impairment indicator for listed securities is when the value of any such security falls below 50% of its historical cost or remains below its historical cost for more than 12 months.

The Group recognized impairment losses for an amount of €43 million at December 31, 2014.

Based on its analyses, the Group did not recognize any other impairment losses on available-for-sale securities at December 31, 2014. Moreover, the Group has not identified any evidence of material unrealized capital losses as at December 31, 2014 on other securities.

16.1.2 Loans and receivables at amortized cost

	Dec. 31, 2014			Dec. 31, 2013[1]		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Loans and receivables at amortized cost (excluding trade and other receivables)	2,960	925	3,885	1,898	1,470	3,368
Loans granted to affiliated companies	*664*	*573*	*1,237*	*558*	*418*	*976*
Other receivables at amortized cost	*762*	*107*	*869*	*791*	*51*	*842*
Amounts receivable under concession contracts	*620*	*132*	*752*	*20*	*892*	*912*
Amounts receivable under finance leases	*913*	*113*	*1,026*	*529*	*109*	*639*
Trade and other receivables	-	21,558	21,558	-	21,057	21,057
TOTAL	**2,960**	**22,483**	**25,443**	**1,898**	**22,527**	**24,425**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The table below shows impairment losses on loans and receivables at amortized cost:

	Dec. 31, 2014			Dec. 31, 2013[1]		
In millions of euros	Gross	Allowances and impairment	Net	Gross	Allowances and impairment	Net
Loans and receivables at amortized cost (excluding trade and other receivables)	4,186	(301)	3,885	3,641	(273)	3,368
Trade and other receivables	22,479	(921)	21,558	21,993	(937)	21,057
TOTAL	**26,664**	**(1,222)**	**25,443**	**25,634**	**(1,209)**	**24,425**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Information on the age of receivables past due but not impaired and on counterparty risk associated with loans and receivables at amortized cost (including trade and other receivables) are provided in Note 17.2 "Counterparty risk".

Net gains and losses recognized in the consolidated income statement with regard to loans and receivables at amortized cost (including trade and other receivables) break down as follows:

		Post-acquisition measurement	
In millions of euros	**Interest income**	**Foreign currency translation**	**Impairment**
At December 31, 2013[1]	92	(4)	(177)
At December 31, 2014	111	(5)	(63)

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Loans and receivables at amortized cost (excluding trade and other receivables)

At December 31, 2014 and December 31, 2013, no material impairment losses had been recognized against loans and receivables at amortized cost (excluding trade and other receivables).

Trade and other receivables

On initial recognition, trade and other receivables are recorded at fair value, which generally corresponds to their nominal value. Impairment losses are recorded based on the estimated risk of non-recovery. The carrying amount of trade and other receivables in the consolidated statement of financial position represents a reasonable estimate of the fair value.

Impairment losses recognized against trade and other receivables are stable to €921 million at end-2014 (€937 million at end-2013).

16.1.3 Other financial assets at fair value through income

	Dec. 31, 2014			Dec. 31, 2013[1]		
In millions of euros	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Derivative instruments	**2,733**	**7,886**	**10,619**	**2,351**	**3,833**	**6,184**
Derivatives hedging borrowings	*978*	*165*	*1,143*	*637*	*157*	*794*
Derivatives hedging commodities	*716*	*7,653*	*8,369*	*881*	*3,648*	*4,529*
Derivatives hedging other items[2]	*1,038*	*68*	*1,107*	*833*	*28*	*861*
Financial assets at fair value through income (excluding margin calls)	**-**	**808**	**808**	**-**	**732**	**732**
Financial assets qualifying as at fair value through income	*-*	*795*	*795*	*-*	*732*	*732*
Financial assets designated as at fair value through income	*-*	*13*	*13*	*-*	*-*	*-*
Margin calls on derivatives hedging borrowings - assets	**-**	**643**	**643**	**-**	**269**	**269**
TOTAL	**2,733**	**9,336**	**12,069**	**2,351**	**4,835**	**7,186**

(1) Comparative data as of December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Derivatives hedging other items mainly include the interest rate component of interest rate derivatives (not qualifying as hedges or qualifying as cash flow hedges), that are now excluded from net debt, as well as net investment hedge derivatives.

Financial assets qualifying as at fair value through income (excluding margin calls) are mainly money market funds held for trading purposes and held to be sold in the near term. They are included in the calculation of the Group's net debt *(see Note 16.3 "Net debt")*.

Gains on financial assets qualifying as at fair value through income (excluding derivatives) held for trading purposes totaled €10 million in 2014 versus €9 million in 2013

Gains and losses on financial assets designated as at fair value through income in 2014 and 2013 were not material.

16.1.4 Cash and cash equivalents

Cash and cash equivalents totaled €8,546 million at December 31, 2014 (€8,706 million at December 31, 2013).

At end-2014, this amount included fund-raising relating to the green bond issue *(see Chapter 5 of the Registration Document)*.

This amount also included €236 million in cash and cash equivalents subject to restrictions (€209 million at December 31, 2013). Cash and cash equivalents subject to restrictions include notably €87 million of cash equivalents set aside to cover the repayment of borrowings and debt as part of project financing arrangements in certain subsidiaries.

Gains recognized in respect of "Cash and cash equivalents" amounted to €96 million in 2014 compared to €113 million in 2013.

16.1.5 Financial assets set aside to cover the future costs of dismantling nuclear facilities and managing radioactive fissile material

As indicated in Note 19.2 "Nuclear dismantling liabilities", the Belgian law of April 11, 2003, amended by the law of April 25, 2007, granted the Group's wholly-owned subsidiary Synatom responsibility for managing and investing funds received from operators of nuclear power plants in Belgium and designed to cover the costs of dismantling nuclear power plants and managing radioactive fissile material.

Pursuant to the law, Synatom may lend up to 75% of these funds to operators of nuclear plants provided that they meet certain financial criteria – particularly in terms of credit quality. The funds that cannot be lent to operators are either lent to entities meeting the credit quality criteria set by the law or invested in financial assets such as bonds and money market funds.

Loans to entities outside the Group and other cash investments are shown in the table below:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013
Loans to third parties	**602**	**688**
Loan to ESO/ELIA	454	454
Loan to Eandis	-	80
Loan to Ores	82	80
Loan to Sibelga	66	74
Other cash investments	**1,086**	**779**
Bond portfolio	145	159
Money market funds	941	620
TOTAL	**1,688**	**1,467**

Loans to entities outside the Group are shown in the statement of financial position as “Loans and receivables at amortized cost”. Bonds and money market funds held by Synatom are shown as “Available-for-sale securities”.

16.1.6 Transfer of financial assets

At December 31, 2014, the outstanding amount of transferred financial assets (as well as the risks to which the Group remains exposed following the transfer of those financial assets) as part of transactions leading to either (i) all or part of those assets being retained in the statement of financial position, or (ii) to their full deconsolidation while retaining a continuing involvement in these financial assets, were not material in terms of the Group’s aggregates.

At December 2014, the Group carried-out disposals without recourse of financial assets as part of transactions leading to full deconsolidation, for an outstanding amount of €766 million.

16.1.7 Financial assets and equity instruments pledged as collateral for borrowings and debt

In millions of euros	Dec. 31, 2014	Dec. 31, 2013(1)
Financial assets and equity instruments pledged as collateral	3,647	4,122

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

This item mainly includes the carrying amount of equity instruments pledged as collateral for borrowings and debt.

16.2 Financial liabilities

Financial liabilities are recognized either:

- as “Liabilities at amortized cost” for borrowings and debt, trade and other payables, and other financial liabilities;
- as “Financial liabilities at fair value through income” for derivative instruments or financial liabilities designated as derivatives.

The following table presents the Group’s different financial liabilities at December 31, 2014, broken down into current and non-current items:

	Dec. 31, 2014			Dec. 31, 2013(1)		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt	28,024	10,297	38,321	28,576	10,316	38,892
Derivative instruments	3,020	5,895	8,915	2,062	4,043	6,105
Trade and other payables	-	18,799	18,799	-	16,398	16,398
Other financial liabilities	286	-	286	213	-	213
TOTAL	**31,329**	**34,991**	**66,320**	**30,852**	**30,756**	**61,608**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

16.2.1 Borrowings and debt

	Dec. 31, 2014			Dec. 31, 2013[1]		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Bond issues	21,155	1,705	22,860	21,400	1,775	23,175
Bank borrowings	4,977	1,116	6,093	5,600	937	6,537
Commercial paper	-	5,219	5,219	-	5,621	5,621
Drawdowns on credit facilities	640	48	688	662	31	693
Liabilities under finance leases	423	92	515	395	103	499
Other borrowings	552	458	1,010	507	89	597
TOTAL BORROWINGS	**27,748**	**8,639**	**36,387**	**28,564**	**8,557**	**37,121**
Bank overdrafts and current accounts	-	469	469	-	574	574
OUTSTANDING BORROWINGS AND DEBT	**27,748**	**9,108**	**36,855**	**28,564**	**9,131**	**37,695**
Impact of measurement at amortized cost	(80)	510	430	(96)	572	476
Impact of fair value hedges	356	47	403	108	44	152
Margin calls on derivatives hedging borrowings - liabilities	-	633	633	-	569	569
BORROWINGS AND DEBT	**28,024**	**10,297**	**38,321**	**28,576**	**10,316**	**38,892**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The fair value of gross borrowings and debt amounted to €40,873 million at December 31, 2014, compared with a carrying amount of €38,321 million.

Financial income and expenses relating to borrowings and debt are detailed in Note 9 “Net financial income/(loss)”.

Borrowings and debt are analyzed in Note 16.3 “Net debt”.

16.2.2 Derivative instruments

Derivative instruments recorded in liabilities are evaluated at fair value and broken down as follows:

	Dec. 31, 2014			Dec. 31, 2013[1]		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Derivatives hedging borrowings	226	175	401	339	162	501
Derivatives hedging commodities	945	5,619	6,564	1,008	3,702	4,710
Derivatives hedging other items[2]	1,849	101	1,950	715	178	893
TOTAL	**3,020**	**5,895**	**8,915**	**2,062**	**4,043**	**6,105**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Derivatives hedging other items mainly include the interest rate component of interest rate derivatives (not qualifying as hedges or qualifying as cash flow hedges), that are now excluded from net debt, as well as net investment hedge derivatives.

16.2.3 Trade and other payables

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Trade payables	17,957	15,596
Payable on fixed assets	842	802
TOTAL	**18,799**	**16,398**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The carrying amount of these financial liabilities represents a reasonable estimate of their fair value.

16.2.4 Other financial liabilities

At December 31, 2014, other financial liabilities amounted to €286 million (compared to €213 million at December 31, 2013). It corresponds to debts resulting from:

- purchase obligations (put options on non-controlling interests) granted by the Group notably for 41.01% of the shares of “Compagnie du Vent”, which is fully consolidated. These commitments to purchase equity instruments have been recognized under financial liabilities *(see Note 1.4.11.2 “Financial liabilities”)*;
- uncalled share capital of entities accounted for using the equity method, notably Energia Sustentável do Brasil.

16.3 Net debt

16.3.1 Net debt by type

	Dec 31, 2014			Dec. 31, 2013(1)		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt outstanding	27,748	9,108	36,855	28,564	9,131	37,695
Impact of measurement at amortized cost	(80)	510	430	(96)	572	476
Impact of fair value hedge(2)	356	47	403	108	44	152
Margin calls on derivatives hedging borrowings - liabilities	-	633	633	-	569	569
BORROWINGS AND DEBT	**28,024**	**10,297**	**38,321**	**28,576**	**10,316**	**38,892**
Derivatives hedging borrowings - carried in liabilities(3)	226	175	401	339	162	501
GROSS DEBT	**28,249**	**10,472**	**38,722**	**28,915**	**10,478**	**39,393**
Assets related to financing	(55)	(16)	(71)	(77)	(14)	(91)
ASSETS RELATED TO FINANCING	**(55)**	**(16)**	**(71)**	**(77)**	**(14)**	**(91)**
Financial assets at fair value through income (excluding margin calls)	-	(808)	(808)	-	(732)	(732)
Margin calls on derivatives hedging borrowings - carried in assets	-	(643)	(643)	-	(269)	(269)
Cash and cash equivalents	-	(8,546)	(8,546)	-	(8,706)	(8,706)
Derivatives hedging borrowings - carried in assets(3)	(978)	(165)	(1,143)	(637)	(157)	(794)
NET CASH	**(978)**	**(10,162)**	**(11,140)**	**(637)**	**(9,865)**	**(10,502)**
NET DEBT	**27,216**	**295**	**27,511**	**28,201**	**599**	**28,800**
Borrowings and debt outstanding	27,748	9,108	36,855	28,564	9,131	37,695
Assets related to financing	(55)	(16)	(71)	(77)	(14)	(91)
Financial assets at fair value through income (excluding margin calls)	-	(808)	(808)	-	(732)	(732)
Cash and cash equivalents	-	(8,546)	(8,546)	-	(8,706)	(8,706)
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, CASH COLLATERAL AND AMORTIZED COST	**27,693**	**(262)**	**27,430**	**28,488**	**(322)**	**28,166**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) This item corresponds to the revaluation of the interest rate component of debt in a qualified fair value hedging relationship.
(3) This item represents the fair value of debt-related derivatives irrespective of whether or not they are qualified as hedges.

16.3.2 Main events of the period

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

In 2014, changes in the scope of consolidation and in exchange rates led to a €2,111 million decrease in net debt, reflecting:

- the disposals carried out *(see Note 5.4 "Disposals carried out during 2014")* which reduced net debt by €3,231 million;
- the full consolidation of Gaztransport & Technigaz (GTT) following its initial public offering which resulted in a €115 million decrease in net debt;
- changes in exchange rates in 2014 which resulted in a €744 million increase in net debt (including €532 million in relation to the US dollar, €127 million in relation to the pound sterling and €89 million in relation to the Thai baht);
- the purchases carried out (in particular Ecova, Ferrari Termoelétrica, Lahmeyer Group and West Coast Energy Ltd) which increased net debt by €472 million.

16.3.2.2 Financing and refinancing transactions

The Group carried out the following transactions in 2014:

Bond issues and redemptions

On May 19, 2014, GDF SUEZ issued a Green Bond for a total amount of €2.5 billion, including:

- a €1,200 million tranche maturing in 2020 with a 1.375% coupon;
- a €1,300 million tranche maturing in 2026 with a 2.375% coupon.

The aim of this bond issue is to help the Group finance its growth in renewable energy projects and energy efficiency projects.

Swaps were set up on some of these borrowings in line with the interest rate management policy defined in Note 17 "Risks arising from financial instruments".

On May 22, 2014, GDF SUEZ SA carried out a second issue of deeply-subordinated perpetual notes, raising a total amount of €1,974 million *(see Note 18.2.1 "Issuance of deeply-subordinated perpetual notes")*. This allowed the Group to buy back bonds on June 6, 2014 with an aggregate nominal amount of €1,140 million, including:

- €45 million in Electrabel bonds maturing in April 2015 with a 4.75% coupon;
- €162 million in GDF SUEZ SA bonds maturing in January 2016 with a 5.625% coupon;
- €349 million in GDF SUEZ SA bonds maturing in October 2017 with a 2.75% coupon;
- €63 million in GDF SUEZ SA bonds maturing in February 2018 with a 5.125% coupon;
- €271 million in GDF SUEZ SA bonds maturing in June 2018 with a 2.25% coupon;
- €78 million in GDF SUEZ SA bonds maturing in January 2019 with a 6.875% coupon;
- €120 million in GDF SUEZ SA bonds maturing in January 2020 with a 3.125% coupon;
- €52 million in Belgelec Finance bonds maturing in June 2015 with a 5.125% coupon.

In addition, on October 24, 2014, E-CL issued USD 350 million worth of bonds maturing in 2025 with a 4.50% coupon.

Following the bond issue, E-CL repaid in advance the loan contracted to finance the CTA plant, as well as the related hedges, which amounted to USD 350 million (i.e., €269 million).

On December 22, 2014, GDF SUEZ SA exercised a call option on the outstanding irredeemable equity securities for a nominal amount of €140 million. The debt was recognized in the balance sheet at the call price (i.e. 130% of the nominal amount).

On November 27, 2014 GDF SUEZ SA, launched an offer to buy back bonds for a nominal amount of €636 million, including:

- €87 million on the €651.3 million bond issue maturing in October 2017 with a 2.75% coupon;
- €238 million on the €1,000 million bond issue maturing in October 2022 with a 3.50% coupon;
- €89 million on the €750 million bond issue maturing in July 2022 with a 2.625% coupon;
- €222 million on the GBP 700 million bond issue maturing in February 2021 with a 6.125% coupon.

Finally, GDF SUEZ redeemed the following amounts on bond issues maturing in 2014:

- €845 million worth of bonds with a coupon of 6.25% which matured on January 24, 2014;
- JPY 18 billion (€131 million) in private placements which matured on February 5, 2014;
- JPY 65 billion (€440 million) worth of bonds with a coupon of 1.17% which matured on December 15, 2014;
- CHF 340 million (€283 million) worth of bonds with a coupon of 3.25% which matured on December 22, 2014.

Other refinancing transactions

On June 12, 2014, the Group secured bank refinancing of AUD 475 million (€320 million) for Hazelwood Power Partnership.

On June 30, 2014, the Group settled GDF SUEZ Cartagena Energia's bank loan of €438 million in advance through internal refinancing, as well as the related swaps.

16.4 Fair value of financial assets by level in the fair value hierarchy

16.4.1 Financial assets

The table below shows the allocation of financial instruments carried in assets to the different levels in the fair value hierarchy:

	Dec. 31, 2014				Dec. 31, 2013[(1)]			
In millions of euros	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Available-for-sale securities	2,893	1,406	-	1,487	3,015	1,140	-	1,875
Loans and receivables at amortized cost (excluding trade and other receivables) used in designated fair value hedges	780	-	780	-	905	-	905	-
Derivative instruments	10,619	106	10,449	63	6,184	125	5,956	103
Derivatives hedging borrowings	*1,143*	*-*	*1,143*	*-*	*794*	*-*	*794*	*-*
Derivatives hedging commodities - relating to portfolio management activities	*2,728*	*105*	*2,560*	*62*	*2,374*	*121*	*2,159*	*94*
Derivatives hedging commodities - relating to trading activities	*5,641*	*1*	*5,639*	*1*	*2,155*	*4*	*2,141*	*9*
Derivatives hedging other items	*1,107*	*-*	*1,107*	*-*	*861*	*-*	*861*	*-*
Financial assets at fair value through income (excluding margin calls)	808	15	793	-	732	13	719	-
Financial assets qualifying as at fair value through income	*795*	*15*	*780*	*-*	*732*	*13*	*719*	*-*
Financial assets designated as at fair value through income	*13*	*-*	*13*	*-*	*-*	*-*	*-*	*-*
TOTAL	**15,099**	**1,528**	**12,022**	**1,550**	**10,837**	**1,278**	**7,580**	**1,978**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

A definition of these three levels is presented in Note 1.4.11.3 "Derivatives and hedge accounting".

Available-for-sale securities

Listed securities – measured at their market price at the end of the reporting date – are included in level 1.

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

At December 31, 2014, changes in level 3 available-for-sale securities can be analyzed as follows:

In millions of euros	Available-for-sale securities
At December 31, 2013	**1,875**
Acquisitions	93
Disposals - carrying amount excluding changes in fair value recorded in "Other comprehensive income"	(630)
Disposals - "Other comprehensive income" derecognized	(5)
Other changes in fair value recorded in equity	(69)
Changes in fair value recorded in income	(43)
Changes in scope of consolidation, foreign currency translation and other changes	265
At December 31, 2014	**1,487**
Gains/(losses) recorded in income relating to instruments held at the end of the period	51

A 10% gain or loss in the market price of unlisted shares would generate a gain or loss (before tax) of around €149 million on the Group's comprehensive income.

Loans and receivables at amortized cost (excluding trade and other receivables)

Loans and receivables at amortized cost (excluding trade and other receivables) in a designated fair value hedging relationship are presented in level 2 in the above table. Only the interest rate component of these items is remeasured, with fair value determined by reference to observable data.

Derivative instruments

Derivative instruments included in level 1 are mainly futures traded on organized markets with clearing houses. They are measured at fair value based on their quoted price.

The measurement at fair value of derivative instruments included in level 3 is based on non-observable inputs and internal assumptions, usually because the maturity of the instruments exceeds the observable period of the underlying forward price, or because certain inputs such as the volatility of the underlying were not observable at the measurement date.

The measurement at fair value of other derivative instruments is based on commonly-used models in the trading environment, and includes directly or indirectly observable inputs. These instruments are included in level 2 of the fair value hierarchy.

Financial assets qualifying or designated as at fair value through income

Financial assets qualifying as at fair value through income for which the Group has regular net asset value data are included in level 1. If net asset values are not available on a regular basis, these instruments are included in level 2.

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

16.4.2 Financial liabilities

The table below shows allocation of financial instruments carried in liabilities to the different levels in the fair value hierarchy:

	Dec. 31, 2014				Dec. 31, 2013(1)			
In millions of euros	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Borrowings used in designated fair value hedges	5,634	-	5,634	-	4,212	-	4,212	-
Borrowings not used in designated fair value hedges	35,240	20,190	15,050	-	36,352	19,181	17,170	-
Derivative instruments	8,915	161	8,723	30	6,105	115	5,887	102
Derivatives hedging borrowings	*401*	-	*401*	-	*501*	-	*501*	-
Derivatives hedging commodities - relating to portfolio management activities	*3,163*	*159*	*2,980*	*24*	*2,808*	*108*	*2,605*	*94*
Derivatives hedging commodities - relating to trading activities	*3,401*	*2*	*3,393*	*6*	*1,902*	*7*	*1,887*	*8*
Derivatives hedging other items	*1,950*	-	*1,950*	-	*893*	-	*893*	-
TOTAL	**49,789**	**20,351**	**29,407**	**30**	**46,668**	**19,297**	**27,269**	**102**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Borrowings used in designated fair value hedges

This caption includes bonds in a designated fair value hedging relationship which are presented in level 2 in the above table. Only the interest rate component of the bonds is remeasured, with fair value determined by reference to observable data.

Borrowings not used in designated fair value hedges

Listed bond issues are included in level 1.

Other borrowings not used in a designated hedging relationship are presented in level 2 in the above table. The fair value of these borrowings is determined on the basis of future discounted cash flows and relies on directly or indirectly observable data.

Derivative instruments

The classification of derivative financial instruments in the fair value hierarchy is detailed in Note 16.4.1 "Financial assets".

16.5 Offsetting of financial derivative instrument assets and liabilities

The net amount of financial derivative instruments after taking into account enforceable master netting arrangements or similar agreements, whether or not they are set off in accordance with paragraph 42 of IAS 32, are presented in the table below:

AT DECEMBER 31, 2014

In millions of euros		Gross amount	Net amount recognized in the statement of financial position(1)	Other offsetting agreements(2)	Total net amount
Assets	Derivatives hedging commodities	8,625	8,369	(6,140)	2,229
	Derivatives hedging borrowings and other items	2,250	2,250	(616)	1,634
Liabilities	Derivatives hedging commodities	(6,820)	(6,564)	6,526	(38)
	Derivatives hedging borrowings and other items	(2,351)	(2,351)	579	(1,772)

(1) Net amount recognized in the statement of financial position after taking into account offsetting agreements that meet the criteria set out in Section 42 of IAS 32.
(2) Other offsetting agreements include collateral and other guarantee instruments, as well as offsetting agreements that do not meet the criteria set out in Section 42 of IAS 32.

AT DECEMBER 31, 2013(1)

In millions of euros		Gross amount	Net amount recognized in the statement of financial position(2)	Other offsetting agreements(3)	Total net amount
Assets	Derivatives hedging commodities	4,933	4,529	(3,416)	1,113
	Derivatives hedging borrowings and other items	1,656	1,656	(545)	1,111
Liabilities	Derivatives hedging commodities	(5,114)	(4,710)	4,351	(360)
	Derivatives hedging borrowings and other items	(1,395)	(1,395)	265	(1,129)

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Net amount recognized in the statement of financial position after taking into account offsetting agreements that meet the criteria set out in Section 42 of IAS 32.
(3) Other offsetting agreements include collateral and other guarantee instruments, as well as offsetting agreements that do not meet the criteria set out in Section 42 of IAS 32.

NOTE 17 Risks arising from financial instruments

GDF SUEZ mainly uses derivative instruments to manage its exposure to market risks. Financial risk management procedures are set out in section 2 “Risk factors” of the Registration Document.

17.1 Market risks

17.1.1 Commodity risk

Commodity risk arises primarily from the following activities:

- portfolio management; and
- trading.

The Group has identified two types of commodity risks: price risk resulting from fluctuations in market prices, and volume risks inherent to the business.

In the ordinary course of its operations, the Group is exposed to commodity risks on natural gas, electricity, coal, oil and oil products, other fuels, CO_2 and other “green” products. The Group is active on these energy markets either for supply purposes or to optimize and secure its energy production chain and its energy sales. The Group also uses derivatives to offer hedging instruments to its clients and to hedge its own positions.

17.1.1.1 Portfolio management activities

Portfolio management seeks to optimize the market value of assets (power plants, gas and coal supply contracts, energy sales and gas storage and transmission) over various time frames (short-, medium- and long-term). Market value is optimized by:

- guaranteeing supply and ensuring the balance between needs and physical resources;
- managing market risks (price, volume) to unlock optimum value from portfolios within a specific risk framework.

The risk framework aims to safeguard the Group’s financial resources over the budget period and smooth out medium-term earnings (over three or five years, depending on the maturity of each market). It encourages portfolio managers to take out economic hedges on their portfolio.

Sensitivities of the commodity-related financial derivatives portfolio used as part of the portfolio management activities as at December 31, 2014 are detailed in the table below. They are not representative of future changes in consolidated earnings and equity, insofar as they do not include the sensitivities relating to the purchase and sale contracts for the underlying commodities.

SENSITIVITY ANALYSIS(1)

		Dec. 31, 2014		Dec. 31, 2013	
In millions of euros	Changes in price	Pre-tax impact on income	Pre-tax impact on equity	Pre-tax impact on income	Pre-tax impact on equity
Oil-based products	+$US10/bbl	252	10	253	19
Natural gas	+€3/MWh	117	(241)	(5)	(119)
Electricity	+€5/MWh	(114)	(37)	(377)	(61)
Coal	+$US10/ton	115	14	66	39
Greenhouse gas emission rights	+€2/ton	101	2	164	-
EUR/USD	+10%	(244)	(27)	(335)	(40)
EUR/GBP	+10%	28	2	18	(10)
GBP/USD	+10%	2	-	7	-

(1) The sensitivities shown above apply solely to financial commodity derivatives used for hedging purposes as part of the portfolio management activities.

17.1.1.2 Trading activities

The Group’s trading activities are primarily conducted within GDF SUEZ Trading and GDF SUEZ Energy Management Trading. The purpose of these wholly-owned companies is to (i) assist Group entities in optimizing their asset portfolios; (ii) create and implement energy price risk management solutions; and (iii) develop proprietary trading activities.

Since January 1, 2014, due to increasing volumes traded by GDF SUEZ Energy Management Trading (GSEMT), changes brought to the organization and structuring of its activities, and the evolution of its role towards an activity which has become predominantly a trading activity, the Group now presents in revenues the net margin on “sale/purchase” commodity transactions performed by GSEMT’s “Asset Back Trading” (ABT) activities. This change ensures representation of these activities in line with the specificity of trading activities and ABT’s operational management. These principles correspond to those commonly applied to trading companies and are identical to those applied historically by GDF SUEZ Trading.

Revenues from trading activities total €360 million for the year ended December 31, 2014 (€243 million in 2013).

The use of Value at Risk (VaR) to quantify market risk arising from trading activities provides a transversal measure of risk taking all markets and products into account. VaR represents the maximum potential loss on a portfolio of assets over a specified holding period based on a given confidence interval. It is not an indication of expected results but is back-tested on a regular basis.

The Group uses a one-day holding period and a 99% confidence interval to calculate VaR, as well as stress tests, in accordance with banking regulatory requirements.

The VaR shown below corresponds to the aggregated VaR of the Group's trading entities.

VALUE AT RISK

In millions of euros	Dec. 31, 2014	2014 average(1)	2014 maximum(2)	2014 minimum(2)	2013 average(1)
Trading activities	7	5	11	2	3

(1) Average daily VaR.
(2) Maximum and minimum daily VaR observed in 2014.

17.1.2 Hedges of commodity risks

The Group enters into cash flow hedges as defined by IAS 39, using derivative instruments (firm or options contracts) contracted over-the-counter or on organized markets. These instruments may be settled net or involve physical delivery of the underlying.

The fair values of commodity derivatives at December 31, 2014 and December 31, 2013 are indicated in the table below:

	Dec. 31, 2014				Dec. 31, 2013(1)			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Derivative instruments relating to portfolio management activities	716	2,012	(945)	(2,218)	881	1,494	(1,008)	(1,799)
Cash flow hedges	*207*	*422*	*(125)*	*(309)*	*152*	*348*	*(202)*	*(437)*
Other derivative instruments	*509*	*1,590*	*(820)*	*(1,909)*	*728*	*1,146*	*(807)*	*(1,362)*
Derivative instruments relating to trading activities	-	5,641	-	(3,401)	-	2,155	-	(1,902)
TOTAL	**716**	**7,653**	**(945)**	**(5,619)**	**881**	**3,648**	**(1,008)**	**(3,702)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

See also Notes 16.1.3 "Other financial assets at fair value through income" and 16.2.2 "Derivative instruments".

The fair values shown in the table above reflect the amounts for which assets could be exchanged, or liabilities settled, at the end of the reporting period. They are not representative of expected future cash flows insofar as positions (i) are sensitive to changes in prices; (ii) can be modified by subsequent transactions; and (iii) can be offset by future cash flows arising on the underlying transactions.

17.1.2.1 Cash flow hedges

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

	Dec. 31, 2014				Dec. 31, 2013[(1)]			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Natural gas	108	237	(29)	(100)	23	69	(26)	(100)
Electricity	17	111	(29)	(105)	105	235	(110)	(180)
Coal	-	-	(5)	(70)	-	11	(39)	(89)
Oil	-	2	(31)	(7)	2	30	(3)	(17)
Other[(2)]	83	72	(31)	(27)	22	3	(24)	(51)
TOTAL	**207**	**422**	**(125)**	**(309)**	**152**	**348**	**(202)**	**(437)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Includes mainly foreign currency hedges on commodities.

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

NOTIONAL AMOUNTS (NET)[(1)]

	Unit	Total at Dec. 31, 2014	2015	2016	2017	2018	2019	Beyond 5 years
Natural gas	*GWh*	(74,624)	(46,454)	(28,169)	(562)	431	98	32
Electricity	*GWh*	(7,020)	(9,102)	1,116	778	188	-	-
Coal	*Thousands of tons*	1,908	1,788	120	-	-	-	-
Oil-based products	*Thousands of barils*	1,084	42	1,039	4	-	-	-
Greenhouse gas emission rights	*Thousands of tons*	2,512	1,118	766	570	20	20	18

(1) Long/(short) position.

At December 31, 2014, a gain of €231 million was recognized in equity in respect of cash flow hedges, versus a loss of €84 million at end-2013. A loss of €89 million was reclassified from equity to income in 2014, compared to a gain of €162 million reclassified in 2013.

Gains and losses arising from the ineffective portion of hedges are taken to income. A gain of €3 million was recognized in income in 2014, compared to a gain of €2 million in 2013.

17.1.2.2 Other commodity derivatives

Other commodity derivatives include embedded derivatives, commodity purchase and sale contracts which were not entered into within the ordinary course of business at the statement of financial position date, as well as derivative financial instruments not eligible for hedge accounting in accordance with IAS 39.

17.1.3 Currency risk

The Group is exposed to currency risk, defined as the impact on its statement of financial position and income statement of fluctuations in exchange rates affecting its operating and financing activities. Currency risk comprises (i) transaction risk arising in the ordinary course of business; (ii) transaction risk specifically linked to planned investments or mergers and acquisitions; and (iii) translation risk arising on the consolidation in euros of the financial statements of subsidiaries with a functional currency other than the euro. This risk chiefly concerns subsidiaries in Brazil, Thailand, Norway, the United Kingdom, Australia, United States and assets considered to be dollar based.

17.1.3.1 Analysis of financial instruments by currency

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

OUTSTANDING GROSS DEBT

	Dec. 31, 2014		Dec. 31, 2013[1]	
	Before hedging	After hedging	Before hedging	After hedging
EUR	64%	71%	66%	70%
USD	15%	11%	12%	13%
GBP	10%	5%	10%	4%
Other currencies	11%	13%	12%	13%
TOTAL	**100%**	**100%**	**100%**	**100%**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

NET DEBT

	Dec. 31, 2014		Dec. 31, 2013[1]	
	Before hedging	After hedging	Before hedging	After hedging
EUR	60%	69%	62%	67%
USD	18%	13%	14%	15%
GBP	13%	6%	12%	5%
Other currencies	9%	12%	12%	13%
TOTAL	**100%**	**100%**	**100%**	**100%**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

17.1.3.2 Currency risk sensitivity analysis

Sensitivity was analyzed based on the Group's net debt position (including the impact of interest rate and foreign currency derivatives) and financial instruments qualified as net investment hedges at the reporting date.

For currency risk, sensitivity corresponds to a 10% rise or fall in exchange rates of foreign currencies against the euro compared to closing rates.

Impact on income after currency hedges

Changes in exchange rates against the euro only affect income via gains and losses on liabilities denominated in a currency other than the functional currency of companies carrying the liabilities on their statements of financial position, and when the liabilities in question do not qualify as net investment hedges. The impact of a uniform increase (or decrease) of 10% in foreign currencies against the euro would ultimately be a gain (or loss) of €18 million.

Impact on equity

For financial instruments (debt and derivatives) designated as net investment hedges, a depreciation of 10% in foreign currencies against the euro would have a positive impact of €742 million on equity. This impact is countered by the offsetting change in the net investment hedged.

17.1.4 Interest rate risk

The Group seeks to manage its borrowing costs by limiting the impact of interest rate fluctuations on its income statement. It does this by ensuring a balanced interest rate structure in the medium-term (five years). The Group's aim is therefore to use a mix of fixed rates, floating rates and capped floating rates for its net debt. The interest rate mix may shift around this balance in line with market trends.

In order to manage the interest rate structure for its net debt, the Group uses hedging instruments, particularly interest rate swaps and options. At December 31, 2014, the Group had a portfolio of interest rate options (caps) protecting it from a rise in short-term interest rates for the euro.

In 2014, the Group contracted 2016, 2018 and 2019 forward interest rate pre-hedges with 10, 20 and 18 year maturities in order to protect the refinancing interest rate on a portion of its debt.

17.1.4.1 Analysis of financial instruments by type of interest rate

The following tables present a breakdown by type of interest rate of outstanding gross debt and net debt before and after hedging.

OUTSTANDING GROSS DEBT

	Dec. 31, 2014		Dec. 31, 2013[1]	
	Before hedging	After hedging	Before hedging	After hedging
Floating rate	36%	40%	37%	38%
Fixed rate	64%	60%	63%	62%
TOTAL	**100%**	**100%**	**100%**	**100%**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

NET DEBT

	Dec. 31, 2014		Dec. 31, 2013[1]	
	Before hedging	After hedging	Before hedging	After hedging
Floating rate	15%	20%	17%	19%
Fixed rate	85%	80%	83%	81%
TOTAL	**100%**	**100%**	**100%**	**100%**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

17.1.4.2 Interest rate risk sensitivity analysis

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

For interest rate risk, sensitivity corresponds to a 100 basis points rise or fall in the yield curve compared with year-end interest rates.

Impact on income after hedging

A uniform rise of 100 basis points in short-term interest rates (across all currencies) on the nominal amount of floating-rate net debt and the floating-rate leg of derivatives, would increase net interest expense by €47 million. A fall of 100 basis points in short-term interest rates would reduce net interest expense by €47 million.

In the income statement, a uniform rise of 100 basis points in interest rates (across all currencies) on derivative instruments not qualifying for hedge accounting would result in a gain of €111 million attributable to changes in the fair value of derivatives. However, a fall of 100 basis points in interest rates would generate a loss of €104 million. The asymmetrical impacts are attributable to the interest rate options portfolio.

Impact on equity

A uniform rise of 100 basis points in interest rates (across all currencies) would generate a gain of €627 million on equity, attributable to changes in the interest rate impact of the fair value of derivative instruments designated as cash flow and net investment hedges recognized in the statement of financial position. However, a fall of 100 basis points in interest rates would have a negative impact of €721 million.

17.1.4.3 Currency and interest rate hedges

The fair values of derivatives (excluding commodity instruments) at December 31, 2014 and December 31, 2013 are indicated in the table below:

	Dec. 31, 2014				Dec. 31, 2013[(1)]			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non current	Current	Non current	Current	Non current	Current	Non current	Current
Derivatives hedging borrowings	978	165	(226)	(175)	637	157	(339)	(162)
Fair-value hedges	*465*	*38*	*(51)*	*-*	*251*	*86*	*(192)*	*(38)*
Cash-flow hedges	*286*	*35*	*(20)*	*-*	*121*	*-*	*(97)*	*(1)*
Derivative instruments not qualifying for hedge accounting	*228*	*93*	*(155)*	*(175)*	*265*	*72*	*(51)*	*(124)*
Derivatives hedging other items	1,038	68	(1,849)	(101)	833	28	(715)	(178)
Fair-value hedges	*-*	*30*	*-*	*(30)*	*-*	*12*	*-*	*(12)*
Cash-flow hedges	*11*	*4*	*(938)*	*(35)*	*102*	*2*	*(343)*	*(15)*
Net investment hedges	*28*	*-*	*(88)*	*-*	*118*	*-*	*(17)*	*-*
Derivative instruments not qualifying for hedge accounting	*999*	*35*	*(823)*	*(36)*	*614*	*14*	*(355)*	*(151)*
TOTAL	**2,017**	**233**	**(2,075)**	**(276)**	**1,470**	**185**	**(1,054)**	**(341)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

See also Notes 16.1.3 “Other financial assets at fair value through income” and 16.2.2 “Derivative instruments”.

The fair values shown in the table above reflect the amounts for which assets could be exchanged, or liabilities settled, at the end of the reporting period. They are not representative of expected future cash flows insofar as positions (i) are sensitive to changes in prices; (ii) can be modified by subsequent transactions; and (iii) can be offset by future cash flows arising on the underlying transactions.

The table below shows the fair values and notional amounts of financial instruments designated as currency or interest rate hedges:

CURRENCY DERIVATIVES

	Dec. 31, 2014		Dec. 31, 2013[(1)]	
In millions of euros	Fair value	Nominal amount	Fair value	Nominal amount
Fair-value hedges	20	312	-	-
Cash-flow hedges	(23)	5,678	(204)	3,933
Net investment hedges	(60)	7,210	101	6,269
Derivative instruments not qualifying for hedge accounting	(212)	12,003	88	11,167
TOTAL	**(276)**	**25,202**	**(15)**	**21,369**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

INTEREST RATE DERIVATIVES

	Dec. 31, 2014		Dec. 31, 2013[(1)]	
In millions of euros	Fair value	Nominal amount	Fair value	Nominal amount
Fair-value hedges	432	4,088	107	4,940
Cash-flow hedges	(635)	3,578	(27)	6,363
Derivative instruments not qualifying for hedge accounting	378	26,849	195	35,949
TOTAL	**175**	**34,515**	**275**	**47,252**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

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

The Group qualifies foreign currency derivatives hedging firm foreign currency commitments and interest rate swaps transforming fixed-rate debt into floating-rate debt as fair value hedges.

Cash flow hedges are mainly used to hedge future foreign currency cash flows as well as floating-rate debt.

Net investment hedging instruments are mainly cross currency swaps.

Derivative instruments not qualifying for hedge accounting correspond to instruments that do not meet the definition of hedges from an accounting perspective, even though they are used as economic hedges of borrowings and foreign currency commitments.

Fair value hedges

At December 31, 2014, the net impact of fair value hedges recognized in the income statement is a loss of €16 million.

Cash flow hedges

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

AT DECEMBER 31, 2014

In millions of euros	**Total**	**2015**	**2016**	**2017**	**2018**	**2019**	**Beyond 5 years**
Fair value of derivatives by maturity date	(658)	(10)	(34)	(12)	(18)	(52)	(533)

At December 31, 2014, a loss of €736 million was recognized in equity.

The amount reclassified from equity to income in the period was a gain of €11 million.

The ineffective portion of cash flow hedges recognized in income was a loss of €7 million.

AT DECEMBER 31, 2013(1)

In millions of euros	**Total**	**2014**	**2015**	**2016**	**2017**	**2018**	**Beyond 5 years**
Fair value of derivatives by maturity date	(231)	(21)	(47)	(22)	(53)	15	(103)

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Net investment hedges

The ineffective portion of net investment hedges recognized in income represented a loss of €2 million.

17.2 Counterparty risk

The Group is exposed to counterparty risk from customers, suppliers, partners, intermediaries and banks on its operating and financing activities, when such parties are unable to honor their contractual obligations. Counterparty risk results from a combination of payment risk (failure to pay for services or deliveries carried out), delivery risk (failure to deliver services or products paid for) and the risk of replacing contracts in default (known as mark-to-market exposure – i.e., the cost of replacing the contract in conditions other than those initially agreed).

17.2.1 Operating activities

Counterparty risk arising on operating activities is managed via standard mechanisms such as third-party guarantees, netting agreements and margin calls, using dedicated hedging instruments or special prepayment and debt recovery procedures, particularly for retail customers.

Under the Group's policy, each business line is responsible for managing counterparty risk, although the Group continues to manage the biggest counterparty exposures.

The credit quality of large- and mid-sized counterparties with which the Group has exposures above a certain threshold is measured based on a specific rating process, while a simplified credit scoring process is used for commercial customers with which the Group has fairly low exposures. These processes are based on formally documented, consistent methods across the Group. Consolidated exposures are monitored by counterparty and by segment (credit quality, sector, etc.) using current exposure (payment risk, mark-to-market exposure).

The Group's Energy Market Risk Committee consolidates and monitors the Group's exposure to its main energy counterparties on a quarterly basis and ensures that the exposure limits set for these counterparties are respected.

TRADE AND OTHER RECEIVABLES

Past-due trade and other receivables are analyzed below:

	Past due assets not impaired at the reporting date				Impaired assets	Assets neither impaired nor past due	
In millions of euros	0-6 months	6-12 months	Beyond 1 year	Total	Total	Total	Total
At December 31, 2014	857	241	507	1,605	1,249	19,624	22,478
At December 31, 2013[1]	860	268	265	1,393	1,160	19,441	21,993

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The age of receivables that are past due but not impaired may vary significantly depending on the type of customer with which the Group does business (private corporations, individuals or public authorities). The Group decides whether or not to recognize impairment on a case-by-case basis according to the characteristics of the customer concerned. The Group does not consider that it is exposed to any material concentration of risk in respect of receivables.

Commodity derivatives

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

	Dec. 31, 2014		Dec. 31, 2013[1]	
In millions of euros	Investment Grade[4]	Total	Investment Grade[4]	Total
Gross exposure[2]	7,514	8,369	4,086	4,529
Net exposure[3]	2,011	2,259	906	1,069
% of credit exposure to "Investment Grade" counterparties	89.0%		84.7%	

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Corresponds to the maximum exposure, i.e. the value of the derivatives shown under balance sheet assets (positive fair value).
(3) After taking into account the liability positions with the same counterparties (negative fair value), collateral, netting agreements and other credit enhancement techniques.
(4) Investment Grade corresponds to transactions with counterparties that are rated at least BBB- by Standard & Poor's, Baa3 by Moody's, or equivalent by Dun & Bradstreet. "Investment Grade" is also determined based on an internal rating tool that is rolled out within the Group, and covers its main counterparties.

17.2.2 Financing activities

For its financing activities, the Group has put in place procedures for managing and monitoring risk based on (i) the accreditation of counterparties according to external credit ratings, objective market data (credit default swaps, market capitalization) and financial structure, and (ii) counterparty risk exposure limits.

To reduce its counterparty risk exposure, the Group drew increasingly on a structured legal framework based on master agreements (including netting clauses) and collateralization contracts (margin calls).

The oversight procedure for managing counterparty risk arising from financing activities is managed by a middle office that operates independently of the Group's Treasury department and reports to the Finance division.

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

LOANS AND RECEIVABLES AT AMORTIZED COST (EXCLUDING TRADE AND OTHER RECEIVABLES)

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

	Past due assets not impaired at the reporting date				Impaired assets	Assets neither impaired nor past due	
In millions of euros	0-6 months	6-12 months	Beyond 1 year	Total	Total	Total	Total
At December 31, 2014	17	9	102	129	360	3,595	4,084
At December 31, 2013[1]	28	9	98	136	317	3,121	3,574

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The balance of outstanding loans and receivables carried at amortized cost (excluding trade and other receivables) presented in the above table does not include the impact of impairment losses or changes in fair value and the application of amortized cost, which totaled a negative €199 million, at December 31, 2014 (compared to a negative €206 million, at December 31, 2013). Changes in these items are presented in Note 16.1.2, "Loans and receivables at amortized cost".

17.2.2.2 Counterparty risk arising from investing activities and the use of derivative financial instruments

The Group is exposed to counterparty risk arising from investments of surplus cash and from the use of derivative financial instruments. In the case of financial instruments at fair value through income, counterparty risk arises on instruments with a positive fair value. Counterparty risk is taken into account when calculating the fair value of these derivative instruments.

At December 31, 2014, total outstandings exposed to credit risk amounted to €9,354 million.

	Dec. 31, 2014				Dec. 31, 2013			
In millions of euros	Total	Investment Grade[2]	Unrated[3]	Non Investment Grade[3]	Total	Investment Grade[2]	Unrated[3]	Non Investment Grade[3]
Exposure[1]	9,354	96.0%	3.0%	1.0%	9,525	93.0%	6.0%	1.0%

(1) After taking collateralization agreements into account.
(2) Counterparties that are rated at least BBB- by Standard & Poor"s and Baa3 by Moody's.
(3) Most of these two exposures is carried by consolidated companies that include non-controlling interests, or by Group companies that operate in emerging countries, where cash cannot be pooled and is therefore invested locally.

At December 31, 2014, no single counterparty represented more than 23% of cash investments.

17.3 Liquidity risk

In the context of its operating activities, the Group is exposed to a risk of having insufficient liquidity to meet its contractual obligations. As well as the risks inherent in managing working capital, margin calls are required in certain market activities.

The Group has set up a quarterly committee tasked with managing and monitoring liquidity risk throughout the Group, based on maintaining a broad range of investments and sources of financing, preparing forecasts of cash investments and divestments, and performing stress tests on the margin calls put in place when commodity, interest rate and currency derivatives are negotiated.

The Group centralizes virtually all financing needs and cash flow surpluses of the companies it controls, as well as most of their medium- and long-term external financing requirements. Centralization is provided by financing vehicles (long-term and short-term) and by dedicated Group cash pooling vehicles based in France, Belgium and in Luxembourg.

Surpluses held by these structures are managed in accordance with a uniform policy. Unpooled cash surpluses are invested in instruments selected on a case-by-case basis in light of local financial market imperatives and the financial strength of the counterparties concerned.

The onslaught of successive financial crises since 2008 and the ensuing rise in counterparty risk prompted the Group to tighten its investment policy with the aim of keeping an extremely high level of liquidity and protecting invested capital (99% of cash pooled at December 31, 2014 was invested in overnight bank deposits and standard money market funds with daily liquidity). Performance and counterparty risks are monitored on a daily basis for both investment types, allowing the Group to take immediate action where required in response to market developments.

The Group's financing policy is based on:

- centralizing external financing;

- diversifying sources of financing between credit institutions and capital markets;
- achieving a balanced debt repayment profile.

The Group seeks to diversify its sources of financing by carrying out public or private bond issues within the scope of its Euro Medium Term Notes program. It also issues commercial paper in France and in the United States.

At December 31, 2014, bank loans accounted for 23% of gross debt (excluding overdrafts and the impact of derivatives and amortized cost), while the remaining debt was raised on capital markets (including €22,860 million in bonds, or 63% of gross debt).

Outstanding short-term commercial paper issues represented 14% of gross debt, or €5,219 million at December 31, 2014. As commercial paper is relatively inexpensive and highly liquid, it is used by the Group in a cyclical or structural fashion to finance its short-term cash requirements. However, all outstanding commercial paper is backed by confirmed bank lines of credit so that the Group could continue to finance its activities if access to this financing source were to dry up.

Available cash, comprising cash and cash equivalents and financial assets measured at fair value through income (excluding margin calls), totaled €9,354 million at December 31, 2014, of which 76% was invested in the Eurozone.

The Group also has access to confirmed credit lines. These facilities are appropriate for the scale of its operations and for the timing of contractual debt repayments. Confirmed credit facilities had been granted for a total of €13,976 million at December 31, 2014, of which €13,288 million was available. 91% of available credit facilities are centralized. None of these centralized facilities contains a default clause linked to covenants or minimum credit ratings.

At December 31, 2014, all the entities of the Group whose debt is consolidated fulfill the covenants included in their financial disclosures.

17.3.1 Undiscounted contractual payments relating to financial activities

At December 31, 2014, undiscounted contractual payments on net debt (excluding the impact of derivatives, margin calls and amortized cost) break down as follows by maturity:

AT DECEMBER 31, 2014

In millions of euros	**Total**	**2015**	**2016**	**2017**	**2018**	**2019**	**Beyond 5 years**
Bond issues	22,860	1,705	2,361	2,397	1,701	933	13,763
Bank borrowings	6,093	1,116	1,084	998	652	225	2,019
Commercial paper	5,219	5,219	-	-	-	-	-
Drawdowns on credit facilities	688	48	11	11	10	10	598
Liabilities under finance leases	515	92	103	56	47	170	47
Other borrowings	1,010	458	189	206	21	41	94
Bank overdrafts and current accounts	469	469	-	-	-	-	-
OUTSTANDING BORROWINGS AND DEBT	**36,855**	**9,108**	**3,747**	**3,668**	**2,432**	**1,380**	**16,521**
Assets related to financing	(71)	(16)	(2)	-	-	-	(53)
Financial assets at fair value through income (excluding margin calls)	(808)	(808)	-	-	-	-	-
Cash and cash equivalents	(8,546)	(8,546)	-	-	-	-	-
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, MARGIN CALLS AND AMORTIZED COST	**27,430**	**(262)**	**3,745**	**3,668**	**2,432**	**1,380**	**16,468**

AT DECEMBER 31, 2013[1]

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
OUTSTANDING BORROWINGS AND DEBT	**37,695**	**9,131**	**3,043**	**3,199**	**3,924**	**2,825**	**15,574**
Assets related to financing, Financial assets at fair value through income (excluding margin calls) and Cash and cash equivalents	(9,530)	(9,453)	(1)	(2)	(1)	-	(73)
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, MARGIN CALLS AND AMORTIZED COST	**28,166**	**(322)**	**3,043**	**3,197**	**3,923**	**2,825**	**15,500**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

At December 31, 2014, undiscounted contractual interest payments on outstanding borrowings and debt break down as follows by maturity:

AT DECEMBER 31, 2014

In millions of euros	Total	2015	2016	2017	2018	2019	Beyond 5 years
Undiscounted contractual interest flows on outstanding borrowings and debt	11,879	1,163	1,021	938	818	732	7,206

AT DECEMBER 31, 2013[1]

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Undiscounted contractual interest flows on outstanding borrowings and debt	12,886	1,246	1,134	1,040	965	829	7,672

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

At December 31, 2014, undiscounted contractual payments on outstanding derivatives (excluding commodity instruments) recognized in assets and liabilities break down as follows by maturity (net amounts):

AT DECEMBER 31, 2014

In millions of euros	Total	2015	2016	2017	2018	2019	Beyond 5 years
Derivatives (excluding commodity instruments)	(579)	98	(128)	(80)	(19)	(11)	(440)

AT DECEMBER 31, 2013[1]

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Derivatives (excluding commodity instruments)	(838)	(151)	(126)	(92)	(4)	(55)	(411)

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

To better reflect the economic substance of these transactions, the cash flows linked to the derivatives recognized in assets and liabilities shown in the table above relate to net positions.

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

AT DECEMBER 31, 2014

In millions of euros	**Total**	**2015**	**2016**	**2017**	**2018**	**2019**	**Beyond 5 years**
Confirmed undrawn credit facility programs	13,288	1,049	1,283	1,094	4,572	5,021	269

Of these undrawn programs, an amount of €5,219 million is allocated to covering commercial paper issues.

At December 31, 2014, no single counterparty represented more than 6% of the Group's confirmed undrawn credit lines.

AT DECEMBER 31, 2013(1)

In millions of euros	**Total**	**2014**	**2015**	**2016**	**2017**	**2018**	**Beyond 5 years**
Confirmed undrawn credit facility programs	13,422	2,361	4,893	1,319	131	4,534	185

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

17.3.2 Undiscounted contractual payments relating to operating activities

The table below provides an analysis of undiscounted fair values due and receivable in respect of commodity derivatives recorded in assets and liabilities at the statement of financial position date.

LIQUIDITY RISK

The Group provides an analysis of residual contractual maturities for commodity derivative instruments included in its portfolio management activities. Derivative instruments relating to trading activities are considered to be liquid in less than one year, and are presented under current items in the statement of financial position.

In millions of euros	**Total**	**2015**	**2016**	**2017**	**2018**	**2019**	**Beyond 5 years**
Derivative instruments carried in liabilities							
relating to portfolio management activities	*(3,159)*	*(2,259)*	*(655)*	*(190)*	*(42)*	*(8)*	*(6)*
relating to trading activities	*(3,401)*	*(3,401)*	-	-	-	-	-
Derivative instruments carried in assets							
relating to portfolio management activities	*2,750*	*2,053*	*586*	*71*	*1*	*21*	*18*
relating to trading activities	*5,641*	*5,641*	-	-	-	-	-
TOTAL AT DECEMBER 31, 2014	**1,832**	**2,035**	**(69)**	**(119)**	**(40)**	**13**	**12**

In millions of euros	**Total**	**2014**	**2015**	**2016**	**2017**	**2018**	**Beyond 5 years**
Derivative instruments carried in liabilities							
relating to portfolio management activities	*(2,819)*	*(1,792)*	*(730)*	*(220)*	*(23)*	*(10)*	*(45)*
relating to trading activities	*(1,903)*	*(1,903)*	-	-	-	-	-
Derivative instruments carried in assets							
relating to portfolio management activities	*2,391*	*1,489*	*632*	*192*	*31*	*22*	*26*
relating to trading activities	*2,155*	*2,155*	-	-	-	-	-
TOTAL AT DECEMBER 31, 2013(1)	**(176)**	**(51)**	**(97)**	**(28)**	**8**	**11**	**(19)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

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

In the ordinary course of their business, some Group operating companies entered into long-term contracts, some of which include "take-or-pay" clauses. These consist of firm commitments to purchase (sell) specified quantities of gas, electricity and steam and related services, in exchange for a firm commitment from the other party to deliver (purchase) said quantities and services. These contracts were documented as falling outside the scope of IAS 39. The table below shows the main future commitments arising from contracts entered into by the Global Gas & LNG, Energy Europe and Energy International business lines (expressed in TWh):

In TWh	Total at Dec. 31, 2014	2015	2016-2019	Beyond 5 years	Total at Dec. 31, 2013[(1)]
Firm purchases	(7,738)	(915)	(2,839)	(3,984)	(8,484)
Firm sales	1,694	493	586	615	1,602

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

17.3.4 Equity risk

At December 31, 2014, available-for-sale securities held by the Group amounted to €2,893 million *(see Note 16.1.1 "Available-for-sale securities")*.

A fall of 10% in the market price of listed shares would have a negative impact (before tax) of around €141 million on the Group's comprehensive income.

The Group's main unlisted security corresponds to its 9% interest in the Nordstream pipeline, which is measured by reference to the Discounted Dividend Method (DDM).

The Group's portfolio of listed and unlisted securities is managed within the context of a specific investment procedure and its performance is reported on a regular basis to Executive Management.

NOTE 18 Equity

18.1 Share capital

	Number of shares			Value *(in millions of euros)*		
	Total	Treasury stock	Outstanding	Share Capital	Additional paid-in capital	Treasury stock
AT DECEMBER 31, 2012	**2,412,824,089**	**(55,533,833)**	**2,357,290,256**	**2,413**	**32,207**	**(1,206)**
Purchases and disposals of treasury stock		2,990,812	2,990,812			97
AT DECEMBER 31, 2013	**2,412,824,089**	**(52,543,021)**	**2,360,281,068**	**2,413**	**32,207**	**(1,109)**
Capital increase	22,460,922		22,460,922	22	301	
Other movements					(3)	
Purchases and disposals of treasury stock		7,713,224	7,713,224			152
AT DECEMBER 31, 2014	**2,435,285,011**	**(44,829,797)**	**2,390,455,214**	**2,435**	**32,506**	**(957)**

Changes in the number of shares during 2014 reflect:

- employee share issuances as part of the "LINK 2014" worldwide employee share plan. In the end, 22.2 million shares were subscribed and 0.3 million bonus shares were awarded under employee contribution schemes, representing a total of 22.5 million shares, bringing the total value of the December 11, 2014 capital increase to €324 million. This amount is broken down into a share capital increase of €22 million and an increase in additional paid-in capital of €301 million;
- net disposals of shares carried out in connection with the liquidity agreement amounting to 7 million treasury shares;
- and the delivery of treasury stock for 1 million shares as part of stock purchase option or bonus share plans.

Changes in the number of shares during 2013 resulted from:

- net acquisitions carried out in connection with the liquidity agreement amounting to 0.3 million treasury shares;
- and the delivery of treasury stock for 3 million shares as part of stock purchase option or bonus share plans.

18.1.1 Potential share capital and instruments providing a right to subscribe for new GDF SUEZ SA shares

Instruments providing a right to subscribe for new GDF SUEZ SA shares consist solely of stock subscription options awarded by the Group to its employees and corporate officers. Stock subscription option plans in force at December 31, 2014 are described in Note 24.1.1 "Details of stock option plans in force". The maximum number of new shares that could be issued if these options were to be exercised amounts to 10 million at December 31, 2014.

Shares to be allocated under bonus share plans, performance share award plans as well as the stock purchase option plans, described in Note 24 "Share-based payments", will be covered by existing GDF SUEZ SA shares.

18.1.2 Treasury stock

The Group has a stock repurchase program as a result of the authorization granted to the Board of Directors by the Ordinary and Extraordinary Shareholders' Meeting of April 28, 2014. This program provides for the repurchase of up to 10% of the shares comprising the share capital of GDF SUEZ SA at the date of said Shareholders' Meeting. The aggregate amount of acquisitions net of expenses under the program may not exceed the sum of €9.6 billion, and the purchase price must be less than €40 per share excluding acquisition costs.

At December 31, 2014, the Group held 44.8 million treasury shares, allocated in full to cover the Group's share commitments to employees and corporate officers.

The liquidity agreement signed with an investment service provider assigns to the latter the role of operating on the market on a daily basis, to buy or sell GDF SUEZ SA shares, in order to ensure liquidity and an active market for the shares on the Paris and Brussels stock exchanges. The resources allocated to the implementation of this agreement amounted to €150 million.

18.2 Other disclosures concerning additional paid-in capital, consolidated reserves and issuance of deeply-subordinated perpetual notes (Group share)

Total additional paid-in capital, consolidated reserves and issuance of deeply-subordinated perpetual notes (including net income for the financial year), amounted to €48,484 million at December 31, 2014, including €32,506 million of additional paid-in capital.

Consolidated reserves include the cumulated income of the Group, the legal and statutory reserves of the company GDF SUEZ SA and the cumulative actuarial differences net of tax.

Under French law, 5% of the net income of French companies must be allocated to the legal reserve until the latter reaches 10% of share capital. This reserve can only be distributed to shareholders in the event of liquidation. The GDF SUEZ SA legal reserve amounts to €244 million.

The cumulative actuarial differences Group share represent losses of €2,933 million at December 31, 2014 (losses of €1,301 million at December 31, 2013); deferred taxes on these actuarial differences amount to €909 million at December 31, 2014 (€432 million at December 31, 2013).

Proceeds from the issuance of deeply-subordinated perpetual notes, net of coupons paid to their owners, amounts to €3,564 million.

18.2.1 Issuance of deeply-subordinated perpetual notes

On May 22, 2014, GDF SUEZ SA carried out an issue of deeply-subordinated perpetual notes. This transaction, which enables the Group to raise the equivalent of €2 billion, was divided into two tranches, offering an average coupon of 3.4%:

- a €1,000 million tranche with a coupon of 3% callable annually as from June 2019;
- a €1,000 million tranche with a coupon of 3.875% callable annually as from June 2024.

In accordance with the provisions of IAS 32 – *Financial Instruments – Presentation,* and given their characteristics, these instruments were accounted for in equity in the Group's consolidated financial statements for a total amount of €1,974 million.

The coupons ascribed to the owners of these notes, for which €67 million was paid in 2014, are accounted for as a deduction from equity in the Group's consolidated financial statements; the relating tax saving is accounted for in the income statement.

On July 3, 2013, GDF SUEZ SA issued deeply-subordinated perpetual notes. This transaction, which enabled the Group to raise the equivalent of €1.7 billion, was divided into three tranches and offered an average coupon of 4.4%.

18.2.2 Distributable capacity of GDF SUEZ SA

GDF SUEZ SA's distributable capacity totaled €38,690 million at December 31, 2014 (compared with €40,747 million at December 31, 2013), including €32,506 million of additionnal paid-in capital.

18.2.3 Dividend

The table below shows the dividends and interim dividends paid by GDF SUEZ SA in 2013 and 2014.

	Amount distributed *(in millions of euros)*	**Net dividend per share** *(in euros)*
In respect of 2013		
Interim dividend (paid on November 20, 2013)	1,959	0.83
Remaining dividend in respect of 2013 (paid on May 6, 2014)	1,583	0.67
In respect of 2014		
Interim dividend (paid on October 15, 2014)	1,184	0.50

The additional 3% contribution, set up by the 2012 Finance Act, payable in respect of the dividend and interim dividend distributed in May and October 2014, amounts to €86 million (€106 million for the payments carried out in 2013) and is accounted for in the income statement.

The Shareholders' Meeting of April 28, 2014 approved the distribution of a total dividend of €1.50 per share in respect of 2013. As an interim dividend of €0.83 per share was paid on November 20, 2013, for an amount of €1,959 million, GDF SUEZ SA settled in cash the remaining dividend balance of €0.67 per share on May 6, 2014, for an amount of €1,583 million. In addition, the Board of Directors' Meeting of July 30, 2014 approved the payment of an interim dividend of €0.50 per share payable on October 15, 2014 for a total amount of €1,184 million.

Proposed dividend in respect of 2014

Shareholders at the Shareholders' Meeting convened to approve the GDF SUEZ Group financial statements for the year ended December 31, 2014, will be asked to approve a dividend of €1 per share, representing a total payout of €2,379 million based on the number of shares outstanding at December 31, 2014. An interim dividend of €0.50 per share was paid on October 15, 2014, representing a total amount of €1,184 million.

Subject to approval by the Shareholders' Meeting, this dividend, net of the interim dividend paid, will be detached on April 30, 2015 and is not recognized as a liability in the financial statements at December 31, 2014, since the financial statements at the end of 2014 are presented before the appropriation of earnings.

18.3 Total gains and losses recognized in equity (Group share)

All the items shown in the table below correspond to cumulative gains and losses (Group share) at December 31,2014 and December 31, 2013, which are recyclable to income in subsequent periods,

In millions of euros	**Dec. 31, 2014**	**Dec. 31, 2013**(1)
Available-for-sale financial assets	462	415
Net investment hedges	(197)	245
Cash flow hedges (excl. commodity instruments)	(904)	(203)
Commodity cash flow hedges	195	(40)
Deferred taxes on the above items	163	(47)
Share of entities accounted for using the equity method in recyclable items, net of tax	(347)	(219)
Translation adjustments	193	(1,353)
TOTAL RECYCLABLE ITEMS	**(435)**	**(1,201)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

18.4 Capital management

GDF SUEZ looks to optimize its financial structure at all times by pursuing an optimal balance between its net debt and its EBITDA. The Group's key objective in managing its financial structure is to maximize value for shareholders, reduce the cost of capital, while at the same time ensuring that the Group has the financial flexibility required to continue its expansion. The Group manages its financial structure and makes any necessary adjustments in light of prevailing economic conditions. In this context, it may choose to adjust the amount of dividends paid to shareholders, reimburse a portion of capital, carry out share buybacks *(see Note 18.1.2 "Treasury stock")*, issue new shares, launch share-based payment plans, recalibrate its investment budget, or sell assets in order to scale back its net debt.

The Group's policy is to maintain an "A" rating by the rating agencies. To achieve this, it manages its financial structure in line with the indicators usually monitored by these agencies, namely the Group's operating profile, financial policy and a series of financial ratios. One of the most commonly used ratios is the ratio where the numerator includes operating cash flows less net financial expense and taxes paid, and the denominator includes adjusted net financial debt. Net debt is mainly adjusted for nuclear provisions, provisions for unfunded pension plans and operating lease commitments.

The Group's objectives, policies and processes for managing capital have remained unchanged over the past few years.

GDF SUEZ SA is not obliged to comply with any minimum capital requirements except those provided for by law.

NOTE 19 Provisions

In millions of euros	Dec. 31, 2013[(1)]	Additions	Reversals (utiliza-tions)	Reversals (surplus provisions)	Changes in scope of conso-lidation	Impact of unwinding discounting adjustments	Translation adjust-ments	Other	Dec. 31, 2014
Post-employment and other long-term benefits	4,390	230	(317)	(5)	51	170	5	1,708	6,233
Back-end of the nuclear fuel cycle	4,239	77	(28)	-	-	203	-	-	4,491
Dismantling of plant and equipment[(2)]	3,767	1	(31)	(18)	(21)	174	3	38	3,911
Site rehabilitation	1,191	1	(22)	(29)	(9)	27	(16)	202	1,345
Litigation, claims, and tax risks	871	126	(87)	(90)	15	7	44	4	891
Other contingencies	1,640	377	(392)	(40)	11	28	7	37	1,668
TOTAL PROVISIONS	**16,098**	**813**	**(876)**	**(183)**	**47**	**609**	**43**	**1,989**	**18,539**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Of which €3,467 million in provisions for dismantling nuclear facilities at December 31, 2014, versus €3,364 million at December 31, 2013.

The impact of unwinding discounting adjustments in respect of post-employment benefit obligations and other long-term benefits relates to the interest expense on the pension obligations, net of the expected return on plan assets.

The "Other" column mainly comprises actuarial gains and losses arising on post-employment benefit obligations in 2014 which are recorded in "Other comprehensive income".

Additions, reversals and the impact of unwinding discounting adjustments are presented as follows in the consolidated income statement:

In millions of euros	Dec. 31, 2014
Income/(loss) from operating activities	234
Other financial income and expenses	(609)
Income taxes	13
TOTAL	**(362)**

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

19.1 Post-employment benefits and other long-term benefits

See Note 20 "Post-employment benefits and other long-term benefits".

19.2 Nuclear power generation activities

In the context of its nuclear power generation activities, the Group assumes obligations relating to the processing of spent nuclear fuel and the dismantling of nuclear facilities.

19.2.1 Legal framework

The Belgian law of April 11, 2003, amended by the law of April 25, 2007, granted Group subsidiary Synatom responsibility for managing provisions set aside to cover the costs of dismantling nuclear power plants and managing radioactive fissile material from such plants. The tasks of the Commission for Nuclear Provisions set up pursuant to the above-mentioned law is to oversee the process of computing and managing these provisions. The Commission also issues opinions on the maximum percentage of funds that Synatom can lend to operators of nuclear plants and on the types of assets in which Synatom may invest its outstanding funds.

To enable the Commission for Nuclear Provisions to carry out its work in accordance with the above-mentioned law, Synatom is required to submit a report every three years describing the core inputs used to measure these provisions.

Synatom submitted its triennial report to the Commission for Nuclear Provisions on September 18, 2013. The Commission issued its opinion on November 18, 2013 based on the favorable opinion given by ONDRAF, the Belgian agency for radioactive waste and enriched fissile materials.

For 2014, core inputs for measuring provisions including management scenarios, implementation program and timetable, detailed technical analyses (physical and radiological inventories), estimation methods and timing of expenditures, as well as discount rates, correspond to those which have been approved by the Commission for Nuclear Provisions and the Group has made sure that these assumptions remain reasonable. Changes in provisions in 2014 therefore mainly relate to recurring items linked to the passage of time (the unwinding of discounting adjustments) and provisions for fuel spent during the year.

The provisions set aside take into account all existing or planned environmental regulatory requirements on a European, national and regional level. If additional legislation were to be introduced in the future, the cost estimates used as a basis for the calculations could vary. However, the Group is not aware of additional planned legislation on this matter which could materially impact the value of the provisions.

The estimated provision amounts include margins for contingencies and other risks that may arise in connection with dismantling and fuel management procedures. These margins are estimated by the Group for each cost category. The contingency margins relating to the disposal of waste are determined by ONDRAF and built into its tariffs.

The provisions recognized by the Group at December 31, 2014 were measured taking into account the prevailing contractual and legal framework, which sets the operating life of the Tihange 1 reactor at 50 years and the other reactors at 40 years.

An extension of the operating lives of one or more nuclear reactors would give rise to the postponement of the dismantling schedule. This could result in less efficient coordination of tasks compared to dismantling all the facilities at the same time and the deferral over time of the related expenditure. The changes to these provisions – subject to certain conditions – would be recognized against the assets concerned.

19.2.2 Provisions for nuclear fuel processing and storage

When spent nuclear fuel is removed from a reactor, it remains radioactive and requires processing. Two different procedures for managing radioactive spent fuel exist, being either reprocessing or conditioning without reprocessing. The Belgian government has not yet decided which scenario will be made compulsory in Belgium.

The Commission for Nuclear Provisions has adopted a "mixed" scenario in which around one-quarter of total fuel is reprocessed for use in Belgian power plants, and the rest disposed of directly without reprocessing.

The Group books provisions to cover all of the costs linked to this "mixed" scenario, including on-site storage, transportation, reprocessing by an accredited facility, conditioning, storage and removal.

Provisions for nuclear fuel processing and storage are calculated based on the following principles and parameters:

- storage costs primarily comprise the costs of building and operating storage pools, along with the costs of purchasing containers. These costs are mainly incurred between 2013 and 2028;
- part of the spent fuel is transferred for reprocessing. Reprocessing operations are scheduled to take place between 2016 and 2026. It is assumed that the plutonium resulting from this process will be sold to third parties;
- spent fuel that has not been reprocessed is to be conditioned between 2035 and 2052, which requires conditioning facilities to be built according to ONDRAF's approved criteria;
- the reprocessing residues and conditioned spent fuel will be transferred to ONDRAF between 2017 and 2053;
- the fuel will be buried in a deep geological repository between 2085 and 2095. The cost of this operation is estimated by ONDRAF. The principal cash outflows will be spread over the period until 2058;
- the long-term obligation is calculated using estimated internal costs and external costs assessed based on offers received from third parties or fee proposals from independent organizations;
- the 4.8% discount rate used (actual rate of 2.8% and an inflation rate of 2.0%) is based on an analysis of average, past and prospective changes in benchmark long-term rates;
- allocations to the provision are computed based on the average unit cost of quantities used up to the end of the operating life of the plant;
- an annual allocation is also recognized with respect to unwinding the discount on the provision.

The costs effectively incurred in the future may differ from the estimates in terms of their nature and timing of payment. The provisions may also be adjusted in line with future changes in the above-mentioned parameters. However, these parameters are based on information and estimates which the Group deems reasonable to date and which have been approved by the Commission for Nuclear Provisions.

Belgium's current legal framework does not prescribe methods for managing nuclear waste. The reprocessing of spent fuel was suspended following a resolution adopted by the House of Representatives in 1993. The scenario adopted is based on the assumption that the Belgian government will allow Synatom to reprocess uranium and that an agreement will be reached between Belgium and France designating Areva as responsible for these reprocessing operations.

A scenario assuming the direct disposal of waste without reprocessing would lead to a decrease in the provision compared to the provision resulting from the “mixed” scenario approved by the Commission for Nuclear Provisions.

The Belgian government has not yet taken a decision as to whether the waste should be buried in a deep geological repository or stored over the long term. In accordance with the European Directive, the government has to adopt its plan for the management of spent fuel and radioactive waste by 2015. The scenario adopted by the Commission for Nuclear Provisions is based on the assumption that the waste will be buried in a deep geological repository as recommended in ONDRAF's waste management program. To date, there is no accredited site in Belgium. However, ONDRAF considers that by 2020 it will be able to confirm that Boom’s clay facility can accept nuclear waste.

19.2.3 Provisions for dismantling nuclear facilities

Nuclear power plants have to be dismantled at the end of their operating life. Provisions are set aside in the Group’s accounts to cover all costs relating to (i) the shutdown phase, which involves removing radioactive fuel from the site and (ii) the dismantling phase, which consists of decommissioning and cleaning up the site.

Provisions for dismantling nuclear facilities are calculated based on the following principles and parameters:

- costs payable over the long term are calculated by reference to the estimated costs for each nuclear facility, based on a study conducted by independent experts under the assumption that the facilities will be dismantled progressively;
- an inflation rate of 2.0% is applied until the dismantling obligations expire in order to determine the value of the future obligation;
- a discount rate of 4.8% (including 2.0% inflation) is applied to determine the present value (NPV) of the obligation. This rate is the same as the one used to calculate the provision for processing spent nuclear fuel;
- the operating life is 50 years for Tihange 1 and 40 years for the other facilities;
- it generally takes three to four years to shut down a reactor. The start of the technical shut-down procedures depends on the facility concerned and on the timing of operations for the nuclear reactor as a whole. The shutdown procedures are immediately followed by dismantling operations, which last from 9 to 13 years;
- the present value of the obligation when the facilities are commissioned represents the initial amount of the provision. The matching entry is an asset recognized for the same amount within the corresponding property, plant and equipment category. This asset is depreciated over the remaining operating life as from the commissioning date;
- annual allocation to the provision, reflecting the interest cost on the provision carried in the books at the end of the previous year, is calculated at the discount rate used to estimate the present value of future cash flows.

The costs effectively incurred in the future may differ from the estimates in terms of their nature and timing of payment. The provisions may be adjusted in line with future changes in the above-mentioned parameters. However, these parameters are based on information and estimates which the Group deems reasonable to date and which have been approved by the Commission for Nuclear Provisions.

The scenario adopted is based on a dismantling program and on timetables that have to be approved by nuclear safety authorities.

Provisions are also recognized at the Group’s share of the expected dismantling costs for the nuclear facilities in which it has drawing rights.

19.2.4 Sensitivity to discount rates

Based on currently applied parameters for estimating costs and the timing of payments, a change of 10 basis points in the actual discount rate used could lead to an adjustment of around €100 million in dismantling and nuclear fuel processing and storage provisions. A fall in discount rates would lead to an increase in outstanding provisions, while a rise in discount rates would reduce the provision amount.

Changes arising as a result of the review of the dismantling provision would not have an immediate impact on income, since the matching entry under certain conditions would consist of adjusting the corresponding assets accordingly.

Sensitivity to discount rates as presented above in accordance with the applicable standards, is an automatic calculation and should therefore be interpreted with appropriate caution in view of the variety of other inputs – some of which may be interdependent – included in the evaluation. The frequency with which these provisions are reviewed by the Commission for Nuclear Provisions in accordance with applicable regulations ensures that the overall obligation is measured accurately.

19.3 Dismantling obligations arising on other plant and equipment

Certain plant and equipment, including conventional power stations, transmission and distribution pipelines, storage facilities and LNG terminals, have to be dismantled at the end of their operational lives. This obligation is the result of prevailing environmental regulations in the countries concerned, contractual agreements, or an implicit Group commitment.

Based on estimates of proven and probable reserves using current production levels (another 250 years according to the International Energy Agency), dismantling provisions for gas infrastructures in France have a present value near zero.

19.4 Site rehabilitation

19.4.1 Exploration-Production activities

The Group also sets aside a provision for its obligations in terms of rehabilitating exploration and production facilities.

The provision reflects the present value of the estimated rehabilitation costs until the operating activities are completed. This provision is computed based on the Group's internal assumptions regarding estimated rehabilitation costs and the timing of the rehabilitation work. The timing of the rehabilitation work used as the basis for the provision may vary depending on the time when production is considered no longer economically viable. This consideration is itself closely related to fluctuations in future gas and oil prices.

The provision is recognized with a matching entry to property, plant and equipment.

19.5 Contingencies and tax risks

This caption includes essentially provisions for commercial contingencies, and claims and tax disputes.

NOTE 20 Post-employment benefits and other long-term benefits

20.1 Description of the main pension plans

The Group's main pension plans are described below.

20.1.1 Companies belonging to the Electricity and Gas Industries sector in France

Since January 1, 2005, the CNIEG (*Caisse Nationale des Industries Électriques et Gazières*) has operated the pension, disability, death, occupational accident and occupational illness benefit plans for electricity and gas industry (hereinafter "EGI") companies in France. The CNIEG is a social security legal entity under private law placed under the joint responsibility of the ministries in charge of social security and budget.

Employees and retirees of EGI sector companies have been fully affiliated to the CNIEG since January 1, 2005. The main affiliated Group entities are GDF SUEZ SA, GrDF, GRTgaz, ELENGY, STORENGY, GDF SUEZ Thermique France, CPCU, CNR and SHEM.

Following the funding reform of the special EGI pension scheme introduced by Act no. 2004-803 of August 9, 2004 and its implementing decrees, specific benefits (pension benefits on top of the standard benefits payable under ordinary law) already vested at December 31, 2004 ("past specific benefits") were allocated between the various EGI entities. Past specific benefits (benefits vested at December 31, 2004) relating to regulated transmission and distribution businesses ("regulated past specific benefits") are funded by the levy on gas and electricity transmission and distribution services (*Contribution Tarifaire d'Acheminement*) and therefore no longer represent an obligation for the GDF SUEZ Group. Unregulated past specific benefits (benefits vested at December 31, 2004) are funded by EGI sector entities to the extent defined by decree no. 2005-322 of April 5, 2005.

The special EGI pension scheme is a legal pension scheme available to new entrants.

The specific benefits vested under the scheme since January 1, 2005 are wholly financed by EGI sector companies in proportion to their respective share of the electricity and gas market as measured by total payroll costs.

As this plan represents a defined benefit scheme, the Group has set aside a pension provision in respect of specific benefits payable to employees of unregulated activities and specific benefits vested by employees of regulated activities since January 1, 2005. This provision also covers the Group's early retirement obligations. The provision amount may be subject to fluctuations based on the weight of the Group's companies within the EGI sector.

Pension benefit obligations and other "mutualized" obligations are assessed by the CNIEG.

At December 31, 2014, the projected benefit obligation in respect of the special pension scheme for EGI sector companies amounted to €3.3 billion (€2.5 billion at December 31, 2013). This increase is mainly due to the decrease in discount rates.

The duration of the pension benefit obligation is 18 years.

20.1.2 Companies belonging to the electricity and gas sector in Belgium

In Belgium, the rights of employees in electricity and gas sector companies, principally Electrabel, Electrabel Customer Solutions (ECS), Laborelec, GDF SUEZ CC and some GDF SUEZ Energy Management Trading employee categories, are governed by collective bargaining agreements.

These agreements, applicable to "wage-rated" employees recruited prior to June 1, 2002 and managerial staff recruited prior to May 1, 1999, specify the benefits entitling employees to a supplementary pension equivalent to 75% of their most recent annual income, for a full career and in addition to the statutory pension. These top-up pension payments provided under defined benefit plans are partly reversionary. In practice, the benefits are paid in the form of a lump sum for the majority of plan participants. Most of the obligations resulting from these pension plans are financed through pension funds set up for the electricity and gas sector and by certain insurance companies. Pre-funded pension plans are financed by employer and employee contributions. Employer contributions are calculated annually based on actuarial assessments.

The projected benefit obligation relating to these plans represented around 15% of total pension obligations and related liabilities at December 31, 2014. The average duration is 11 years.

"Wage-rated" employees recruited after June 1, 2002 and managerial staff recruited after May 1, 1999 are covered under defined contribution plans. However, for contributions paid since January 1, 2004, the law specifies a minimum average annual return of 3.25% over the beneficiary's service life. Any deficit has to be borne by the employer. Therefore, for the portion of pension obligations corresponding to contributions paid since January 1, 2004, these plans should be considered as defined benefit plans. However, the plans continue to be recognized by the Group as defined contribution schemes, mainly because no material net liability has been identified. The actual rate of return was compared with the guaranteed minimum rate of return; the unfunded portion was not material at December 31, 2014.

An expense of €21 million was recognized in 2014 in respect of these defined contribution plans (€20 million at December 31, 2013).

20.1.3 Multi-employer plans

Employees of some Group companies are affiliated to multi-employer pension plans.

Under multi-employer plans, risks are pooled to the extent that the plan is funded by a single contribution rate determined for all affiliate companies and applicable to all employees.

Multi-employer plans are particularly common in the Netherlands, where employees are normally required to participate in a compulsory industry-wide scheme. These plans cover a significant number of employees, thereby limiting the impact of potential default by an affiliated company. In the event of default, the vested rights are maintained in a special compartment and are not transferred to the other members. Refinancing plans may be set up to ensure the funds are balanced.

The GDF SUEZ Group accounts for multi-employer plans as defined contribution plans.

An expense of €73 million was recognized in 2014 in respect of multi-employer pension plans (€94 million at December 31, 2013).

20.1.4 Other pension schemes

Most other Group companies grant their employees retirement benefits. In terms of financing, pension plans within the Group are almost equally split between defined benefit and defined contribution plans.

The Group's main pension plans outside France, Belgium and the Netherlands concern:

- United Kingdom: the large majority of defined benefit pension plans are now closed to new entrants and benefits no longer vest under these plans. All entities run a defined contribution scheme. The pension obligations of International Power's subsidiaries in the United Kingdom are covered by the special Electricity Supply Pension Scheme (ESPS). The assets of this defined benefit scheme are invested in separate funds. Since June 1, 2008, the scheme has been closed and a defined contribution plan was set up for new entrants;
- Germany: the Group's German subsidiaries have closed their defined benefit plans to new entrants and now offer defined contribution plans;
- Brazil: Tractebel Energia operates its own pension scheme. This scheme has been split into two parts, one for the (closed) defined benefit plan, and the other for the defined contribution plan that has been available to new entrants since the beginning of 2005.

20.2 Description of other post-employment benefit obligations and long-term benefits

20.2.1 Other benefits granted to current and former EGI sector employees

Other benefits granted to EGI sector employees are:

Post-employment benefits:

- reduced energy prices;
- end-of-career indemnities;
- bonus leave;
- immediate bereavement benefits.

Long-term benefits:

- allowances for occupational accidents and illnesses;
- temporary and permanent disability allowances;
- long-service awards.

The Group's main obligations are described below.

20.2.1.1 Reduced energy prices

Under Article 28 of the national statute for electricity and gas industry personnel, all employees (current and former employees, provided they meet certain length-of-service conditions) are entitled to benefits in kind which take the form of reduced energy prices known as "employee rates".

This benefit entitles employees to electricity and gas supplies at a reduced price. For retired employees, this provision represents a post-employment defined benefit. Retired employees are only entitled to the reduced rate if they have completed at least 15 years' service within EGI sector companies.

In accordance with the agreements signed with EDF in 1951, GDF SUEZ provides gas to all current and former employees of GDF SUEZ and EDF, while EDF supplies electricity to these same beneficiaries. GDF SUEZ pays (or benefits from) the balancing contribution payable in respect of its employees as a result of energy exchanges between the two utilities.

The obligation to provide energy at a reduced price to current and former employees is measured as the difference between the energy sale price and the preferential rates granted.

The provision set aside in respect of reduced energy prices amounts to €2.8 billion at December 31, 2014. The duration of the obligation is 23 years.

20.2.1.2 End-of-career indemnities

Retiring employees (or their dependents in the event of death during active service) are entitled to end-of-career indemnities which increase in line with the length of service within the EGI sector.

20.2.1.3 Compensation for occupational accidents and illnesses

EGI sector employees are entitled to compensation for accidents at work and occupational illnesses. These benefits cover all employees or the dependents of employees who die as a result of occupational accidents or illnesses, or injuries suffered on the way to work.

The amount of the obligation corresponds to the likely present value of the benefits to be paid to current beneficiaries, taking into account any reversionary annuities.

20.2.2 Other benefits granted to employees of the gas and electricity sector in Belgium

Electricity and gas sector companies also grant other employee benefits such as the reimbursement of medical expenses, electricity and gas price reductions, as well as length-of-service awards and early retirement schemes. These benefits are not prefunded, with the exception of the special "*allocation transitoire*" termination indemnity, considered as an end-of-career indemnity.

20.2.3 Other collective agreements

Most other Group companies also grant their staff post-employment benefits (early retirement plans, medical coverage, benefits in kind, etc.) and other long-term benefits such as jubilee and length-of-service awards.

20.3 Defined benefit plans

20.3.1 Amounts presented in the statement of financial position and statement of comprehensive income

In accordance with IAS 19, the information presented in the statement of financial position relating to post-employment benefit obligations and other long-term benefits results from the difference between the gross projected benefit obligation and the fair value of plan assets. A provision is recognized if this difference is positive (net obligation), while a prepaid benefit cost is recorded in the statement of financial position when the difference is negative, provided that the conditions for recognizing the prepaid benefit cost are met.

Changes in provisions for post-employment benefits and other long-term benefits, plan assets and reimbursement rights recognized in the statement of financial position are as follows:

In millions of euros	Provisions	Plan assets	Reimbursement rights
AT JANUARY 1, 2013[(1)]	**(5,564)**	**19**	**159**
Exchange rate differences	38	-	-
Changes in scope of consolidation and other	639	(5)	-
Actuarial gains and losses	623	9	3
Periodic pension cost	(548)	(5)	4
Asset ceiling	(1)	-	-
Contributions/benefits paid	423	54	1
AT DECEMBER 31, 2013[(1)]	**(4,390)**	**72**	**167**
Exchange rate differences	(12)	-	-
Changes in scope of consolidation and other	34	(85)	-
Actuarial gains and losses	(1,784)	22	6
Periodic pension cost	(497)	28	6
Asset ceiling	(4)	-	-
Contributions/benefits paid	420	5	(3)
AT DECEMBER 31, 2014	**(6,233)**	**41**	**176**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Plan assets and reimbursement rights are presented in the statement of financial position under “Other non-current assets” or “Other current assets”.

In 2013, “Changes in scope of consolidation and other” mainly corresponds to the loss of control of SUEZ Environnement for an amount of €641 million.

The cost recognized for the period in the income statement amounts to €469 million in 2014 (€553 million in 2013). The components of this defined benefit cost in the period are set out in Note 20.3.4 "Components of the net periodic pension cost".

The eurozone represents 94% of the Group’s net obligation at December 31, 2014 (compared to 93% at December 31, 2013).

Cumulative actuarial gains and losses recognized in equity amounted to €3,138 million at December 31, 2014, compared to €1,415 million at December 31, 2013.

Net actuarial differences arising in the period and presented on a separate line in the statement of comprehensive income represented a net actuarial loss totaling €1,762 million in 2014 and a net actuarial gain of €624 million in 2013. The 2014 net actuarial loss is mainly due to the decrease in discount rates *(see Note 20.3.6)*.

20.3.2 Change in benefit obligations and plan assets

The table below shows the amount of the Group's projected benefit obligations and plan assets, changes in these items during the periods presented, and their reconciliation with the amounts reported in the statement of financial position:

		Dec. 31, 2014				Dec. 31, 2013[1]			
In millions of euros		Pension benefit obligations[2]	Other post-employment benefit obligations[3]	Long-term benefit obligations[4]	Total	Pension benefit obligations[2]	Other post-employment benefit obligations[3]	Long-term benefit obligations[4]	Total
A - CHANGE IN PROJECTED BENEFIT OBLIGATION									
Projected benefit obligation at January 1		**(6,363)**	**(2,383)**	**(531)**	**(9,276)**	**(7,700)**	**(2,679)**	**(537)**	**(10,916)**
Service cost		(229)	(32)	(40)	(301)	(278)	(45)	(42)	(365)
Interest expense		(251)	(88)	(16)	(355)	(252)	(90)	(16)	(357)
Contributions paid		(13)	-	-	(13)	(15)	-	-	(15)
Amendments		10	1	3	14	(2)	-	-	(2)
Changes in scope of consolidation		(85)	-	-	(85)	856	252	21	1,129
Curtailments/settlements		16	-	-	16	4	2	-	6
Non-recurring items		(3)	(4)	-	(7)	(4)	(5)	-	(9)
Financial actuarial gains and losses		(941)	(1,036)	(36)	(2,014)	469	67	(9)	527
Demographic actuarial gains and losses		(36)	58	10	32	44	8	(2)	51
Benefits paid		361	92	47	500	357	100	54	511
Other (of which translation adjustments)		(47)	(2)	-	(49)	157	8	-	165
Projected benefit obligation at December 31	**A**	**(7,580)**	**(3,393)**	**(564)**	**(11,537)**	**(6,363)**	**(2,383)**	**(531)**	**(9,276)**
B - CHANGE IN FAIR VALUE OF PLAN ASSETS									
Fair value of plan assets at January 1		**4,955**	**5**	**-**	**4,960**	**5,324**	**51**	**-**	**5,375**
Interest income on plan assets		201	-	-	201	184	2	-	187
Financial actuarial gains and losses		195	(2)	-	193	42	2	-	44
Contributions received		270	14	-	284	331	26	-	357
Changes in scope of consolidation		36	-	-	36	(441)	(53)	-	(495)
Settlements		(12)	(1)	-	(13)	(2)	1	-	(1)
Benefits paid		(333)	(14)	-	(347)	(352)	(24)	-	(376)
Other (of which translation adjustments)		36	-	-	36	(131)	-	-	(131)
Fair value of plan assets at December 31	**B**	**5,349**	**3**	**-**	**5,351**	**4,955**	**5**	**-**	**4,960**
C- FUNDED STATUS	**A+B**	(2,231)	(3,391)	(564)	(6,186)	(1,408)	(2,378)	(531)	(4,316)
Asset ceiling		(6)	-	-	(6)	(1)	(1)	-	(2)
NET BENEFIT OBLIGATION		(2,237)	(3,391)	(564)	(6,192)	(1,409)	(2,379)	(531)	(4,318)
ACCRUED BENEFIT LIABILITY		(2,278)	(3,391)	(564)	(6,233)	(1,481)	(2,379)	(531)	(4,390)
PREPAID BENEFIT COST		41	-	-	41	72	-	-	72

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) Pensions and retirement bonuses.
(3) Reduced energy prices, healthcare, gratuities and other post-employment benefits.
(4) Length-of-service awards and other long-term benefits.

In 2013, "Changes in the scope of consolidation" mainly concern the loss of control of SUEZ Environnement (€1,136 million on the benefit obligation and €495 million on the plan assets).

20.3.3 Change in reimbursement rights

Changes in the fair value of reimbursement rights relating to plan assets managed by Contassur are as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013(1)
Fair value at January 1	**167**	**159**
Interest income on plan assets	*7*	*4*
Financial actuarial gains and losses	*6*	*3*
Actual return	13	7
Curtailments/settlements	(1)	-
Employer contributions	13	22
Employee contributions	2	2
Benefits paid	(18)	(22)
FAIR VALUE AT DECEMBER 31	**176**	**167**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

20.3.4 Components of the net periodic pension cost

The net periodic cost recognized in respect of defined benefit obligations for the years ended December 31, 2014 and 2013 breaks down as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013(1)
Current service cost	301	365
Net interest expense	153	171
Actuarial gains and losses(2)	27	11
Plan amendments	(14)	2
Gains or losses on pension plan curtailments, terminations and settlements	(5)	(5)
Non-recurring items	7	9
TOTAL	**469**	**553**
o/w recorded in current operating income after share in net income of entities accounted for using the equity method	*315*	*382*
o/w recorded in net financial income/(loss)	*153*	*171*

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) On long-term benefit obligation.

20.3.5 Funding policy and strategy

When defined benefit plans are funded, the related plan assets are invested in pension funds and/or with insurance companies, depending on the investment practices specific to the country concerned. The investment strategies underlying these defined benefit plans are aimed at striking the right balance between return on investment and acceptable levels of risk.

The objectives of these strategies are twofold: to maintain sufficient liquidity to cover pension and other benefit payments; and as part of risk management, to achieve a long-term rate of return higher than the discount rate or, where appropriate, at least equal to future required returns.

When plan assets are invested in pension funds, investment decisions and the allocation of plan assets are the responsibility of the fund manager concerned.

For French companies, where plan assets are invested with an insurance company, the latter manages the investment portfolio for unit-linked policies or euro-denominated policies. These diversified funds are actively managed by reference to composite indexes and adapted to the long-term profile of the liabilities, taking into account eurozone government bonds and shares in front-ranking companies within and outside the eurozone.

For euro-denominated funds, the insurer's sole obligation is to ensure a fixed minimum return on assets.

The funding of these obligations at December 31 for each of the periods presented can be analyzed as follows:

In millions of euros	Projected benefit obligation	Fair value of plan assets	Asset ceiling	Total net obligation
Underfunded plans	(7,385)	4,872	(6)	(2,519)
Overfunded plans	(438)	479	-	41
Unfunded plans	(3,714)	-	-	(3,714)
AT DECEMBER 31, 2014	**(11,537)**	**5,351**	**(6)**	**(6,191)**
Underfunded plans	(5,414)	4,418	(1)	(997)
Overfunded plans	(496)	542	(1)	45
Unfunded plans	(3,366)	-	-	(3,366)
AT DECEMBER 31, 2013(1)	**(9,276)**	**4,960**	**(2)**	**(4,318)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

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

In %	Dec. 31, 2014	Dec. 31, 2013
Equity investments	31	30
Sovereign bond investments	20	19
Corporate bond investments	29	31
Money market securities	9	11
Real estate	4	3
Other assets	7	6
TOTAL	**100**	**100**

All plan assets are quoted in an active market at December 31, 2014.

The actual return on assets of EGI sector companies stood at 8% in 2014.

The actual return on plan assets of Belgian entities amounted to approximately 7% in Group insurance and 4% in pension funds.

The allocation of plan assets categories by geographic area of investment can be analyzed as follows:

In %	Europe	North America	Latin America	Asia - Oceania	Rest of the World	Total
Equity investments	62	22	1	11	4	100
Sovereign bond investments	75	-	24	1	-	100
Corporate bond investments	84	9	2	4	1	100
Money market securities	86	-	4	10	-	100
Real estate	87	4	5	3	1	100
Other assets	33	18	29	15	5	100

20.3.6 Actuarial assumptions

Actuarial assumptions are determined individually by country and company in conjunction with independent actuaries. Weighted discount rates for main actuarial assumptions are presented below:

	Pension benefit obligations		Other post-employment benefit obligations		Long-term benefit obligations		Total benefit obligations	
	2014	2013	2014	2013	2014	2013	2014	2013
Discount rate	2.8%	4.1%	2.1%	3.5%	1.8%	3.5%	2.5%	3.9%
Inflation rate	2.0%	2.2%	1.7%	2.0%	1.8%	2.0%	1.9%	2.1%
Average remaining working years of participatlng employees	15 years	15 years	16 years	15 years	16 years	16 years	15 years	15 years

20.3.6.1 Discount and inflation rate

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

The rates were determined for each monetary area (euro and United Kingdom) based on data for AA corporate bonds yields (Bloomberg and iBoxx), extrapolated on the basis of government bond yields for long maturities.

According to the Group's estimates, a 100 basis points increase or decrease in the discount rate would result in a change of approximately 15% in the projected benefit obligation.

The inflation rates were determined for each area. A 100 basis points increase or decrease in the inflation rate (with an unchanged discount rate) would result in a change of approximately 14% in the projected benefit obligation.

20.3.6.2 Other assumptions

The medical costs (including inflation) increase rate was estimated at 2.7%.

A one percentage point change in the assumed increase in healthcare costs would have the following impacts:

In millions of euros	**100 basis points increase**	**100 basis points decrease**
Impact on expenses	3	(2)
Impact on pension obligations	48	(36)

20.3.7 Estimated employer contributions payable in 2015 under defined benefit plans

The Group expects to pay around €225 million in contributions into its defined benefit plans in 2015, including €93 million for EGI sector companies. Annual contributions in respect of EGI sector companies will be made by reference to rights vested in the year, taking into account the funding level for each entity in order to even out contributions over the medium term.

20.4 Defined contribution plans

In 2014, the Group recorded a €139 million expense in respect of amounts paid into Group defined contribution plans (€123 million in 2013). These contributions are recorded under "Personnel costs" in the consolidated income statement.

NOTE 21 Exploration-production activities

21.1 Exploration-production assets

Exploration-production assets break down into the following three categories: exploration-production licenses, presented under "Intangible assets" in the statement of financial position, fields under development, shown under "Assets in development phase", and fields in production, shown under "Assets in production phase", which are included in "Property, plant and equipment" in the statement of financial position.

In millions of euros	Licenses	Assets in development phase	Assets in production phase	Total
A. GROSS AMOUNT				
At January 1, 2013[(1)]	**1,066**	**1,125**	**7,837**	**10,028**
Changes in scope of consolidation	(19)	-	-	(19)
Acquisitions	38	596	234	868
Translation adjustments	(33)	(95)	(454)	(581)
Other	(9)	(183)	224	32
At December 31, 2013[(1)]	**1,043**	**1,443**	**7,841**	**10,327**
Changes in scope of consolidation	-	(39)	(147)	(186)
Acquisitions	24	805	178	1,007
Disposals	-	(12)	(99)	(112)
Translation adjustments	108	94	(216)	(15)
Other	(69)	(885)	999	45
AT DECEMBER 31, 2014	**1,106**	**1,406**	**8,555**	**11,067**
B. ACCUMULATED AMORTIZATION, DEPRECIATION AND IMPAIRMENT LOSSES				
At January 1, 2013[(1)]	**(379)**	**(40)**	**(3,530)**	**(3,949)**
Changes in scope of consolidation	19	-	-	19
Amortization, depreciation and impairment losses	(15)	-	(687)	(702)
Translation adjustments	9	1	171	182
Other	5	3	(7)	-
At December 31, 2013[(1)]	**(361)**	**(35)**	**(4,053)**	**(4,450)**
Change in scope of consolidation	-	-	96	96
Amortization, depreciation and impairment losses	(33)	-	(920)	(953)
Translation adjustments	(44)	(1)	62	17
Other	-	33	(33)	-
AT DECEMBER 31, 2014	**(438)**	**(4)**	**(4,847)**	**(5,289)**
C. CARRYING AMOUNT				
At December 31, 2013[(1)]	**682**	**1,408**	**3,788**	**5,878**
AT DECEMBER 31, 2014	**668**	**1,402**	**3,708**	**5,778**

(1) Comparative data at January 1, 2013 and December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Acquisitions in 2014 notably include developments carried-out over the year on the Cygnus field in the United Kingdom and Jangkrik field in Indonesia. Disposals mainly include the disposal of an asset in production phase of GDF SUEZ E&P Deutschland GmbH in Germany.

Acquisitions in 2013 notably included developments performed on the Cygnus field in the United Kingdom and on the Gudrun field in Norway.

21.2 Capitalized exploration costs

The following table provides a breakdown of the net change in capitalized exploration costs:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
At January 1	**599**	**609**
Capitalized exploration costs for the year	162	194
Amounts recognized in expenses for the period	(278)	(142)
Other	(53)	(62)
AT DECEMBER 31	**430**	**599**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Capitalized exploration costs are reported in the statement of financial position within "Other assets".

21.3 Investments during the period

Investments for the exploration-production business amounted to €1,094 million and €954 million, respectively, in 2014 and 2013. Investments are included in "Acquisitions of property, plant and equipment and intangible assets" in the statement of cash flows.

NOTE 22 Finance leases

22.1 Finance leases for which GDF SUEZ acts as lessee

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

The main finance lease agreements entered into by the Group primarily concern GDF SUEZ Energy International power plants (mostly Enersur – Peru) and Cofely's cogeneration plants.

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

	Future minimum lease payments at Dec. 31, 2014		Future minimum lease payments at Dec. 31, 2013[1]	
In millions of euros	Undiscounted value	Present value	Undiscounted value	Present value
Year 1	100	98	109	106
Years 2 to 5 included	391	367	336	311
Beyond year 5	70	50	112	81
TOTAL FUTURE MINIMUM LEASE PAYMENTS	**561**	**515**	**557**	**499**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The following table provides a reconciliation of liabilities under finance leases as reported in the statement of financial position *(see Note 16.2.1 "Borrowings and debt")* with undiscounted future minimum lease payments by maturity:

In millions of euros	Total	Year 1	Years 2 to 5 included	Beyond year 5
Liabilities under finance leases	515	92	376	47
Impact of discounting future repayments of principal and interest	46	8	15	23
UNDISCOUNTED FUTURE MINIMUM LEASE PAYMENTS	**561**	**100**	**391**	**70**

22.2 Finance leases for which GDF SUEZ acts as lessor

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

The Group has recognized finance lease receivables, notably for cogeneration plants for Wapda and NTDC (Uch - Pakistan), Bowin (Glow - Thailand), Solvay (Electrabel - Belgium) and Lanxess (Electrabel - Belgium).

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Undiscounted future minimum lease payments	1,180	727
Unguaranteed residual value accruing to the lessor	38	29
TOTAL GROSS INVESTMENT IN THE LEASE	**1,218**	**756**
Unearned financial income	**192**	**117**
NET INVESTMENT IN THE LEASE (STATEMENT OF FINANCIAL POSITION)	**1,026**	**638**
o/w present value of future minimum lease payments	*999*	*618*
o/w present value of unguaranteed residual value	*28*	*20*

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Amounts recognized in the statement of financial position in connection with finance leases are detailed in Note 16.1.2 "Loans and receivables at amortized cost".

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

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Year 1	122	121
Years 2 to 5 included	401	313
Beyond year 5	657	293
TOTAL	**1,180**	**727**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

NOTE 23 Operating leases

23.1 Operating leases for which GDF SUEZ acts as lessee

The Group has entered into operating leases mainly in connection with LNG tankers, and miscellaneous buildings and fittings.

Operating lease income and expenses for 2014 and 2013 can be analyzed as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Minimum lease payments	(905)	(1,102)
Contingent lease payments	(18)	(26)
Sub-letting income	87	84
Sub-letting expenses	(39)	(53)
Other operating lease expenses	(206)	(247)
TOTAL	**(1,081)**	**(1,343)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

The 2013 net expense included operating lease expenses relating to SUEZ Environnement untill July 22, 2013 for an amount of €199 million *(see Note 5.7)*.

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

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Year 1	642	617
Years 2 to 5 included	1,601	1,477
Beyond year 5	1,465	1,646
TOTAL	**3,708**	**3,740**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

23.2 Operating leases for which GDF SUEZ acts as lessor

These leases fall mainly within the scope of IFRIC 4 guidance on the interpretation of IAS 17. They primarily concern power plants operated by GDF SUEZ Energy International.

Operating lease income for 2014 and 2013 can be analyzed as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Minimum lease payments	579	640
Contingent lease payments	113	89
TOTAL	**692**	**729**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

Lease income is recognized in revenues.

Future minimum lease payments receivable under non cancellable operating leases can be analyzed as follows:

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Year 1	550	510
Years 2 to 5 included	1,351	1,528
Beyond year 5	19	20
TOTAL	**1,919**	**2,058**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

NOTE 24 Share-based payments

Expenses recognized in respect of share-based payments break down as follows:

		Expense for the year	
In millions of euros	Note	Dec. 31, 2014	Dec. 31, 2013
Stock option plans	24.1	-	9
Employee share issues	24.2	11	-
Share Appreciation Rights[1]	24.2	-	1
Bonus/performance share plans	24.3	10	83
Other Group plans		1	-
TOTAL		**22**	**93**

(1) Set up within the scope of employee share issues in certain countries.

24.1 Stock option plans

No new GDF SUEZ stock option grants were approved by the Group's Board of Directors in either 2014 or 2013.

The terms and conditions of plans set up prior to 2013 are described in previous Registration Documents prepared by SUEZ and subsequently GDF SUEZ.

24.1.1 Details of stock option plans in force

Plan	Date of authorizing General Share-holders' Meeting	Vesting date	Adjusted exercise price *(in euros)*	Number of benefi-ciaries per plan	Number of options granted to members of the Executive Committee	Outstanding options at Dec. 31, 2013	Options exerci-sed	Options cancelled or expired	Outstanding options at Dec. 31, 2014	Expiration date	Resi-dual life
01/17/2007[(1)]	04/27/2004	01/17/2011	36.6	2,173	1,218,000	5,672,033	-	64,174	5,607,859	01/16/2015	0.0
11/14/2007[(1)]	05/04/2007	11/14/2011	41.8	2,107	804,000	4,411,672	-	54,097	4,357,575	11/13/2015	0.9
11/12/2008[(1)]	07/16/2008	11/12/2012	32.7	3,753	2,615,000	6,075,634	-	76,570	5,999,064	11/11/2016	1.9
11/10/2009[(1)]	05/04/2009	11/10/2013	29.4	4,036	-	4,960,345	-	101,620	4,858,725	11/09/2017	2.9
TOTAL					**4,637,000**	**21,119,684**	**-**	**296,461**	**20,823,223**		
Of which:											
Stock option purchase plans						*11,035,979*	-	*178,190*	*10,857,789*		
Stock subscription plans						*10,083,705*	-	*118,271*	*9,965,434*		

(1) Plans exercisable at December 31, 2014.

The average annual price for GDF SUEZ shares in 2014 was €19.02.

24.1.2 Number of GDF SUEZ stock options

	Number of options	Average exercise price *(in euros)*
Balance at December 31, 2013	**21,119,684**	**34.9**
Options cancelled	(296,461)	34.1
Balance at December 31, 2014	20,823,223	34.9

24.2 Employee share issue

24.2.1 Description of available GDF SUEZ share plans

In 2014, Group employees were entitled to subscribe to employee share issues as part of the "LINK 2014" worldwide employee share ownership plan. They could subscribe to either:

- the Link Classique plan: this plan allows employees to subscribe to shares either directly or via an employee investment fund at lower-than-market price;
- the Link Multiple plan: under this plan, employees may subscribe to shares at lower-than-market price, either directly or via an employee investment fund, and also benefit from any appreciation in the Group share price (leverage effect) at the end of the mandatory lock-up period. Through a Swap Agreement with a bank, employees are sure to recover 100% of the invested amount and benefit from a guaranteed minimum capitalised return;
- Share Appreciation Rights (SARs): this leveraged plan entitles beneficiaries to receive a cash bonus equal to the appreciation in the Company's stock after a period of five years. The resulting employee liability is covered by warrants.

The Link Classique plan featured an employer contribution under the terms and conditions described below:

- participating French employees were entitled to bonus GDF SUEZ shares depending on their own contribution to the plan:
  - for the first ten shares subscribed, one bonus share was granted for every one share subscribed;
  - as from the eleventh share subscribed, one bonus share was granted for every four shares subscribed, up to a maximum of ten bonus shares.

The number of bonus shares granted was capped to twenty per employee.

- for employees in other countries, GDF SUEZ shares were granted through a bonus share award plan, subject to the employee's presence in the Group and depending on their own contribution to the plan:
  - for the first ten shares subscribed, one bonus share was granted for every one share subscribed;
  - as from the eleventh share subscribed, one bonus share was granted for every four shares subscribed, up to a maximum of ten bonus shares.

The number of bonus shares granted was capped to twenty shares per employee for the subscription of fifty shares.

The bonus shares will be awarded to employees on December 10, 2019, provided that they are still employed by the GDF SUEZ Group on September 30, 2019.

The method used to value this bonus share award scheme is described in Note 24.3.

24.2.2 Accounting impact

The subscription price for the 2014 plan represents the average opening price of the GDF SUEZ share on the NYSE Euronext Paris Eurolist market over the 20 trading days between October 15, 2014 and November 11, 2014, less 20%, i.e. €14.68.

The expense recognized in the consolidated financial statements in respect of the Link Classique and Link Multiple plans corresponds to the difference between the fair value of the shares subscribed and the subscription price. Fair value takes into account the condition of non-transferability attached to the shares over a period of five years, as provided for by French legislation. It also considers the opportunity cost implicitly borne by GDF SUEZ under the leveraged share ownership plan in allowing its employees to benefit from more attractive financial conditions than those that would have been available to them as individual investors.

The following assumptions were applied:

- five-year risk-free interest rate: 0.5%;
- spread applicable to the retail banking network: 4.2%;
- employee financing cost: 4.7%;
- share borrowing cost: 1.0%;
- share price at grant date: €19.45;
- volatility spread: 3.8%.

Based on the above, the Group recognized a total expense of €18 million for 2014 in respect of the 22.2 million shares subscribed and 0.3 million bonus shares awarded under employer contributions, bringing the final amount of the share issue and related additional paid-in capital to €329.7 million (excluding issuance costs).

	Link Classique	Link Multiple	France - additional employer's contribution	Total
Amount subscribed *(in millions of euros)*	42	283	5	330
Number of shares subscribed *(in millions of shares)*	2.9	19.3	0.3	22.5
Discount *(€/share)*	3.7	3.7	18.3	-
Non-transferability restriction *(€/share)*	(5.1)	(5.1)	(5.1)	-
Opportunity cost *(€/share)*	-	0.7	-	-
COST FOR THE GROUP *(IN MILLIONS OF EUROS)*	**-**	**13**	**4**	**18**

The accounting impact of cash-settled Share Appreciation Rights consists in recognizing a payable to the employee over the vesting period of the rights, with the corresponding adjustment recorded in income. At December 31, 2014, the fair value of the liability relating to the 2010 and 2014 awards amounted to €1 million.

24.3 Bonus shares and performance shares

24.3.1 New awards in 2014

GDF SUEZ Performance Share plan of December 10, 2014

On December 10, 2014, the Board of Directors approved the allocation of 3.4 million performance shares to members of the Group's executive and senior management into two tranches:

- performance shares vesting on March 14, 2018, subject to a further two-years non-transferability period; and
- performance shares vesting on March 14, 2019, without non-transferability period.

Each tranche is made up of instruments subject to two different conditions:

- a market performance condition relating to GDF SUEZ's total share return compared to that of the Eurostoxx Utilities Eurozone index, as assessed between November 2014 and January 2018;
- an internal performance condition relating to Group net recurring income Group share in 2016 and 2017.

GDF SUEZ Bonus Share plan of December 11, 2014

As part of the employee share issue, bonus shares were awarded to subscribers of the Link Classique plan (outside France) based on one bonus share for the first ten shares subscribed, and then one bonus share for every four shares subscribed over and above the first ten, up to a maximum of twenty bonus shares per beneficiary. A total of 125,142 bonus shares were awarded under this plan, subject to a condition requiring employees to be employed with the GDF SUEZ Group on September 30, 2019.

24.3.2 Fair value of bonus share plans with or without performance conditions

The following assumptions were used to calculate the fair value of the new plans awarded by GDF SUEZ in 2014:

Allocation date	Vesting date	End of the lock-up period	Price at the award date	Expected dividend	Financing cost for the employee	Non-transferability cost	Market-related performance condition	Fair value per unit
February 26, 2014	March 14, 2016	March 14, 2018	€17.6	€1.0	7.8%	€1.9	no	€13.6
February 26, 2014	March 14, 2017	March 14, 2019	€17.6	€1.0	7.8%	€1.6	no	€12.9
Weighted fair value of the February 26, 2014 plan								**€13.3**
December 10, 2014	March 14, 2018	March 14, 2020	€19.5	€1.0	7.1%	€1.7	yes(1)	€11.8
December 10, 2014	March 14, 2019	March 14, 2019	€19.5	€1.0	7.1%	NA	yes(1)	€12.7
Weighted fair value of the December 10, 2014 plan								**€12.1**
December 11, 2014	December 10, 2019	December 10, 2019	€19.4	€1.0	NA	NA	no	€13.4
Weighted fair value of the December 11, 2014 plan								**€13.4**

(1) Double performance condition.

24.3.3 Review of internal performance conditions applicable to the plans

In addition to the condition of continuing employment within the Group, eligibility for certain bonus share and performance share plans is subject to an internal performance condition. When this condition is not fully met, the number of bonus shares granted to employees is reduced in accordance with the plans' regulations, leading to a decrease in the total expense recognized in relation to the plans in accordance with IFRS 2.

Performance conditions are reviewed at each reporting date. Due to a failure to meet performance criteria, the volume of January 2011 performance share plans was amended, and the Group recorded income of €40 million.

24.3.4 Free share plans with or without performance conditions in force at December 31, 2014, and impact on income

The expense recorded during the period on plans in effect was as follows:

Award date	Quantity awarded	Fair value per unit[1] *(in euros)*	Expense for the period *(in millions of euros)* Dec. 31, 2014	Dec. 31, 2013
GDF SUEZ share plans				
Bonus share plans				
GDF SUEZ July 2009 plan	3,297,014	20	-	2
Link August 2010 employer contribution plan	207,947	19	1	1
GDF SUEZ June 2011 plan	4,173,448	20	7	18
GDF SUEZ October 2012 plan	6,106,463	12	16	18
Link December 2014 employer contribution plan	125,142	13	-	-
Performance share plans				
GDF SUEZ November 2009 plan	1,693,840	25	-	2
GDF SUEZ January 2011 plan	3,426,186	18	(38)	18
March 2011 GDF SUEZ Trading plan	57,337	23	-	-
GDF SUEZ December 2011 plan	2,996,920	11	10	10
GDF SUEZ Trading February 2012 plan	70,778	15	-	-
GDF SUEZ December 2012 plan	3,556,095	8	8	8
GDF SUEZ Trading February 2013 plan	94,764	9	-	-
GDF SUEZ December 2013 plan	2,801,690	8	6	-
GDF SUEZ Trading February 2014 plan	89,991	13	-	-
GDF SUEZ December 2014 plan	3,391,873	12	1	-
SUEZ Environnement Company share plans			**-**	**6**
TOTAL			**10**	**83**

(1) Weighted average value where applicable.

NOTE 25 Related party transactions

This note describes material transactions between the Group and related parties.

Compensation payable to key management personnel is disclosed in Note 26 “Executive compensation”.

Transactions with joint ventures and associates are described in Note 4 "Investments in entities accounted for using the equity method".

Only material transactions are described below.

25.1 Relations with the French State and with entities owned or partly owned by the French State

25.1.1 Relations with the French State

The French State owns 33.29% of GDF SUEZ and appoints four representatives to the Group’s 17-member Board of Directors.

The French State holds a golden share aimed at protecting France’s critical interests and ensuring the continuity and safeguarding of supplies in the energy sector. The golden share is granted to the French State indefinitely and entitles it to veto decisions taken by GDF SUEZ if it considers they could harm France’s interests.

Public service engagements in the energy sector are defined by the law of January 3, 2003.

They are implemented by means of a public service contract dated December 23, 2009, which sets out the Group's public service obligations and the conditions for rate regulation in France:

- as part of its public service obligations, the Group is reinforcing its commitments in terms of the protection of goods and individuals, solidarity and assistance to low-income customers, sustainable development and research;
- regarding the conditions for rate regulation in France, a decree was published in connection with the contract redefining the overall regulatory framework for setting and changing natural gas rates in France. The mechanism as a whole provides clearer direction on the conditions for changing regulated rates, notably through rate change forecasts based on costs incurred.

A new public service contract between the Group and the French State is currently under review.

Transmission rates on the GRTgaz transportation network and the gas distribution network in France, as well as rates for accessing the French LNG terminals, are all regulated.

25.1.2 Relations with EDF

Following the creation on July 1, 2004 of the French gas and electricity distribution network operator (EDF Gaz de France Distribution), Gaz de France SA and EDF entered into an agreement on April 18, 2005 setting out their relationship as regards the distribution business. The December 7, 2006 law on the energy sector reorganized the natural gas and electricity distribution networks. ERDF SA, a subsidiary of EDF SA, and GrDF SA, a subsidiary of GDF SUEZ SA, were created on January 1, 2007 and January 1, 2008, respectively, and act in accordance with the agreement previously signed by the two incumbent operators.

25.2 Relations with the CNIEG (Caisse Nationale des Industries Électriques et Gazières)

The Group's relations with the CNIEG, which manages all old-age, death and disability benefits for active and retired employees of the Group who belong to the special EGI pension plan, employees of EDF and Non-Nationalized Companies (Entreprises Non Nationalisées – ENN), are described in Note 20 "Post-employment benefits and other long-term benefits".

25.3 Transactions with joint arrangements classified as joint operations

Transactions with joint arrangements classified as joint operations within the Group did not have a material impact on the financial statements at December 31, 2014.

NOTE 26 Executive compensation

Executive compensation presented below includes compensation for the Group's members of the Executive Committee and the Board of Directors.

The Executive Committee had 20 members in 2014 compared to 19 in 2013.

Their compensation breaks down as follows:

In millions of euros	**Dec. 31, 2014**	**Dec. 31, 2013**
Short-term benefits	25	30
Post-employment benefits	4	4
Shared-based payments	(2)	5
Termination benefits	7	7
TOTAL	**33**	**46**

NOTE 27 Working capital requirements, other assets and other liabilities

27.1 Composition of change in working capital requirements

In millions of euros	Change in working capital requirements at December 31, 2014	Change in working capital requirements at December 31, 2013[1]
Inventories	30	(137)
Trade and other receivables, net	(45)	54
Trade and other payables, net	1,125	689
Tax and employee-related receivables/payables	(782)	172
Margin calls and derivatives instruments hedging commodities relating to trading activities	(1,156)	(388)
Other	(393)	(481)
TOTAL	**(1,221)**	**(91)**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

27.2 Inventories

In millions of euros	Dec. 31, 2014	Dec. 31, 2013[1]
Inventories of natural gas, net	2,269	2,489
CO_2 emission allowances, green certificates and certificates of energy efficiency commitment, net	411	322
Inventories of commodities other than gas and other inventories, net	2,210	2,162
TOTAL	**4,891**	**4,973**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

27.3 Other assets and other liabilities

Other current assets (€10,049 million) and other non-current assets (€557 million) mainly comprise tax receivables.

Other current liabilities (€14,370 million) and other non-current liabilities (€1,363 million) mainly include tax and employee-related liabilities.

NOTE 28 Legal and anti-trust proceedings

The Group is party to a number of legal and anti-trust proceedings with third parties or with legal and/or administrative authorities (including tax authorities) in the normal course of its business.

Provisions recorded in respect of these proceedings totaled €891 million at December 31, 2014 (€871 million at December 31, 2013).

The main legal and arbitration proceedings presented hereafter are recognized as liabilities or give rise to contingent assets or liabilities.

28.1 Legal and arbitration proceedings

28.1.1 Electrabel – Hungarian State

Electrabel, a GDF SUEZ company, filed international arbitration proceedings against the Hungarian State before the International Center for Settlement of Investment Disputes (ICSID) for breach of obligations pursuant to the Energy Charter Treaty. The dispute mainly pertains to the termination of a long-term power purchase agreement (the DUNAMENTI PPA") entered into between the power plant operator DUNAMENTI Erőmű (former Group subsidiary disposed of on June 30, 2014) and MVM (a company controlled by the Hungarian State) on October 10, 1995. On November 30, 2012, the Court of arbitration rejected the Group's claims, except for the claim based on the principle of fair and equitable treatment, on which a ruling in principle is pending. If the Court of arbitration finds that Hungary breached the principle of fair and equitable treatment, the final ruling setting the amount of damages due will be deferred to 2016, after the long-term agreement's initial termination date in 2015 in order to allow the court of arbitration to rule on said damages based on a detailed assessment of stranded costs.[1]

28.1.2 Squeeze-out bid for Electrabel shares

On July 10, 2007, three shareholders, Deminor and two other funds, initiated proceedings before the Brussels Court of Appeal against SUEZ and Electrabel under which they sought additional consideration following the squeeze-out bid launched by SUEZ in June 2007 on Electrabel shares that it did not already own. The Court of Appeal dismissed the application on December 1, 2008.

Following the appeal brought by Deminor and others on May 22, 2009, the Court of Cassation overturned the ruling of the Brussels Court of Appeal on June 27, 2011. In a subpoena dated December 28, 2012, Deminor and others launched proceedings against GDF SUEZ before the Brussels Court of Appeal, sitting in a different formation, in order for the Court to rule on their claim for additional consideration. The trial stage of the proceedings ended on October 15, 2014 and the deliberations have commenced.

A similar demand for additional consideration, submitted to the Brussels Court of Appeal by Messrs. Geenen and others, but without naming Electrabel and the FSMA *(Autorité belge des services et marchés financiers*, formerly the *Commission bancaire, financière et des assurances*) as defendants, was dismissed on December 24, 2009 on procedural grounds. Mr Geenen lodged an appeal before the Court of Cassation against the ruling of December 24, 2009 on June 2, 2010. The Court of Cassation delivered a ruling overturning the ruling of the Brussels Court of Appeal on May 3, 2012.

28.1.3 La Compagnie du Vent

On November 27, 2007, GDF SUEZ acquired a 56.84% stake in La Compagnie du Vent, with the original owner SOPER retaining a 43.16% stake. At the time of the acquisition, the founder of the company (and owner of SOPER), Jean-Michel Germa, remained the Chairman and Chief Executive Officer of La Compagnie du Vent. GDF SUEZ currently holds a 59% stake in La Compagnie du Vent.

Since 2011, GDF SUEZ has been involved in various disputes with Jean-Michel Germa and SOPER regarding Mr Germa's dismissal as Chairman and Chief Executive Officer. Following the cancellation of La Compagnie du Vent's first General Meeting on May 27, 2011 by the Montpellier Appeal Court, a second General Meeting on November 3, 2011 finally appointed a new Chief Executive, who was put forward by GDF SUEZ.

However, the main proceedings still pending are: (i) the legal proceedings launched against SOPER by La Compagnie du Vent before the Montpellier Commercial Court on August 23, 2011, which were aimed at ordering the latter to make good the non-material harm suffered by La Compagnie du Vent as a result of the undue use of minority influence through a payment of €500,000, (ii) the legal proceedings relating to contractual responsibility and negligence launched against GDF SUEZ by Jean-Michel Germa, at the time when the latter was dismissed as Chairman and Chief Executive Officer of La Compagnie du Vent, before the Paris Commercial Court on February 15, 2012, (iii) the proceedings launched against GDF SUEZ, La Compagnie du Vent and the current Chairman and Chief Executive by SOPER before the Montpellier Commercial Court on May 21, 2012, which request a legal review of certain management decisions, in order to obtain compensation, (iv) the proceedings launched by SOPER before the Paris Commercial Court on January 18, 2013, with a view to ordering GDF SUEZ to pay compensation of around €214 million to SOPER as a result of the alleged breach of the agreement and of the partners' agreement signed in 2007, and (v) the proceedings launched by SOPER before the Paris Commercial Court on May 16, 2013 with the aim that GDF SUEZ be forbidden from exercising the share subscription warrants under the terms and conditions set out in the partners' agreement, claiming that GDF SUEZ prevented La Compagnie du Vent from attaining the performance targets to be met to exercise these warrants.

Regarding the put option on the 5% interest in La Compagnie du Vent held by SOPER, the price of the shares was set by an expert following the contractually agreed procedure. These shares were transferred on February 18, 2013. On April 26, 2013, SOPER brought another action before the Paris Commercial Court seeking the cancellation of the expert's report and the appointment of a new expert to set the price of the shares. The case has been brought before the Créteil Commercial Court.

(1) See also Note 28.2.3 "Long-term Power Purchase Agreements in Hungary".

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28.1.4 Freeze of regulated natural gas tariffs in France

Legal proceedings regarding Decree No. 2013-400 of May 16, 2013 amending Decree No. 2009-1603 of December 18, 2009 relating to regulated natural gas tariffs

In July 2013, ANODE, the French national energy retailers association *(Association nationales des opérateurs détaillants en énergie)* launched an appeal with the *Conseil d'État* requesting the annulment of Decree No. 2013-400 of May 16, 2013 amending Decree No. 2009-1603 of December 18, 2009 relating to regulated natural gas tariffs.

ANODE contends that the regulated natural gas tariff framework is inconsistent with the objectives of Directive 2009/73/EC concerning common rules for the natural gas internal market, and Article 106.1 of the Treaty on the Functioning of the European Union. On December 15, 2014, the *Conseil d'État* ordered a stay of proceedings pending the Court of Justice of the European Union's preliminary ruling on these matters.

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

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

Electrabel launched proceedings before the Brussels Court of Appeal to cancel the CREG's decision. On February 6, 2013, the Brussels Court of Appeal overturned the CREG's decision of December 22, 2011 in its entirety (ex tunc and with *erga omnes* effect). On May 24, 2013, the CREG appealed the decision handed down by the Brussels Court of Appeal on February 6, 2013 before the Court of Cassation. The proceedings are ongoing.

Consequently, and in the absence of regulated tariffs, ELIA submitted another tariff proposal (covering the period between 2012 and 2015) which was approved by the CREG on May 16, 2013. However, proceedings to overturn this decision by the CREG were again launched before the Brussels Court of Appeal on June 14, 2013, this time by the Federation of Belgian Industrial Energy Consumers (Febeliec). Electrabel intervened in these proceedings in order to defend the tariffs that were approved on May 16, 2013 and submitted its pleadings on October 30, 2013. The case was heard on September 17, 2014.

28.1.6 Italy - Vado Ligure

On March 11, 2014, following the publication of a number of articles in the press and at the request of the Prosecutor, the court of Savona seized and closed down the VL3 and VL4 coal-fired production units at the Vado Ligure thermal power plant belonging to Tirreno Power S.p.A. (TP), a company which is 50%-owned by the GDF SUEZ Group and accounted for using the equity method. This decision was taken as part of a criminal investigation into environmental infringements, public health risks and breaches of the IPPC (Integrated Pollution Prevention and Control) license. On May 14, 2014, TP filed a petition for the annulment of the decision. The petition was rejected.

At the same time, the Italian Ministry for the Environment (MATTM) carried out administrative procedures regarding various production units at the Vado Ligure thermal power plant, some of which have been appealed before the Administrative Court.

28.1.7 Argentina

As a reminder, prior to the merger of SUEZ and Gaz de France and the stock market listing of SUEZ Environnement Company, SUEZ and SUEZ Environnement entered into an agreement providing for the economic transfer to SUEZ Environnement of the rights and obligations relating to the ownership interest held by SUEZ in Aguas Argentinas (AASA) and Aguas Provinciales de Santa Fe (APSF).

In Argentina, the Public Emergency and Exchange Regime Reform Act (Emergency Act), enacted in January 2002, froze concession contract tariff increases by preventing the application of tariff indexation clauses in the event of a loss in value of the Argentine peso against the US dollar. In 2003, SUEZ (now GDF SUEZ) and its joint shareholders, water distribution concession operators in Buenos Aires and Santa Fe, launched two arbitration proceedings against the Argentinean State, in its capacity as concession grantor, before the ICSID. The purpose of these proceedings is to enforce concession contract clauses in accordance with the France-Argentine Bilateral Investment Protection Treaties.

These ICSID arbitration proceedings aim to obtain compensation for the loss in value of investments made since the start of the concession, as a consequence of measures taken by the Argentinean State following the adoption of the above-mentioned Emergency Act. The hearings for both proceedings took place in 2007. Alongside the ICSID proceedings, the concession operators AASA and APSF were forced to launch proceedings to terminate their concession contracts before the local administrative courts.

However, due to a decline in the financial position of the concession-holding companies since the Emergency Act, APSF announced at its Shareholders' Meeting of January 13, 2006 that it was filing for bankruptcy.

At the same time, AASA filed for "*Concurso Preventivo*[(1)]". As part of this procedure, a settlement proposal involving the novation of AASA's admissible liabilities, approved by creditors and confirmed by the bankruptcy court on April 11, 2008 enabled the settlement of some of these liabilities. The proposal provides for an initial payment of 20% of these liabilities[(2)] (upon confirmation), and a second payment of 20% in the event that compensation is obtained from the Argentinean State. As controlling shareholders, GDF SUEZ and Agbar decided to financially support AASA in making this initial payment and paid sums of USD 6.1 million and USD 3.8 million respectively, at the time of confirmation.

By two decisions dated July 30, 2010, ICSID recognized the liability of the Argentinean State in the termination of water distribution and treatment concession contracts in Buenos Aires and Santa Fe. The amount of damages to be paid in compensation for the losses sustained is to be set by experts.

(1) Similar to the French bankruptcy procedure

(2) Approximately USD 40 million.

A first independent report regarding the Buenos Aires concession was submitted to the ICSID in September 2013, followed by the independent expert's report on the Santa Fe concession in April 2014. A series of hearings took place between the end of July and early August 2014. The proceedings are currently ongoing.

28.1.8 Fos Cavaou – Construction

On January 17, 2012, Fosmax LNG[1], 72.5%-owned by ELENGY and 27.5%-owned by Total, submitted a request for arbitration to the ICC International Court of Arbitration against a consortium consisting of SOFREGAZ, TECNIMONT SpA and SAIPEM SA (STS).

The dispute relates to the construction of the LNG terminal belonging to Fosmax LNG to be used for LNG unloading, storage, regasification and injection in the gas transportation network.

The terminal was constructed by STS under a fixed lump-sum turnkey contract entered into on May 17, 2004, which included construction work and supplies. The deadline for the completion of the work was September 15, 2008, subject to late payment penalties.

The performance of the contract was marked by a series of difficulties. In view of the fact that STS refused to complete part of the works and delivered an incomplete terminal with an 18-month delay, Fosmax LNG contracted other companies to complete the construction of that part of the works in 2010.

Fosmax LNG instituted arbitration proceedings under the aegis of the ICC, seeking compensation for the losses sustained. Fosmax LNG submitted its statement of claim on October 19, 2012. STS filed its statement of defence and counterclaims on January 28, 2013. After the parties exchanged their pleadings in accordance with the procedure, the hearings took place at the arbitration court from November 18 to 22, 2013.

On February 13, 2015, the arbitration court delivered its award, according to which STS must pay Fosmax LNG: (i) late payment penalties of €48.2 million plus interest; (ii) €19.1 million in costs related to setbacks, disturbances and defects at the construction site; and (iii) €1.4 million in relation to downpayments made by Fosmax LNG. In turn, Fosmax LNG must pay STS: (i) €87.9 million plus interest for additional expenses (related to the construction of the terminal, engineering, supervision and other completion costs) incurred by STS to finish the work; (ii) €36.2 million plus interest corresponding to the amount of the first demand guarantee called by Fosmax LNG to finance the public work contract; and (iii) €3.9 million plus interest for STS invoices unpaid by Fosmax LNG. Excluding interest, Fosmax LNG must therefore settle a total net amount of €59.2 million.

28.1.9 Cofely España

On October 27, 2014, proceedings were brought against a number of Cofely España employees under the Spanish legal system in connection with an investigation into the awarding of contracts. Cofely España was subsequently placed under investigation.

28.1.10 Objection to Belgian nuclear contributions

The December 22, 2008 program act *(loi-programme)* provisions imposed a €250 million tax on nuclear power generators. Electrabel, a GDF SUEZ Group company, filed an appeal with the Belgian Constitutional Court, which rejected this claim by a decision dated March 30, 2010. In addition, the tax was renewed for 2009[2], 2010[3] and 2011[4] then doubled in 2012, 2013 and 2014. Electrabel has therefore paid a total of €2.16 billion in this respect. Pursuant to a Memorandum of Understanding signed on October 22, 2009 between the Belgian State and the Group, this tax should not have been renewed but should have been replaced by a contribution related to the extension of the period over which certain nuclear power facilities are operated.

In September 2011, Electrabel requested a reimbursement of the nuclear contributions paid between 2008 and 2011 on the grounds that they should be deemed illegal and were thus received unlawfully by the Belgian State. In April 2014, the Brussels Court of First Instance dismissed the claim filed by Electrabel, which launched an appeal against this decision before the Brussels Court of Appeal on May 20, 2014. The proceedings are currently ongoing.

On June 11, 2013, Electrabel filed an appeal with the Belgian Constitutional Court seeking the partial annulment of the law of December 27, 2012 amending the law of April 11, 2003 governing the provisions for dismantling nuclear power plants and the management of irradiated fissile materials, and in particular, the articles establishing a €550 million contribution payable by operators of nuclear plants for 2012, of which €479 million to be borne by Electrabel. On July 17, 2014, the Belgian Constitutional Court rejected the claim filed by Electrabel.

On June 12, 2014, Electrabel filed an appeal with the Belgian Constitutional Court seeking the partial annulment of the law of December 26, 2013 amending the law of April 11, 2003 governing the provisions for dismantling nuclear power plants and the management of irradiated fissile materials, and in particular, the articles establishing a €481 million contribution payable by operators of nuclear plants for 2013, of which €421 million to be borne by Electrabel. The proceedings are currently ongoing.

Lastly, on September 5, 2014, Electrabel lodged a complaint in respect of nuclear contributions with the European Commission alleging that between 2008 and 2013, the Belgian State granted illegal State aid to power generators that were not subject to such contributions. The Commission is currently examining the complaint, which has been expanded to cover the 2014 contribution.

The law of December 19, 2014 provides for a €470 million contribution payable by operators of nuclear plants for 2014, of which €407 million to be borne by Electrabel.

(1) Formerly Société du Terminal Méthanier de Fos Cavaou.

(2) Law of December 23, 2009.

(3) Law of December 29, 2010.

(4) Law of January 8, 2012.

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28.1.11 Claim by E.On regarding nuclear contributions in Germany and Belgium

On November 26, 2014, E.On Kernkraft GmbH (hereinafter "E.On") submitted a request for arbitration to the ICC International Court of Arbitration against Electrabel. E.On is seeking (i) the payment by Electrabel of a portion of the German nuclear contribution in the amount of approximately €35.9 million plus interest and (ii) the repayment of the Belgian nuclear contribution paid by E.On in the amount of approximately €200 million plus interest.

28.1.12 Tihange 1 – Belgium

On December 9, 2014, Greenpeace filed an application for interim measures to the Brussels Court of First Instance. The application claims that the Belgian State and the Federal Agency for Nuclear Control *(Autorité Fédérale de Contrôle Nucléaire)* breached some of their obligations at international level in allowing the lifetime of the Tihange 1 plant to be extended. Electrabel joined the proceedings in order to argue its position. The case will be heard on March 16, 2015.

28.1.13 Wind farms Maestrale - Italy

On February 13, 2013, the Group, via its subsidiary International Power, disposed of 80% of IP Maestrale and its subsidiaries to the Italian company ERG.

On November 5, 2014, ERG informed International Power Consolidated Holdings Limited, a GDF SUEZ company, that the Italian Ministry of Economic Development had revoked the subsidies permitted under the "Maestrale" law no. 488/1192 by a decree. Pursuant to this decree, the companies concerned must repay the subsidies that have been paid up until now, plus interest, within sixty days of notification to do so.

Further to the acquisition of the companies that benefited from said subsidies, ERG is seeking from the Group the repayment of losses incurred (around €45.8 million) pursuant to the agreement for the sale of the companies concerned.

28.1.14 Claims by the Belgian tax and energy authorities

The Belgian Energy Authority has claimed a total amount in tax of €356 million on unused facilities from Electrabel for the period between 2006 and 2011. Given the ruling issued by the Brussels Court of First Instance on February 17, 2010 regarding the tax for facilities that were not used between 2006 and 2008, which is very largely in its favor, Electrabel has filed a return for the only facility that it believes should be subject to this tax for 2009, 2010, and 2011. Meanwhile, the Authority has upheld its previous position and has assessed tax for seven facilities (including the facility declared) for each of those years. Electrabel initially opposed these taxes via an administrative claim, and then by submitting an appeal to the Brussels Court of First Instance. The Belgian State appealed the Court's decision of February 2010 in July 2014. The proceedings are currently ongoing. Electrabel has not paid the tax for 2009 and 2010, as it considered that it was assessed late. However, it has paid an amount of €6.25 million in respect of the 2011 tax for the declared facility. Electrabel has not submitted a return for either 2012, 2013 or 2014, as the only facility likely to be subject to the tax on unused facilities no longer has an electricity generation operating license. The Belgian Energy Authority has upheld its previous position and has assessed tax for seven facilities in respect of 2012, 2013 and 2014, totaling €67.5 million for each year. Electrabel is disputing these taxes via an administrative claim, and by appealing to the Brussels Court of First Instance. In a ruling of September 24, 2014 concerning the payment of tax on unused facilities in 2009, the Court ordered an expert testimony to be given on the technical constraints based on which these sites may be ineligible for the tax.

28.1.15 Claim by the French tax authorities

In their tax deficiency notice dated December 22, 2008, the French tax authorities questioned the tax treatment of the non-recourse sale by SUEZ of a withholding tax *(précompte)* receivable in 2005 for an amount of €995 million. On July 7, 2009, they informed GDF SUEZ SA that they maintained their position, which was confirmed on December 7, 2011.

Regarding the dispute about the *précompte* itself – in respect of which the receivable was sold – in 2014 the Paris Court of Appeal followed the *Conseil d'État*'s case law by recognizing that the *précompte* was incompatible with EU law in accordance with the Court of Justice of the European Union's position. However, the court significantly reduced the amount awarded to SUEZ in respect of the 1999, 2000, and 2001 fiscal years. The Cergy Pontoise Administrative Court adopted an identical position for the amounts claimed by SUEZ in respect of the 2002/2003 and 2004 fiscal years. GDF SUEZ appealed this decision and also intends to appeal the Paris Appeal Court's decision.

At the same time, in November 2014 the European Commission formally recognized the validity of the arguments put forward by GDF SUEZ and several other French taxpayers against the principles recommended by the *Conseil d'État* for calculating the amounts to be refunded. The Commission has asked the French State for clarification.

28.1.16 Claim by the Dutch tax authorities

Based on a disputable interpretation of a statutory modification that came into force in 2007, the Dutch tax authorities refuse the deductibility of a portion of the interest paid on financing contracted for the acquisition of investments made in the Netherlands in 2000. The amount of tax and default interest claimed up until December 31, 2008 amounts to €127 million. An appeal has been filed against these tax claims. On December 22, 2014 and January 28, 2015, respectively, the Dutch tax authorities issued tax assessments for the 2009 and 2010 fiscal years. The amount of tax and default interest claimed in respect of the interest deductibility amounts to €53.6 million for 2009 and €29.6 million for 2010. An appeal will be filed against these tax assessments. The total amount of tax and default interest assessed up until December 31, 2010 amounts to €210.2 million.

28.1.17 Total Energie Gaz

GDF SUEZ buys natural gas from Total Energie Gaz (TEGAZ), a subsidiary of the Total Group, under an agreement entered into on October 17, 2004 (the "Agreement"), and asked for a review of the contractual price with effect from May 1, 2011. As the negotiations with TEGAZ were not successful, GDF SUEZ submitted the dispute involving the review of the contractual price to a panel of experts, in March 2012, in accordance with the Agreement. On June 5, 2012, TEGAZ gave notice of a dispute regarding the interpretation of certain clauses in the aforementioned Agreement, which was the subject of arbitration proceedings, in accordance with the regulations of the French Arbitration Association (AFA).

After the parties exchanged their pleadings, the hearings regarding the interpretation of certain provisions of the purchase agreement (the "Agreement") took place at the arbitration court between January 27 and January 30, 2014. The award, which was delivered on May 13, 2014, dismissed all of TEGAZ's claims regarding the interpretation of the Agreement, particularly those concerning the provisions pertaining to the review of the contractual price.

The expertise proceedings in the dispute regarding the review of the contractual price have resumed. On February 7, 2015, the panel of experts gave a first favorable response to the Group's request to review the contract price of natural gas purchased from May 1, 2011 to October 31, 2014 under the natural gas supply agreement with TEGAZ. The panel of experts confirmed that the request for price review addressed by the Group was justified and determined a new contractual pricing formula, therefore granting a price decrease to the Group.

28.2 Competition and concentration

28.2.1 "Accès France" proceedings

On May 22, 2008, the European Commission announced its decision to initiate formal proceedings against Gaz de France for a suspected breach of EU rules pertaining to abuse of dominant position and restrictive business practices. The proceedings relate to a combination of long-term transport capacity reservation and a network of import agreements, as well as potential underinvestment in transport and import infrastructure capacity.

On June 22, 2009, the Commission sent GDF SUEZ, GRTgaz and ELENGY a preliminary assessment in which it alleged that GDF SUEZ might have abused its dominant position in the gas sector by foreclosing access to gas import capacity in France. On June 24, 2009, GDF SUEZ, GRTgaz and ELENGY offered commitments in response to the preliminary assessment, while expressing their disagreement with the conclusions it contained.

These commitments were submitted to a market test on July 9, 2009, following which the Commission informed GDF SUEZ, GRTgaz and ELENGY of how third parties had responded. On October 21, 2009, GDF SUEZ, GRTgaz and ELENGY filed amended commitments aimed at facilitating access to and competition on the French natural gas market. On December 3, 2009, the Commission adopted a decision that rendered these commitments legally binding. This decision by the Commission put an end to the proceedings initiated in May 2008. GDF SUEZ, GRTgaz and ELENGY are continuing to fulfill the commitments under the supervision of a trustee (Advolis) approved by the European Commission.

28.2.2 Compagnie Nationale du Rhône

On June 10, 2009 the European Commission decided to impose a fine of €20 million on Electrabel, GDF SUEZ Group, for (i) having acquired Compagnie Nationale du Rhône (CNR) at the end of 2003, without notifying the Commission (ii) and for having carried out this acquisition before its authorization by the European Commission. The decision was handed down further to a statement of objections sent by the European Commission on December 17, 2008, to which Electrabel responded in its observations in reply filed on February 16, 2009. On August 20, 2009 Electrabel brought an action for annulment of the Commission's decision before the General Court of the European Union. In its ruling of December 12, 2012, the Court rejected the appeal against the European Commission's decision in its entirety. Electrabel has appealed the Court's decision before the Court of Justice of the European Union, which rejected the appeal on July 3, 2014. The Commission's decision is therefore now final.

28.2.3 Long-term Power Purchase Agreements in Hungary

The European Commission handed down a decision on June 4, 2008, according to which the long-term Power Purchase Agreements entered into between power generators and the Hungarian State, which were in force at the time of Hungary's accession to the European Union, in particular the agreement between DUNAMENTI Erőmű (a former group subsidiary) and MVM, constituted illegal State aid, incompatible with the Treaty on the Functioning of the European Union. It asked the Hungarian State to terminate these agreements, recover the related State aid from the power generators and, when necessary, to indemnify the parties to the agreements via a compensation mechanism for stranded costs. The set-off mechanism was approved by the European Commission on April 27, 2010. The Hungarian government then passed a law providing for the termination of the Power Purchase Agreements with effect from December 31, 2008 and the recovery of the related State aid. DUNAMENTI Erőmű brought an action before the Court of the European Union on April 28, 2009 for annulment of the Commission's decision of June 4, 2008. The hearing took place on May 15, 2013 and the European Commission's decision was upheld by the Court in its ruling of April 30, 2014. On June 30, 2014, Electrabel sold its interest in DUNAMENTI Erőmű, preserving nonetheless the rights that could arise from the appeal before the Court of Justice. On July 17, 2014, DUNAMENTI Erőmű and Electrabel appealed the decision before the Court of Justice of the European Union. The appeal is pending and the Court has not yet announced when it will deliver its decision.

On April 27, 2010, the European Commission handed down a decision approving the State aid payable by DUNAMENTI Erőmű and the amount of its stranded costs and allowing DUNAMENTI Erőmű to offset the State aid deemed illegal and the stranded costs. The set-off mechanism exempted DUNAMENTI Erőmű from the obligation to pay back the State aid deemed illegal. In 2015, at the initial expiration date of DUNAMENTI Erőmű's long-term Power Purchase Agreement, Hungary will recalculate the amount of stranded costs, which could result in DUNAMENTI Erőmű having to reimburse aid at that time[(1)].

Furthermore, on January 10, 2014, DUNAMENTI Erőmű and its main shareholder Electrabel filed an action before the General Court of the European Union seeking damages from the European Commission in the event that the decision of June 4, 2008 should be annulled. The Court rejected the action on November 13, 2014. Electrabel and DUNAMENTI Erőmű appealed the decision before the European Court of Justice on January 23, 2015. The appeal is pending and the Court has not yet announced when it will deliver its decision.

28.2.4 Inquiry into the Belgian electricity wholesale market

In September 2009 and June 2010, the Belgian Competition Authority organized raids on several companies operating in Belgium's electricity wholesale market, including Electrabel, a GDF SUEZ company.

On November 29, 2013 Auditorat (the prosecuting body of the Belgian competition authority) submitted a draft decision to the President of the Belgian competition authority[(2)] as well as to Electrabel. The draft decision, which confirmed the Auditorat's report filed on February 7, 2013, alleged that Electrabel may have abused its dominant position[(3)]. Electrabel formally disputed these allegations in written observations and at the hearing before the College of Competition Prosecutors on May 20, 2014.

In its decision of July 18, 2014, the College found that Electrabel had abused its dominant position and ordered it to pay a fine of €2 million. The College dismissed most of the claims brought by the Auditorat against Electrabel. It considered, on the one hand, that Electrabel had not sought to underuse its capacity and, on the other hand, that it had fully satisfied its contractual obligations with respect to ELIA, the electricity transmission grid operator. The College simply held that Electrabel may have marginally sold an insignificant quantity of its reserves (50 MW, i.e., less than 0.5% of its capacity) on the short-term wholesale market at a price that generated an unjustified margin. As no appeal was filed, the College's decision is final.

28.2.5 Gas and electricity supply markets in France

On April 15, 2014, Direct Energie lodged a complaint with the competition authorities against GDF SUEZ for alleged abuse of a dominant position on the gas and electricity supply markets, as well as a request for protective interim measures.

The hearing concerning the interim protective measures was held on July 9, 2014 and the competition authority rendered a decision on September 9, 2014.

As a protective interim measure and pending a decision on the merits, the authority ordered GDF SUEZ to grant, upon request and at its own cost, to companies in possession of a ministerial authorization to provide natural gas, access to certain information regarding customers subject to regulated natural gas tariffs in objective, transparent and non-discriminatory conditions.

In the event that this order is not fulfilled by the specified date, GDF SUEZ will be required to suspend all commercialization of its natural gas market offerings.

GDF SUEZ appealed this decision on September 19, 2014. The hearing was held on October 9, 2014 and the Paris Court of Appeal rendered a decision on October 31, 2014. The Court of Appeal upheld the competition authority's decision, but amended the following points: the date for access to the required information has been deferred to November 13, 2014 for legal entities and to January 15, 2015 for individuals; residential customers and the professionals acting as contact person for a legal entity were informed before the information was disclosed and had five days to oppose the disclosure; the wording of the letter required to be sent to residential customers was changed slightly so as not to prejudge the decision on the merits.

GDF SUEZ has appealed the decision handed down by the Court of Appeal before the Court of Cassation.

GDF SUEZ is currently implementing the interim measures imposed by the authorities in order to comply with the requirements of the decision and, therefore, provides access to the information in the files concerned to alternative suppliers at their request.

NOTE 29 Subsequent events

No significant subsequent events have occurred since the closing of the accounts at December 31, 2014.

(1) Refer also to Note 28.1.1 "Legal and arbitration proceedings/Electrabel – Hungarian State".

(2) Further to the entry into force on September 6, 2013 of the law of April 3, 2013, inserting additional clauses into Books IV and V of the Belgian Code of Economic Law (Code de droit économique), the Belgian Competition Authority has replaced the previous competition authority.

(3) The Authority's new decision-making body.

NOTE 30 Fees paid to the statutory auditors and to members of their networks

Pursuant to Article 222-8 of the Regulation of the Financial Market Authority, the following table presents information on the fees paid by GDF SUEZ SA, its fully consolidated subsidiaries and joint operations to each of the auditors in charge of controlling the annual and consolidated accounts of GDF SUEZ Group.

The General Assembly of GDF SUEZ SA of April 28, 2014 decided to renew the mandate of Statutory Auditors Deloitte and EY firms for a period of six years covering the years 2014-2019.

	EY				Deloitte				Mazars	
	Amount		%		Amount		%		Amount	%
In millions of euros	2014	2013(1)	2014	2013(1)	2014	2013(1)	2014	2013(1)	2013(1)	2013(1)
Audit										
Statutory audit, attest engagements and review of consolidated and parent company financial statements										
• GDF SUEZ SA	1.9	1.9	17.7%	16.3%	1.2	1.1	8.5%	6.2%	1.1	25.2%
• Fully consolidated subsidiaries and joint operations	6.8	7.8	63.6%	68.8%	11.1	14.3	76.7%	76.9%	2.6	59.7%
Other audit-related procedures and services										
• GDF SUEZ SA	0.4	0.3	3.7%	2.7%	0.7	0.8	4.5%	4.3%	0.1	3.3%
• Fully consolidated subsidiaries and joint operations	1.0	0.6	9.3%	5.1%	0.9	1.1	6.1%	6.2%	0.5	11.5%
SUB-TOTAL	**10.1**	**10.6**	**94.4%**	**92.9%**	**13.8**	**17.3**	**95.8%**	**93.5%**	**4.4**	**99.7%**
Other services										
• Tax	0.6	0.7	5.6%	6.0%	0.5	0.8	3.2%	4.5%	-	-
• Other	-	0.1	-	1.0%	0.1	0.4	1.0%	2.0%	-	0.3%
SUB-TOTAL	**0.6**	**0.8**	**5.6%**	**7.1%**	**0.6**	**1.2**	**4.2%**	**6.5%**	**-**	**0.3%**
TOTAL	**10.7**	**11.4**	**100%**	**100%**	**14.4**	**18.5**	**100%**	**100%**	**4.4**	**100%**

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards (see Note 2).

2013 fees include fees from the SUEZ Environnement business line until July 22, 2013, date of the loss of control of SUEZ Environnement Company by the Group *(see Note 5.7)*.

NOTE 31 Information regarding Luxembourg and Dutch companies exempted from the requirement to publish annual financial statements

Some companies in the Energy Europe and Other business lines do not publish annual financial statements pursuant to domestic provisions in Luxembourg law (article 70 of the Law of December 19, 2002) and Dutch law (article 403 of the Civil Code) relating to the exemption from the requirement to publish audited annual financial statements.

The companies exempted are: GDF SUEZ Energie Nederland NV, GDF SUEZ Energie Nederland Holding BV, Electrabel Nederland Retail BV, Electrabel United Consumers Energie BV, Epon Eemscentrale III BV, Epon Eemscentrale IV BV, Epon Eemscentrale V BV, Epon Eemscentrale VI BV, Epon Eemscentrale VII BV, Epon Eemscentrale VIII BV, Epon International BV, Epon Power Engineering BV, GDF SUEZ Portfolio Management BV, Electrabel Invest Luxembourg, GDF SUEZ Corp Luxembourg SARL, GDF SUEZ Treasury Management SARL and GDF SUEZ Invest International SA.

Our values
drive
commitment
daring
cohesion

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