6.1 MANAGEMENT REPORT

6.1.1 Management report

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

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

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

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

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

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

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

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

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

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

6.1.1.1 Revenues and earnings trends

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

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

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

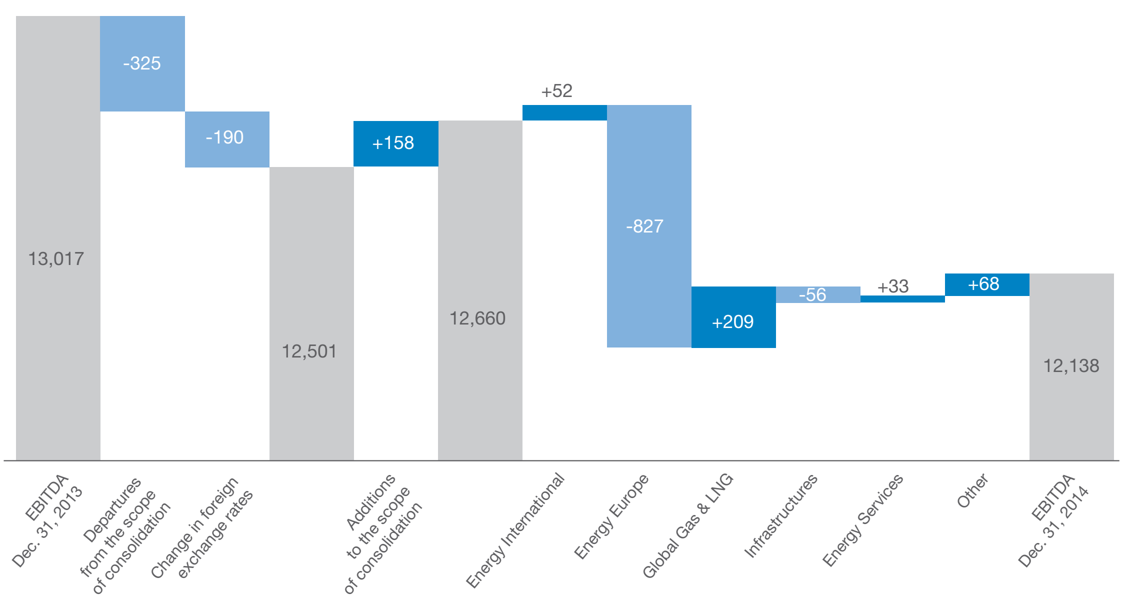
Exchange rates had a negative €302 million impact on Group revenues, mainly reflecting the appreciation of the euro against the Brazilian real, the Norwegian krone, the Australian dollar and the Thai baht. This was partly offset by the euro's depreciation against the pound sterling. The euro/dollar exchange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

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

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

EBITDA TRENDS

In millions of euros



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

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

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

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

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

6.1.1.2 Business trends

6.1.1.2.1 Energy International

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

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

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

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

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

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

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

Latin America

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

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

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

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

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

Asia-Pacific

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

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

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

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

North America

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

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

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

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

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

United Kingdom & Turkey

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

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

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

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

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

South Asia, Middle East & Africa

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

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

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

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

6.1.1.2.2 Energy Europe

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

(1) Of which business line corporate function costs.

VOLUMES SOLD BY THE BUSINESS LINE

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

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

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

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

Central Western Europe (CWE)

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

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

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

CWE FRANCE

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

VOLUMES SOLD IN FRANCE

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

(1) Business line contribution data.

FRANCE CLIMATIC ADJUSTMENT

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

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

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

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

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

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

CWE BENELUX & GERMANY

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

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

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

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

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

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

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

SOUTHERN & EASTERN EUROPE

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

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

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

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

6.1.1.2.3 Global Gas & LNG

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

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

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

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

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

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

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

6.1.1.2.4 Infrastructures

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

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

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

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

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

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

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

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

6.1.1.2.5 Energy Services

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

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

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

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

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

These items were partially offset by:

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

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

6.1.1.2.6 Other

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

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

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

6.1.1.3 Other income statement items

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

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

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

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

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

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

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

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

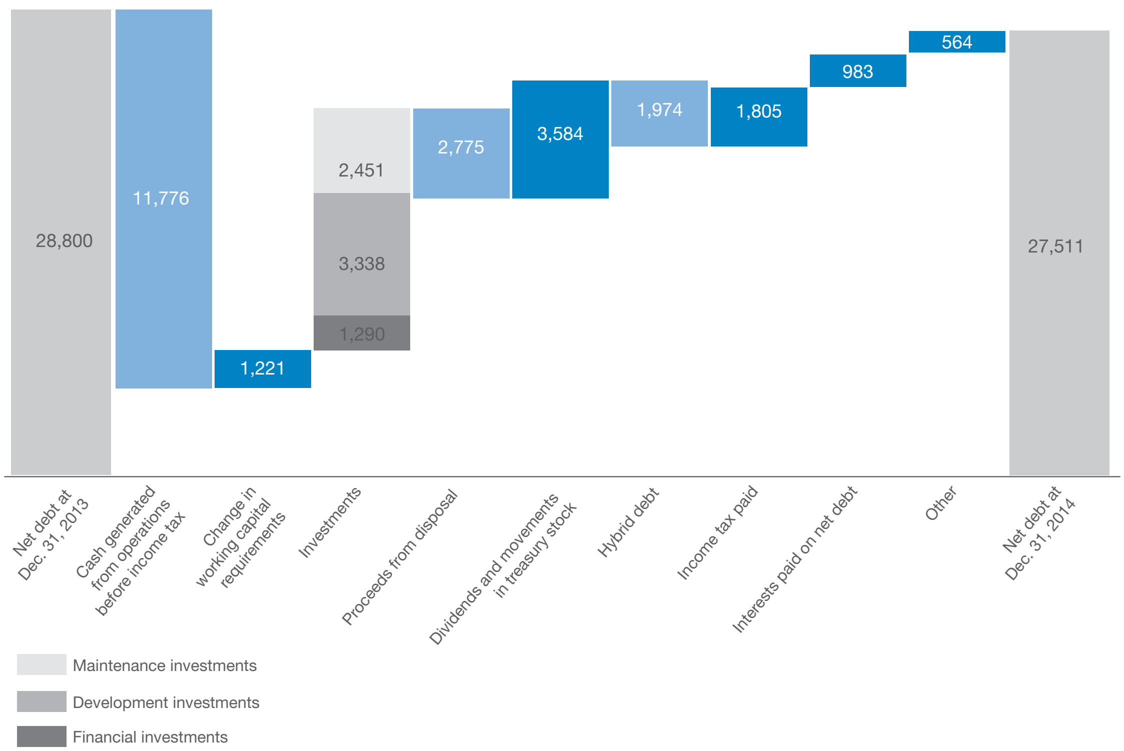
Net income attributable to non-controlling interests was up sharply year-on-year, at €669 million, owing to the impairment losses recognized in 2013.

6.1.1.4 Changes in net debt

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

Changes in net debt break down as follows:

In millions of euros



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

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

6.1.1.4.1 Cash generated from operations before income tax and working capital requirements

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

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

6.1.1.4.2 Change in working capital requirements

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

6.1.1.4.3 Net investments

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

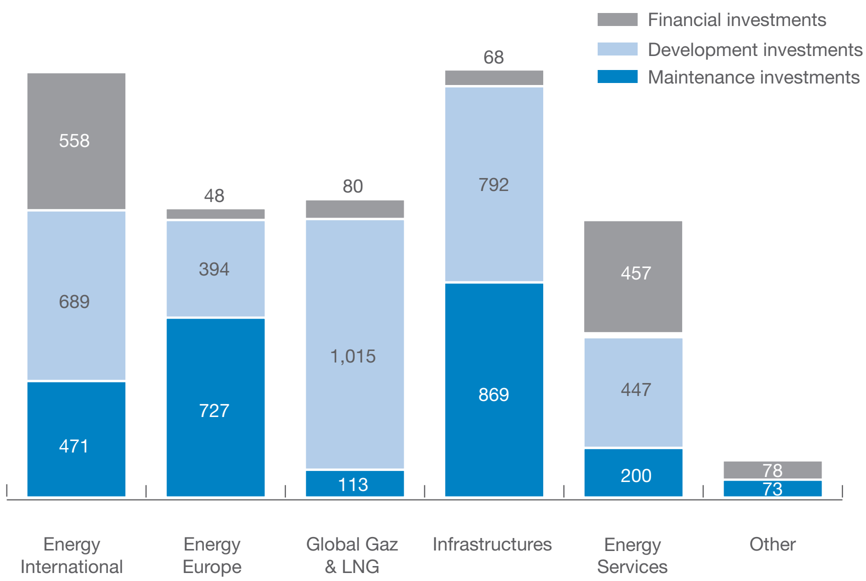
- financial investments for €1,290 million, relating chiefly to the acquisition of Ecova (United States) by Cofely; payments for the capital increases subscribed in Jirau (€213 million); Synatom investments which rose by €171 million, loans and capitalization transactions for the Los Ramones pipeline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

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

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

Capital expenditure breaks down as follows by business line:

In millions of euros



6.1.1.4.4 Dividends and movements in treasury stock

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

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

6.1.1.4.5 Net debt at December 31, 2014

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

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

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

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

6.1.1.5 Other items in the statement of financial position

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

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

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

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

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

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

6.1.1.6 Pro forma financial statements including the SUEZ Environnement company group as an associate

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

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

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

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

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

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

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

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

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

6.1.1.7 Parent company financial statements

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

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

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

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

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

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

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

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

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

INFORMATION RELATING TO SUPPLIER PAYMENT DEADLINES

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

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

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

6.1.1.8 Outlook

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

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

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

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

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

6.1.2 Cash and shareholder's equity

6.1.2.1 Borrowing conditions and financial structure applicable to the Issuer

Debt structure

Gross debt (excluding bank overdrafts, amortized cost and financial derivative instruments) amounted to €36.4 billion on December 31, 2014, down from the previous year, and was primarily made up of €22.9 billion in bond issues and €6.6 billion in bank loans (including finance leases). Other loans and drawdowns on credit lines accounted for a total of €1.7 billion. Short-term loans (commercial paper) accounted for 14% of total gross debt at the end of 2014.

77% of the gross debt was issued on financial markets (bond issues and commercial paper).

Net debt, excluding amortized costs, the effect of financial derivative instruments and cash collateral, came to €27.5 billion at the end of 2014.

At the end of 2014, the net debt was 69% denominated in euros, 13% in US dollars and 6% in British pounds, excluding amortized cost but after the foreign exchange impact of derivatives.

After the impact of derivatives, 80% of the net debt was at a fixed rate. On December 31, 2014, the average cost of gross debt stood at 3.14%, down 26 points compared to 2013. The average maturity of net debt was 9.1 years.

Main transactions in 2014

The main transactions in 2014 affecting financial debt are described in Note 16.3.2 of Section 6.2 "Consolidated financial statements". In addition, the Group renewed €5 billion in pooled credit lines ahead of schedule, extending their maturity to April 2019.

The list of projects financed under the Green Bond issued in May 2014 for a total of €2.5 billion is found in Section 5.1.6.5 "Green Bond".

In 2014, the annual update of the prospectus for GDF SUEZ's €25 billion EMTN program received approval No. 14-534 from the AMF (October 2, 2014).

Ratings

GDF SUEZ has been rated A/A-1 by Standard & Poor's and A1/P-1 by Moody's with a stable outlook since July 2014 and April 2014, respectively.

6.1.2.2 Restrictions on the use of capital

On December 31, 2014, the Group had total undrawn confirmed credit lines (usable, among other things, as back-up lines for the commercial paper programs) of €13.3 billion. Of these lines, 91% are managed in a pooled fashion and are not subject to any financial covenant or bound by a credit risk rating. The counterparties of these lines are well diversified, with no single counterparty holding more than 6% of the total of these pooled lines. No pooled credit facility was in use as of the end of 2014.

Furthermore, the Group has set up credit lines in some subsidiaries, for which the documentation includes ratios related to their financial standing. These lines of credit are not guaranteed by GDF SUEZ SA or GIE GDF SUEZ Alliance.

The definition, as well as the level of these ratios, also known as "financial covenants", are determined by agreement with the lenders and may be reviewed during the life of the loan.

The most frequent ratios are:

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

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

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

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

- Debt Service Coverage Ratio = Cashflow available to meet annual interest and principal payments on debt, or for servicing interest (Interest Coverage Ratio = EBIT/interest expense in the period);
- Loan Life Coverage Ratio (= Net Present Value of Cashflow Available for Debt Service ("CFADS") / Outstanding Debt in the period);
- Debt/Equity ratio or maintenance of a minimum amount of equity.

At December 31, 2014, all Group companies whose debt is consolidated were compliant with the covenants and representations contained in their financial documentation.

In 2014, a default was declared on a participating interest of the Energy Europe business line, with no impact on the lines available to the Group. A debt restructuring agreement is being negotiated with the lenders and could be concluded by the end of the first half of 2015.

6.1.2.3 Expected sources on financing to honor commitments relative to investment decisions

The Group believes that its funding needs will be covered by available cash and the possible use of its existing credit facilities. However, it may call upon the capital markets on an ad hoc basis.

If necessary, dedicated financing could be established for very specific projects.

The Group has a total of €3.4 billion in credit lines or loans expiring in 2015 (excluding the maturity of €5.2 billion in commercial paper). In addition, at December 31, 2014 it had €8.9 billion in cash (net of bank overdrafts) and a total of €13.3 billion in available lines (not net of the amount of commercial paper issued), including €1 billion expiring in 2015.