GDF SUEZ

ÊTRE UTILE AUX HOMMES

Press **release**

February 26th, 2015

2014 annual results: all financial targets achieved

- **Current operating income[1] show strong organic growth of + 8.2%,** excluding weather effect in France and gas tariff recoup booked in 2013
- **Dividend of EUR 1 per share** with respect to fiscal year 2014, payable in cash[2]

The Group reaches its objectives at average weather in France thanks to (a) its geographic diversity, (b) its well balanced portfolio between regulated/contracted activities and merchant activities and (c) the synergies and performance gains realized in the context of the *Perform 2015* plan, despite unfavorable exogenous events (drought in Brazil and temporary outage of three nuclear units).

	31/12/2014 (in €bn)	31/12/2014 at average weather	Indications & guidance 2014*	Gross Variation vs 2013	Variation excluding weather & tariff** vs 2013
Revenues	**74.7**	75.9		- 6.6 %	- 4.4 %
Ebitda	**12.1**	12.5	12.3-13.3	- 6.7 %	+ 2.4 %
Current Operating Income[1]	**7.2**	7.5	7.2-8.2	- 6.6 %	+ 8.2 %
Net recurring income, Group share[3]	**3.1**	3.4	3.1-3.5	- 9.4 %	+ 5.7 %
Net income, Group share	**2.4**				
Cash Flow from Operations (CFFO)	**7.9**				
Net debt/Ebitda	**2.3 x**				

2013 figures pro forma with equity consolidation of Suez Environnement as of January 1t, 2013 and restated under IFRS 10-11
**guidance on net recurring income has been adjusted on June 12th, 2014, following the extended outage of Doel 3 and Tihange 2*
*** organic variation (Revenues, Ebitda, COI) / gross (net recurring income, Group share) adjusted for weather effect in France and gas tariff recoup booked in 2013*

2015 financial targets[4] : 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 EUR - 900 million on Ebitda 2015 and EUR - 350 million on Net recurring income, Group share, based on forward prices as of December 31st, 2014), the Group has decided to launch a **quick operational reaction plan** in addition to *Perform 2015*, focused on **targeted reductions** in opex (EUR 250 million impact on Ebitda 2015) combined with a shift of some growth capex (EUR 2 billion over 2015-2016).

This plan enables the Group to announce for 2015 **a Net recurring income, Group share[3] between EUR 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[1] of, respectively, EUR 11.7 to 12.3 billion and EUR 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[5]** between EUR 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[6] of 65-75 % and a minimum of EUR 1 per share, payable in cash.

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[1] after share in net income of entities accounted for using the equity method
[2] including interim dividend of €0.50/share paid in October 2014. Subject to approval at the Annual General Shareholders' Meeting on April 28, 2015
[3] excluding restructuring costs, MtM, impairment, disposals, other non-recurring items and associated tax impact and nuclear contribution in Belgium
[4] 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 1st, 2015, no significant regulatory and macro-economic changes, commodity price assumptions based on market conditions as of December 31st, 2014 for the non-hedged part of the production, and average foreign exchange rates as follows for 2015 : €/$: 1.22, €/BRL : 3.23
[5] net capex = gross capex – disposals (cash and net debt impact)
[6] based on net recurring income, Group share

During the full year results presentation, Gérard Mestrallet, Chairman and Chief Executive Officer of GDF SUEZ, stated: *"In a very challenging context, the robustness of our business model and financial structure enabled us to reach all our financial targets for 2014. These good results are a testimony of the resilience of GDF SUEZ. We were the first last year to take drastic measures with large asset impairments, taking into account the dramatic change of the energy landscape. We have also redefined our strategy in a clear manner: to be leader in the energy transition in Europe and to be the benchmark energy player in fast growing markets. Thanks to these new orientations, GDF SUEZ has pursued its development in Europe in renewable energies and services, and in all its businesses at the international level. The capital allocation policy for 2014-2016 enables the Group to implement its growth strategy, to pursue its selective and profitable development model and to maintain an attractive dividend policy. We have measured the impact of the recent drop in oil and gas price and have quickly implemented an operational reaction plan. In order to face the continuously evolving energy landscape, our main challenge is to accelerate the transformation of GDF SUEZ. This is also the reason why we have adapted well in advance the governance of our company."*

Analysis of financial data

Revenues of EUR 74.7 billion

Revenues of EUR 74,686 million are in decrease of -6.6% (gross) compared to 2013 and in organic decrease of -7.2%. This decrease is mainly due to the impact of climatic conditions on sales of natural gas in France (2014 was particularly mild) and lower electricity market prices in Europe. Adjusted for weather impact in France as well as the gas tariff recoup booked in 2013, which had a year-on-year total impact of close to EUR 2.3 billion, the organic decrease is limited to -4.4%.

Ebitda of EUR 12.1 billion

Group Ebitda, which amounted to EUR 12,138 million, was down -6.7% (gross) and -4.2% (organic decrease). Adjusted for weather impact in France and the gas tariff recoup booked in 2013, which had a year-on-year total impact of EUR 815 million, Ebitda was up by +2.4% on an organic basis. This indicator was boosted by the positive impact of the commissioning of new assets, a strong operational performance, the positive results of the *Perform 2015* plan and the improvement in net additions to provisions, which were partially offset by outages at three nuclear power plants in Belgium, the fall in electricity market prices in Europe, and particularly adverse hydrological conditions in Brazil.

Ebitda for the **Energy International business line** is up +1.4% on an organic basis, to EUR 3,716 million, impacted by severe hydrological conditions in Brazil (which had a full-year negative impact of around EUR 0.2 billion), compensated by improved performances in the United States, in Thailand, in Chile, in Peru, in the United Kingdom and in Pakistan.

Ebitda for the **Energy Europe business line** is down -29.2% on an organic basis, to EUR 2,020 million, due to exceptionally unfavorable weather conditions, the partial unavailability of three nuclear units in Belgium (Doel 3, Doel 4 and Tihange 2), the fall in prices on the electricity market and the gas tariff recoup in France booked in 2013. Adjusted for weather impact in France and the gas tariff recoup booked in 2013, the organic decrease in Ebitda is limited to -11.5%.

Ebitda for the **Global Gas & LNG business line** reached EUR 2,225 million, with an organic increase of +10.9% compared to end December 2013, mainly due to the rise in total hydrocarbon production following the commissioning of new fields and the strong LNG activity in Europe and Asia, partially offset by the fall in sales prices for Exploration-Production.

Ebitda for the **Infrastructures business line** came to EUR 3,274 million reflecting an organic decrease of -1,7% compared with 2013, mainly due to the milder weather in France, which limit the positive impacts of tariffs increases and of the development in sales of transmission and storage capacities in Europe. Adjusted for weather impact in France, Ebitda is up +6.8% on an organic basis.

Energy Services business line Ebitda amounted to EUR 1,127 million, up by +8.2 % (gross) notably due to acquisitions made in the United Kingdom (Balfour Beatty Workplace and Lend lease) and in the United States (Ecova) and is up +3.2% on an organic basis.

In addition, all business lines contributed to the progress of *Perform 2015* performance plan, which has reached its target on net recurring income one year in advance.

Net recurring income at EUR 3.1 billion

Net recurring income, Group share, at EUR 3.1 billion, is in decrease by EUR 0.3 billion compared to December 31st, 2013. The decline in current operating income after share in net income of entities accounted for using the equity method was largely offset by lower recurring financial expenses thanks to active debt management and also by lower recurring tax expenses.

Net debt at EUR 27.5 billion

Net debt reached EUR 27.5 billion at the end of December 2014, down by EUR 1.3 billion compared to end December 2013, reflecting the following items: (i) cash generated from operations before income tax and working capital requirements for the year (EUR 11.8 billion) and the issue of hybrid notes by GDF SUEZ SA at the beginning of June (EUR 2 billion) (ii) decreased by the change in working capital requirements (EUR 1.2 billion), net capex[7] carried out by the Group (EUR 3.9 billion) as well as dividends paid to GDF SUEZ SA shareholders (EUR 2.8 billion) and to minority shareholders of certain subsidiaries (EUR 0.8 billion). The change in working capital requirements is penalized to the extent of EUR -1.2 billion by the impact of commodity price evolution on margin calls, expected to be temporary and to reverse at the expiry of transactions between 2015 and 2016.

Net debt/Ebitda ratio is **2.3x,** still below the target ≤ 2.5x.

In May, GDF SUEZ successfully issued a EUR 2.5 billion green bond representing the largest amount ever issued on this market at an average coupon of 1.895% for a 9.1 years average duration. GDF SUEZ also issued a new hybrid bond for a total amount of EUR 2 billion with 2 tranches at an average coupon of 3.4%.

At the end of December 2014, the Group posted a high level of **liquidity** of EUR 17.0 billion, EUR 8.9 billion of which was held in cash, and the average cost of gross debt is in decrease for the 3rd year in a row, at 3.14%.

In April 2014, Moody's rating agency confirmed the A1 rating of GDF SUEZ with a stable outlook.
On July 30th 2014, S&P confirmed the A long term rating and revised the outlook from negative to stable.

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[7] net capex = gross capex – disposals (cash and net debt impact)

Implementation of the Group's strategy

In 2014, GDF SUEZ continued implementing its strategy:

To be **the benchmark energy player** in **fast growing markets**

- Start of construction of **the Cameron LNG project** in the US, in which GDF SUEZ holds a 16.6% stake and 4 million tons per annum (mtpa) of liquefaction capacity;
- Signing of **two 20-year LNG sales contract from Cameron LNG project**: one with the Taiwanese company CPC for 0.8 mtpa and the other for 0.3 mtpa with the Japanese utility company Tohoku;
- In **Oman**, inauguration of the Sohar 2 and Barka 3 power plants with a total installed capacity of 1,488 MW;
- In **Abu Dhabi,** financial close of the Mirfa project (1,600 MW);
- In **Morocco**, financial close of the **Safi** IPP project (1,400 MW) and commissioning of the largest wind farm in Africa : **Tarfaya** (300 MW);
- In **South Africa**, the **Kathu** concentrated solar project (100 MW) has been nominated preferred bidder;
- In **Mexico,** start of construction of the **Ramones phase II South** pipeline (291 km);
- In **Brazil**, commercial operation of 24x75 MW of hydro turbines at Jirau and of 115 MW of wind at Trairi and new power purchase agreements (535 MW) for three thermal, wind and biomass projects;
- In **Uruguay**, chartering of the world's largest floating storage and regasification terminal in connection with the GNL del Plata project;
- In **Chile**, award of the auction for the construction of a new plant (375 MW) and of a power transmission line (TEN) that will connect the Mejillones and Copiapó cities;
- In **Pakistan**, inauguration of the 375 MW Uch II gas fired power plant;
- In **China**, signing of a major cooperation agreement with Beijing Enterprise Group to develop energy projects in China and promote development of sustainable urban eco-districts and with Shenergy to develop energy projects in Shanghai. Creation of a joint venture with SCEI DES for the development of distributed energy projects in Sichuan, including a Tri-generation project (power, heating, cooling);
- In **Singapore**, acquisition of SMP Pte, a company specialized in energy efficiency for data centers, and of Keppel FMO, one of the strongest providers of global facility management and property management;
- In **Japan**, signing of **LNG sales contract with Chubu Electric of Japan** (Chubu) representing ca. 1.2 mtpa for a duration of 27 months, starting the first quarter of 2015;
- In **Indonesia**, signature of a cooperation agreement protocol related to a feasibility study for an on-shore LNG terminal;
- Commissioning of Amstel (Netherlands), H-North and Gudrun (Norway) **E&P fields**;
- Signature of an agreement with NYK and Mitsubishi to develop **LNG as marine fuel worldwide**.

To be **leader in the energy transition in Europe**

- In France, GDF SUEZ, EDP Renewables and Neoen Marine consortium associated to AREVA has been awarded projects to install and operate 2x500 MW **offshore wind farms** in the Tréport and the Isles of Yeu and Noirmoutier areas. GDF SUEZ has also been selected as the winner of the Call for Expression of Interest for its tidal power farm project in Raz Blanchard;
- In France, GDF SUEZ has been selected for **10 photovoltaic solar projects** totalling 53.35 MWc and has inaugurated the Besse-sur-Issole photovoltaic facility (13.9 peak MW);
- In France, start of construction of the **first geothermal marine plant** in the Euromed district in Marseille;

- Launch of **GDF SUEZ New Ventures**, an investment fund dedicated to innovative startups: investments in Powerdale, a young Belgian company specialized in energy monitoring and electrical mobility and in Tendril, one of the leading providers of Energy Services Management solutions in the US;
- In the United Kingdom, acquisition of a wind energy developer **West Coast Energy**, of **Lend Lease's facility management** assets and **inauguration of the Stublach** gas storage site;
- Acquisition of the **US company Ecova**, specialized in smart management of energy;
- Acquisition of **Lahmeyer**, leading international consultancy engineering company specialized in energy and water infrastructures;
- Contract awarded for the manufacturing of the **future Gazpar smart meters**;
- Promising development of **biomethane injection** in the French natural gas grid with, as of today, already 5 sites connected;
- In France, contract awarded by UGAP (Union des Groupements d'Achats Publics) for a **common purchase contract** of natural gas with 1,800 public administrations and local authorities (4.4 billion kWh of natural gas per year for two years).

Upcoming events

- **April 27th, 2015**: Publication of 1st quarter 2015 financial information
- **April 28th, 2015**: Annual Shareholders Meeting
- **May 5th, 2015**: Payment of the dividend balance (EUR 0.50 per share) for fiscal year 2014. The ex-dividend date is set for April 30th, 2015.
- **July 30th, 2015**: Publication of 1st half 2015 results

The presentation of 2014 results and the 2014 annual financial report, including the management report, consolidated financial statements and notes, are available on our website:
http://www.gdfsuez.com/en/investors/results/results-2014/

The Group's consolidated accounts and the parent company financial statements for GDF SUEZ SA as of December 31st, 2014 were approved by the Board of Directors on February 25th, 2015. The Group's statutory auditors have performed their audit of these accounts. The relevant audit report is currently being issued.

Board of directors has decided to submit to Annual General Shareholders' Meeting on April 28, 2015 a resolution aiming to maintain the "one share-one vote" principle, as permitted by Florange law dated March 29, 2014 which establishes double voting rights except as otherwise provided in the Articles of Association. The French State, first shareholder of GDF SUEZ, has notified its intention not to vote in favor of this resolution.

The complete notice of this Meeting, draft resolutions and board of directors' report will be published in the second half of March.

FOR MORE INFORMATION ABOUT FY2014 RESULTS, YOU WILL FIND ON
http://www.gdfsuez.com/en/investors/results/results-2014

Presentation	Appendices	Press Release	Recorded conference audiocast	Conference call transcript	2014 financial Financial report	Analyst pack

Important notice

The figures presented here are those customarily used and communicated to the markets by GDF SUEZ. This message includes forward-looking information and statements. Such statements include financial projections and estimates, the assumptions on which they are based as well as statements about projects, objectives and expectations regarding future operations, profits, or services, or future performance. Although GDF SUEZ management believes that these forward-looking statements are reasonable, investors and holders of GDF SUEZ securities should be aware that such forward-looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of GDF SUEZ, and may cause results and developments to differ significantly from those expressed, implied or predicted in the forward-looking statements or information. Such risks include those explained or identified in the public documents filed by GDF SUEZ with the French Financial Market Authority (AMF), including those listed in the "Risk Factors" section of the GDF SUEZ reference document filed with the AMF on March 20th, 2014 (under number D.14-0176). Investors and holders of GDF SUEZ securities should note that if some or all of these risks are realized they may have a significant unfavorable impact on GDF SUEZ.

About GDF SUEZ

GDF SUEZ develops its businesses (power, natural gas, energy services) around a model based on responsible growth to take up today's major energy and environmental challenges: meeting energy needs, ensuring the security of supply, fighting against climate change and maximizing the use of resources. The Group provides highly efficient and innovative solutions to individuals, cities and businesses by relying on diversified gas-supply sources, flexible and low-emission power generation as well as unique expertise in four key sectors: independent power production, liquefied natural gas, renewable energy and energy efficiency services.
GDF SUEZ employs 152,900 people worldwide and achieved revenues of EUR 74.7 billion in 2014. The Group is listed on the Paris, Brussels and Luxembourg stock exchanges and is represented in the main international indices: CAC 40, BEL 20, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe, ASPI Eurozone, Euronext Vigeo Eurozone 120, Vigeo World 120, Vigeo Europe 120 and Vigeo France 20.

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Summary statements of financial position

In €bn

ASSETS	12/31/13[1]	12/31/14	LIABILITIES	12/31/13[1]	12/31/14
NON CURRENT ASSETS	105.8	110.0	Equity, group share	48.0	49.5
			Non-controlling interests	5.7	6.4
CURRENT ASSETS	50.1	55.3	TOTAL EQUITY	53.7	56.0
of which financial assets valued at fair value through profit/loss	1.0	1.5	Provisions	16.1	18.5
of which cash & equivalents	8.7	8.5	Financial debt	38.9	38.3
			Other liabilities	47.2	52.5
TOTAL ASSETS	155.9	165.3	TOTAL PASSIF	155.9	165.3

2014 Net Debt €27.5bn = Financial debt of €38.3bn – Cash & equivalents of €8.5bn – Financial assets valued at fair value through profit/loss of €1.5bn – Assets related to financing of €0.1bn (incl. in non-current assets) – Derivative instruments hedging items included in the debt of €0.7bn

(1) The comparative figures as of December 31st, 2013 were restated under EBITDA new definition and post IFRS 10/11

Summary income statement

In €m	2013[1]	2014
REVENUES	79,985	74,686
Purchases	-48,758	-44,155
Personnel costs	-9,524	-9,779
Amortization depreciation and provisions	-5,889	-4,797
Other operating incomes and expenses	-8,715	-9,235
Share in net income of entities accounted for using the equity method	567	441
CURRENT OPERATING INCOME after share in net income of entities accounted for using the equity method	7,665	7,161
MtM, impairment, restructuring, disposals and others	-14,789	-587
INCOME FROM OPERATING ACTIVITIES	-7,124	6,574
Financial result	-1,715	-1,876
of which recurring cost of net debt	-1,206	-918
of which non recurring items included in financial income / loss	-121	-448
of which others	-388	-510
Income tax	-641	-1,588
of which current income tax	-2,147	-1,918
of which deferred income tax	1,506	330
Non-controlling interests	-165	-669
NET INCOME GROUP SHARE	-9,646	2,440
EBITDA	13,017	12,138

(1) The comparative figures as of December 31st, 2013 were restated under EBITDA new definition, post IFRS10/11 and with equity consolidation of SUEZ Environnement

Cash flow statement

In €m	2013[1]	2014
Gross cash flow before financial loss and income tax	13,125	11,776
Income tax paid (excl. income tax paid on disposals)	-1,961	-1,805
Change in operating working capital	169	-1,221
CASH FLOW FROM OPERATING ACTIVITIES	11,333	8,751
Net tangible and intangible investments	-5,938	-5,790
Financial investments	-1,161	-984
Disposals and other investment flows	2,731	2,835
CASH FLOW FROM INVESTMENT ACTIVITIES	-4,368	-3,939
Dividends paid	-4,346	-3,720
Share buy back / sales	-5	136
Balance of reimbursement of debt / new debt	-2,836	-1,361
Net interests paid on financial activities	-1,237	-979
Capital increase / hybrid issues	2,044	2,362
Other cash flows	-660	-1,411
CASH FLOW FROM FINANCIAL ACTIVITIES	-7,040	-4,973
Impact of currency and other	-27	1
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8,809	8,706
TOTAL CASH FLOWS FOR THE PERIOD	-103	-160
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8,706	8,546

(1) The comparative figures as of December 31st, 2013 were restated under EBITDA new definition, post IFRS10/11 and with equity consolidation of SUEZ Environnement

Revenues by geographic region by destination

In €m	2013[1]	2014	Δ 14/13
France	32,038	27,834	-13.1%
Belgium	10,584	8,525	-19.5%
SUB-TOTAL FRANCE-BELGIUM	42,622	36,359	-14.7%
Other EU countries	21,188	20,516	-3.2%
of which Italy	6,141	4,883	-20.5%
of which UK	4,626	5,052	+9.2%
of which Germany	3,108	2,848	-8.4%
of which Netherlands	3,531	3,905	+10.6%
Other European countries	1,050	1,832	+74.6%
SUB-TOTAL EUROPE	64,860	58,707	-9.5%
North America	3,857	3,829	-0.7%
SUB-TOTAL EUROPE & NORTH AMERICA	68,717	62,536	-9.0%
Asia, Middle-East and Oceania	7,170	7,404	+3.3%
South America	3,893	4,302	+10.5%
Africa	205	444	+117%
TOTAL	79,985	74,686	-6.6%

(1) The comparative figures as of December 31st, 2013 were restated under EBITDA new definition, post IFRS10/11 and with equity consolidation of SUEZ Environnement