First-Half Financial Report 2014

BY PEOPLE FOR PEOPLE

GDF SUEZ Profile

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 in 2013 employs 147,200 people worldwide and achieved revenues of €81.3 billion. 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 et Vigeo France 20.

Key figures at December 31, 2013

147 200 employees throughout the world

- inc. **59 700** in power and natural gaz,
- and **87 500** in energy services.

€81.3 billion in 2013 revenues.

Operations in close to **70** countries.

€27 to 30 billion of gross investment over 2014-2016.

800 researchers and experts at **7** R&D centers.

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Management report

Data included in the income statement, statement of financial position and statement of cash flows for the six months ended June 30, 2013 are based on unaudited pro forma figures[1], calculated as if SUEZ Environnement had been accounted for under the equity method as of January 1, 2013. In addition, the 2013 data have been restated due to the application of the new consolidation standards and incorporate the new definition of EBITDA. The basis used to prepare this pro forma data is disclosed in section 8 of this report.

The first half of 2014 was marked by highly adverse hydrological conditions in Latin America, a particularly mild climate in Europe and the shutdown of the Doel 3 and Tihange 2 power plants on March 25, 2014.

Revenues for the first six months of 2014 fell by 6.3% on a reported basis to €39.4 billion (down by 5.4% on an organic basis) compared with the first half of 2013. This decrease is mainly due to the impact of climatic conditions on natural gas sales (the first half of 2014 was particularly mild while the first half of 2013 was exceptionally cold). Adjusted for climate impacts in France and the gas price "catch-up" recorded in 2013 which had a near €2 billion impact, revenues were down by 0.6% on an organic basis.

EBITDA, which amounted to €6.6 billion for the period, was down 14.2% on a reported basis (organic decrease of 9.9%). Adjusted for climatic conditions in France and the gas price "catch-up" recorded in 2013 for a total of a €704 million impact, EBITDA remained relatively stable, down 0.3% on an organic basis, negatively impacted by the fall in electricity market prices in Europe and by adverse hydrological conditions in Latin America throughout the first half of 2014. These adverse impacts on EBITDA were offset by the positive impact of the commissioning of new assets, a strong operating performance and the results of the Group's Perform 2015 plan.

Current operating income after share in net income of entities accounted for using the equity method declined by 14.4% on a reported basis and 9.6% on an organic basis to €4.3 billion. Adjusted for climatic conditiond in France and gas price "catch-up", this indicator was up 5.8% on an organic basis. This reflects the fact that the decline in EBITDA was offset by lower depreciation and amortization charges following the impairment of assets at end-2013 and the inclusion of probable reserves in the depreciation and amortization calculations for Exploration & Production activities (see Note 1.3.2).

Net income Group share totaled €2.6 billion for first-half 2014, up €0.9 billion on a reported basis compared to the same prior-year period. It notably benefited from the Gaztransport & Technigaz (GTT) revaluation gain recorded following the acquisition of control over the company. In first-half 2013, net income Group share was impacted by asset impairment of €466 million.

Net recurring income Group share amounted to €2.1 billion, down €0.3 billion compared to the same prior year period. The decline in current operating income after share in net income of entities accounted for using the equity method was significantly offset by lower recurring financial expenses due to a more active debt management and a lower effective recurring tax rate.

Cash flow from operations amounted to €5.6 billion, up €0.6 billion compared to first-half 2013. This increase is mainly due to an improvement in the change in working capital requirements, related in particular to the milder climatic conditions in winter 2014 compared with winter 2013, which more than offset the decline in EBITDA.

Net debt, which stood at €26.0 billion at end-June 2014, was down €3.2 billion compared to net debt at end-December 2013 and reflected the following items: (i) cash flow from operations of €5.6 billion less net investments for the period (€2.1 billion); (ii) payment of the balance of the 2013 dividend to GDF SUEZ SA's shareholders (€1.6 billion); and (iii) the issue of hybrid notes by GDF SUEZ SA at the beginning of June (€2.0 billion).

(1) The consolidated financial statements presented in Section II have been approved and authorized for issue by the Board of Directors as of July 30, 2014. They were subject to a limited review by Group's Statutory Auditors.

1 REVENUES AND EARNINGS TRENDS

In millions of euros	June 30, 2014	June 30, 2013	% change (reported basis)	% change (organic basis)
Revenues	39,415	42,058	-6.3%	-5.4%
EBITDA	6,619	7,716	-14.2%	-9.9%
Net amortization / Other	(2,273)	(2,639)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	4,346	5,077	-14.4%	-9.6%

Consolidated **revenues** for the six months ended June 30, 2014 amounted to €39.4 billion, down 6.3% compared with the six months ended June 30, 2013. On an organic basis (excluding the impact of changes in the scope of consolidation and exchange rates), revenues decreased by 5.4%.

Changes in the scope of consolidation had a net positive €125 million impact, mainly corresponding to Energy Services' acquisition of Balfour Beatty Workplace in the UK (€322 million), the full consolidation of GTT in Global Gas & LNG (€74 million) and Energy International's acquisition of Meenakshi in India (€37 million). The effect of these three transactions was partly offset by the sale of assets in continental Europe (negative €121 million impact) and in the United States (negative €102 million impact).

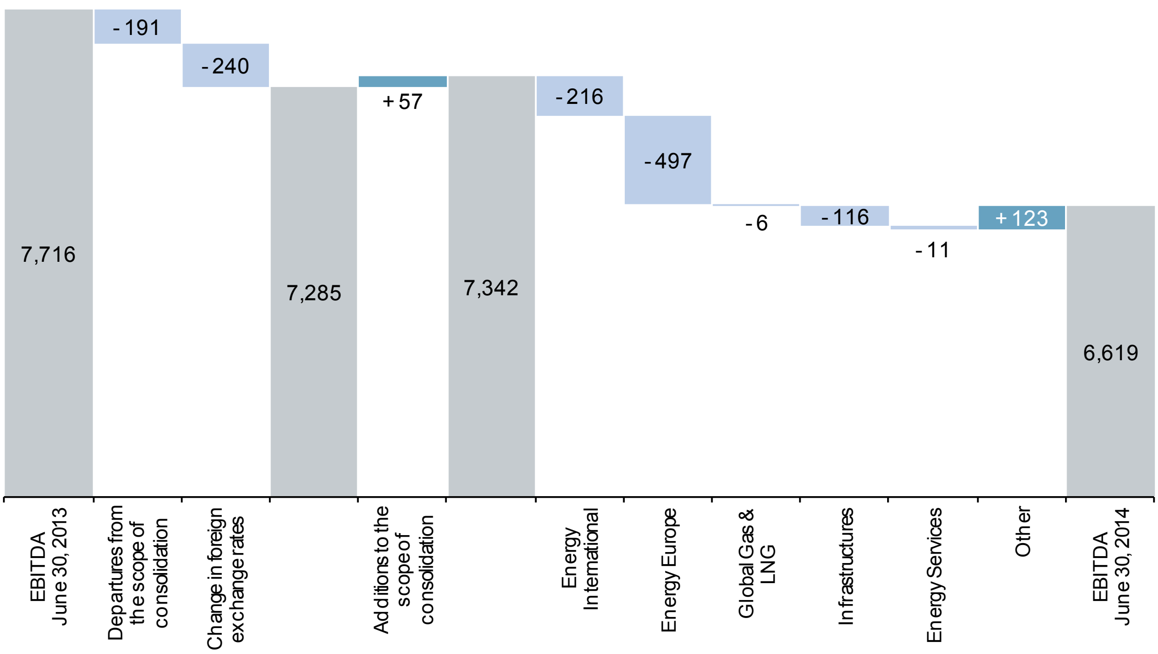
Exchange rates had a negative €561 million impact on Group revenues due to the appreciation of the euro against the other major currencies (the Brazilian real, the US dollar and the Australian dollar).

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

EBITDA declined by 14.2% to €6.6 billion over the period. Excluding the impact of changes in exchange rates and in the scope of consolidation, the decrease in EBITDA came out at 9.9%.

EBITDA TRENDS

In millions of euros



Changes in the scope of consolidation had a negative €134 million impact on EBITDA, largely due to the sale of power generation assets in Italy, Portugal and the United States.

Changes in exchange rates had a negative €240 million impact due to the appreciation of the euro against the other major currencies (mainly the Brazilian real, US dollar, Australian dollar and Norwegian krone).

On an organic basis, EBITDA was down 9.9% or €722 million and, excluding the positive impact of the Group's performance plan across all business lines, reflected the following trends:

- EBITDA for Energy International amounted to €1,721 million, down by 11.1% on an organic basis, mainly due to a lower performance in Brazil resulting from the extreme hydrological conditions and their impact on electricity prices compared to a particularly favorable first-half of 2013. This decline was partially offset by improved performances in the United States, Peru, Chile and Thailand;
- EBITDA for Energy Europe amounted to €1,554 million, down 24.5% on an organic basis, adversely impacted by unfavorable climatic conditions, the decrease in electricity market prices and the price "catch-up" adjustments in France recorded in 2013;
- EBITDA for Global Gas & LNG of €1,033 million was down 0.6% on an organic basis, mainly as a result of the temporary decline of production of the Exploration & Production business and partially offset by a strong LNG arbitrage business performance in Europe and Asia;
- EBITDA for Infrastructures declined 6.0% on an organic basis to €1,814 million compared to first-half 2013, due to the milder climate compared to the previous year which compromised the positive impact of gas price increases;
- EBITDA for Energy Services edged down to €539 million (a decrease of 2.0% on an organic basis).

Current operating income after share in net income of entities accounted for using the equity method, which declined by 9.6% to €4.3 billion on an organic basis compared to the prior year, was comparable to the decline in EBITDA across all business lines, with the exception of the Global Gas & LNG and Energy Services business lines which reported an increase in this indicator but a decline in EBITDA. This trend reversal, which mainly concerns the Global Gas & LNG business line, is due to the change of estimate for the depreciation and amortization calculations for the Exploration & Production business (see Note 1.3.2 to the interim condensed consolidated financial statements at June 30, 2014).

2 BUSINESS TRENDS

2.1 ENERGY INTERNATIONAL

	June 30, 2014					
In millions of euros	Total[(1)]	Latin America	Asia-Pacific	North America	UK and Other Europe	SAMEA
Revenues	**6,861**	**1,809**	**1,383**	**1,852**	**1,516**	**301**
EBITDA	**1,721**	**490**	**431**	**518**	**198**	**132**
Net amortization / Other	(488)	(181)	(113)	(135)	(55)	(5)
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**1,233**	**309**	**318**	**383**	**144**	**127**

(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 €6,861 million, fell 7.4% on a reported basis and climbed 1.4% on an organic basis. These movements reflect, on the one hand, the impact of the portfolio optimization (negative €211 million impact) and changes in exchange rates (negative €432 million impact, due to the strengthening of the euro against all major currencies), and on the other hand, a limited organic increase mainly due to the impact of higher prices in North and Latin America and the commissioning of new plants in Latin America and SAMEA, offset by lower sales volumes in the UK retail business.

EBITDA decreased by 23.9% on a gross basis to €1,721 million, and 11.1% organically, after taking into account the negative impacts of portfolio optimization (€145 million) and foreign exchange effects (€180 million). This organic decrease mainly reflects the impact of very unfavorable hydrological conditions in Brazil partly offset by improved performances in North America, Peru, Chile and Thailand.

Current operating income after share in net income of entities accounted for using the equity method, at €1,233 million, decreased by 26.4% on a reported basis and by 13.4% on an organic basis, which largely reflects the EBITDA performance.

Latin America

Revenues for the Latin America region totaled €1,809 million, down 2,0% on a reported basis mainly due to the depreciation of the Brazilian real and US dollar, but up 9.4% on an organic basis. In Brazil, higher revenues resulted from an increase in average sales prices, primarily due to inflation indexation, and the progressive commissioning of the Trairi Wind farm (115 MW). Peru trended upwards thanks to the commissioning of the Ilo thermal plant (560 MW) in June 2013, as well as a rise in demand from regulated customers. In Chile, slightly higher revenues were mostly driven by improved energy prices linked to fuel price indexation.

Electricity sales increased by 0.9 TWh to 27.9 TWh, while gas sales were down 0.9 TWh, particularly in Chile, coming in at 4.2 TWh.

EBITDA totaled €490 million, representing a decrease of 32.3% on an organic basis, mainly reflecting:

- lower performance in Brazil, mainly due to the unfavorable hydrological conditions significantly increasing spot prices during the early months of the year, followed by the adverse impact of inter-regional price differences due to high rainfall in the South; these elements being partly offset by full commissioning of the Trairi Wind farm and by an increase in average bilateral contract prices, mainly due to inflation;
- in Chile, positive evolution in E-CL, linked improved margins resulting from higher power prices and strong operational performance ; in GNLM (Mejillones LNG Terminal), commissioning of the onshore LNG storage tank in February 2014;
- and a positive evolution in Peru, mainly due to the commissioning of the Ilo Cold Reserve thermal plant and higher energy demand mostly from regulated customers.

Current operating income after share in net income of entities accounted for using the equity method amounted to €309 million, down 43.3% on an organic basis reflecting EBITDA trends.

June 30, 2013							
Total[(1)]	Latin America	Asia-Pacific	North America	UK and Other Europe	SAMEA	% change (reported basis)	% change (organic basis)
7,409	1,846	1,523	1,891	1,870	280	-7.4%	+1.4%
2,262	820	499	532	293	170	-23.9%	-11.1%
(586)	(198)	(129)	(176)	(77)	(3)		
1,676	622	370	356	216	167	-26.4%	-13.4%

Asia-Pacific

Revenues for the region totaled €1,383 million, down 9.2% on a reported basis, but up 2.1% organically, mainly due to higher revenues in Thailand thanks to higher demand from industrial customers and increased prices, and a good performance from the retail business in Australia, partly offset by lower revenues from the Australian generation facilities which suffered from lower market demand and lower availability.

Electricity sales decreased by 0.5 TWh to 21.2 TWh, mainly due to lower volumes in Australia, offset by an increase of 0.8 TWh in Thailand. Natural gas sales declined by 0.1 TWh to 1.1 TWh.

EBITDA came in at €431 million, down 13.6% on a gross basis and 3.0% on an organic basis. The good performance from the Thailand facilities, mainly driven by the good availability of the Gheco-1 plant, was more than offset by the lower performance from the Australian coal facilities which suffered from lower availability due to maintenance outages, and a lower contribution from Singapore reflecting pressure on market prices and lower volumes.

Current operating income after share in net income of entities accounted for using the equity method came out at €318 million, decreasing by 4.0% on an organic basis, reflecting the evolution of EBITDA.

North America

Revenues for the North America region totaled €1,852 million, representing a gross reduction of 2.0% and an organic increase of 8.6%, driven primarily by the good operational performance of the US generation activities, following the extreme weather events in the first part of the year.

Electricity sales decreased organically by 2.1 TWh to 29.7 TWh, after adjusting for the sale of non-core assets which reduced prior year volumes by 1.7 TWh. US retail sales volumes are lower due to continued competitive pressure.

Natural gas sales[(1)], excluding intra-group transactions, fell by 3.9 TWh to 16.8 TWh as a consequence of increased LNG diversions performed by Global Gas & LNG business line.

EBITDA came in at €518 million, up 11.1% on an organic basis, thanks to the strong performance from the US power business, particularly as a result of the extreme weather in the North East in the first quarter, and despite lower overall performances in the LNG business due to lower average cargo diversion margins and in the US retail business.

Current operating income after share in net income of entities accounted for using the equity method totaled €383 million, representing an organic increase of 22.7%, due to a combination of higher EBITDA and lower depreciation and amortization charges.

(1) Natural gas total sales volumes increased by 0.5 TWh to 35.6 TWh primarily due to higher LNG cargo diversion volumes.

United Kingdom and Other Europe

Revenues for the region totaled €1,516 million, representing a reduction of 18.9% on a reported basis, partially due to asset portfolio optimization in Continental Europe, and an organic reduction of 14.7% resulting from lower sales volumes from UK retail activities.

Electricity sales amounted to 15.4 TWh, representing a decrease of 3.3 TWh. This is mainly due to lower volumes in the UK generation and retail business. It also includes a reduction of 0.6 TWh due to the asset portfolio optimization program in Continental Europe. Gas sales were 19.0 TWh, down 2.5 TWh on an organic basis due to lower volumes for the UK retail business.

EBITDA came in at €198 million, down 4.7% on an organic basis. The good performance from the UK thermal facilities, led by improved margins, was offset by favorable non-recurring items which had a positive impact on 2013's results. Favorable non-recurring items in the UK retail business mitigated the lower sales volumes.

Current operating income after share in net income of entities accounted for using the equity method amounted to €144 million, down by 4% on an organic basis. This decrease is explained by the same factors that impacted EBITDA.

South Asia, Middle East & Africa

Revenues for the region totaled €301 million, an increase of 7.5% on a reported basis or 11.8% on an organic basis. This organic growth is mainly related to the commissioning of Uch 2 (Pakistan, 375 MW) on April 4, 2014 and higher revenues from the operating and maintenance (O&M) activities. The change on a reported basis also reflects the acquisition of Meenakshi (India, 300MW) in December last year, offset by the equity consolidation of Sohar (interest decreased from 45% to 35% in May 2013).

Electricity sales amounted to 4.0 TWh, representing a decrease of 0.3 TWh. This is mainly due to the partial sale down and change of consolidation method of Sohar (1.3 TWh decrease), offset by the acquisition of Meenakshi (0.6 TWh increase) at the end of 2013 and the commissioning of Uch 2 (0.5 TWh increase).

EBITDA came in at €132 million, representing a decrease of 10.9% on an organic basis. This decrease comes mainly from lower income in the power and water business due to seasonal factors and from higher maintenance costs. This decrease is partly offset by the commissioning of Uch 2.

Current operating income after share in net income of entities accounted for using the equity method amounted to €127 million, down by 11.2% on an organic basis. This decrease is explained by the same factors that impacted EBITDA.

2.2 ENERGY EUROPE

	June 30, 2014			June 30, 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	20,261	17,504	2,758	23,140	19,589	3,551	-12.4%	-12.3%
EBITDA	1,554	1,354	266	2,064	1,954	151	-24.7%	-24.5%
Net amortization / Other	(549)	(439)	(110)	(685)	(529)	(155)		
CURRENT OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	1,005	915	156	1,379	1,424	(2)	-27.1%	-27.2%

(1) Of which business line corporate function costs.

Volumes sold by the business line

In TWh	June 30, 2014	June 30, 2013	% change (reported basis)
Gas sales	313	378	-17.3%
Electricity sales	88	90	-1.7%

Energy Europe's **revenues** came in at €20,261 million, down 12.4% due mainly to the impact of climatic conditions on gas sales (the first half of 2014 was particularly mild while the first half of 2013 was exceptionally cold) and the price "catch-up" adjustments in France for 2011 and 2012 recorded in 2013. Gas sales amounted to 313 TWh, including 48 TWh to key accounts. Electricity sales amounted to 88 TWh. At June 30, 2014, Energy Europe had nearly 14.0 million individual customers for gas and over 5.5 million electricity customers.

The business line's **EBITDA** fell by 24.7% to €1,554 million. The first half of 2014 was adversely impacted by unfavorable climatic conditions, the fall in selling prices on the electricity market and the decision to stop the Doel 3 and Tihange 2 nuclear power plants as of March 26, 2014.

The 27.1% drop in **current operating income after share in net income of entities accounted for using the equity method** reflects the decline in EBITDA, partially offset by lower depreciation and amortization charges following the impairment of assets at year-end 2013.

Central Western Europe (CWE)

The contribution of CWE to Group **revenues** amounted to €17,504 million, down 10.6% compared to the same prior-year period.

CWE's **EBITDA** declined by 30.7% reflecting the decrease in electricity market prices in Europe, unfavorable climatic conditions and the price "catch-up" adjustments in France recorded in 2013.

The 35.8% drop in **current operating income after share in net income of entities accounted for using the equity method** reflects the decline in EBITDA, partially offset by lower depreciation and amortization charges.

CWE FRANCE

In millions of euros	June 30, 2014	June 30, 2013	% change (reported basis)	% change (organic basis)
Revenues	7,764	10,456	-25.7%	-25.7%
EBITDA	568	1,210	-53.1%	-52.9%
Net amortization / Other	(170)	(226)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	398	985	-59.6%	-59.6%

Volumes sold in France

In TWh	June 30, 2014	June 30, 2013	% change (reported basis)
Gas sales[1]	120	173	-30.6%
Electricity sales	26	27	-2.4%

(1) Business line contribution data.

France climatic correction

In TWh	June 30, 2014	June 30, 2013	Total change in TWh
Climate adjustment volumes (negative figure = warm climate, positive figure = cold climate)	(10.8)	22.2	(33.0)

France's contribution to Group **revenues** amounted to €7,764 million for the six months ended June 30, 2014, down 25.7%, mainly due to less favorable climatic conditions in 2014 and the price "catch-up" adjustments recorded in 2013.

Natural gas sales fell by 53 TWh due to a mild winter (down 10.8 TWh) compared to the very cold winter in 2013 (up 22.2 TWh), and also to energy savings and competitive pressure. GDF SUEZ still holds around 82% of the retail market and around 48% of the business market.

Electricity sales declined by 0.7 TWh despite higher sales to direct customers which were more than offset by the decrease in market sales, chiefly as a result of decreased gas-fired power plant production and lower levels of hydroelectricity.

EBITDA was down 53.1% to €568 million due mainly to less favorable climatic conditions in 2014 than in 2013, the gas 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	June 30, 2014	June 30, 2013	% change (reported basis)	% change (organic basis)
Revenues	5,362	6,562	-18.3%	-18.1%
EBITDA	633	604	+4.8%	+6.9%
Net amortization / Other	(236)	(260)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	398	344	+15.6%	+19.5%

Revenues from Benelux & Germany amounted to €5,362 million, a drop of 18.3% compared to the same prior-year period.

Electricity sales in Belgium and Luxembourg decreased by 0.9 TWh, due mainly to the erosion of market share in 2013 (which has since stabilised at around 50% of the retail market) and despite higher electricity production levels compared to 2013, as the Doel 3 and Tihange 2 nuclear power plants were operational until March 25, 2014, whereas they were stopped during almost the entire first half of 2013.

Electricity sales in the Netherlands fell by 0.2 TWh but edged up 0.7 TWh in Germany.

Natural gas sales in Benelux and Germany fell by 19 TWh (26%) due to unfavorable climatic conditions in 2014 and the erosion of market share which has stablized in Belgium at around 45% since the beginning of the year.

EBITDA for Benelux and Germany increased 4.8% due to lower outages at nuclear power plants and despite lower electricity prices and spreads.

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

Southern & Eastern Europe

In millions of euros	June 30, 2014	June 30, 2013	% change (reported basis)	% change (organic basis)
Revenues	2,758	3,551	-22.3%	-21.8%
EBITDA	266	151	+75.7%	+106.2%
Net amortization / Other	(110)	(154)		
CURRENT OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	156	(2)	NA	NA

Southern & Eastern Europe region **revenues** dropped by 22.3% mainly due to lower direct customer sales in Italy (gas and electricity) and less favorable climatic conditions in Romania.

EBITDA for Southern & Eastern Europe surged 75.7% driven by strong performances in Italy, due mainly to improved gas supply conditions, and in Poland, primarily driven by an increase in green certificate prices.

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.

2.3 GLOBAL GAS & LNG

In millions of euros	June 30, 2014	June 30, 2013	% change (reported basis)	% change (organic basis)
Revenues	3,261	2,883	+13.1%	+15.6%
Total revenues *(incl. intra-group transactions)*	4,426	4,441	-0.3%	
EBITDA	1,033	1,086	-4.9%	-0.6%
Net amortization / Other	(406)	(501)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	627	585	+7.2%	+13.0%

Global Gas & LNG's contribution to Group **revenues** for the six-month period ended June 30, 2014 amounted to €3,261 million, up 13.1% compared to the same prior-year period. Organic growth came in at 15.6%.

This increase in revenues was driven by:

- growth of 18.0 TWh in external LNG sales with volumes of 57.4 TWh for the six-month period ended June 30, 2014, representing 69 cargoes, of which 32 shipped to Asia, compared to 39.4 TWh representing 44 cargoes, of which 30 shipped to Asia for the same prior-year period;
- a slightly higher Exploration & Production hydrocarbon production contribution (22.7 Mboe for the six-month period ended June 30, 2014 versus 22.0 Mboe for the same prior-year period) despite the temporary closure of the Njord fields in Norway, offset by the negative impact of the decrease in commodity prices;
- the full consolidation of GTT following its initial public offering (IPO).

Hydrocarbon production for the six-month period ended June 30, 2014 fell temporarily by 0.9 Mboe to 25.0 Mboe versus 25.9 Mboe for the same prior year period. Over the full year, the level of hydrocarbon production will benefit from the recently commissioned Juliet fields in the United Kingdom (January), Amstel fields in the Netherlands (February) and the Gudrun fields in Norway (April).

EBITDA for the Global Gas & LNG business line amounted to €1,033 million for the period, down 4.9% on a reported basis compared to the same prior-year period, and down 0.6% on an organic basis, mainly due to a decrease in Exploration & Production's total production and sales prices. This was partially offset by LNG's robust arbitrage business in Europe and Asia.

Current operating income after share in net income of entities accounted for using the equity method came in at €627 million for the six-month period ended June 30, 2014, up 7.2% on a reported basis and 13.0% on an organic basis, due to lower depreciation and amortization charges as a result of the decrease in total production and the inclusion of probable reserves in the depreciation and amortization calculations for Exploration & Production activities (see Note 1.3.2).

2.4 INFRASTRUCTURES

In millions of euros	June 30, 2014	June 30, 2013	% change (reported basis)	% change (organic basis)
Revenues	1,445	1,257	+15.0%	+15.0%
Total revenues *(incl. intra-group transactions)*	**3,466**	**3,550**	**-2.4%**	
EBITDA	1,814	1,932	-6.1%	-6.0%
Net amortization / Other	(629)	(622)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	1,185	1,310	-9.5%	-9.4%

Total **revenues** for the Infrastructures business line, including intra-group services, amounted to €3,466 million in first half 2014, a decrease of 2.4% on the prior-year period, reflecting:

- a decrease in volumes distributed by GrDF due to milder climatic conditions in 2014 than in 2013 (down 44,9 TWh[(1)]);
- lower storage capacity sales in France;

and despite the annual review in France of distribution infrastructure access tariffs (4.1% increase on July 1, 2013) and the annual review of transport infrastructure tariffs (3.9% increase on April 1, 2014 and 8.3% increase on April 1, 2013).

In this climatic and regulatory context, the business line's contribution to Group revenues in the first half of 2014 was €1,445 million, up 15.0% on the prior-year period, reflecting:

- growth in transportation, storage and terminal services for third parties in an increasingly deregulated market;
- higher natural gas purchase-sale transactions to maintain technical storage performance.

EBITDA for the Infrastructures business line amounted to €1,814 million for the period, down 6.1% compared to first half 2013. This decrease is mainly due to the milder climatic conditions which adversely impacted the retail business and to a lesser extent lower underground natural gas storage prices and volumes compared to 2013.

Current operating income after share in net income of entities accounted for using the equity method for the Infrastructures business line came in at €1,185 million for the period, down 9.5% compared with the same prior-year period with net depreciation and amortization charges remaining stable; the decrease in these charges following the impairment losses recorded in 2013 was offset by the commissioning of new facilities.

2.5 ENERGY SERVICES

In millions of euros	June 30, 2014	June 30, 2013	% change (reported basis)	% change (organic basis)
Revenues	7,587	7,370	+2.9%	-1.1%
EBITDA	539	537	+0.4%	-2.0%
Net amortization / Other	(155)	(168)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	384	369	+3.9%	+0.6%

Revenues for the Energy Services business line increased to €7,587 million in first half 2014, up 2.9% on a reported basis, driven by the acquisition of Balfour Beatty Workplace (contribution of €322 million) in the UK at the end of the previous year.

On an organic basis, revenues edged down 1.1% reflecting the unfavorable impact of the mild climatic conditions during the first quarter 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.

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(1) 29.5 TWh distributed due to cold weather conditions in first half 2013 versus a negative15.4 TWh during the milder first half 2014.

These impacts were partially offset by growth in installation activities in France and the Benelux countries, particularly in electrical and HVAC engineering activities.

EBITDA for Energy Services grew 0.4% to €539 million during the period but declined 2.0% on an organic basis. The organic change is mainly due to the following adverse factors:

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

This was partially offset by:

- a positive volume impact on installation activities in France and the Benelux countries in particular;
- cost-cutting measures – especially on overheads – and measures to boost operating performance;
- the positive impact on the French entities of the French tax credit to promote competitiveness and employment (*Crédit d'Impôt Compétitivité Emploi*);
- the positive impact of the commissioning of new heating networks and services facilities in France;
- compensation received in respect of past legal proceedings.

Current operating income after share in net income of entities accounted for using the equity method amounted to €384 million in first half 2014, up slightly on an organic basis by 0.6%, benefiting from lower depreciation and amortization related to the phase-out of gas cogeneration facilities in France and Italy and a positive adjustment of expenses in relation to share-based payments (IFRS 2).

2.6 OTHER

In millions of euros	June 30, 2014	June 30, 2013	% change (reported basis)	% change (organic basis)
EBITDA	(42)	(164)	+74.6%	+74.6%
Net amortization / Other	(47)	(77)		
CURRENT OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	(88)	(242)	+63.4%	+63.4%

EBITDA for the Other business line came in at a negative €42 millions for first half 2014, an improvement on first half 2013, mainly due to the reversal of provisions in the Group's reinsurance subsidiary and the effects of the Perform 2015 plan.

Current operating income after share in net income of entities accounted for using the equity method for the period was also up due to the improved EBITDA and the positive adjustment of expenses in relation to share-based payments (IFRS 2).

3 OTHER INCOME STATEMENT ITEMS

In millions of euros	June 30, 2014	June 30, 2013	Change (reported basis)
Current operating income after share in net income of entities accounted for using the equity method	**4,346**	**5,077**	**-14.4%**
Mark-to-market on commodity contracts other than trading instruments	420	(212)	
Impairment losses	(28)	(466)	
Restructuring costs	(55)	(59)	
Changes in scope of consolidation	521	(69)	
Other non-recurring items	47	34	
Income/(loss) from operating activities	**5,250**	**4,305**	**+21.9%**
Net financial income/(loss)	(921)	(803)	
Income tax expense	(1,258)	(1,371)	
NET INCOME/(LOSS)	**3,071**	**2,132**	**+44.0%**
o/w net income/(loss) Group share	2,630	1,739	
o/w non-controlling interests	441	392	

Income/(loss) from operating activities amounted to €5,250 million, up on the first half 2013 figure despite the drop in current operating income after share in net income of entities accounted for using equity method, thanks to the positive impacts of changes in the fair value of commodity derivatives and changes in the scope of consolidation.

Changes in the fair value of commodity derivatives had a positive impact of €420 million on income from operating activities (reflecting the impact of transactions not eligible for hedge accounting) compared with a negative impact of €212 million in first-half 2013. The impact for the period is primarily due to overall positive price effects combined with positive roll-off effects of the market value at December 31, 2013.

"Changes in scope of consolidation" (gains and losses on the disposal of consolidated equity interests or on remeasurement of previously held interests in accordance with IFRS 3) amounted to €521 million in first-half 2014 compared with a negative €69 million in first-half 2013. They mainly correspond to the revaluation gain on GTT (acquired following its initial public offering) and the Walloon inter-municipal companies (loss of significant influence).

Income from operating activities was also affected by:

- impairment losses of €28 million, compared with €466 million in the same prior-year period;
- restructuring costs of €55 million, compared with €59 million in the same prior-year period;
- "Other non-recurring items" for a positive €47 million (mainly relating to gains on disposal of various assets) compared with €34 million in the same prior-year period.

The Group reported a net financial loss amounting to €921 million for the six months period ended June 30, 2014, compared with a net financial loss of 803 million for the six months period ended June 30, 2013. This change is mainly explained by non recurring negative impacts of €273 million which result from the change in fair value of derivative instruments not qualifying for hedge accounting (€208 million) and the impact of debt restructuring transactions (€63 million). This negative impact is partly mitigated by the decrease of the recurring net financial loss which is reduced by €155 million. This decrease is mainly due to the reduction in the volume of net debt as well as the favorable interest rate effect relating to the refinancing and restructuring transactions carried out by the Group.

The effective recurring tax rate was 4.6% lower than in the first half of 2013, mainly as a result of positive changes in the recurring mix of standard rates, mainly due to the fall in recurring profit generated by the exploration and production activities in Norway, which were taxed at a rate of 78%.

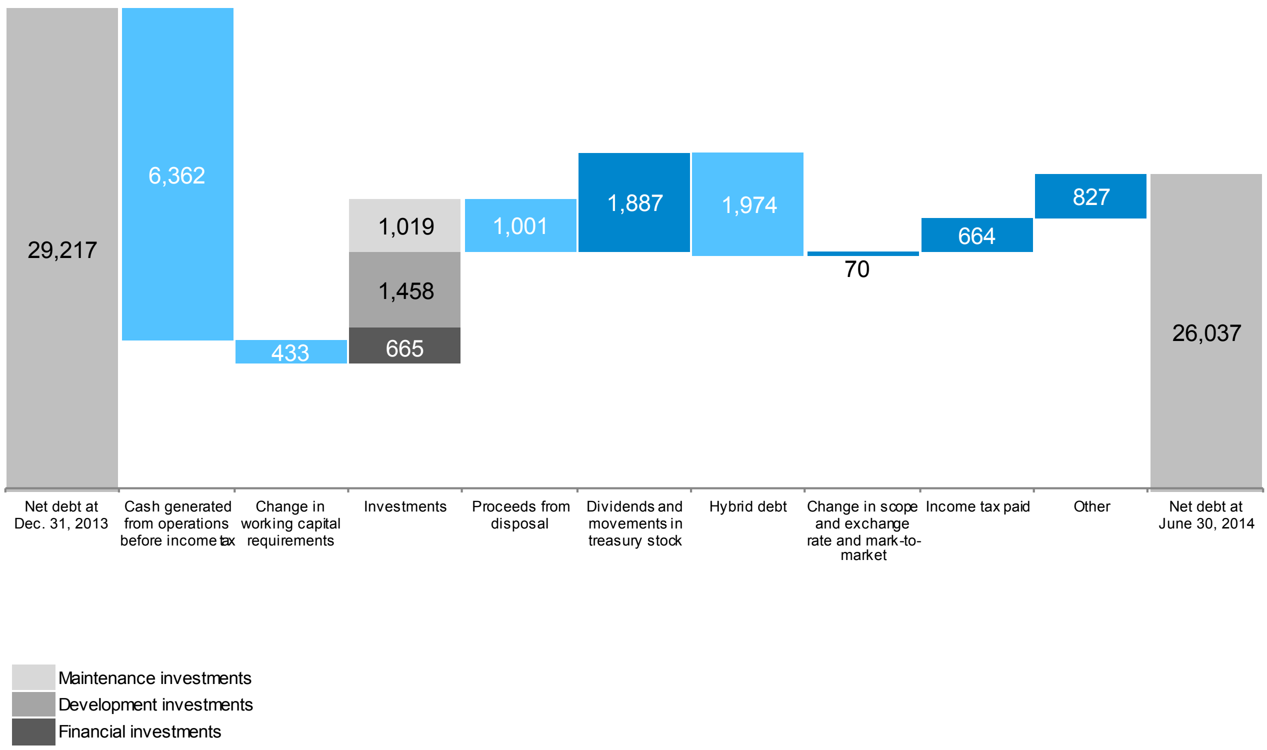
Net income attributable to non-controlling interests amounted to €441 million, up on the first half 2013 figure.

4 CHANGES IN NET DEBT

Net debt stood at €26.0 billion at end-June 2014, down €3.2 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 (€6.4 billion) less net investments for the period (€2.1 billion); (ii) payment of the balance of the 2013 dividend to GDF SUEZ SA's shareholders (€1.6 billion); and (iii) the issue of hybrid notes by GDF SUEZ SA at the beginning of June (€2.0 billion).

Changes in net debt break down as follows:

In millions of euros



The net debt to EBITDA ratio amounted to 2.18 at June 30, 2014. The ratio is calculated as follows:

In millions of euros	June 30, 2014	Dec. 31, 2013
Net debt	26,037	29,217
EBITDA (12-month rolling)	11,950	13,046
Net debt / EBITDA ratio	**2.18**	**2.24**

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 €6,362 million in first-half 2014, down €1,120 million compared with the same prior-year period.

This fall was in line with the EBITDA performance.

4.2 CHANGE IN WORKING CAPITAL REQUIREMENTS

The **change in working capital requirements** represents a positive impact of €433 million, mainly due to climatic conditions on retail businesses.

4.3 NET INVESTMENTS

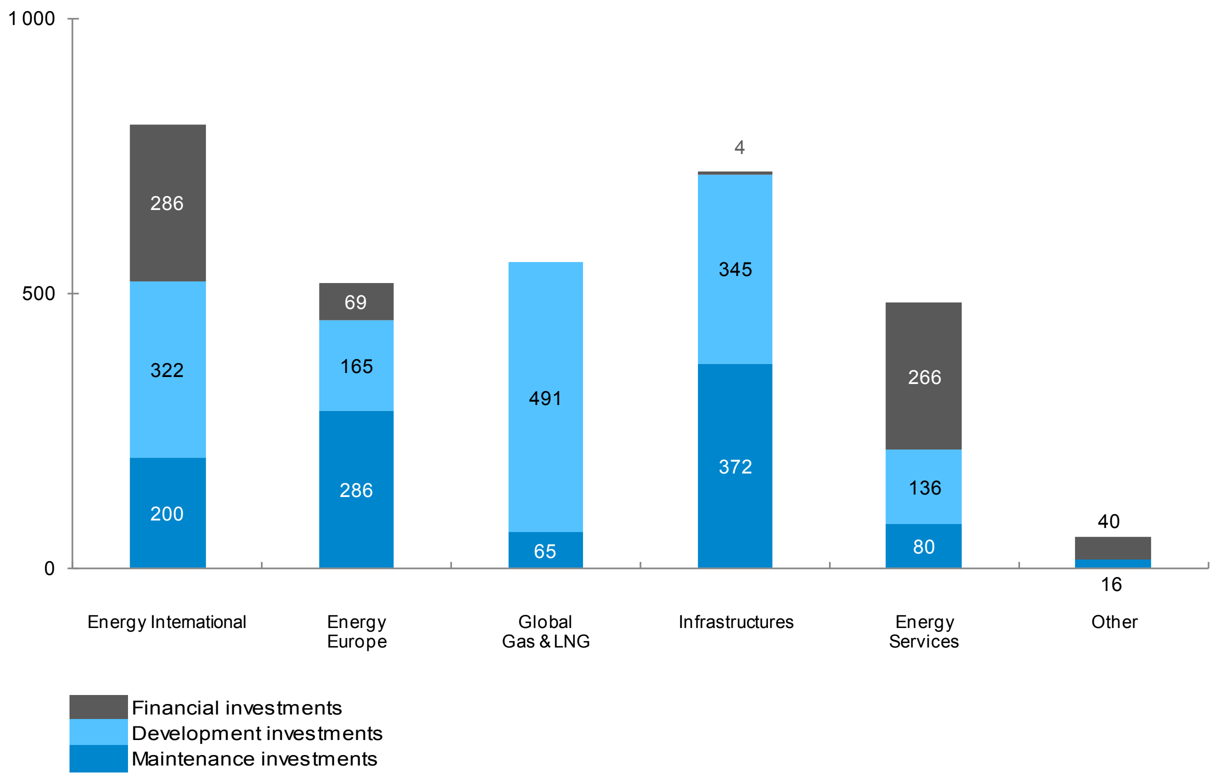
Gross investments during the period amounted to €3,143 million and included:

- financial investments for €665 million, mainly relating to the acquisition of Ecova (United States) by Cofely, the capital increase carried out in 2013 at Jirau (€130 million), Synatom investments, which increased by €120 million, and the acquisition of the Ventoux wind power development project (United Kingdom) for €47 million;
- development investments totaling €1,458 million. Most of this amount was invested by the Global Gas & LNG business line (€491 million) in the development of gas fields in the United Kingdom, Indonesia and Norway;
- maintenance investments for €1,019 million.

Disposals represented a cash amount of €1,001 million and primarily involved the sale of 20% of Jirau (Brazil) shares for €318 million on January 16, 2014, the sale of ISAB (Italy) for €153 million, the early repayment of the remaining disposal price of SPP (Slovakia) for €122 million and the sale of ACEA (Italy) shares to SUEZ Environnement for €71 million.

Capital expenditure breaks down as follows by business line:

In millions of euros



4.4 DIVIDENDS AND MOVEMENTS IN TREASURY STOCK

Dividends and movements in treasury stock during the period amounted to €1,887 million and included:

- dividends paid by GDF SUEZ SA to its shareholders for €1,583 million, which corresponds to the balance of the 2013 dividend (i.e., €0.67 per share) paid in May 2014;
- dividends paid by various subsidiaries to non-controlling interests, withholding tax and movements in treasury stock.

4.5 NET DEBT AT JUNE 30, 2014

Excluding amortized cost but including the impact of foreign currency derivatives, at June 30, 2014, 63% of net debt was denominated in euros, 16% in US dollars and 6% in pounds sterling.

Including the impact of financial instruments, 83% of net debt is at fixed rates.

The average maturity for the Group's net debt is ten years.

At June 30, 2014, the Group had total undrawn confirmed credit lines (which may be used as back up lines for commercial paper programs *inter alia*) of €12.9 billion.

5 OTHER ITEMS IN THE STATEMENT FINANCIAL POSITION

The carrying amount of **property, plant and equipment and intangible assets** amounted to €71.5 billion, an increase of €1.0 billion compared to December 31, 2013. This increase was primarily the result of investments carried out during the period (positive €2.3 billion impact), changes in the scope of consolidation (positive €0.8 billion impact) and translation adjustments (positive €0.6 billion impact), partially offset by depreciation and amortization (negative €2.3 billion impact).

Goodwill increased €0.4 billion to €20.9 billion, mainly as a result of the Ecova acquisition (positive €0.2 billion impact) and the consolidation of GTT (positive €0.1 billion impact).

Investments in entities accounted for using the equity method remained broadly unchanged to €6.7 billion.

Total equity amounted to €57.0 billion, up €3.4 billion compared with December 31, 2013, essentially reflecting the net income for the period (positive €3.1 billion impact), the hybrid bond issue (positive €2.0 billion impact), the consolidation of GTT (positive €0.5 billion impact) and the payment of cash dividends (negative €2.1 billion impact).

Provisions for contingencies increased by €0.7 billion due to the combined impact of actuarial gains and losses for the period (positive €0.6 billion impact) and net additions for the period (negative €0.2 billion impact), offset by the impact of unwinding discounts on certain provisions (positive €0.3 billion impact).

6 RELATED PARTY TRANSACTIONS

Related party transactions are described in Note 25 to the consolidated financial statements included in the 2013 Registration Document and have not significantly changed in 2014.

7 DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF 2014

The "Risk factors" section of GDF SUEZ's 2013 Registration Document (Section 2) provides a detailed description of the risk factors to which the Group is exposed.

Developments in legal proceedings over the period and risks related to financial instruments to which the Group is exposed are respectively set out in Note 9 and Note 8 to the interim condensed consolidated financial statements at June 30, 2014.

The risks and uncertainties relating to the carrying amounts of goodwill, property, plant and equipment and intangible assets are presented in Note 5.1.2 to the interim condensed consolidated financial statements at June 30, 2014 and in Note 5.2 to the consolidated financial statements at December 31, 2013.

The Group has not identified any risks or uncertainties other than those described above and in Section 9 "Outlook".

8 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 under the equity method as from that date in GDF SUEZ's consolidated financial statements (see Note 3.7).

To allow better operational and financial performance comparability between the two six-month periods, the Group has prepared pro forma information as at June 30, 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 six months ended June 30, 2013, including SUEZ Environnement as an equity-accounted associate as from January 1, 2013.

Income statement for the six months ended June 30, 2013

In millions of euros	June 30, 2013 (1)	Exclusion SUEZ Environnement Group contribution and presentation as an associate	Intra-group and others	Pro forma GDF SUEZ : SUEZ Environnement as investment in associates
Revenues	49,112	(7,061)	7	42,058
Purchases	(27,221)	1,424	(4)	(25,802)
Personnel costs	(6,791)	1,878	-	(4,913)
Depreciation, amortization and provisions	(3,073)	475	-	(2,598)
Other operating expenses	(7,898)	2,917	(11)	(4,991)
Other operating income	1,141	(153)	8	997
CURRENT OPERATING INCOME	**5,270**	**(521)**	**-**	**4,750**
Share in net income of entities accounted for using the equity method	327	-	-	327
CURRENT OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**5,597**	**(521)**	**-**	**5,077**
Mark-to-market on commodity contracts other than trading instruments	(214)	1	-	(212)
Impairment losses	(462)	(4)	-	(466)
Restructuring costs	(74)	16	-	(59)
Changes in scope of consolidation	(72)	3	-	(69)
Other non-recurring items	44	(9)	-	34
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**4,818**	**(513)**	**-**	**4,305**
Financial expenses	(1,404)	240	(3)	(1,167)
Financial income	398	(36)	3	365
NET FINANCIAL INCOME/(LOSS)	**(1,005)**	**203**	**-**	**(803)**
Income tax expense	(1,453)	82	-	(1,371)
NET INCOME/(LOSS)	**2,360**	**(228)**	**-**	**2,132**
Net income/(loss) Group share	1,739	-	-	1,739
Non-controlling interests	621	(229)	-	392
EBITDA	**8,790**	**(1,073)**	**-**	**7,716**

(1) Comparative data for the first half of 2013 have been restated due to the application of the consolidation standards and to the presentation changes
in the income statement (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 for the six months ended June 30, 2013

In millions of euros	June 30, 2013[(1)]	Exclusion 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	**2 360**	**(228)**	**-**	**2 132**
- Share in net income of entities accounted for using equity method	(327)	-	-	(327)
+ Dividends received from entities accounted for using equity method	155	91	-	246
- Net depreciation, amortization, impairment and provisions	3 409	(445)	-	2 964
- Impact of changes in scope of consolidation and other non-recurring items	30	6	-	36
- Mark-to-market on commodity contracts other than trading instruments	214	(2)	-	212
- Other items with no cash impact	58	(13)	-	45
- Income tax expense	1 453	(82)	-	1 371
- Net financial expense	1 006	(203)	-	803
Cash generated from operations before income tax and working capital requirements	**8 357**	**(875)**	**-**	**7 482**
+ Tax paid	(767)	89	-	(678)
Change in working capital requirements	**(1 358)**	**249**	**-**	**(1 109)**
CASH FLOW FROM OPERATING ACTIVITIES	**6 232**	**(536)**	**-**	**5 695**
Acquisitions of property, plant and equipment and intangible assets	(3 095)	513	-	(2 582)
Acquisitions of controlling interest in entities, net of cash and cash equivalents acquired	(21)	14	-	(7)
Acquisitions of investments in entities accounted for using equity method and joint operations	(495)	5	-	(490)
Acquisitions of available-for-sale securities	(44)	6	-	(38)
Disposals of property, plant and equipment, and intangible assets	95	(22)	-	73
Loss of controlling interest in entities, net of cash and cash equivalents sold	190	(14)	-	176
Disposals of investments in entities accounted for using equity method and joint operations	1 143	(17)	-	1 126
Disposals of available-for-sale securities	67	-	-	67
Interest received on non-current financial assets	26	2	3	31
Dividends received on non-current financial assets	66	(10)	-	56
Change in loans and receivables originated by the Group and other	(136)	31	143	38
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(2 204)**	**507**	**147**	**(1 550)**
Dividends paid	(2 391)	348	-	(2 043)
Repayment of borrowings and debt	(2 354)	505	-	(1 849)
Change in financial assets at fair value through income	(341)	28	-	(313)
Interest paid	(1 005)	201	(3)	(807)
Interest received on cash and cash equivalents	65	(18)	-	47
Cash flow on derivatives qualifying as net investment hedges and compensation payments on derivatives	18	(3)	-	15
Increase in borrowings	2 008	(950)	(143)	914
Increase/decrease in capital	39	(2)	-	37
Purchase and/or sale of treasury stock	(5)	-	-	(5)
Changes in ownership interests in controlled entities	(68)	12	-	(56)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(4 036)**	**121**	**(147)**	**(4 062)**
Effects of changes in exchange rates and other	23	40	-	63
TOTAL CASH FLOW FOR THE PERIOD	**15**	**133**	**-**	**148**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**11 039**	**(2 129)**	**-**	**8 910**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**11 054**	**(1 997)**	**-**	**9 057**

(1) Comparative data for the first half of 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.

9 OUTLOOK

The Group confirms its guidance[(1)] of a net recurring income, Group share[(2)] between €3.3 and 3.7 billion, assuming average weather conditions[(3)] for the full year and excluding the impact from the outage of Doel 3 and Tihange 2 during the second semester.

This guidance will be adjusted by the months of effective outage of the two plants (i.e. -€40 million per month on the net recurring income, Group share) which will be noticed during the second semester of 2014.

Besides, the Group confirms all its other financial targets for the year 2014:

- net capex[(4)] between €6 and 8 billion;
- net debt/EBITDA ratio below or equal to 2.5x and «A» category credit rating;
- dividend: 65-75% pay-out[(5)] with a minimum of 1 euro per share and payable in cash.

(1) These targets assume average weather conditions, full pass through of supply costs in French regulated gas tariffs, no other significant regulatory and macro-economic changes, commodity price assumptions based on market conditions as of end of December 2013 for the non-hedged part of the production, and average foreign exchange rates as follows for 2014: €/$ 1.38, €/BRL 3.38.

(2) Net income excluding restructuring costs, MtM, impairments, disposals, other non-recurring items and associated tax impacts and nuclear contribution in Belgium.

(3) At the end of June 2014, the negative impact from the weather on the net recurring income, Group share, amounted to €115 million.

(4) Net capex = gross capex – disposals (cash and net debt scope).

(5) Based on net recurring income, Group share.

2

Interim condensed consolidated financial statements

INCOME STATEMENT

In millions of euros	Notes	June 30, 2014	June 30, 2013[1, 2]
Revenues	4.2	39,415	49,112
Purchases		(24,200)	(27,221)
Personnel costs		(4,821)	(6,791)
Depreciation, amortization and provisions		(2,100)	(3,073)
Other operating expenses		(5,054)	(7,898)
Other operating income		831	1,141
CURRENT OPERATING INCOME		**4,071**	**5,270**
Share in net income of entities accounted for using the equity method		275	327
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**4.2**	**4,346**	**5,597**
Mark-to-market on commodity contracts other than trading instruments		420	(214)
Impairment losses		(28)	(462)
Restructuring costs		(55)	(74)
Changes in scope of consolidation		521	(72)
Other non-recurring items		47	44
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**5.1**	**5,250**	**4,818**
Financial expenses		(1,423)	(1,404)
Financial income		501	399
NET FINANCIAL INCOME/(LOSS)	**5.2**	**(921)**	**(1,006)**
Income tax expense	5.3	(1,258)	(1,453)
NET INCOME/(LOSS)		**3,071**	**2,360**
Net income/(loss) Group share		2,630	1,739
Non-controlling interests		441	621
BASIC EARNINGS PER SHARE *(EUROS)*		**1.11**	**0.74**
DILUTED EARNINGS PER SHARE *(EUROS)*		1.10	0.73

(1) Comparative data for the first half of 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) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

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

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Notes	June 30, 2014	June 30, 2014 Owners of the parent	June 30, 2014 Non-controlling interests	June 30, 2013[1, 2]	June 30, 2013 Owners of the parent[1, 2]	June 30, 2013 Non-controlling interests[1, 2]
NET INCOME/(LOSS)		**3,071**	**2,630**	**441**	**2,360**	**1,739**	**621**
Available-for-sale financial assets	7.1	12	12	-	(17)	(37)	21
Net investment hedges		(150)	(150)	-	121	94	27
Cash flow hedges (excl. commodity instruments)		(474)	(464)	(10)	224	166	59
Commodity cash flow hedges		336	289	47	(28)	(28)	(1)
Deferred tax on items above		(14)	6	(20)	(91)	(76)	(15)
Share of entities accounted for using the equity method in recyclable items, net of tax		(9)	(9)	-	75	71	3
Translation adjustments		552	446	107	(808)	(590)	(218)
TOTAL RECYCLABLE ITEMS		**253**	**130**	**123**	**(524)**	**(400)**	**(123)**
Actuarial gains and losses		(641)	(600)	(41)	(31)	(30)	(1)
Deferred tax on actuarial gains and losses		209	196	13	13	13	-
Share of entities accounted for using the equity method in non-recyclable items from actuarial gains and losses, net of tax		26	26	-	10	10	-
TOTAL NON-RECYCLABLE ITEMS		**(405)**	**(377)**	**(28)**	**(8)**	**(7)**	**(1)**
TOTAL COMPREHENSIVE INCOME		**2,918**	**2,382**	**536**	**1,828**	**1,331**	**497**

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

(2) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

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	June 30, 2014	Dec. 31, 2013(1)	Jan. 1, 2013(1, 2)
Non-current assets				
Intangible assets, net	6	7,701	7,044	12,665
Goodwill	6	20,867	20,420	29,535
Property, plant and equipment, net	6	63,814	63,438	82,108
Available-for-sale securities	7.1	3,435	3,015	3,341
Loans and receivables at amortized cost	7.1	3,032	1,898	3,051
Derivative instruments	7.1	2,556	2,352	3,109
Investments in entities accounted for using the equity method		6,735	6,799	6,158
Other assets		598	686	934
Deferred tax assets		759	570	1,442
TOTAL NON-CURRENT ASSETS		**109,498**	**106,222**	**142,342**
Current assets				
Loans and receivables at amortized cost	7.1	721	1,470	1,974
Derivative instruments	7.1	6,860	3,833	4,292
Trade and other receivables, net	7.1	17,458	21,124	24,853
Inventories		4,676	5,023	5,372
Other assets		8,213	8,221	8,857
Financial assets at fair value through income	7.1	1,145	1,001	431
Cash and cash equivalents	7.1	11,418	8,724	11,039
Assets classified as held for sale	3.5	-	922	2,754
TOTAL CURRENT ASSETS		**50,491**	**50,319**	**59,572**
TOTAL ASSETS		**159,989**	**156,541**	**201,914**

(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).

(2) SUEZ Environnement's contribution was fully consolidated at January 1, 2013 (see Note 3.7) and accounted for using the equity method at December 31, 2013 and at June 30, 2014 following the loss of control of SUEZ Environnement occurred on July 22, 2013.

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	June 30, 2014	Dec. 31, 2013(1)	Jan. 1, 2013(1, 2)
Shareholders' equity		50,804	47,915	59,707
Non-controlling interests		6,235	5,689	11,672
TOTAL EQUITY		**57,038**	**53,604**	**71,380**
Non-current liabilities				
Provisions		14,733	14,096	15,430
Long-term borrowings	7.2	28,787	28,576	42,306
Derivative instruments	7.2	2,676	2,062	2,664
Other financial liabilities	7.2	266	213	624
Other liabilities		1,147	1,147	2,025
Deferred tax liabilities		9,895	9,545	11,806
TOTAL NON-CURRENT LIABILITIES		**57,504**	**55,640**	**74,854**
Current liabilities				
Provisions		2,078	2,041	2,049
Short-term borrowings	7.2	10,290	10,750	12,169
Derivative instruments	7.2	6,224	4,050	4,075
Trade and other payables	7.2	13,879	16,465	19,107
Other liabilities		12,975	13,557	16,798
Liabilities directly associated with assets classified as held for sale	3.5	-	434	1,483
TOTAL CURRENT LIABILITIES		**45,446**	**47,297**	**55,681**
TOTAL EQUITY AND LIABILITIES		**159,989**	**156,541**	**201,914**

(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).

(2) SUEZ Environnement's contribution was fully consolidated at January 1, 2013 (see Note 3.7) and accounted for using the equity method at December 31, 2013 and at June 30, 2014 following the loss of control of SUEZ Environnement occurred on July 22, 2013.

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	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)				(128)		1		(127)	204	77
EQUITY AT JANUARY 1, 2013[1]	**2,412,824,089**	**2,413**	**32,207**	**26,299**	**(242)**	**236**	**(1,206)**	**59,707**	**11,672**	**71,380**
Net income/(loss)[1]				1,739				1,739	621	2,360
Other comprehensive income[1]				(7)	190	(590)		(408)	(125)	(533)
TOTAL COMPREHENSIVE INCOME[1]				**1,732**	**190**	**(590)**		**1,331**	**497**	**1,828**
Employee share issues and share-based payment				52				52	5	57
Dividends paid in cash				(1,580)				(1,580)	(854)	(2,434)
Acquisitions/disposals of treasury stock				(69)			64	(5)		(5)
Transactions between owners				28	(4)			24	(55)	(31)
Share capital increases subscribed by non-controlling interests									34	34
Other changes				(8)				(8)	(35)	(43)
EQUITY AT JUNE 30, 2013[1, 2]	**2,412,824,089**	**2,413**	**32,207**	**26,455**	**(56)**	**(354)**	**(1,142)**	**59,522**	**11,263**	**70,785**
EQUITY AT DECEMBER 31, 2013	**2,412,824,089**	**2,413**	**32,207**	**15,650**	**152**	**(1,356)**	**(1,109)**	**47,955**	**5,535**	**53,490**
IFRS 10 & 11 impact (see Note 2)				(43)		3		(40)	154	114
EQUITY AT DECEMBER 31, 2013[1]	**2,412,824,089**	**2,413**	**32,207**	**15,607**	**152**	**(1,353)**	**(1,109)**	**47,915**	**5,689**	**53,604**
Net income/(loss)				2,630				2,630	441	3,071
Other comprehensive income				(377)	(316)	446		(247)	95	(152)
TOTAL COMPREHENSIVE INCOME				**2,252**	**(316)**	**446**		**2,382**	**536**	**2,918**
Employee share issues and share-based payment				(15)				(15)		(15)
Dividends paid in cash[3]				(1,583)				(1,583)	(513)	(2,096)
Acquisitions/disposals of treasury stock[4]				(18)			154	137		137
Issuance of deeply-subordinated perpetual notes (see Note 7.5)				1,974				1,974		1,974
Coupons of deeply-subordinated perpetual notes				(8)				(8)		(8)
Transactions between owners				(4)				(4)	(3)	(7)
Acquisition of control over Gaztransport & Technigaz (see Note 3.1)									475	475
Share capital increases subscribed by non-controlling interests									37	37
Other changes				5				5	14	19
EQUITY AT JUNE 30, 2014	**2,412,824,089**	**2,413**	**32,207**	**18,211**	**(163)**	**(908)**	**(955)**	**50,804**	**6,235**	**57,038**

(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).

(2) SUEZ Environnement's contribution was fully consolidated at June 30, 2013 (see Note 3.7) and accounted for using the equity method at June 30, 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

(3) On April 28, 2014, the Shareholders' Meeting resolved that a €1.50 dividend per share would be paid for 2013. An interim dividend of €0.83 per share was paid in cash on November 20, 2013 (total of €1,959 million) and the balance of €0.67 per share (total of €1,583 million) was paid on May 6, 2014.

(4) As part of its stock repurchase program, the Group sold €137 million in treasury stock (net of acquisitions) during the first half of 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.

STATEMENT OF CASH FLOWS

In millions of euros	Notes	June 30, 2014	June 30, 2013[1, 2]
NET INCOME/(LOSS)		**3,071**	**2,360**
- Share in net income of entities accounted for using the equity method		(275)	(327)
+ Dividends received from entities accounted for using the equity method		320	155
- Net depreciation, amortization, impairment and provisions		2,073	3,409
- Impact of changes in scope of consolidation and other non-recurring items		(572)	30
- Mark-to-market on commodity contracts other than trading instruments		(420)	214
- Other items with no cash impact		(15)	58
- Income tax expense		1,258	1,453
- Net financial expense		921	1,006
Cash generated from operations before income tax and working capital requirements		**6,362**	**8,357**
+ Tax paid		(664)	(767)
Change in working capital requirements		**433**	**(1,358)**
CASH FLOW FROM OPERATING ACTIVITIES		**6,131**	**6,232**
Acquisitions of property, plant and equipment and intangible assets	4.4.3	(2,477)	(3,095)
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	4.4.3	(211)	(21)
Acquisitions of investments in entities accounted for using the equity method and joint operations	4.4.3	(187)	(495)
Acquisitions of available-for-sale securities	4.4.3	(172)	(44)
Disposals of property, plant and equipment, and intangible assets		153	95
Loss of controlling interests in entities, net of cash and cash equivalents sold		12	190
Disposals of investments in entities accounted for using the equity method and joint operations		668	1,143
Disposals of available-for-sale securities		134	67
Interest received on non-current financial assets		45	26
Dividends received on non-current financial assets		43	66
Change in loans and receivables originated by the Group and other	4.4.3	55	(136)
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES		**(1,937)**	**(2,204)**
Dividends paid		(2,023)	(2,391)
Repayment of borrowings and debt		(3,754)	(2,354)
Change in financial assets at fair value through income		(132)	(341)
Interests paid		(643)	(1,005)
Interests received on cash and cash equivalents		51	65
Cash flow on derivatives qualifying as net investment hedges and compensation payments on derivatives		(367)	18
Increase in borrowings		3,161	2,008
Increase/decrease in capital		2,014	39
Purchase and/or sale of treasury stock		137	(5)
Changes in ownership interests in controlled entities	4.4.3	(24)	(68)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		**(1,581)**	**(4,036)**
Effects of changes in exchange rates and other		80	23
TOTAL CASH FLOW FOR THE PERIOD		**2,694**	**15**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**8,724**	**11,039**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**11,418**	**11,054**

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

(2) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

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.

3

Notes to the interim condensed consolidated financial statements

INFORMATION ON THE GDF SUEZ GROUP

GDF SUEZ SA, the parent company of the GDF SUEZ Group, is a French *Société Anonyme* with a Board of Directors and is subject to the provisions of Book II of the French Commercial Code (*Code de Commerce*), as well as to all other provisions of French law applicable to French 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 by 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 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 July 30, 2014, the Group's Board of Directors approved and authorized for issue the condensed interim consolidated financial statements of GDF SUEZ and its subsidiaries for the six months ended June 30, 2014.

NOTE 1 ACCOUNTING STANDARDS AND METHODS

1.1 Accounting standards

In accordance with the European Regulation on international accounting standards dated July 19, 2002, the Group's annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and endorsed by the European Union[1]. The Group's condensed interim consolidated financial statements for the six months ended June 30, 2014 were prepared in accordance with the provisions of IAS 34 – *Interim Financial Reporting*, which allows entities to present selected explanatory notes. The condensed interim consolidated financial statements for the six months ended June 30, 2014 do not therefore incorporate all of the notes and disclosures required by IFRS for the annual consolidated financial statements, and accordingly must be read in conjunction with the consolidated financial statements for the year ended December 31, 2013, subject to specific provisions relating to the preparation of interim financial statements as described hereafter (see 1.4).

The accounting principles used to prepare the Group's condensed interim consolidated financial statements for the six months ended June 30, 2014 are consistent with those used to prepare the consolidated financial statements for the year ended December 31, 2013 in accordance with IFRS as published by the IASB and endorsed by the European Union, with the exception of the following items in 1.1.1:

1.1.1 IFRS Standards and amendments applicable in 2014

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

For the modifications introduced by these new consolidation standards, see 1.3.1. 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

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

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 in 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 interpretation applicable after 2014 that the Group has elected not to early adopt

- IFRS 9 – *Financial Instruments*(2)
- IFRS 15 – *Revenue from contracts with customers*(2)
- Amendments to IAS 19 – *Employee benefits*: Defined benefit plans: employee contributions(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)
- Annual improvements to IFRSs 2010-2012 cycle(2)
- Annual improvements to IFRSs 2011-2013 cycle(2)
- IFRIC 21 – *Levies*.

The potential impact on the Group resulting from the application of these standards, amendments and interpretation is currently being assessed.

1.2 Use of estimates and judgment

The economic and financial crisis prompted the Group to step up its risks oversight procedures and include an assessment of these risks in measuring financial instruments and performing impairments 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.

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

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

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

- measurement at fair value of assets acquired and liabilities assumed in a business combination;
- measurement of the recoverable amount of goodwill, property, plant and equipment and intangible assets;
- measurement of provisions, particularly for nuclear waste processing and storage, dismantling obligations, disputes, pensions and other employee benefits;
- financial instruments;
- measurement of un-metered revenues;
- measurement of recognized tax loss carry-forwards.

Detailed information related to the use of estimates is provided in Note 1 to the consolidated financial statements for the year ended December 31, 2013.

Judgment

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

In particular, the Group exercised its judgment in analyzing the type of control, in determining "own use contracts" as defined by IAS 39 for power and gas purchase and sales contracts, the classification of arrangements which contain a lease, and the recognition of acquisitions of non-controlling interests prior to January 1, 2010.

In accordance with IAS 1, the Group's current and non-current assets and liabilities are presented separately in the consolidated statement of financial position. In view of most of the Group's activities, it has been considered that the criterion to be retained for the breakdown into current and non-current items is the term in which assets are expected to be realized, or liabilities extinguished: current if the term is shorter than 12 months and non-current if the term exceeds 12 months.

1.3 Accounting methods

The accounting methods used to prepare the Group's condensed interim consolidated financial statements for the six months ended June 30, 2014 are consistent with those used to prepare the consolidated financial statements for the year ended December 31, 2013 with the exception of the following items in 1.3.1 and 1.3.3.

1.3.1 Consolidation methods

IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements* and Amendments to IAS 28 – *Investments in Associates and Joint Ventures*, have been 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 two 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 shall continue 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 financial statements 2013 is disclosed in Note 2 to this report "Impact of applying the new consolidation standards to the comparative 2013 financial statements".

1.3.2 Oil and gas producing assets

Depreciation of production assets

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 to the ratio of oil and gas production for the period to probable reserves since January 1, 2014. 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 approximately €300 million, and an increase of net income Group share of nearly €100 million.

1.3.3 Income statement presentation

Since January 1, 2014 "Share in net income of entities accounted for using the equity method", is now presented after the "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" to this report.

1.4 Specificities of interim financial reporting

Seasonality of operations

The Group's operations are intrinsically subject to seasonal fluctuations, but key performance indicators and operating income are even more influenced by changes in climatic conditions than by seasonality. Consequently, the interim results for the six months ended June 30, 2014 are not necessarily indicative of those that may be expected for full-year 2014.

Income tax expense

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

Pension benefit obligations

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

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 the first half of 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 proportionate method. Pursuant to IFRS 11, joint ventures must now be accounted for using the equity method. Joint arrangements classified as joint operations within the Group are not material.

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

Entity	% interest	Country	Operating segment	Activity
Energia Sustentável do Brasil – "Jirau"	60.0	Brazil	Energy International	Created to build, own and operate the 3,750 MW hydroelectric power plant.
EcoElectrica	35.0	Puerto Rico	Energy International	Operates a 507 MW combined-cycle gas-fired power plant and a 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 (1,624 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 transportation network.
Maia Eolis	49.0	France	Energy Europe	Operates a portfolio of wind farm assets (216 MW).
Tihama Power Generation	60.0	Saudi Arabia	Energy International	Operates a portfolio of thermal power generation assets (1,063 MW).

(1) The joint venture NPIH was created as part of the transaction with Marubeni Corporation on October 13, 2013 (see Note 2 "Main changes in Group structure" to the consolidated financial statements for the year ended December 31, 2013).

In the published financial statements for the year ended December 31, 2013, the assets and liabilities of Energia Sustentável do Brasil (ESBR) were 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 (see Note 3). 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 is accounted for as an associate.

Contributions made by joint ventures to the income statement for the first half of 2014 and the statement of financial position at June 30, 2014 as well as the comparative financial statements for the year ended December 31, 2013 are presented in Note 2.4 below.

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 CGU to which it belongs in accordance with the provisions defined by IFRS 11. The 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 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 of certain key indicators" presents the quantified reconciliation of current operating income and EBITDA at June 30, 2013 as published in the 2013 First Half Financial Report and the comparative data at June 30, 2013 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 4 on segment information as well as in the interim management report.

2.3 Restatement of 2013 comparative data

2.3.1 Income statement for the six months ended June 30, 2013

In millions of euros	June 30, 2013 (published)(1)	Presentation changes in the income statement	First-time application of consolidation standards	June 30, 2013 (restated)(1)
Revenues	49,743	-	(631)	49,112
Purchases	(27,558)	-	337	(27,221)
Personnel costs	(6,834)	-	43	(6,791)
Depreciation, amortization and provisions	(3,139)	-	66	(3,073)
Other operating expenses	(7,987)	-	89	(7,898)
Other operating income	1,152	-	(10)	1,141
CURRENT OPERATING INCOME	**5,377**	**-**	**(107)**	**5,270**
Share in net income of entities accounted for using the equity method	-	233	94	327
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**5,377**	**233**	**(13)**	**5,597**
Mark-to-market on commodity contracts other than trading instruments	(217)	-	3	(214)
Impairment losses	(493)	-	30	(462)
Restructuring costs	(74)	-	-	(74)
Changes in scope of consolidation	(72)	-	-	(72)
Other non-recurring items	43	-	1	44
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**4,564**	**233**	**21**	**4,818**
Financial expenses	(1,422)	-	17	(1,404)
Financial income	412	-	(13)	399
NET FINANCIAL INCOME/(LOSS)	**(1,010)**	**-**	**4**	**(1,006)**
Income tax expense	(1,463)	-	10	(1,453)
Share in net income of associates	233	(233)	-	-
NET INCOME/(LOSS)	**2,325**	**-**	**35**	**2,360**
Net income/(loss) Group share	1,733	-	6	1,739
Non-controlling interests	592	-	29	621
BASIC EARNINGS PER SHARE *(EUROS)*	**0.74**			**0.74**
DILUTED EARNINGS PER SHARE *(EUROS)*	**0.73**			**0.73**

(1) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7).

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.

2.3.2 Statement of comprehensive income for the six months ended June 30, 2013

In millions of euros	June 30, 2013 (published)[1]	First-time application of consolidation standards	June 30, 2013 (restated)[1]
NET INCOME/(LOSS)	**2,325**	**35**	**2,360**
Available-for-sale financial assets	(21)	4	(17)
Net investment hedges	121	-	121
Cash flow hedges (excl. commodity instruments)	245	(21)	224
Commodity cash flow hedges	(29)	-	(28)
Deferred tax on items above	(94)	3	(91)
Share of entities accounted for using the equity method in recyclable items, net of tax	61	14	75
Translation adjustments	(803)	(5)	(808)
TOTAL RECYCLABLE ITEMS	**(519)**	**(5)**	**(524)**
Actuarial gains and losses	(31)	1	(31)
Deferred tax on actuarial gains and losses	13	-	12
Share of entities accounted for using the equity method in non-recyclable items from actuarial gains and losses, net of tax	10	-	10
TOTAL NON-RECYCLABLE ITEMS	**(8)**	**1**	**(8)**
TOTAL COMPREHENSIVE INCOME	**1,797**	**31**	**1,828**
o/w Owners of the parent	1,325	6	1,331
o/w Non-controlling interests	472	25	497

(1) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7).

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.

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	(356)	12,665
Goodwill	30,035	(500)	29,535
Property, plant and equipment, net	86,597	(4,489)	82,108
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)	934
Deferred tax assets	1,487	(45)	1,442
TOTAL NON-CURRENT ASSETS	**145,109**	**(2,767)**	**142,342**
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	(181)	24,853
Inventories	5,423	(50)	5,372
Other assets	9,012	(155)	8,857
Financial assets at fair value through income	432	(1)	431
Cash and cash equivalents	11,383	(343)	11,039
Assets classified as held for sale	3,145	(391)	2,754
TOTAL CURRENT ASSETS	**60,339**	**(765)**	**59,572**
TOTAL ASSETS	**205,448**	**(3,532)**	**201,914**

Shareholder's equity	59,834	(127)	59,707
Non-controlling interests	11,468	204	11,672
TOTAL EQUITY	**71,303**	**77**	**71,380**
Non-current liabilities			
Provisions	15,480	(50)	15,430
Long-term borrowings	45,247	(2,941)	42,306
Derivative instruments	2,751	(88)	2,664
Other financial liabilities	343	281	624
Other liabilities	2,063	(38)	2,025
Deferred tax liabilities	11,959	(153)	11,806
TOTAL NON-CURRENT LIABILITIES	**77,843**	**(2,989)**	**74,854**
Current liabilities			
Provisions	2,071	(22)	2,049
Short-term borrowings	11,962	208	12,169
Derivative instruments	4,092	(17)	4,075
Trade and other payables	19,481	(375)	19,107
Other liabilities	16,820	(22)	16,798
Liabilities directly associated with assets classified as held for sale	1,875	(392)	1,483
TOTAL CURRENT LIABILITIES	**56,302**	**(620)**	**55,681**
TOTAL EQUITY AND LIABILITIES	**205,448**	**(3,532)**	**201,914**

(1) SUEZ Environnement's contribution was fully consolidated at January 1, 2013 (see Note 3.7).
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.

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	(242)	7,044
Goodwill	20,697	(277)	20,420
Property, plant and equipment, net	65,037	(1,598)	63,438
Available-for-sale securities	3,015	-	3,015
Loans and receivables at amortized cost	2,368	(471)	1,898
Derivative instruments	2,351	1	2,352
Investments in entities accounted for using the equity method	4,636	2,163	6,799
Other assets	723	(37)	686
Deferred tax assets	662	(92)	570
TOTAL NON-CURRENT ASSETS	**106,775**	**(553)**	**106,222**
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	(194)	21,124
Inventories	5,070	(48)	5,023
Other assets	8,229	(9)	8,221
Financial assets at fair value through income	1,004	(3)	1,001
Cash and cash equivalents	8,691	33	8,724
Assets classified as held for sale	3,620	(2,699)	922
TOTAL CURRENT ASSETS	**52,836**	**(2,517)**	**50,319**
TOTAL ASSETS	**159,611**	**(3,070)**	**156,541**

Shareholder's equity	47,955	(40)	47,915
Non-controlling interests	5,535	154	5,689
TOTAL EQUITY	**53,490**	**114**	**53,604**
Non-current liabilities	-		-
Provisions	14,129	(33)	14,096
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	(247)	9,545
TOTAL NON-CURRENT LIABILITIES	**56,792**	**(1,152)**	**55,640**
Current liabilities			
Provisions	2,050	(9)	2,041
Short-term borrowings	10,490	260	10,750
Derivative instruments	4,062	(11)	4,050
Trade and other payables	16,599	(134)	16,465
Other liabilities	13,606	(49)	13,557
Liabilities directly associated with assets classified as held for sale	2,521	(2,088)	434
TOTAL CURRENT LIABILITIES	**49,329**	**(2,032)**	**47,297**
TOTAL EQUITY AND LIABILITIES	**159,611**	**(3,070)**	**156,541**

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.

2.3.5 Statement of cash flows for the six months ended June 30, 2013

In millions of euros	June 30, 2013 (published)(1)	First-time application of consolidation standards	June 30, 2013 (restated)(1)
NET INCOME/(LOSS)	2,325	35	2,360
Cash generated from operations before income tax and working capital requirements	8,508	(151)	8,357
Change in working capital requirements	(1,327)	(31)	(1,358)
CASH FLOW FROM OPERATING ACTIVITIES	6,388	(156)	6,232
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	(2,490)	286	(2,204)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	(4,085)	49	(4,036)
Effects of changes in exchange rates and other	(9)	32	23
TOTAL CASH FLOW FOR THE PERIOD	(196)	211	15
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	11,383	(344)	11,039
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11,187	(133)	11,054

(1) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7).
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.

2.3.6 Impact 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	June 30, 2013 (published)(1)	Incorporation of income of entities accounted for using the equity method	First-time application of consolidation standards	New EBITDA definition	June 30, 2013 (restated)(1)
CURRENT OPERATING INCOME	5,377	-	(107)	-	5,270
Share in net income of entities accounted for using the equity method	-	233	94	-	327
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	5,377	233	(13)	-	5,597
Net depreciation, amortization and provisions	3,139	-	(67)	62	3,134
Share-based payments (IFRS 2) and other	59	-	-	-	59
Net disbursements under concession contracts	208	-	(1)	(207)	-
EBITDA	8,782	233	(81)	(145)	8,790

(1) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7).

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	(2,741)	54,748
ASSETS RELATED TO FINANCING	(295)	-	(295)
NET CASH	(13,279)	345	(12,934)
NET DEBT	**43,914**	**(2,396)**	**41,518**

(1) SUEZ Environnement's contribution was fully consolidated for the first half of January 1, 2013 (see Note 3.7).

In millions of euros	Dec. 31, 2013 (published)	First-time application of consolidation standards	Dec. 31, 2013 (restated)
GROSS DEBT	40,421	(593)	39,828
ASSETS RELATED TO FINANCING	(91)	-	(91)
NET CASH	(10,490)	(30)	(10,520)
NET DEBT	**29,840**	**(623)**	**29,217**

2.4 Respective contributions of associates and joint ventures to the income statement and statement of financial position

	Carrying amount of investments in entities accounted for using the equity method		Share in net income of entities accounted for using the equity method	
In millions of euros	June 30, 2014	Dec. 31, 2013	June 30, 2014	June 30, 2013(1)
Associates	5,049	4,526	147	217
Joint ventures	1,686	2,274	128	110
TOTAL	**6,735**	**6,799**	**275**	**327**

(1) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014, following the loss of control of SUEZ Environnement on July 22, 2013.

NOTE 3 MAIN CHANGES IN GROUP STRUCTURE

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

3.1.1 Description of the transaction

The shareholders of Gaztransport & Technigaz (GTT), a Fench engineering company specialized in cryogenic membrane confinement technology for the transportation of LNG, have 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 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 and 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%);
- Total and Hellman & Friedman (10.4% each);
- Free float (38.6%), 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 capital and GDF SUEZ's ability to control GTT's key decisions, the Group considered that it 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 shares.

3.1.2 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 5.1.4 "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 June 30, 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 and net income Group share in the first half of 2014 amounted to €74 million, €17 million and €10 million, respectively. If control had been acquired at January 1, 2014, the Group would have recorded additional revenues, current operating income and net income Group share amounting to €39 million, €6 million and € - 3 million, respectively.

3.2 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).

The accounting of this business combination is provisional basis at June 30, 2014.

3.3 Investments in the electricity and natural gas distribution sector in Belgium

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 form part of the planned sale of the Group's investment in Ores Assets and 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 previous operations carried out in other regions: (i) in Flanders, where the Group no longer has significant influence over the distribution network operators as a result of the governance measures in place since mid-2011; and (ii) 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 from June 26, 2014, the date on which the abovementioned agreements were signed. As a result, the Group's residual interest has been recognized in the 2014 interim financial statements at fair value under "Available-for-sale securities". The difference between the fair value and the carrying amount of this residual interest is presented in the income statement under "Changes in the scope of consolidation" for €174 million.

3.4 Disposals carried out during the first half of 2014

The disposals carried out in the first half of 2014 led to a €1,001 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 June 30, 2014. The individual and aggregate disposal gains/(losses) were not material at June 30, 2014.

In millions of euros	**Disposal price**	**Decrease in net debt**
Transactions finalized in the first half of 2014 relating to "Assets held for sale" at December 31, 2013	**334**	**(385)**
Disposal of a 20% interest in Energia Sustentável Do Brasil – "Jirau" (Brazil)	318	(318)
Disposal of a 50% interest in Futures Energies Investissement Holding (France)	16	(67)
Other transactions carried out during the first half of 2014	**153**	**(275)**
Disposal of the 49% interest in ISAB Energy (Italy)	153	(153)
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		**(341)**
TOTAL		**(1,001)**

The 20% interest in Energia Sustentável do Brasil (ESBR), held for sale for 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").

3.4.1 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.

3.4.2 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 income statement at June 30, 2014.

3.4.3 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 a integrated gasification combined cycle plant (532 MW) in Southern Italy, for €153 million.

This transaction did not have a material impact on the income statement at June 30, 2014.

3.5 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 during the first half of 2014 (see Note 3.4 "Disposals carried out during the first half of 2014").

At June 30, 2014, the Group no longer had any "Assets held for sale".

3.6 Other transactions during the first half of 2014

Various other acquisitions, equity transactions and disposals took place during the first half of 2014, notably the acquisition of a controlling interest in Ferrari Termoelétrica in the biomass cogeneration industry in Brazil, the acquisition of West Coast Energy Ltd in the UK wind-energy industry and the sale of DUNAMENTI Erőmű in Hungary. Their individual and cumulated impact on the Group financial statements are not material.

3.7 Loss of control of SUEZ Environnement

On July 22, 2013, the SUEZ Environnement 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 under the equity method in its consolidated financial statements.

In accordance with the provisions of IAS 28 – *Investments in Associates and Joint Ventures*, the Group has 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 at June 30, 2014. The adjustments made to these measurements are non-material.

SUEZ Environnement group's contribution on a fully-consolidated basis to the consolidated income statement and statement of cash flows for the first half of 2013 and the consolidated statement of financial position at January 1, 2013 is presented in the table below.

INCOME STATEMENT

In millions of euros	**June 30, 2013[1]**
Revenues	7,061
Purchases	(1,424)
Personnel costs	(1,878)
Depreciation, amortization and provisions	(475)
Other operating expenses	(2,917)
Other operating income	153
CURRENT OPERATING INCOME	**521**
Share in net income of entities accounted for using the equity method	40
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**561**
Mark-to-market on commodity contracts other than trading instruments	(1)
Impairment losses	4
Restructuring costs	(16)
Changes in scope of consolidation	(3)
Other non-recurring items	9
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**554**
Financial expenses	(240)
Financial income	36
NET FINANCIAL INCOME/(LOSS)	**(203)**
Income tax expense	(82)
NET INCOME/(LOSS)	**268**
Net income/(loss) Group share	36
Non-controlling interests	232
EBITDA	**1,114**

(1) Comparative data for the first half of 2013 have been restated due to the application of the consolidation standards and to the presentation changes in the income statement (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 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).
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	**June 30, 2013[1]**
NET INCOME/(LOSS)	**268**
Cash generated from operations before income tax and working capital requirements	**993**
Change in working capital requirements	**(250)**
CASH FLOW FROM OPERATING ACTIVITIES	**636**
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(506)**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(221)**
Effects of changes in exchange rates and other	(40)
TOTAL CASH FLOW FOR THE PERIOD	**(132)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**2,129**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,997**

(1) Comparative data for the first half of 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.

NOTE 4 SEGMENT INFORMATION

4.1 Operating segments

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.

The Group's operating segments are described in Note 3 "Segment information", to the consolidated financial statements for the year ended December 31, 2013.

SUEZ Environnement was a separate business line until July 22, 2013, date of the loss of control. As such its contribution to the first half of 2013 key indicators continues to be presented under a specific line of the segment information.

From July 22, 2013, SUEZ Environnement's contribution (as an associate) to key indicators is shown in the "Other" line.

4.2 Key indicators by operating segment

REVENUES

	June 30, 2014			June 30, 2013[1]		
In millions of euros	External revenues	Intra-Group Revenues	Total	External revenues	Intra-Group Revenues	Total
Energy International	6,861	583	7,443	7,409	483	7,891
Energy Europe	20,261	753	21,015	23,140	927	24,067
Global Gaz & LNG	3,261	1,164	4,426	2,883	1,558	4,441
Infrastructures	1,445	2,021	3,466	1,257	2,294	3,550
Energy Services	7,587	86	7,672	7,363	109	7,472
Other	-	-	-	-	-	-
Elimination of internal transactions	-	(4,607)	(4,607)	7	(5,371)	(5,364)
SUBTOTAL	**39,415**	**-**	**39,415**	**42,058**	**-**	**42,058**
SUEZ Environnement[2]	-	-	-	7,061	6	7,067
Elimination of internal transactions	-	-	-	(7)	(6)	(13)
TOTAL REVENUES	**39,415**	**-**	**39,415**	**49,112**	**-**	**49,112**

(1) Comparative data for the first half of 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of Suez Environnement on July 22, 2013.

EBITDA[1]

In millions of euros	June 30, 2014	June 30, 2013[2]
Energy International	1,721	2,262
Energy Europe	1,554	2,064
Global Gas & LNG	1,033	1,086
Infrastructures	1,814	1,932
Energy Services	539	537
Other	(42)	(205)
SUBTOTAL	**6,619**	**7,675**
SUEZ Environnement[3]	-	1,114
TOTAL EBITDA	**6,619**	**8,790**

(1) Data for the first half of 2014 are presented according to the Group's new EBITDA definition (see Note 2.2). Comparative data for the first half of 2013 have been restated according to this new definition (see Note 2.3.6).
(2) Comparative data for the first half of 2013 have been restated due to the application of the consolidation standards (see Note 2).
(3) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

DEPRECIATION AND AMORTIZATION

In millions of euros	June 30, 2014	June 30, 2013[1]
Energy International	(489)	(584)
Energy Europe	(556)	(678)
Global Gas & LNG	(369)	(455)
Infrastructures	(630)	(621)
Energy Services	(160)	(163)
Other	(46)	(48)
SUBTOTAL	**(2,250)**	**(2,549)**
SUEZ Environnement[2]	-	(541)
TOTAL DEPRECIATION AND AMORTIZATION	**(2,250)**	**(3,090)**

(1) Comparative data for the first half of 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

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

In millions of euros	June 30, 2014	June 30, 2013[1]
Energy International	138	204
Energy Europe	60	47
Global Gas & LNG	19	24
Infrastructures	4	9
Energy Services	3	3
Other	50	1
Of which share in net income of SUEZ Environnement as an associate	*50*	-
SUBTOTAL	**275**	**286**
SUEZ Environnement[2]	-	40
TOTAL SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**275**	**327**

(1) Comparative data for the first half of 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

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

In millions of euros	June 30, 2014	June 30, 2013(1)
Energy International	1,233	1,676
Energy Europe	1,005	1,379
Global Gas & LNG	627	585
Infrastructures	1,185	1,310
Energy Services	384	369
Other	(88)	(282)
SUBTOTAL	**4,346**	**5,036**
SUEZ Environnement(2)	-	561
TOTAL CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**4,346**	**5,597**

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

(2) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

INDUSTRIAL CAPITAL EMPLOYED

In millions of euros	June 30, 2014	Dec. 31, 2013(1)
Energy International	21,806	21,211
Energy Europe	14,470	15,316
Global Gas & LNG	5,728	4,490
Infrastructures	18,635	19,011
Energy Services	4,077	3,503
Other	3,163	3,561
Of which SUEZ Environnement	1,885	*1,891*
TOTAL INDUSTRIAL CAPITAL EMPLOYED	**67,878**	**67,093**

(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	June 30, 2014	June 30, 2013(1)
Energy International	808	965
Energy Europe	520	678
Global Gas & LNG	556	462
Infrastructures	721	878
Energy Services	482	266
Other	56	31
SUBTOTAL	**3,143**	**3,280**
SUEZ Environnement(2)	-	569
TOTAL CAPITAL EXPENDITURE	**3,143**	**3,849**

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

(2) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

4.3 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	June 30, 2014	June 30, 2013[1,2]	June 30, 2014	Dec. 31, 2013[1]
France	15,305	20,250	30,550	30,628
Belgium	5,604	5,335	1,959	2,682
Other EU countries	10,180	13,317	12,038	11,763
Other European countries	683	533	1,276	1,131
North America	1,831	2,303	5,587	5,433
Asia, Middle East & Oceania	3,584	4,521	8,232	7,758
South America	2,121	2,385	7,661	7,180
Africa	107	468	576	519
TOTAL	**39,415**	**49,112**	**67,878**	**67,093**

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

(2) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

4.4 Reconciliation of indicators with consolidated financial statements

4.4.1 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	June 30, 2014	June 30, 2013[1]
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**4,346**	**5,597**
Net depreciation, amortization and other	2,288	3,135
Share-based payments (IFRS 2)	(15)	58
EBITDA [2]	**6,619**	**8,790**

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

(2) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

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

In millions of euros	June 30, 2014	Dec. 31, 2013[1]
(+) Property, plant and equipment and intangible assets, net	71,514	70,482
(+) Goodwill	20,867	20,420
(-) Goodwill arising on the Gaz de France - SUEZ merger [2]	*(8,325)*	*(8,559)*
(-) Goodwill arising on the International Power combination [2]	*(2,382)*	*(2,307)*
(+) IFRIC 4 and IFRIC 12 receivables	1,807	1,554
(+) Investments in entities accounted for using the equity method	6,735	6,799
(-) Goodwill arising on the International Power combination [2]	*(136)*	(135)
(+) Trade and other receivables, net	17,458	21,124
(-) Margin calls [2, 3]	*(886)*	*(992)*
(+) Inventories	4,676	5,023
(+) Other current and non-current assets	8,811	8,907
(+) Deferred tax	(9,136)	(8,975)
(+) 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	(16,812)	(16,137)
(+) Actuarial gains and losses in shareholders' equity (net of deferred tax) [2]	*1,367*	*962*
(-) Trade and other payables	(13,879)	(16,465)
(-) Margin calls [2, 3]	*588*	*242*
(-) Other liabilities	(14,390)	(14,927)
INDUSTRIAL CAPITAL EMPLOYED	**67,878**	**67,093**

(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 presented in the statement of financial position.

(3) Margin calls included in "Trade and other receivables, net" 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 commodity transactions.

(4) The related operations at December 31, 2013 are detailed in Note 3.5 "Assets held for sale". The definition of industrial capital employed includes the carrying value of the share in net equity that 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.

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

In millions of euros	June 30, 2014	June 30, 2013[1, 2]
Acquisitions of property, plant and equipment and intangible assets	2,477	3,095
Acquisition of controlling interests in entities net of the cash and cash equivalents acquired	211	21
(+) Cash and cash equivalents acquired	*145*	*1*
Acquisitions of investments in entities accounted for using the equity method and joint operations	187	495
(+) Cash and cash equivalents acquired	*-*	*1*
Acquisitions of available-for-sale securities	172	44
Change in loans and receivables originated by the Group and other	(55)	136
(+) Other	*(1)*	-
Change in ownership interests in controlled entities	24	68
(+) Payments received in respect of the disposal of non-controlling interests	*(18)*	*(12)*
TOTAL CAPITAL EXPENDITURE	**3,143**	**3,849**

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

(2) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

NOTE 5 INCOME STATEMENT

5.1 Income/(loss) from operating activities

In millions of euros	June 30, 2014	June 30, 2013[1, 2]
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**4,346**	**5,597**
Mark-to-market on commodity contracts other than trading instruments	420	(214)
Impairment losses	(28)	(462)
Restructuring costs	(55)	(74)
Changes in scope of consolidation	521	(72)
Other non-recurring items	47	44
INCOME/(LOSS) FROM OPERATING ACTIVITIES	**5,250**	**4,818**

(1) Comparative data for the first half of 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

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

In the first half of 2014, this item represents a net income of €420 million, compared with a net loss of €214 million in the first half of 2013. It reflects the 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 economic hedges but not eligible for hedge accounting, resulting in a net income of €415 million (compared with a net loss of €219 million in the first half of 2013). This income is mainly due to a positive price effect related to changes in the forward prices of the underlying commodities during the period. It also includes the positive impact of the settlement of positions with a negative fair value at December 31, 2013.

5.1.2 Impairment losses

In millions of euros	June 30, 2014	June 30, 2013
Impairment losses:		
Goodwill	-	(285)
Property, plant and equipment and other intangible assets	(23)	(179)
Financial assets	(11)	(10)
TOTAL IMPAIRMENT LOSSES	**(34)**	**(474)**
Reversals of impairment losses:		
Property, plant and equipment and other intangible assets	5	10
Financial assets	1	3
TOTAL REVERSALS OF IMPAIRMENT LOSSES	**6**	**12**
TOTAL	**(28)**	**(462)**

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

At June 30, 2014, impairment tests were performed on a limited number of associates and property, plant and equipment for which indications of impairment were identified during the first half of 2014.

Having examined all the information available notably on the changes in contractual, regulatory, and market data since end-December 2013, the Group concluded that the carrying amount of European goodwill CGUs, against which material impairment losses had been recognized in 2013, was not greater than their recoverable amount.

5.1.2.1 Impairment losses recognized during the first half of 2014

In first-half 2014, impairment losses amounted to €34 million. This total did not include any individually material amount.

Impairment losses recognized for first-half 2013 amounted to €474 million, primarily relating to:

- a €252 million impairment loss taken against the goodwill of the Energy – Southern Europe CGU, comprising the Group's Italian and Greek gas and electricity production and sales activities, which was written down in full;
- impairment losses of €179 million against property, plant and equipment and intangible assets mainly related to GDF SUEZ Energy Europe's gas-fired power plants in the Netherlands (€134 million), and France (€28 million).

5.1.2.2 Sensitivity of the Energy – Central Western Europe (CWE) CGU impairment test to the assumptions concerning nuclear power generation in Belgium

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 total amount of goodwill allocated to this CGU amounted to €8,180 million in first-half 2014.

The key assumptions used for impairment testing at December 31, 2013 as well as the analyses of sensitivity to changes in key assumptions are described in Note 5.2.2 "Energy – Central Western Europe CGU" to the 2013 consolidated financial statements. The CGU's recoverable amount is particularly sensitive to the assumptions concerning nuclear power production in Belgium. The disappearance of the entire nuclear component from the portfolio after 50 years of operation in the case of Tihange I and 40 years of operation for the other nuclear plants would lead to a decrease in the recoverable amount of €5,000 million.

During the first half of 2014, the operations of the Belgian nuclear plants were marked by 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 Belgian Federal Agency for Nuclear Control (FANC) when the above reactors were restarted in 2013. Of all the tests carried out, one of them did not deliver results in line with experts' expectations. Additional tests and analyses are being carried out in order to verify and explain the first results observed and are expected to run until autumn 2014. At the end of this testing program, a justification file will be submitted to the FANC, which will decide on the restart of both reactors.

In that context, the Group still hopes to be able to restart the Doel 3 and Tihange 2 reactors as soon as possible.

Based on the assumption that the restart date of the Doel 3 and Tihange 2 reactors will be postponed by a few months compared with the dates initially scheduled for the planned outage, and in view of the Group's assessment of all of the inputs and key assumptions used in the impairment test, the Group considered that the carrying amount of the CWE CGU was not greater than its recoverable amount in first-half 2014.

However, assuming that the two reactors were to be shut down permanently with immediate effect, this would deteriorate significantly the result of the impairment test; the recoverable amount of the CWE CGU would fall significantly below its carrying amount. In this case, the risk of impairment would be similar to that associated with the disappearance of the entire nuclear component in Belgium at the end of their legal lifespan, supposing that the other impairment test assumptions used for the CWE CGU at December 31, 2013 remained unchanged.

5.1.3 Restructuring costs

Restructuring costs totaling €55 million in first-half 2014 mainly relate to costs incurred to adapt to economic conditions, including €28 million for GDF SUEZ Energy Europe.

In 2013, these items included costs incurred to adapt to economic conditions, including €47 million for GDF SUEZ Energy Europe and €16 million for SUEZ Environnement.

5.1.4 Changes in scope of consolidation

This item breaks down as follows for first-half 2014:

- 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 3.1 “Acquisition of control over GTT following its initial public offering (IPO)”);
- 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 3.3 “Investments in the electricity and natural gas distribution sector in Belgium”).

5.2 Net financial income/(loss)

In millions of euros	June 30, 2014 Expense	June 30, 2014 Income	June 30, 2014 Total	June 30, 2013(1, 2) Expense	June 30, 2013(1, 2) Income	June 30, 2013(1, 2) Total
Cost of net debt	**(557)**	**64**	**(494)**	**(882)**	**70**	**(812)**
Interest expense on gross debt and hedges	(622)	-	(622)	(962)	-	(962)
Foreign exchange gains/(losses) on borrowings and hedges	-	8	8	-	-	-
Ineffective portion of derivatives qualified as fair value hedges	(3)	-	(3)	(1)	-	(1)
Gains and losses on cash and cash equivalents and financial assets at fair value through income	-	56	56	-	70	70
Capitalized borrowing costs	68	-	68	81	-	81
Gains/(losses) on debt restructuring and early unwinding of derivative financial instruments	**(322)**	**222**	**(100)**	**(73)**	**36**	**(37)**
Cash payments made on the unwinding of swaps	(222)	-	(222)	(44)	-	(44)
Reversal of the negative fair value of these early unwound derivative financial instruments	-	222	222	-	36	36
Expenses on debt restructuring transactions	(100)	-	(100)	(30)	-	(30)
Other financial income and expenses	**(543)**	**215**	**(328)**	**(449)**	**292**	**(157)**
Net interest expense on post-employment benefits and other long-term benefits	(75)	-	(75)	(89)	-	(89)
Unwinding of discounting adjustments to other long-term provisions	(261)	-	(261)	(224)	-	(224)
Change in fair value of derivatives not qualified as hedges	(109)	-	(109)	-	101	101
Income from available-for-sale securities	-	36	36	-	50	50
Other	(99)	178	80	(137)	141	4
NET FINANCIAL INCOME/(LOSS)	**(1,423)**	**501**	**(921)**	**(1,404)**	**399**	**(1,006)**

(1) Comparative data for the first half of 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

Besides the volume effect relating to the loss of control of SUEZ Environnement on July 22, 2013 (impact of €174 million), the decrease in the cost of net debt is mainly due to the reduction in the volume of net debt as well as the positive impacts of debt refinancing and restructuring transactions carried out by the Group (see Note 7.3.2 "Main events of the period").

This decrease in cost of debt is partially offset by the negative impact on the change in fair value of derivatives instruments not qualifying for hedge accounting.

5.3 Income tax expense

In millions of euros	June 30, 2014	June 30, 2013[1, 2]
Net income/(loss) (A)	3,071	2,360
Total income tax expense recognized in income for the period (B)	(1,258)	(1,453)
Share in net income of entities accounted for using the equity method (C)	275	327
INCOME BEFORE INCOME TAX EXPENSE AND SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (A)-(B)-(C)=(D)	**4,054**	**3,486**
EFFECTIVE TAX RATE (B)/(D)	**31.0%**	**41.7%**

(1) Comparative data for the first half of 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement's contribution was fully consolidated for the first half 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

The effective tax rate was 10.7 percentage point lower than the first half of 2013, mainly due to the following reasons:

- the revaluation gains recorded in 2014 resulting from the changes in consolidation methods for GTT and for the Group's share in Walloon distribution network operator (see Note 3 "Main changes in Group structure");
- the impact of the recognition by the Group in the first half of 2013 of a non-deductible impairment loss of €252 million against goodwill for the Energy – Southern Europe CGU;
- the reduced weighting of income before tax recorded in the Exploration and Production business where the tax rates are substantially higher than the standard tax rate in France.

5.4 Net recurring income Group share

Net recurring income Group share is a financial indicator used by the Group in its financial communication to present net income Group share adjusted for unusual, 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 which are not impacted by changes in the definitions of some key indicators (see Note 2) are defined in Note 1.4.17 "Current operating income" to the consolidated financial statements for the year ended December 31, 2013;
- the following components of net financial income/(loss): the impact of debt restructuring, compensation payments on the early unwinding of derivative instruments, 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;
- net non-recurring items included in “Share in net income of entities accounted for using the equity method”. The excluded items correspond to the non-recurring items as defined above.

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

In millions of euros	Note	June 30, 2014	June 30, 2013[1, 2]
NET INCOME/(LOSS) GROUP SHARE		**2,630**	**1,739**
Non-controlling interests		441	621
NET INCOME/(LOSS)		**3,071**	**2,360**
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		**(904)**	**779**
Mark-to-market on commodity contracts other than trading instruments	5.1	*(420)*	*214*
Impairment losses	5.1	*28*	*462*
Restructuring costs	5.1	*55*	*74*
Changes in scope of consolidation	5.1	*(521)*	*72*
Other non-recurring items	5.1	*(47)*	*(44)*
Other adjusted items		**385**	**(86)**
Ineffective portion of derivatives qualified as fair value hedges	5.2	*3*	*1*
Gains/(losses) on debt restructuring and early unwinding of derivative financial instruments	5.2	*100*	*37*
Change in fair value of derivatives not qualified as hedges	5.2	*109*	*(101)*
Taxes on non-recurring items		*(1)*	*(161)*
Net expense relating to the nuclear contribution in Belgium		*197*	*125*
Non-recurring income included in share in net income of entities accounted for using the equity method		*(23)*	*14*
NET RECURRING INCOME		**2,551**	**3,053**
Non-controlling interests net recurring income		426	623
NET RECURRING INCOME GROUP SHARE		**2,125**	**2,431**

(1) Comparative data for the first half of 2013 have been restated due to the application of the consolidation standards (see Note 2).
(2) SUEZ Environnement’s contribution was fully consolidated for the first half of 2013 (see Note 3.7) and accounted for using the equity method for the first half of 2014 following the loss of control of SUEZ Environnement on July 22, 2013.

NOTE 6 GOODWILL, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In millions of euros	Goodwill	Intangible assets	Property, plant and equipment
GROSS AMOUNT			
At December 31, 2013[(1)]	**26,246**	**14,401**	**108,218**
Acquisitions and construction of property, plant and equipment and intangible assets	-	214	2,070
Disposals of property, plant and equipment and intangible assets	-	(30)	(303)
Changes in scope of consolidation	306	852	(375)
Other changes	-	10	(292)
Translation adjustments	110	51	822
AT JUNE 30, 2014	**26,661**	**15,498**	**110,139**
ACCUMULATED AMORTIZATION, DEPRECIATION AND IMPAIRMENT			
At December 31, 2013[(1)]	**(5,826)**	**(7,357)**	**(44,779)**
Depreciation, amortization and impairment	-	(340)	(1,938)
Disposals of property, plant and equipment and intangible assets	-	17	159
Changes in scope of consolidation	35	6	366
Other changes	-	(108)	99
Translation adjustments	(3)	(15)	(232)
AT JUNE 30, 2014	**(5,794)**	**(7,797)**	**(46,325)**
CARRYING AMOUNT			
At December 31, 2013[(1)]	20,420	7,044	63,438
AT JUNE 30, 2014	**20,867**	**7,701**	**63,814**

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

Changes in scope of consolidation for the first half of 2014 are mainly due to the acquisition of control over Gaztransport & Technigaz (GTT), following its initial public offering as well as to the acquisition of Ecova (United States) (see Note 3 “Main changes in Group structure”).

Translation adjustments recorded on the net amount of property, plant and equipment mainly result from translation differences on the Brazilian real (positive impact of €213 million), the Australian dollar (positive €139 million), the pound sterling (positive €113 million) and the US dollar (positive €89 million).

NOTE 7 FINANCIAL INSTRUMENTS

7.1 Financial assets

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

In millions of euros	June 30, 2014			Dec. 31, 2013[1]		
	Non-current	Current	Total	Non-current	Current	Total
Available-for-sale securities	3,435	-	3,435	3,015	-	3,015
Loans and receivables at amortized cost	3,032	18,179	21,212	1,898	22,594	24,492
Loans and receivables at amortized cost (excluding trade and other receivables)	*3,032*	*721*	*3,754*	*1,898*	*1,470*	*3,368*
Trade and other receivables, net	*-*	*17,458*	*17,458*	*-*	*21,124*	*21,124*
Other financial assets at fair value	2,556	8,005	10,561	2,352	4,835	7,187
Derivative instruments	*2,556*	*6,860*	*9,416*	*2,352*	*3,833*	*6,185*
Financial assets at fair value through income	*-*	*1,145*	*1,145*	*-*	*1,001*	*1,001*
Cash and cash equivalents	-	11,418	11,418	-	8,724	8,724
TOTAL	**9,023**	**37,602**	**46,626**	**7,265**	**36,154**	**43,418**

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

Available-for-sale securities

In millions of euros	
At December 31, 2013[1]	**3,015**
Acquisitions	179
Disposals - carrying amount excluding changes in fair value recorded in "Other comprehensive income"	(88)
Disposals - "Other comprehensive income" derecognized	(33)
Other changes in fair value recorded in equity	45
Changes in fair value recorded in income	(3)
Changes in scope of consolidation, foreign currency translation and other changes	321
AT JUNE 30, 2014	**3,435**

(1) Comparative data at 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 €3,435 million at June 30, 2014 breaking down as €1,284 million of listed securities and €2,151 million of unlisted securities (respectively, €1,140 million and €1,875 million at December 31, 2013).

Changes in scope of consolidation are mainly due to the Group's interest in the Walloon distribution network operator (see Note 3 "Main changes in Group structure").

7.2 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 June 30, 2014, broken down into current and non-current items:

	June 30, 2014			Dec. 31, 2013[1]		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt	28,787	10,290	39,077	28,576	10,750	39,326
Derivative instruments	2,676	6,224	8,900	2,062	4,050	6,113
Trade and other payables	-	13,879	13,879	-	16,465	16,465
Other financial liabilities	266	-	266	213	-	213
TOTAL	**31,729**	**30,393**	**62,122**	**30,852**	**31,265**	**62,117**

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

7.3 Net debt

7.3.1 Net debt by type

In millions of euros	June 30, 2014 Non-current	June 30, 2014 Current	June 30, 2014 Total	Dec. 31, 2013[1] Non-current	Dec. 31, 2013[1] Current	Dec. 31, 2013[1] Total
Borrowings and debt outstanding	28,776	9,333	38,109	28,564	9,565	38,130
Impact of measurement at amortized cost	11	224	235	(96)	572	476
Impact of fair value hedge[2]	-	239	239	108	44	152
Margin calls on derivatives hedging borrowings - carried in liabilities	-	494	494	-	569	569
BORROWINGS AND DEBT	**28,787**	**10,290**	**39,077**	**28,576**	**10,750**	**39,326**
Derivatives hedging borrowings - carried in liabilities[3]	266	67	334	339	163	502
GROSS DEBT	**29,053**	**10,358**	**39,411**	**28,915**	**10,913**	**39,828**
Assets related to financing	(76)	(14)	(91)	(77)	(14)	(91)
ASSETS RELATED TO FINANCING	**(76)**	**(14)**	**(91)**	**(77)**	**(14)**	**(91)**
Financial assets at fair value through income (excluding margin calls)	-	(723)	(723)	-	(732)	(732)
Margin calls on derivatives hedging borrowings - carried in assets	-	(422)	(422)	-	(269)	(269)
Cash and cash equivalents	-	(11,418)	(11,418)	-	(8,724)	(8,724)
Derivatives hedging borrowings - carried in assets[3]	(586)	(134)	(721)	(637)	(157)	(794)
NET CASH	**(586)**	**(12,698)**	**(13,284)**	**(637)**	**(9,883)**	**(10,520)**
NET DEBT	**28,391**	**(2,354)**	**26,037**	**28,201**	**1,015**	**29,217**
Borrowings and debt outstanding	28,776	9,333	38,109	28,564	9,565	38,130
Assets related to financing	(76)	(14)	(91)	(77)	(14)	(91)
Financial assets at fair value through income (excluding margin calls)	-	(723)	(723)	-	(732)	(732)
Cash and cash equivalents	-	(11,418)	(11,418)	-	(8,724)	(8,724)
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, CASH COLLATERAL AND AMORTIZED COST	**28,699**	**(2,823)**	**25,877**	**28,488**	**94**	**28,582**

(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.

The fair value of gross borrowings and debt amounted to €41,187 million at June 30, 2014, compared with a carrying amount of €39,077 million.

7.3.2 Main events of the period

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

During the first half of 2014, changes in the scope of consolidation and exchange rates led to a €605 million decrease in net debt, reflecting:

- the full consolidation of Gaztransport & Technigaz (GTT) following its initial public offering which resulted in a €115 million decrease in net debt;
- the disposals carried out (see Note 3.4 "Disposals carried out during the first half of 2014") which reduced net debt by €1,001 million;
- the purchases carried out during the first half of 2014 (Ecova, Ferrari Termoelétrica, West Coast Energy Ltd.) which increased net debt by €292 million;
- changes in exchange rates during the first half of the year which resulted in a €219 million increase in net debt (including €70 million in relation to the pound sterling, €64 million in relation to the American dollar and €40 million in relation to the Brazilian real).

7.3.2.2 Financing and refinancing transactions

The Group carried out the following transactions during the first half of 2014:

Bond issues and redemptions

On May 12, 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 16 "Risks arising from financial instruments" to the consolidated financial statements for the year ended December 31, 2013.

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 7.5 "Hybrid issue of perpetual subordinated 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.

The early redemption of these bonds also resulted in the recognition of an expense of €99 million.

Finally, GDF SUEZ redeemed €845 million worth of bonds with a 6.25% coupon which matured on January 24, 2014 and JPY18 billion (€130 million) in private placements which matured on February 5, 2014.

Other refinancing transactions

On June 12, 2014, the Group secured bank refinancing of AUD 475 million (€317 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.

7.4 Derivative instruments

7.4.1 Derivative financial assets

	June 30, 2014			Dec. 31, 2013[1]		
En millions d'euros	Non-current	Current	Total	Non-current	Current	Total
Derivatives hedging borrowings	586	134	721	637	157	794
Derivatives hedging commodities	1,139	6,646	7,785	881	3,648	4,529
Derivatives hedging other items	831	80	910	834	28	862
Total	**2,556**	**6,860**	**9,416**	**2,352**	**3,833**	**6,185**

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

7.4.2 Derivative financial liabilities

	June 30, 2014			Dec. 31, 2013[1]		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Derivatives hedging borrowings	266	67	334	339	163	502
Derivatives hedging commodities	1,084	6,104	7,188	1,008	3,703	4,711
Derivatives hedging other items	1,326	53	1,379	715	184	899
TOTAL	**2,676**	**6,224**	**8,900**	**2,062**	**4,050**	**6,113**

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

7.4.3 Fair value of derivative financial instruments hedging commodities

	June 30, 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	1,139	3,203	(1,084)	(2,923)	881	1,494	(1,008)	(1,801)
Cash flow hedges	*178*	*747*	*(159)*	*(553)*	*152*	*348*	*(202)*	*(437)*
Other derivative instruments	*962*	*2,456*	*(925)*	*(2,370)*	*728*	*1,146*	*(807)*	*(1,363)*
Derivative instruments relating to trading activities	-	3,442	-	(3,181)	-	2,155	-	(1,902)
TOTAL	**1,139**	**6,646**	**(1,084)**	**(6,104)**	**881**	**3,648**	**(1,008)**	**(3,703)**

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

7.4.4 Financial instruments by level in the fair value hierarchy

During the first half of 2014, the Group has made no significant change in the classification of financial instruments and had no significant transfer between levels in the fair value hierarchy.

7.5 Hybrid issue of perpetual subordinated notes

On May 22, 2014, GDF SUEZ issued deeply-subordinated perpetual notes enabling the Group to raise the equivalent of €2 billion in two tranches with an average coupon of 3.4%:

- a €1,000 million tranche callable annually from June 2019 with a 3% coupon;
- a €1,000 million tranche callable annually from June 2024 with a 3.875% coupon.

In accordance with the provisions of IAS 32 – *Financial Instruments: Presentation*, and in view of their characteristics, these instruments were recognized in equity in the Group's consolidated financial statements for a total amount of €1,974 million.

NOTE 8 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 2013 Registration Document.

8.1 Market risks

8.1.1 Commodity risk

8.1.1.1 Portfolio management activities

Sensitivities of the commodity-related financial derivatives portfolio used as part of the portfolio management activities as at June 30, 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]

		June 30, 2014	
In millions of euros	Changes in price	Pre-tax impact on income	Pre-tax impact on equity
Oil-based products	+10 $US/bbl	196	(1)
Natural gas	+3 €/MWh	(78)	(222)
Electricity	+5 €/MWh	(298)	(19)
Coal	+10 $US/ton	81	25
Greenhouse gas emission rights	+2 €/ton	153	-
EUR/USD	+10%	(288)	(27)
EUR/GBP	+10%	31	(5)
GBP/USD	+10%	1	-

(1) The sensitivities shown above apply solely to financial commodity derivatives used for hedging purposes as part of the portfolio management activities.

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

8.1.1.2 Trading activities

The use of Value at Risk (VaR) to quantify market risk arising from trading activities provides a transversal measure of risk taking all markets and products into account. VaR represents the maximum potential loss on a portfolio of assets over a specified holding period based on a given confidence interval. 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 used

In millions of euros	June 30, 2014	2014 average[1]	2014 maximum[2]	2014 minimum[2]
Trading activities	2	2	4	1

(1) Average daily VaR.
(2) Maximum and minimum daily VaR observed in 2014.

8.1.2 Currency risk

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.

The impact on income and on equity of a uniform 10% rise or fall in foreign currencies against the euro exchange rates compared to closing rates is presented in the table below:

	June 30, 2014		
	Impact on income after hedging		Impact on equity
In millions of euros	+ 10%	- 10%	- 10%
Liabilities denominated in a currency other than the functionnal currency of companies carrying the liabilities on their statements of financial position (1)	(29)	29	-
Financial instruments (debt and derivatives) qualified as net investment hedges (2)	-	-	527

(1) Excluding liabilities qualified as net investment hedges.
(2) This impact is countered by the offsetting change in the net investment hedged.

8.1.3 Interest rate risk

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

The impact on income and on equity of a uniform 1% rise or fall in the yield curve compared with year-end interest rates is presented in the table below:

	June 30, 2014			
	Impact on income after hedging		Impact on equity	
In millions of euros	+ 1%	- 1%	+ 1%	- 1%
Nominal amount of floating-rate net debt and floating-rate leg of derivatives	(40)	40	-	-
Derivatives not qualified as hedges	114	(107)	-	-
Derivatives qualified as cash flow hedges	-	-	549	(676)

8.2 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.

8.2.1 Operating activities

Counterparty risk arising from the use of 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 derivatives.

	June 30, 2014	
In millions of euros	**Investment Grade[3]**	**Total**
Gross exposure[1]	7,096	7,785
Net exposure[2]	1,461	1,679
% of credit exposure to "Investment Grade" counterparties	87.0%	

(1) Corresponds to the maximum exposure, i.e. the value of the derivatives shown under balance sheet assets (positive fair value).

(2) After taking into account the liability positions with the same counterparties (negative fair value), collateral, netting agreements and other credit enhancement techniques.

(3) 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.

8.2.2 Financing activities

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 June 30, 2014, total outstandings exposed to credit risk amounted to €12,403 million.

	June 30, 2014			
In millions of euros	**Total**	**Investment Grade[2]**	**Unrated[3]**	**Non Investment Grade[3]**
Exposure[1]	12,403	94.0%	5.0%	1.0%

(1) After taking collateralization agreements into account.

(2) Counterparties that are rated at least BBB- by Standard & Poors 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 June 30, 2014, no single counterparty represented more than 38% of cash investments.

8.3 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.

At June 30, 2014, bank loans accounted for 22% of gross debt (excluding overdrafts and the impact of derivatives and amortized cost), while the remaining debt was raised on capital markets (including €23,634 million in bonds, or 63% of gross debt).

Outstanding short-term commercial paper issues represented 12% of gross debt, or €4,487 million at June 30, 2014.

Available cash, comprising cash and cash equivalents and financial assets qualifying or designated as at fair value through income, totaled €12,141 million at June 30, 2014.

Confirmed credit facilities had been granted for a total of €13 584 million at June 30, 2014, of which €12,895 million was available and undrawn. 91% of total credit lines are centralized.

Undiscounted contractual payments on net debt excluding the impact of derivative instruments, cash collateral and amortized cost

At June 30, 2014, undiscounted contractual payments on net debt (excluding the impact of derivative instruments, cash collateral and amortized cost) break down as follows by maturity:

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Bond issues	23,634	756	1,702	2,364	2,415	1,698	14,700
Commercial paper	4,487	4,245	242	-	-	-	-
Drawdowns on credit facilities	689	30	22	9	11	10	606
Liabilities under finance leases	474	58	95	71	77	66	107
Other bank borrowings	6,995	886	1,200	837	1,000	671	2,400
Other borrowings	1,424	204	382	203	233	26	376
Bank overdrafts and current accounts	406	406	-	-	-	-	-
OUTSTANDING BORROWINGS AND DEBT	**38,109**	**6,586**	**3,643**	**3,484**	**3,736**	**2,472**	**18,188**
Assets related to financing	(91)	(14)	(2)	(1)	-	-	(74)
Financial assets qualifying or designated as at fair value through income	(723)	(723)	-	-	-	-	-
Cash and cash equivalents	(11,418)	(11,418)	-	-	-	-	-
NET DEBT EXCLUDING THE IMPACT OF DERIVATIVE INSTRUMENTS, CASH COLLATERAL AND AMORTIZED COST	**25,877**	**(5,570)**	**3,641**	**3,483**	**3,736**	**2,472**	**18,115**

Confirmed undrawn credit facility programs

At June 30, 2014, the maturities of the Group’s confirmed undrawn credit facility programs are analyzed in the table below:

In millions of euros	Total	2014	2015	2016	2017	2018	Beyond 5 years
Confirmed undrawn credit facility programs	12,895	555	945	1,090	494	4,577	5,235

At June 30, 2014, no single counterparty represented more than 6% of the Group’s confirmed undrawn credit lines.

NOTE 9 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.

This Note describes the key developments in the proceedings presented in Note 28 to the consolidated financial statements for the year ended December 31, 2013, as well as new proceedings which have arisen in the first half of 2014.

Provisions recorded in respect of these proceedings totaled €862 million at June 30, 2014 (€873 million at December 31, 2013).

9.1 Legal and arbitration proceedings

9.1.1 Total Energie Gaz (TEGAZ)

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. The panel of experts' decision is expected in December 2014.

9.1.2 Objection to Belgian nuclear contributions

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 €479 million contribution payable by Electrabel for 2012. 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 €421 million contribution payable by Electrabel for 2013. The proceedings are currently ongoing.

In addition to these two appeals filed with the Belgian Constitutional Court, 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.

9.1.3 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. 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.

At the same time, the Italian Ministry for the Environment 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.

9.2 Competition and concentration

9.2.1 Compagnie Nationale du Rhône

On July 3, 2014, the Court of Justice of the European Union dismissed the Group's appeal against the ruling handed down by the General Court of the European Union on December 12, 2012, which had rejected the appeal against the European Commission's decision in its entirety.

On June 10, 2009 the European Commission imposed a fine of €20 million on the Group for (i) having acquired Compagnie Nationale du Rhône (CNR) at the end of 2003 without notifying the Commission, and (ii) having carried out this acquisition before its authorization by the European Commission.

9.2.2 Long-term Power Purchase Agreements in Hungary

In its ruling of April 30, 2014, the General Court of the European Union rejected the action for annulment of the European Commission's decision of 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 group subsidiary at that time) and MVM, constituted illegal State aid and were, as such, incompatible with the Treaty on the Functioning of the European Union. On June 30, 2014, Electrabel sold its share in DUNAMENTI Erőmű, preserving nonetheless the rights that could arise from the appeal before the Court of Justice. On July 17, 2014, Electrabel appealed the General Court's decision before the Court of Justice.

9.2.3 Inquiry into the Belgian electricity wholesale market

The hearing before the College of Competition Prosecutors took place on May 20, 2014.

9.2.4 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.

NOTE 10 RELATED PARTY TRANSACTIONS

Transactions with related parties during the period did not have a material impact on the Group's financial position or results for the six months ended June 30, 2014.

NOTE 11 SUBSEQUENT EVENTS

No significant subsequent event has occurred since the closing of the accounts for the six months ended June 30, 2014.

4

Statement by persons responsible for the 2014 first half financial report

We hereby declare that to the best of our knowledge, the condensed interim consolidated financial statements for six months ended June 30, 2014 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of operations of the Company and its subsidiaries, and that the interim management report provides a fair view of the significant events of first-half 2014, their impact on the interim financial statements, the main related party transactions and the main risks and uncertainties to which the Group is exposed for the second half of 2014.

Courbevoie, July 30, 2014

Vice-Chairman and President	Chairman and Chief Executive Officer
Jean-François Cirelli	**Gérard Mestrallet**

5

Statutory auditors' review on the first half year financial information

This is a free translation into English of the statutory auditors' review report on the half-year consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

This report includes information relating to the specific verification of information presented in the Group's interim management report. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholder's general meetings, and in accordance with the requirements of article L.451-1-2 III of the French monetary and financial code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of GDF SUEZ, for the period from January 1 to June 30, 2014, and
- the verification of the information contained in the interim management report.

These condensed half-year consolidated financial statements were prepared under the responsibility of GDF SUEZ board of directors in a context of both economic and financial crisis and of high volatility of the markets, which already prevailed at the December 31, 2013 year-end, and whose consequences make it difficult to forecast economic mid-term perspectives. This context is described in notes 1.2 "Use of estimates and judgment" in the condensed half-year consolidated financial statements. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

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

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

Without qualifying the conclusion expressed above, we draw your attention to note 2 "Impact of applying the new consolidation standards to the comparative 2013 financial statements" in the condensed half-year consolidated financial statements which describes the impact of new standards and amendments on the consolidation as well as the changes in presentation in the income statement of share in net income of the entities accounted for using the equity method.

2. Specific verification

We have also verified the information presented in the interim management report commenting on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 30, 2014

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres	
Véronique Laurent	Pascal Macioce	Charles-Emmanuel Chosson

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