The Group manages a large number of concessions as defined by SIC 29 covering drinking water distribution, water treatment, waste collection and treatment, and gas and electricity distribution.

These concession arrangements set out rights and obligations relative to the infrastructure and to the public service, in particular the obligation to provide users with access to the public service. In certain concessions, a schedule is defined specifying the period over which users should be provided access to the public service. The terms of the concession arrangements vary between 10 and 65 years, depending mainly on the level of capital expenditures to be made by the concession operator.

For consideration of these obligations, GDF SUEZ is entitled to bill either the local authority, the grantor of the concession, (mainly incineration and BOT water treatment contracts) or the users (contracts for the distribution of drinking water or gas and electricity) for the services provided. This right to bill gives rise to an intangible asset, a tangible asset, or a financial asset, depending on the applicable accounting model (see note 1.4.7).

The tangible asset model is used when the concession grantor does not control the infrastructure. For example, this is the case of water distribution concessions in the United States, which do not provide for the return of the infrastructure to the grantor of the concession at the end of the contract (and the infrastructure therefore remains the property of GDF SUEZ), and gas distribution concessions in France, which fall within the scope of law no. 46-628 of April 8, 1946.

A general obligation also exists to return the concession infrastructure to good working condition at the end of the concession. Where appropriate (see note 1.4.7), this obligation leads to the recognition of a capital renewal and replacement liability (see note 14.2.3).

Services are generally billed at a fixed price which is linked to a particular index over the term of the contract. However, contracts may contain clauses providing for price adjustments (usually at the end of a five-year period) if there is a change in the economic conditions forecast at the inception of the contracts. By exception, contracts exist in certain countries (e.g., the United States and Spain) which set the price on a yearly basis according to the costs incurred under the contract. These costs are therefore recognized in assets (see note 1.4.7). For the distribution of natural gas in France, the Group applies the ATRD rates set by the Minister for the Economy, Finance and Industry following consultation with the French Energy Regulatory Commission (CRE). Since July 1, 2008, the Group has applied the ATRD 3 rates set by the Ministerial decree of June 2, 2008. The ATRD 3 rates schedule introduced a new regulatory framework covering a period of four years and incorporating a number of productivity targets. The schedule was established based on capital charges made up of (i) depreciation expense and (ii) the rate of return on capital employed. These two components are computed by reference to the valuation of assets operated by the Group, known as the "Regulated Asset Base" (RAB). The RAB includes the following asset groups: pipelines and connections, pressure-regulation stations, meters, other technical facilities, buildings, and IT equipment. To determine the annual capital charges, the CRE applies a depreciation period ranging from 5 to 45 years depending on the asset concerned. Pipes and connections, which represent 95% of the assets included in the Regulated Asset Base, are depreciated over a period of 45 years. The rate of return on capital employed is calculated based on a return of 6.75% on the RAB (actual rate, before tax).

NOTE 23 CASH FLOWS

23.1 Reconciliation with income tax expense in the consolidated income statement

	Tax cash flows (income tax expense)		
In millions of euros	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
Impact in the income statement	**(911.9)**	**(527.5)**	**(815.1)**
• provisions for income taxes	58.4	(7.4)	5.8
• deferred tax [(a)]	41.8	(446.9)	29.6
• other [(b)]	(994.6)	(23.9)	(205.7)
Impact in the cash flow statement	**(1,806.3)**	**(1,005.6)**	**(985.4)**

(a) In 2007, deferred tax assets related to tax loss carry-forwards arising within the tax consolidation group were recognized in an amount of €500 million.

(b) In 2008, the "Other" line includes €944 million in additional income tax expense corresponding mainly to prepaid income tax disbursed by the tax consolidation groups headed by GDF SUEZ SA and SUEZ Environnement Company. These prepayments will be recovered in 2009 on settlement of the effective amount of income tax payables for 2008.

23.2 Reconciliation with net financial income/(loss) in the consolidated income statement

	Financial cash flows (net financial income/loss)		
In millions of euros	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
Impact in the income statement	**(1,494.1)**	**(722.1)**	**(731.0)**
Changes in amortized cost	62.4	37.2	28.2
Foreign currency translation and changes in fair value	129.8	(119.2)	64.5
Unwinding of discounting adjustments to provisions	489.0	372.5	340.4
Other	(0.7)	(20.7)	(16.6)
Impact in the cash flow statement	**(813.7)**	**(452.3)**	**(314.5)**

NOTE 24 SHARE-BASED PAYMENT

Expenses recognized in respect of share-based payment break down as follows:

In million of euros	Notes	Expense for the year Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
Stock option plans	*24.1*	54.6	43.3	35.4
Employee share issues	*24.2*	-	35.0	-
Share Appreciation Rights (*)	*24.2*	15.5	2.0	15.9
Bonus/performance share plans	*24.3*	114.6	38.1	7.5
Exceptional bonus	*24.4*	5.5	6.7	0.0
TOTAL		190.2	125.1	58.8

(*) Set up within the scope of employees share issues in certain countries.

24.1 Stock option plans

24.1.1 Stock option policy

GDF SUEZ's stock option policy aims to closely involve executive and senior management, as well as high-potential managers, in the future development of the Group and in creating shareholder value.

The award of stock purchase or subscription options is also a means of retaining employee loyalty, both in terms of adhesion to Group values and commitment to strategic policies. Conditions for the award of options and the list of beneficiaries are approved by the Board of Directors in accordance with authorizations granted at Shareholders' Meetings.

In 2007, Executive Management reaffirmed its wish to maintain a growing base of beneficiaries, so as to preserve the coherence of SUEZ's policy in this area. The decision taken in 2000 not to apply a discount when determining the option price was renewed in 2008.

Since the Board of Directors' decision in 2005, the number of options awarded has been reduced and partly replaced by an award of bonus SUEZ shares, made available to more employees than were previously eligible for stock options.

In 2008, awards of bonus shares testified to these principles.

In connection with the US delisting procedure, stock options granted to employees of Group companies in the US were replaced in 2007 by a Share Appreciation Rights scheme, which entitles beneficiaries to a cash payment equal to the profit they would make on exercising their options and immediately selling the underlying shares.

Furthermore, the Board of Directors decided that the exercise of a portion of options awarded would be subject to certain conditions, provided for in the conditional system for the Group's senior managers and in the enhanced conditional system for members of the Group Executive Committee. Pursuant to the initial rules governing the plans and the Board of Directors' decision of October 18, 2006, the objectives defined as performance conditions applicable to stock option plans (described below) were lowered as a result of the merger with Gaz de France by applying a coefficient of 0.80.

Conditional system

2003 plan:

As the performance conditions were satisfied at November 17, 2007, the stock subscription options granted to the Group's senior managers and members of the Group Executive Committee may be exercised.

2004 plan and plans for subsequent years:

The exercise of half of the stock subscription options granted to the Group's senior managers and half of the options awarded to members of the Group Executive Committee (after deduction of approximately 10% of their options, which are subject to the enhanced conditional system), is subject to a number of performance conditions.

These conditions are described below:

2004 plan: options may be exercised under this plan if, during the period from November 17, 2008 to November 16,.2012, the SUEZ share price is equal to or greater than the exercise price of €18.14, adjusted for the change in the Eurostoxx Utilities Index observed over the period from November 17, 2004 to November 17,.2008.

2005 plan: The options subject to this performance condition may be exercised if, during the period from December 8, 2009 to December 7, 2013, the SUEZ share price is equal to or greater than the exercise price of €24.20, adjusted for the change in the Eurostoxx Utilities Index observed over the period from December 8,.2005 to December 8, 2009.

2006/2007 plan: These options may be exercised if, during the period from January 17, 2011 to January 16,.2015 inclusive, the SUEZ share price is equal to or greater than the exercise price of €38.89, adjusted for the change in the Eurostoxx Utilities Index observed over the period from January 16, 2007 to January 16, 2011.

November 2007 plan: These options may be exercised if, during the period from November 13, 2011 to November 13, 2015 inclusive, the SUEZ share price is equal to or greater than the exercise price of €44.37, adjusted for the change in the Eurostoxx Utilities Index observed over the period from November 13, 2007 to November 13, 2011.

2008 plan: options under this plan may be exercised if, during the period from November 9, 2012 to November 11, 2016, the GDF SUEZ share price reaches at least on one occasion a price equal to the option exercise price (€32.74) adjusted for the change in the Eurostoxx Utilities index observed over the period from November 11,.2008 to November 9, 2012.

Enhanced conditional system

Approximately 10% of the stock subscription options granted to members of the Group Executive Committee are subject to a more demanding performance condition. After deduction of this 10% portion, half of the remaining options are subject to the conditional system above, and the other half are free from performance conditions. If the conditions described below are met, then the associated options may be exercised; failing this, the options are irrevocably forfeited.

2004 plan: the performance conditions were met as of November 17, 2008 and the options may therefore be exercised.

2005 plan: the 10% of options subject to this enhanced performance condition may be exercised if the SUEZ share price on December 8, 2009 (as measured by the arithmetic mean of the share price during the previous 20 trading days) is equal to or greater than the exercise price of the options, adjusted for the change in the Eurostoxx Utilities Index observed over the period from December 8, 2005 to December 8, 2009, plus 1% per annum.

2006/2007 plan: the 10% of options subject to this enhanced performance condition may be exercised if the SUEZ share price on January 17, 2011 (as measured by the arithmetic mean of the share price during the previous 20 trading days) is equal to or greater than the change in the Eurostoxx Utilities Index observed over the period from January 16, 2007 to January 16, 2011, plus 4%.

November 2007 plan: the 10% of options subject to this enhanced performance condition may be exercised if the SUEZ share price on November 14, 2011 (as measured by the arithmetic mean of the share price during the previous 20 trading days) is equal to or greater than the change in the Eurostoxx Utilities Index observed over the period from November 13, 2007 to November 13, 2011, plus 4%.

2008 plan: the 10% of options subject to this enhanced performance condition may be exercised if the GDF SUEZ share price on November 12, 2012 (as measured by the arithmetic mean of the share price during the previous 20 trading days) is equal to or greater than the change in the Eurostoxx Utilities Index observed over the period from November 11, 2008 to November 9, 2012, plus 4%.

24.1.2 Details of stock option plans in force until the merger with Gaz de France

● STOCK SUBSCRIPTION OPTIONS

Plan	Date of authorizing AGM	Vesting date	Exercise price	Number of beneficia-ries per plan	Outstanding options at Dec. 31, 2007	Number of shares to be subscribed by the Executive Commit-tee (**)	Options exer-cised (***)	Options canceled	Outstanding options at Aug. 22, 2008 (unadjusted)	Expiration date	Residual life
11/28/2000 (*)	05/05/2000	11/28/2004	34.39	1,347	3,502,590	1,193,708	569,981	20,916	2,911,693	11/28/2010	1.9
12/21/2000 (*)	05/05/2000	12/21/2004	35.74	510	1,159,433	153,516	53,357	1,985	1,104,091	12/20/2010	2.0
11/28/2001 (*)	05/04/2001	11/28/2005	32.59	3,161	6,105,971	1,784,447	432,030	27,937	5,646,004	11/27/2011	2.9
11/20/2002 (*)	05/04/2001	11/20/2006	16.69	2,528	2,448,213	1,327,819	301,879	33,879	2,112,455	11/19/2012	3.9
11/19/2003 (*)	05/04/2001	11/19/2007	13.16	2,069	3,141,286	1,337,540	535,754	65,794	2,539,738	11/18/2011	2.9
11/17/2004 (*)	04/27/2004	11/17/2008	17.88	2,229	8,507,717	1,320,908	2,030	133,306	8,372,381	11/16/2012	3.9
12/09/2005	04/27/2004	12/09/2009	24.20	2,251	6,399,125	1,352,000	2,400	98,925	6,297,800	12/09/2013	4.9
01/17/2007	04/27/2004	01/16/2011	38.89	2,190	5,653,783	1,218,000	1,000	84,197	5,568,586	01/16/2015	6.0
11/14/2007	05/04/2007	11/13/2011	44.37	2,104	4,373,050	804,000	0	21,270	4,351,780	11/13/2015	6.9
TOTAL					41,291,168	10,491,938	1,898,431	488,209	38,904,528		

(*) Exercisable plans.
(**) Corresponding to the Management Committee at the time the options were awarded in 2000 and 2001.
(***) In certain specific circumstances such as retirement or death, outstanding options may be exercised in advance of the vesting date.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 A

● STOCK PURCHASE OPTIONS

	Options	Average exercise price
Balance at December 31, 2007	**41,383,384**	**28.19**
Granted	0	
Exercised	(1,990,647)	25.34
Canceled	(488,209)	24.84
Balance at August 22, 2008 (*).	**38,904,528**	**28.38**

(*) Adjustment calculation date (see section 24.2.3)

24.1.3 Changes in plans since the merger with Gaz de France

In accordance with the merger prospectus and the provisions of the French Commercial Code (Code de Commerce), all of the commitments undertaken by SUEZ towards beneficiaries whose stock options are currently vesting have been taken over by the new Group. The beneficiaries' individual rights have been adjusted to take into account (i) the spin-off of 65% of SUEZ Environnement Company to SUEZ shareholders, and (ii) the exchange ratio applicable to the merger. In compliance with the merger prospectus, these adjustments were made based on four inputs:

- the value of SUEZ shares before the spin-off[(1)];
- the value of SUEZ Environnement Company shares[(2)];
- the ratio for the spin-off (1 SUEZ Environnement Company share for 4 SUEZ shares);
- the exchange ratio applicable to the merger (21 GDF SUEZ shares for 22 SUEZ shares).

After these adjustments, the 38.904.528 options on SUEZ shares outstanding at the date of the spin-off/merger increase to 41.320.974 options on GDF SUEZ shares. The adjustments were effective on August 22, 2008, fifteen days after SUEZ Environnement Company was floated on the stock market.

Plan	Date of authorizing AGM	Vesting date	Adjusted exercise price	Number of beneficia-ries per plan	Outstanding options at Aug. 22, 2008 (adjusted)	Number of shares to be subscribed by the Executive Commit-tee (**)	Options exer-cised (***)	Options canceled	Outstanding options at Dec. 31, 2008	Expiration date	Residual life
11/28/2000 (*)	05/05/2000	11/28/2004	32.38	1,347	3,092,541	1,193,708	15,858	1,126	3,075,557	11/28/2010	1.9
12/21/2000 (*)	05/05/2000	12/21/2004	33.66	510	1,172,404	153,516	27,671	0	1,144,733	12/20/2010	2.0
11/28/2001 (*)	05/04/2001	11/28/2005	30.70	3,161	5,995,205	1,784,447	77,090	1,126	5,916,989	11/27/2011	2.9
11/20/2002 (*)	05/04/2001	11/20/2006	15.71	2,528	2,243,921	1,327,819	112,657	2,813	2,128,451	11/19/2012	3.9
11/19/2003 (*)	05/04/2001	11/19/2007	12.39	2,069	2,697,296	1,337,540	392,600	0	2,304,696	11/18/2011	2.9
11/17/2004 (*)	04/27/2004	11/17/2008	16.84	2,229	8,892,824	1,320,908	1,479,442	4,043	7,409,339	11/16/2012	3.9
12/09/2005	04/27/2004	12/09/2009	22.79	2,251	6,689,902	1,352,000	5,822	16,993	6,667,087	12/09/2013	4.9
01/17/2007	04/27/2004	01/16/2011	36.62	2,190	5,914,003	1,218,000		9,943	5,904,060	01/16/2015	6.0
11/14/2007	05/04/2007	11/13/2011	41.78	2,104	4,622,878	804,000		6,040	4,616,838	11/13/2015	6.9
11/12/2008	07/16/2008	11/12/2012	32.74	3,753		2,615,000			7,645,990	11/11/2016	7.9
TOTAL					**41,320,974**	**13,106,938**	**2,111,140**	**42,084**	**46,813,740**		

(*) Exercisable plans.

(**) Corresponding to the Management Committee at the time the options were awarded in 2000 and 2001.

(***) In certain specific circumstances such as retirement or death, outstanding options may be exercised in advance of the vesting date.

(1) The value of the SUEZ share was its weighted average price on the Paris stock market in the three days preceding the spin-off (€44.6194).

(2) The value of the SUEZ Environnement Company share was its weighted average price on the Paris stock market in the 15 days preceding its listing (€18.0449).

	Options	Average exercise price
Balance at August 22, 2008	**41,320,974**	**26.72**
Granted	7,645,990	32.74
Exercised	(2,111,140)	16.81
Canceled	(42,084)	28.21
Balance at December 31, 2008	**46,813,740**	**27.71**

The average price of the SUEZ share in the first half of 2008 was €43.79, while the average price of the GDF SUEZ share from the date of the merger to December 31, 2008 was €34.75.

24.1.4 Fair value of stock option plans in force

Stock option plans are valued based on a binomial model using the following assumptions:

	2008 plan	November 2007 plan	January 2007 plan	2005 plan	2004 plan
Volatility [(a)]	35.16%	33.71%	32.87%	31.25%	29.66%
Risk-free rate [(b)]	3.63%	4.03%	4.00%	3.25%	3.70%
In euros					
Dividend [(c)]	1.39	1.34	1.2	0.8	0.8
Fair value of options at the grant date	9.33	15.04	12.28	7.24	4.35

(a) Volatility corresponds to a moving average of volatilities over the life of the plan.
(b) The risk-free interest rate corresponds to a risk-free rate over the life of the plan.
(c) Last dividend paid/recommended.

24.1.5 Accounting impact

Based on a staff turnover assumption of 5%, the expense recorded during the period in relation to stock option plans was as follows:

Grant date	Expense for the year		
In million of euros	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
11/20/2002			9.4
11/19/2003		5.1	5.8
11/17/2004	7.9	9.0	9.0
12/09/2005	11.2	11.2	11.2
01/17/2007	17.1	15.9	
11/14/2007	15.9	2.1	
11/12/2008	2.5		
TOTAL	54.6	43.3	35.4

As allowed under IFRS 2, an expense has been recognized only for options granted after November 7, 2002 that had not yet vested at January 1, 2005.

Adjustments made to beneficiaries' rights following the merger have no impact on the expense for the period.

24.1.6 Share Appreciation Rights

The award of Share Appreciation Rights (SARs) to US employees in November 2007 and November 2008 (as replacement for stock options) does not have a material impact on the Group's financial statements.

24.2 Employee share issues

24.2.1 Description of plans available

Employees are entitled to subscribe to share issues under Group corporate savings plans. They may subscribe to either:

- The Spring Classique plan: this plan allows employees to subscribe to SUEZ shares either directly or via an employee investment fund at lower than current market prices; or
- The Spring Multiple plan: under this plan, employees may subscribe to SUEZ shares, either directly or via an employee investment fund. The plan also entitles them to benefit from any appreciation in the SUEZ share price (leverage effect) at the end of the mandatory holding period.

Share Appreciation Rights (SARs): this leveraged plan entitles beneficiaries to receive a cash bonus equal to the appreciation in the Company's stock after a period of five years. The resulting employee liability is covered by warrants.

24.2.2 Accounting impact

There were no employee share issues in 2008.

The accounting impact of these cash-settled Share Appreciation Rights consists in recognizing a payable to the employee over the vesting period of the rights, with the corresponding adjustment recorded in income. At December 31, 2008, the fair value of the liability related to these awards in 2004, 2005 and 2007 amounted to €26 million.

The fair value of the liability is determined using the Black & Scholes model.

The impact of these awards on the consolidated income statement – including coverage by warrants – is a negative €15.5 million.

24.3 Bonus/performance share plans

24.3.1 Bonus share policy prior to the merger

At its meeting of May 28, 2008, the Board of Directors of Gaz de France decided to put in place a bonus share plan offering 1.5 million shares to its employees, subject to a vesting period of two years. A portion of the shares under this plan are also subject to certain performance conditions. The Group has purchased treasury shares in order to cover its commitment.

Bonus shares are awarded on the basis of several conditions:

- presence in the Group;
- a performance condition relating to the Gaz de France Group and applicable as from the sixteenth share awarded: the Group's organic gross operating surplus must increase 5% per year on average in 2008 and 2009;
- mandatory holding period of at least two years (three years in certain countries), at the end of which the shares will be freely available to beneficiaries.

As part of a three-year global financial incentive scheme implemented in 2007 to involve employees more closely in the Group's performance, the Board of Directors of the SUEZ Group awarded 15 bonus shares to each employee in 2008, representing a total of 2.2 million bonus shares.

Bonus shares are awarded on the basis of several conditions:

- a performance condition based on Group EBITDA;
- presence in the Group (depending on the country concerned);
- a mandatory holding period beginning from the definitive vesting date (depending on the country concerned).

24.3.2 Bonus share policy subsequent to the merger

In accordance with the merger prospectus and the provisions of the French Commercial Code (Code de Commerce), all of the commitments undertaken by SUEZ towards beneficiaries of bonus shares have been taken over by the new Group. As with stock options, the beneficiaries' individual rights have been adjusted to take into account (i) the spin-off of 65% of SUEZ Environnement Company to SUEZ shareholders, and (ii) the exchange ratio applicable to the merger (see section 24.2.3).

The Board of Directors' meeting of November 12, 2008 awarded 1.812.548 bonus shares, subject to a vesting period of two or four years depending on the country concerned.

Bonus shares are awarded on the basis of several conditions:

- presence in the Group (except in the event of retirement, death or disability);
- performance condition related to Group EBITDA;
- mandatory holding period of two years as from the final vesting date (from March 15, 2011 to March 15, 2013) in certain countries.

24.3.3 Details of bonus share plans in force

Grant date	Number of shares before merger (*)	Number of shares after merger	Fair value per share
February 2007 plan (SUEZ)	963,074	989,559	36.0
June 2007 plan (GDF)	1,539,009	1,539,009	33.4
July 2007 plan (SUEZ)	2,030,000	2,175,000	37.8 (**)
August 2007 plan (SUEZ)	177,336	193,686	32.1
November 2007 plan (SUEZ)	1,179,348	1,244,979	42.4
May 2008 plan (GDF)	1,586,906	1,586,906	40.31
June 2008 plan (SUEZ)	2,236,965	2,372,941	39.03
November 2008 plan (GDF SUEZ)		1,812,548	28.46 (**)

(*) Number of shares awarded.
(**)Weighted average.

24.3.4 Valuation model used

In accordance with IFRS 2, the Group estimated the fair value of goods or services received during the period by reference to the fair value of the equity instruments rewarded as consideration for such goods or services.

Fair value was estimated at the grant date, representing the date the Board of Directors approved the award. The fair value of shares awarded corresponds to the market price of the shares at the grant date, adjusted for (i) the estimated loss of dividends during the two-year vesting period, and (ii) the non-transferability period applicable to the shares. The cost of the non-transferability period is not material.

The cost of the plan is recognized in personnel costs on a straight-line basis between the grant date and date on which the conditions for the award are fulfilled, and offset directly against equity. The cost may be adjusted for any revisions to assumptions regarding staff turnover rates during the period or compliance with performance conditions. The final figure will be determined based on the number of shares effectively awarded at the end of said period.

24.3.5 Impact on income for the period

The expense recorded during the period in relation to bonus share plans in force is as follows:

Grant date	Expense for the year		
In millions of euros	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
February 2006 plan (SUEZ)	1.7	8.5	7.5
February 2007 plan (SUEZ)	15.8	13.9	
June 2007 plan (GDF)	12.8		
July 2007 plan (SUEZ)	27.8	12.7	
August 2007 plan (SUEZ)	1.1	0.4	
November 2007 plan (SUEZ)	20.4	2.6	
May 2008 plan (GDF)	14.8		
June 2008 plan (SUEZ)	17.6		
November 2008 plan (GDF SUEZ)	2.6		
TOTAL	**114.6**	**38.1**	**7.5**

Adjustments made to beneficiaries' rights following the merger have no impact on the expense for the period.

24.4 SUEZ exceptional bonus

In November 2006, the Group introduced a temporary exceptional bonus award scheme aimed at rewarding employee loyalty and involving employees more closely in the Group's success. This scheme provides for the payment of an exceptional bonus equal to the value of four SUEZ shares in 2010 and the amount of gross dividends for the period 2005-2009 (including any extraordinary dividends). Since the merger, the calculation has been based on a basket of shares comprising one GDF SUEZ share and one SUEZ Environnement Company share.

Around 166.000 Group employees are eligible for this bonus at December 31, 2008.

The accounting impact of this cash-settled instrument consists in recognizing a payable to the employee over the vesting period of the rights, with the corresponding adjustment recorded in income. At December 31, 2008, the corresponding expense amounted to €5.5 million. The estimated fair value of the liability upon expiry of the plan is €24 million.

NOTE 25 RELATED PARTY TRANSACTIONS

This note describes material transactions between the Group and its related parties.

Compensation payable to key management personnel is disclosed in note 26.

The Group's main subsidiaries (fully consolidated companies) are listed in note 30. Only material transactions are described below.

25.1 Relations with the French State and with the CNIEG

25.1.1 Relations with the French State

Further to the merger between Gaz de France and SUEZ on July 22, 2008, the French State owns 35.7% of GDF SUEZ and holds 7 seats out of 24 on its Board of Directors.

The French State holds a golden share aimed at protecting France's critical interests in the energy sector and ensuring the continuity and safeguarding of supplies. The golden share is granted to the French State indefinitely and entitles it to veto decisions made by GDF SUEZ if it considers they could harm France's energy interests as regards the continuity and safeguarding of supplies.

The merger also marked an end to several oversight procedures relative to economic and financial matters, previously carried out by the French State due to Gaz de France's status as a public company.

Public service engagements in the energy sector are defined by the law of January 3, 2003 and are implemented by means of a public service contract pursuant to the first article of the law of August 9, 2004.

A new public service contract is currently being negotiated with the French State. GDF SUEZ has not identified any risks relating to the absence of any such contract during the negotiation period.

25.1.2 Relations with the CNIEG (Caisse Nationale des Industries Electriques et Gazières)

The Group's relations with the CNIEG, which manages all old-age, disability and death benefits for employees of EDF, GDF SUEZ SA and Non-Nationalized Companies (Entreprises Non Nationalisées - ENN) are described in note 18.

25.2 Transactions with equity-accounted or proportionately consolidated companies

25.2.1 Joint ventures

Gaselys

Gaselys is a joint venture 51% -owned by GDF SUEZ and 49% -owned by Société Générale.

It is a trading company operating on European gas and electricity markets, and is also active on markets for oil and oil products, CO_2 emissions quotas and coal.

GDF SUEZ develops its risk management, asset optimization and trading activities through Gaselys.

In 2008, these activities generated sales and purchases between the Group and its subsidiary amounting to €1,149 million and €2,161 million, respectively.

At year-end, the Group's balance sheet shows a net debit balance of €344 million with its subsidiary, comprising trade receivables and payables, margin calls and derivative instruments. These derivatives are mainly contracted to manage the risks to which the Group is exposed, and result in the recognition of an unrealized loss for €762 million in equity before tax and an unrealized gain for €592 million in income from operating activities.

Acea-Electrabel group (Italy)

Electrabel Italia is a wholly-owned subsidiary of Electrabel and has a 40.59% interest in Acea-Electrabel which itself owns several subsidiaries.

GDF SUEZ sold electricity and gas to the Acea-Electrabel group for an amount of €206.9 million in 2008, compared with €204.2 million in 2007.

GDF SUEZ has also granted loans to the Acea-Electrabel group, in respect of which €389.4 million remained outstanding at December 31, 2008 versus €363.1 million at end-2007.

Zandvliet Power

Zandvliet Power is a 50% -50% joint venture between Electrabel and RWE.

Electrabel granted a loan to Zandvliet Power which stood at €70.1 million at December 31, 2008 versus €77.3 million at December 31, 2007.

Hisusa

To finance the 2007 acquisition of Agbar shares from Torreal, Hisusa (a joint venture 51% -owned by SUEZ Environnement Company and 49% by la Caixa) received a loan from its shareholders, including €104 million from the Group. This loan was repaid at the end of 2008.

25.2.2 Associates

Elia System Operator (ESO)/Elia

Elia is a listed company and is 24.36% -owned by Electrabel.

It was set up in 2001 as grid operator of the high-voltage electricity transmission network in Belgium. Transmission fees are subject to the approval of the Belgian Electricity and Gas Regulatory Commission (CREG).

Electrabel purchased electricity transmission services from ESO/Elia in an amount of €125.1 million in 2008 and €155.6 million in 2007.

The Group rendered services to ESO/Elia for a total amount of €80.0 million in 2008 and €79.5 million in 2007.

At December 31, 2008, outstanding loans granted to Elia totaled €808.4 million (€354.8 million maturing in 2010 and €453.6 million maturing after 2011), amounts unchanged from end-2007. The loan generated interest income of €48.4 million in 2008 versus €41.0 million in 2007.

Inter-municipal companies

The mixed inter-municipal companies with which Electrabel is associated manage the electricity and gas distribution network in Belgium.

Electrabel Customers Solutions (ECS) purchased gas and electricity network distribution rights from the inter-municipal companies in an amount of €1,777.5 million in 2008, compared with €1,704.4 million in 2007.

Only the inter-municipal companies in the Walloon region have no employees. In accordance with the bylaws, Electrabel makes personnel available to them with a view to carrying out network maintenance and distribution services. Electrabel bills the inter-municipal companies for all work, supplies and services provided to them. Amounts billed with respect to this arrangement in 2008 totaled €402.5 million, versus €480.3 million in 2007.

Receivables relating to gas and electricity supply stood at €10.1 million at December 31, 2008, versus €37.2 million at December 31, 2007.

Payables due by Electrabel and Electrabel Customers Solutions to the inter-municipal companies stood at €15.3 million at December 31, 2008, versus €148.9 million at December 31, 2007.

At December 31, 2008, Electrabel had granted cash advances to the inter-municipal companies totaling €317.9 million (€430.1 million at end-2007). Amounts due to the inter-municipal companies by Electrabel came to €263.6 million at December 31, 2008 (€208.4 million at end-2007).

Electrabel's reimbursement right corresponding to the pension provisions set aside in its accounts for distribution employees seconded to Walloon inter-municipal companies totaled €296.5 million at December 31, 2008, versus €309.7 million at December 31, 2007.

Contassur

Contassur is 10% -owned by SUEZ-Tractebel and 5% -owned by Electrabel.

Contassur is a captive insurance company accounted for under the equity method. The pension fund trusts for certain employees of the Group have entered into insurance contracts with Contassur.

These insurance contracts give rise to reimbursement rights, and are therefore recorded under "Other assets" in the balance sheet for €147.2 million at December 31, 2008 and €179.3 million at December 31, 2007.

NOTE 26 EXECUTIVE COMPENSATION

The Group's key management personnel comprise the members of the Executive Committee and Board of Directors in 2008, and the members of the extended Executive Committee and Board of Directors in 2007 and 2006. Their compensation breaks down as follows:

In millions of euros	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
Short-term benefits	23.0	24.5	23.1
Post-employment benefits	4.0	5.8	4.2
Share-based payment	11.5	11.4	6.7
Termination benefits		6.5	
TOTAL	**38.5**	**48.2**	**34.0**

Amounts shown for 2008 correspond to compensation paid by the former SUEZ group up to the merger date, and compensation paid by GDF SUEZ after this date.

NOTE 27 CONTINGENT ASSETS AND LIABILITIES

Other than those described in note 28, the Group has not identified any material contingent liabilities likely to give rise to an outflow of economic benefits. In accordance with IFRS 3, provisions were set aside in the Gaz de France opening balance sheet for contingent liabilities relating to Gaz de France identified at the merger date and for which the outflow of economic benefits has not been regarded as remote.

NOTE 28 LEGAL AND ARBITRATION PROCEEDINGS

The Group is party to a number of legal and arbitration proceedings with third parties or with the tax authorities of certain countries in the normal course of its business. Provisions are recorded for these proceedings when (i) a legal, contractual, or constructive obligation exists at the balance sheet date with respect to a third party; (ii) it is probable that an outflow of resources embodying economic benefits will be required in order to settle the obligation with no consideration in return; and (iii) a reliable estimate can be made of this obligation. Provisions recorded in respect of these legal and arbitration proceedings totaled €1,280.5 million at December 31, 2008.

28.1 Legal proceedings

28.1.1 Rue de la Martre

On December 26, 2004, a gas explosion at 12 rue de la Martre in Mulhouse, France resulted in 17 deaths and significant material damage. The judicial experts' report attributes the cause of the explosion to a "crack" in Gaz de France's distribution pipeline, discovered the day after the explosion and consequently, the company was placed under judicial investigation.

Following the investigation, GDF SUEZ was summoned before the Mulhouse Criminal Court by order dated November 7, 2008, for involuntary manslaughter and injuries, as well as for involuntary destruction of property by fire or explosion. The trial will take place from March 9 to 20, 2009.

The risk incurred by the corporate entity represents a fine for involuntary manslaughter of up to €225,000 in the event of carelessness or negligence, and up to €375,000 in the event of a deliberate breach of a legal or regulatory security requirement. This primary penalty may be combined with a further fine for involuntary injuries, for which the amount varies according to the "ITT rate" (Temporary Work Disability) of the injured persons.

28.1.2 Ghislenghien

Following the leak in one of Fluxys' gas transit pipelines in Ghislenghien, Belgium, on July 30, 2004, which resulted in 24 deaths and over 130 injuries, Electrabel, a GDF SUEZ company, was one of 22 natural or legal persons indicted for involuntary manslaughter and injuries due to failure to take protective or precautionary measures.

The public prosecutor requested that Electrabel, GDF SUEZ Group and Fluxys be summoned before the criminal court for involuntary manslaughter and bodily injuries, as well as for contravening the Act of August 4, 1996 on the welfare of workers. The court dismissed the charges against Electrabel on January 16, 2009.

28.1.3 Queen Mary

Following the collapse of a footbridge leading onto the Queen Mary II ocean liner in St Nazaire on November 15, 2003, as a result of which 15 people died and 30 or so people were injured, a third party claim was brought against Endel, a GDF SUEZ company, with respect to the assembly of hired footbridges leading from the dock to the liner. By decision of February 11, 2008 rendered by the criminal court of Saint Nazaire, Endel was sentenced to a fine of €150,000 for involuntary manslaughter and 11 fines of €2,500 for involuntary injuries. The four employees of Endel charged with involuntary manslaughter and injuries were acquitted in the absence of established misconduct. Les Chantiers de l'Atlantique and Endel were ordered, jointly and severally, to indemnify the victims.

The public prosecutor of Saint Nazaire appealed against the decision and the hearings will take place from March 23 to April 3, 2009.

28.1.4 Electrabel – the Hungarian government/ European Commission

Electrabel filed international arbitration proceedings against the Hungarian state before the International Centre for Settlement of Investment Disputes (ICSID), for breach of obligations under the Energy Charter Treaty. The dispute mainly concerns (i) electricity prices set in the context of a long-term power purchase agreement (PPA) entered into between the power plant operator Dunamenti (a subsidiary of Electrabel) and MVM (a company controlled by the Hungarian state) on October 10, 1995, and (ii) allocations of CO2 emission allowances in Hungary. The arbitration tribunal has temporarily suspended its investigation into certain issues over which the Hungarian state claims it lacks jurisdiction, but has authorized Electrabel to file an additional claim for damages.

The European Commission petitioned the arbitration tribunal for amicus curiae participation on August 13, 2008, pursuant to its June 4, 2008 decision, according to which the Power Purchase Agreement in force at the time of Hungary's accession to the European Union constituted incompatible State aid. Following this decision, the Hungarian state passed a law to end Power Purchase Agreements with effect from December 31, 2008 and took execution measures to end such agreements and recover the related State aid from the power generators. Dunamenti, a GDF SUEZ company, may consider appealing the Commission's decision and any decision of the Hungarian authorities which harms its interests.

28.1.5 Slovak Gas Holding – Slovak Republic

Slovak Gas Holding (SGH) has taken preliminary steps towards international arbitration proceedings against the Slovak State for breach of obligations under (i) the Bilateral Treaty entered into between the Slovak and Czech Republics on the one hand and the Netherlands on the other hand (the "Bilateral Treaty"), and (ii) the Energy Charter Treaty. SGH is held with equal stakes by GDF SUEZ and E. ON Ruhrgas AG and holds a 49% interest in Slovenský plynárenský priemysel, a.s. ("SPP"), the remaining 51% being held by the Slovak Republic through the National Property Fund.

The dispute relates to the legal and regulatory framework, which the Slovak Republic has recently amended or redefined in view of controlling SPP's ability to request price increases to cover gas selling costs.

Discussions are currently underway between the parties. There is also a mandatory six-month discussion period.

28.1.6 Argentina

SUEZ and certain other shareholders of water distribution and treatment concession operators in the greater Buenos Aires area (Aguas Argentinas in Buenos Aires, Aguas Provinciales de Santa Fe in Rosario and Aguas Cordobesas in Cordoba) launched arbitration proceedings against the Argentine state in 2003 before the International Centre for Settlement of Investment Disputes (ICSID) pursuant to the Franco-Argentine Bilateral Investment Protection Treaties. The aim of these proceedings is to obtain compensation for the loss of value of investments made since the start of the concession, due to measures taken by the Argentine government following the adoption of the Emergency Act in 2002, which froze tariffs under concession contracts.

The arbitration proceedings are still underway, except those relating to Aguas Cordobesas. SUEZ sold its controlling interest in Aguas Cordobesas to the private Argentine group Roggio in 2006 and its residual 5% interest to SUEZ Environnement upon the listing of the latter. The arbitral awards should be rendered in 2009.

Alongside the arbitration proceedings, the concession operators have instituted proceedings before the Argentine courts against the decisions by the authorities to terminate the concession contracts which led to the bankruptcy of Aguas Argentinas and the voluntary liquidation of Aguas Provincales de Santa Fe.

Banco de Galicia, a minority shareholder of Aguas Argentinas, which was excluded from the arbitration proceedings, has withdrawn the action it initiated for abuse of majority shareholder power following the buy-back by GDF SUEZ of its interests in Aguas Argentinas and Aguas Provinciales de Santa Fe. The claim filed by an entity entitled »Aguas Lenders Recovery Group», in order to obtain the payment by SUEZ, Agbar and AYSA of US$130 million owed by Aguas Argentinas to unsecured lenders, has also been withdrawn.

Prior to its merger with Gaz de France, SUEZ entered into an agreement with SUEZ Environnement providing for the economic transfer to SUEZ Environnement of the rights and obligations relating to the ownership interest held by SUEZ in Aguas Argentinas and Aguas Provinciales de Santa Fe.

28.1.7 Togo Electricity

SUEZ Energy Services, renamed GDF SUEZ Energy Services, is party to arbitration proceedings instituted in March 2006 before the International Centre for Settlement of Investment Disputes by Togo Électricité, a GDF SUEZ company, against the Togolese State, following the adoption of decrees by the government which terminated the concession contract held by Togo Électricité since December 2000 for the management of Togo's public power distribution service.

The Togolese State took possession of all of the assets of Togo Électricité in February 2006, without indemnification. It instituted several proceedings, including proceedings instituted first against Togo Électricité, then subsequently extended to GDF SUEZ Energy Services, seeking an order for payment by the two companies of compensation between FCFA 27 billion and FCFA 33 billion (between €41 million and €50 million) for breach of contract. However, as the contract contained an arbitration clause, Togo Électricité instituted the arbitration proceedings referred to above.

The first hearings of the arbitration tribunal should take place in May 2009 and an award could be rendered at the end of the year.

28.1.8 Fos Cavaou

By order dated December 15, 2003 in respect of facilities subject to environmental protection (ICPE) the Prefect of the Bouches du Rhône department authorized Gaz de France to operate an LNG terminal in Fos Cavaou. The permit to build the terminal was issued the same day by a second prefectoral order. These two orders have been challenged in court.

The order authorizing the operation of the terminal, issued in respect of ICPE, is subject to two actions for annulment before the Administrative Court of Marseille, one filed by the Association de Défense et de Protection du Littoral du Golfe de Fos-sur-Mer (ADPLGF) and the other by a private individual. No decisions have been handed down to date.

The two actions for annulment of the building permit filed before the Administrative Court of Marseille, one by the Fos-sur-Mer authorities and the other by the Syndicat d'agglomération nouvelle (SAN), were dismissed by the Court on October 18, 2007. The Fos-sur-Mer municipality appealed this decision on December 20, 2007. The appeal is still pending.

28.1.9 United Water

A claim for compensatory damages of US$60 million and punitive damages of the same amount was filed by flood victims residing in the Lake DeForest area (State of New York, USA) against United Water, a GDF SUEZ company, for negligence in the maintenance of the local dam and reservoir.

The claim was filed pursuant to torrential rain, which caused the rainwater drainage system operated by United Water to overflow. United Water is not responsible for maintenance of the dam or the reservoir and considers that the claim should be disallowed.

28.1.10 Squeeze-out bid for the Electrabel shares

On July 10, 2007, Deminor and two other funds initiated proceedings before the Brussels Court of Appeal against SUEZ and Electrabel under which they sought additional consideration following the squeeze-out bid launched by SUEZ in June 2007 on Electrabel shares that it did not already own. By decision dated December 1, 2008, the Court of Appeal ruled that the claim was unfounded.

MM Geenen and others initiated similar proceedings before the Brussels Court of Appeal, which were rejected on the grounds that the application was invalid. A new application was filed, without Electrabel and the Belgian Banking, Financial and Insurance Commission being joined as parties to the proceedings. The case was heard on October 21, 2008 and judgment has been reserved.

28.1.11 Claims by the Belgian tax authorities

The Special Inspection department of the Belgian tax authorities is claiming €188 million from SUEZ-Tractebel SA, a GDF SUEZ company, concerning past investments in Kazakhstan. SUEZ-Tractebel has filed an appeal with the administrative court against these claims which, based on the advice of legal counsel, it considers unfounded.

The Belgian tax authorities also contested the application of the Belgium-Luxembourg convention for the prevention of double taxation to income generated in Luxembourg by the branches EFTM and TCMS and the permanent establishments of the partners of associations en participation (partnerships governed by the laws of Luxembourg) managed by those branches. They notified a €107 million adjustment in respect of financial years 2003 to 2005. The Group considers that the adjustment is unfounded and the subsidiaries concerned have appealed.

28.1.12 Claim by the French tax authorities

In their tax deficiency notice dated December 22, 2008, the French tax authorities questioned the tax treatment of the sale of a tax receivable in 2005 for an amount of €995 million. The company intends to contest the tax authorities' position, which it considers unfounded. Consequently, it has not set aside a provision for the financial consequences of the dispute.

28.1.13 Claim by the US tax authorities (IRS)

The US subsidiary of GSEI was recently subject to a tax audit by the IRS, who rejected the deduction of interest on loans taken out with Group subsidiaries and banks. An adjustment of US$ 260 million was notified in respect of 2004 and 2005. A provision was recorded at December 31, 2008 subject to all reservations and without prejudicial acknowledgement. GDF SUEZ contests both the adjustment and its amount, and will assert its position through any and all legally permissible means.

28.2 Competition and industry concentration

On May 22, 2008 the European Commission announced its decision to open formal proceedings against Gaz de France for a suspected breach of EC rules on abuse of dominant position and restrictive business practices. As the Commission makes clear in its press release, "the initiation of proceedings does not imply that the Commission has proof of an infringement", it only signifies that the Commission will conduct an in-depth investigation of the case. The investigation relates in particular, to a combination of long-term reservation of transport capacity and a network of import agreements, as well as potential underinvestment in transport and import infrastructure capacity.

GDF SUEZ is currently unable to determine the potential impact of these proceedings initiated by the European Commission.

On June 11, 2008, Gaz de France received a statement of objections from the Commission in which it voices its suspicions of collusion with E.ON resulting in the restriction of competition on their respective markets regarding, in particular, natural gas supplies transported via the MEGAL pipeline. GDF SUEZ filed observations in reply on September 8, 2008. A hearing took place on October 14, 2008 following which the decision of the European Commission is still pending. GDF SUEZ will continue to provide the European Commission with its full cooperation in the course of the proceedings and shall assert its rights in full.

On December 17, 2008, the Group received a statement of objections in the case regarding its acquisition of Compagnie Nationale du Rhône. The European Commission claims that GDF SUEZ failed to announce the business combination at the end of 2003 when, according to the Commission, the Group knew it had acquired control. The Group filed observations in reply on February 16, 2009. The outcome of the proceedings will have no impact on the Group's acquisition of Compagnie Nationale du Rhône, which the Commission approved on April 29, 2008, as only procedural aspects (time limits) are being questioned. GDF SUEZ is currently unable to determine the potential impact of these proceedings initiated by the European Commission.

Alongside its energy sector inquiry, on which the final report was presented on January 10, 2007, the Commission completed its review of systems with respect to long-term agreements signed during the privatization of electricity-producing companies in Hungary and Poland. It has asked the Hungarian and Polish governments to review these systems and, where necessary, to indemnify the parties to the agreements. The Group is directly concerned by this move, in its capacity as contracting party in Hungary (Dunamenti) and in Poland (Polaniec). The agreement in Poland terminated on the contractually agreed date. In Hungary, discussions with the government are still in progress regarding the financial consequences of the termination of the agreement with MVM on January 1, 2009.

The European Commission also started an investigation on the term of the electricity supply contracts entered into by certain European producers in their historical markets. Electrabel is cooperating fully with the Directorate-General for Competition on this issue. The inquiry into the rise of gas prices (retail supply contracts) initiated by the rapporteurs of the Belgian Antitrust Council announced by Electrabel Customer Solutions at the beginning of summer 2007 has been completed. The rapporteurs did not find any indication that Electrabel had infringed competition rules.

In its decision of July 11, 2002, the French Antitrust Council ruled that the existence of equal stakes in water distribution companies held by Compagnie Générale des Eaux (a subsidiary of Veolia Environment) and Lyonnaise des Eaux France (a subsidiary of SUEZ Environnement) created a collective dominant position between the two groups. Although the French Antitrust Council did not impose sanctions against the two companies, it requested the French Minister of the Economy to order the two companies to modify or terminate the agreements under which their resources are combined within joint subsidiaries in order to lift the barrier to competition. As part of the Minister of the Economy's investigation, the two companies were asked to unwind their cross-holdings in these joint subsidiaries. As of the date of publication, Lyonnaise des Eaux France and Veolia Eau-Compagnie Générale des Eaux have decided to comply with the Minister's decision and entered into an agreement in principle to this effect on December 19, 2008.

GDF SUEZ is not aware of any other legal or arbitration proceedings which are likely to have, or have recently had, a material impact on the financial position, results of operations, business or assets of the Company or the Group.

NOTE 29 SUBSEQUENT EVENTS

29.1 Three bond issues

- From January 7 to January 8, 2009 GDF SUEZ issued a €4.2 billion bond transaction which was over subscribed more than two times.

  The issue consists of:

  - a 3-year tranche for €1.75 billion, maturing on January 16, 2012 and paying interest of 4.375%;
  - a 7-year tranche for €1.5 billion, maturing on January 18, 2016 and paying interest of 5.625%;
  - a 12-year tranche for €1 billion, maturing on January 18, 2021 and paying interest of 6.375%.
- Between January and February 2009, GDF SUEZ has successfully issued a public bond on the Belgian and Luxembourg markets for €750 million. Originally announced for a minimum of €150 million, it was over subscribed four times and closed for new subscriptions two weeks before the scheduled date.

  The bonds were issued at 102% for a six-year term maturing on February 23, 2015 and paying interest of 5%.
- On February 3, 2009, GDF SUEZ carried out a bond issue for £700 million, maturing on February 11, 2021 and paying interest of 6.125%.

29.2 Completion of the SPE sale

On January 20, 2009 GDF SUEZ completed the sale to Centrica of all of its shares in Belgian company Segebel (representing 50% of Segebel's issued capital). Segebel holds 51% of SPE.

The transaction amounts to €515 million. A contingency payment could be made when the contracts between SPE and the Group go to effect following commitments made by the Group to the Belgian Government.

This transaction enables GDF SUEZ to complete its commitments towards the European Commission in regards to the merger of Gaz de France and SUEZ.

29.3 Financing agreement in Brazil

The Brazilian development bank BNDES (Banco Nacional de Desenvolvimento Econômico e Social) approved a 20-year loan of BRL 7.2 billion (approximately €2.44 billion) for the Energia Sustentavel do Brasil consortium to finance the Jirau project, a new 3,300 MW hydroelectric power station. The loan covers 68.5% of the €3.3 billion investment required for the new plant. In May 2008, a consortium formed around GDF SUEZ (50.1% interest) bid BRL 71.4 (€27.5) per MWh for a 30-year agreement with electric power distributors, representing €9.6 billion in guaranteed revenues over 30 years starting in 2013.

29.4 Stock options granted to the Chairman and Chief Executive Officer, and Vice-Chairman and President

On March 26, 2009, Gérard Mestrallet and Jean-François Cirelli decided to renounce to their stock options, respectively 830 000 and 300 000 stock options which were granted by the Board of Directors on November 12, 2008.

The charge included in Note 24 "Share-Based Payment" and Note 26"Executive Compensation" amounted to € 0.3 million.

NOTE 30 LIST OF THE MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2008

Company name	Corporate headquarters	% interest Dec. 2008	% interest Dec. 2007	% interest Dec. 2006	% control Dec. 2008	% control Dec. 2007	% control Dec. 2006	Consolidation method Dec. 2008	Consolidation method Dec. 2007	Consolidation method Dec. 2006
Energy France										
COMPAGNIE NATIONALE DU RHÔNE (CNR) [a]	2, rue André Bonin 69004 Lyon - France	49.9	49.9	49.3	47.9	47.9	47.9	FC	FC	FC
GDF SUEZ SA - ELECTRICITY DIVISION	22, rue du Docteur Lancereaux 75008 Paris - France	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
GDF SUEZ SA - SALES DIVISION	22, rue du Docteur Lancereaux 75008 Paris - France	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
SAVELYS	5, rue François 1er 75418 Paris - France	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC

(a) See note 12.

Company name	Corporate headquarters	% interest Dec. 2008	% interest Dec. 2007	% interest Dec. 2006	% control Dec. 2008	% control Dec. 2007	% control Dec. 2006	Consolidation method Dec. 2008	Consolidation method Dec. 2007	Consolidation method Dec. 2006
Energy Benelux & Germany (EEI)										
ELECTRABEL NEDERLAND NV	Dr. Stolteweg 92, 8025 AZ Zwolle, Netherlands	100.0	100.0	98.6	100.0	100.0	100.0	FC	FC	FC
ELECTRABEL NEDERLAND SALES BV	Dr. Stolteweg 92, 8025 AZ Zwolle, Netherlands	100.0	100.0	98.6	100.0	100.0	100.0	FC	FC	FC
ELECTRABEL DEUTSCHLAND AG	FriedrichstraBe 200, 10117 Berlin, Germany	100.0	100.0	98.6	100.0	100.0	100.0	FC	FC	FC
ÉNERGIE SAARLORLUX Gmbh	Richard Wagner Strasse 14 - 16, 66111 Saarbruck - Germany	51.0	51.0	50.3	51.0	51.0	51.0	FC	FC	FC
ELECTRABEL	Boulevard du Regent, 8 - 1000 Brussels - Belgium	100.0	100.0	98.6	100.0	100.0	98.6	FC	FC	FC
ELECTRABEL CUSTOMER SOLUTIONS	Boulevard du Regent, 8 - 1000 Brussels - Belgium	95.8	95.8	60.0	95.8	95.8	95.8	FC	FC	FC

Company name	Corporate headquarters	% interest Dec. 2008	% interest Dec. 2007	% interest Dec. 2006	% control Dec. 2008	% control Dec. 2007	% control Dec. 2006	Consolidation method Dec. 2008	Consolidation method Dec. 2007	Consolidation method Dec. 2006
Energy Europe (EEI)										
DUNAMENTI	Erömü ut 2, 2442 Szazhalombatta - Hungary	74.8	74.8	73.8	74.8	74.8	74.8	FC	FC	FC
ELECTRABEL POLSKA SA	Zawada 26, 28-230 Polaniec - Poland	100.0	100.0	98.6	100.0	100.0	100.0	FC	FC	FC
TEESSIDE POWER LTD	Greystone Road - Grangetown - Middlesbrough TS6 8JF - United Kingdom	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
ROSIGNANO ENERGIA SPA	Via Piave N° 6 Rosignano Maritimo - Italy	99.5	99.5	98.1	99.5	99.5	99.5	FC	FC	FC
ACEA Electrabel group (b) (c)	Piazzale Ostiense, 2, 00100 Rome - Italy	40.6	40.6	40.0	40.6	40.6	40.6	PC	PC	PC
TIRRENO POWER SPA	47, Via Barberini, 00187 Rome - Italy	35.0	35.0	34.5	35.0	35.0	35.0	PC	PC	PC
SOCIÉTÉ DE DISTRIBUTIONS GAZ NATUREL DISTRIGAZ SUD S.A.	Bld Marasesti, 4-6, sector 4 - Bucharest - Romania	40.8	0.0	0.0	40.8	0.0	0.0	FC	NC	NC
EGAZ DEGAZ Zrt	Pulcz u. 44 - H 6724 - Szeged - Hungary	99.7	0.0	0.0	99.7	0.0	0.0	FC	NC	NC
SLOVENSKY PLYNARENSKY PRIEMYSEL (SPP)	Mlynské Nivy 44/a - 825 11 - Bratislava - Slovakia	24.5	0.0	0.0	24.5	0.0	0.0	PC	NC	NC
AES ENERGIA CARTAGENA S.R.L.	Ctra Nacional 343, P.K. 10 - El Fangal, Valle de Escombreras - 30350 Cartagena - Spain	26.0	0.0	0.0	26.0	0.0	0.0	FC	NC	NC
GAZ DE FRANCE ESS (UK) Ltd	1 City Walk - LS11 9DX - Leeds - United Kingdom	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
CASTELNOU	Calle General Castanõs 4 - 3a planta, 28004 Madrid - Spain	100.0	100.0	98.6	100.0	100.0	100.0	FC	FC	FC
SYNATOM	Avenue Ariane 7 - 1200 Brussels	100.0	100.0	98.6	100.0	100.0	100.0	FC	FC	FC
ELECTRABEL ITALIA SPA	Via Orazio, 31I - 00193 Rome - Italy	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
VENDITE - ITALCOGIM ÉNERGIE SPA	Via Spadolini, 7 - 20141 Milan - Italy	60.0	0.0	0.0	60.0	0.0	0.0	FC	NC	NC

(b) Ownership interest in the ACEA/Electrabel holding company.

(c) ALP Energia Italia was included in the accounts of ACEA Electrabel group in 2006.

		% interest			% control			Consolidation method		
Company name	Corporate headquarters	Dec. 2008	Dec. 2007	Dec. 2006	Dec. 2008	Dec. 2007	Dec. 2006	Dec. 2008	Dec. 2007	Dec. 2006
Energy International (EEI)										
TRACTEBEL ENERGIA (formerly GERASUL)	Rua Antônio Dib Mussi, 366 Centro, 88015-110 Florianopolis, Santa Catarina - Brazil	68.7	68.7	68.7	68.7	68.7	68.7	FC	FC	FC
ENERSUR	Av. República de Panamá 3490, San Isidro, Lima 27 - Peru	61.7	61.7	61.7	61.7	61.7	61.7	FC	FC	FC
GLOW (THAILAND)	195 Empire Tower, 38th Floor-park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 - Thailand	69.1	69.1	69.1	69.1	69.1	69.1	FC	FC	FC
BAYMINA	Ankara Dogal Gaz Santrali, Ankara Eskisehir Yolu 40.Km, Maliöy Mevkii, 06900 Polatki/ Ankara - Turkey	95.0	95.0	95.0	95.0	95.0	95.0	FC	FC	FC
SUEZ ENERGY GENERATION NORTH AMERICA	1990 Post Oak Boulevard, Suite 1900 Houston, TX 77056-4499 - United States	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SUEZ LNG AMERICA	One Liberty Square, Boston, MA 02109 - United States	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SUEZ ENERGY MARKETING NORTH AMERICA	1990 Post Oak Boulevard, Suite 1900 Houston, TX 77056-4499 - United States	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SUEZ ENERGY RESOURCES NORTH AMERICA	1990 Post Oak Boulevard, Suite 1900 Houston, TX 77056-4499 - United States	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC

Company name	Corporate headquarters	% interest Dec. 2008	% interest Dec. 2007	% interest Dec. 2006	% control Dec. 2008	% control Dec. 2007	% control Dec. 2006	Consolidation method Dec. 2008	Consolidation method Dec. 2007	Consolidation method Dec. 2006
Global Gas and LNG										
E.F. OIL AND GAS LIMITED	33 Cavendish Square - W1G OPW - London - United Kingdom	22.5	0.0	0.0	22.5	0.0	0.0	PC	NC	NC
GDF SUEZ E&P UK LTD (GDF BRITAIN)	60, Gray Inn Road - WC1X 8LU - London - United Kingdom	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
GDF SUEZ E&P NORGE AS	Forusbeen 78 - Postboks 242 - 4066 Stavanger - Norway	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
GDF PRODUCTION NEDERLAND BV	Eleanor Rooseveltlaan 3 - 2719 AB Zoetermeer - Netherlands	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
GDF SUEZ E&P DEUTSCHLAND GBMH	Waldstrasse 39 - 49808 Linden - Germany	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
GDF SUEZ SA - NÉGOCE	22, rue du Docteur Lancereaux 75008 Paris - France	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
GDF INTERNATIONAL TRADING	2, rue Curnonsky 75015 Paris - France	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
GAZ DE FRANCE ENERGY DEUTSCHLAND GmbH	Friedrichstrasse 60 - 10117 Berlin - Germany	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
GDF SUPPLY TRADING MARKETING NL BV	Eleanor Rooseveltlaan 3 - 2719 AB - Zoetermeer - Netherlands	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
GASELYS	2, rue Curnonsky 75015 Paris - France	51.0	0.0	0.0	51.0	0.0	0.0	PC	NC	NC
SUEZ LNG LIQUEFACTION SA	Avenue de la Liberté, 76 L-1930 Luxembourg Grand Duchy of Luxembourg	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC

Company name	Corporate headquarters	% interest Dec. 2008	% interest Dec. 2007	% interest Dec. 2006	% control Dec. 2008	% control Dec. 2007	% control Dec. 2006	Consolidation method Dec. 2008	Consolidation method Dec. 2007	Consolidation method Dec. 2006
Infrastructures										
GDF SUEZ's ownership interest in Fluxys has now been reduced to less than 45%, in accordance with commitments made by the Group with respect to the European Commission.										
FLUXYS GROUP	Avenue des Arts, 31 - 1040 Brussels - Belgium	44.8	57.2	57.2	44.8	57.2	57.2	EM	FC	FC
STORENGY	22, rue du Docteur Lancereaux 75008 Paris - France	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
ELENGY	22, rue du Docteur Lancereaux 75008 Paris - France	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
GrDF	6, rue Condorcet 75009 Paris - France	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
GRTGAZ	2, rue Curnonsky 75015 Paris - France	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
ELIA SYSTEM OPERATOR - ESO	Boulevard de l'Empereur 20 - 1000 Brussels - Belgium	24.4	24.4	27.1	24.4	24.4	27.5	EM	EM	EM
GAZ DE FRANCE DEUTSCHLAND GmbH	ATRIUM - Friedrichstrasse 60 - 10117 Berlin - Germany	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC

Company name	Corporate headquarters	% interest Dec. 2008	% interest Dec. 2007	% interest Dec. 2006	% control Dec. 2008	% control Dec. 2007	% control Dec. 2006	Consolidation method Dec. 2008	Consolidation method Dec. 2007	Consolidation method Dec. 2006
Energy Services										
ELYO	1, place des Degrés 92059 Paris La Défense Cedex - France	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
ELYO ITALIA	Via Miramare, 15 20126 Milan - Italy	60.0	60.0	60.0	60.0	60.0	60.0	FC	FC	FC
AXIMA France	46, Boulevard de la Prairie du Duc - 44000 Nantes - France	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
AXIMA AG	12, Zürcherstrasse - 8401 Winterthur - Switzerland	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
CPCU	185, Rue de Bercy - 75012 Paris - France	64.4	64.4	64.4	64.4	64.4	64.4	FC	FC	FC
FABRICOM SA	Rue de Gatti de Gamond, 254 - 1180 Brussels - Belgium	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
ENDEL	1, place des Degrés 92059 Paris La Défense Cedex - France	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
FABRICOM GTI SA	Rue de Gatti de Gamond 254 - 1180 Brussels - Belgium	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
GTI GROUP	Hogeweg 35A - 5301 LJ Zaltbommel - Netherlands	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
INEO	1, place des Degrés 92059 Paris La Défense Cedex - France	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
GROUPE COFATECH	Bâtiment Séquoïa - 129, avenue Barthélémy Buyer - 69005 Lyon - France	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC

Company name	Corporate headquarters	% interest Dec. 2008	% interest Dec. 2007	% interest Dec. 2006	% control Dec. 2008	% control Dec. 2007	% control Dec. 2006	Consolidation method Dec. 2008	Consolidation method Dec. 2007	Consolidation method Dec. 2006
SUEZ Environnement										
GDF SUEZ holds 35% of SUEZ Environnement Company and exercises exclusive control through a shareholders' agreement representing 47% of its share capital. Accordingly, SUEZ Environnement Company is fully consolidated.										
SUEZ ENVIRONNEMENT	1, rue d'Astorg 75008 Paris - France	35.5	100.0	100.0	35.5	100.0	100.0	FC	FC	FC
LYONNAISE DES EAUX France	11, place Edouard VII - 75009 Paris - France	35.5	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
DEGREMONT	183, avenue du 18-Juin 1940 - 92500 Rueil-Malmaison - France	35.5	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
HISUSA	Torre Agbar, Avenida Diagonal 211, 08018 Barcelona - Spain	18.1	51.0	51.0	51.0	51.0	51.0	PC	PC	PC
AGBAR [(d)]	Torre Agbar, Avenida Diagonal 211, 08018 Barcelona - Spain	16.3	51.0	25.9	51.0	51.0	48.5	PC	PC	PC
SITA HOLDINGS UK LTD	Grenfell road, Maidenhead, Berkshire SL6 1ES - United Kingdom	35.5	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SITA DEUTSCHLAND GmbH	Industriestrasse 161 D-50999, Cologne - Germany	35.5	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SITA NEDERLAND BV	Mr. E.N. van Kleffensstraat 6, Postbis 7009, NL - 6801 HA Amhem - Netherlands	35.5	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SITA France	123, rue des Trois-Fontanot - 92000 Nanterre - France	35.5	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SITA SVERIGE AB	Kungsgardsleden - 26271 Angelholm - Sweden	35.5	75.0	75.0	100.0	75.0	75.0	FC	FC	FC
LYDEC	20, boulevard Rachidi, Casablanca - Morocco	18.1	51.0	51.0	51.0	51.0	51.0	FC	FC	FC
UNITED WATER RESOURCES	200 Old Hook Road, Harrington Park New Jersey - United States	35.5	100.0	100.0	100.0	100.0	100.0	FC	FC	FC

(d) Agbar is fully consolidated by Hisusa, which in turn is proportionately consolidated by GDF SUEZ (see note 2).

Company name	Corporate headquarters	% interest Dec. 2008	% interest Dec. 2007	% interest Dec. 2006	% control Dec. 2008	% control Dec. 2007	% control Dec. 2006	Consolidation method Dec. 2008	Consolidation method Dec. 2007	Consolidation method Dec. 2006
Other Services										
SUEZ-TRACTEBEL	Place du Trône, 1 - 1000 - Brussels - Belgium	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
GDF SUEZ SA - HOLDING FUNCTIONS	22, rue du Docteur Lancereaux 75008 Paris - France	100.0	0.0	0.0	100.0	0.0	0.0	FC	NC	NC
GIE - GDF SUEZ ALLIANCE	16, rue de la Ville l'Evêque - 75383 Paris Cedex 08 - France	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SUEZ FINANCE SA	16, rue de la Ville l'Evêque - 75383 Paris Cedex 08 - France	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
COSUTREL	Place du Trône, 1 - 1000 Brussels - Belgium	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
GENFINA	Place du Trône, 1 - 1000 Brussels - Belgium	100.0	100.0	100.0	100.0	100.0	100.0	FC	FC	FC
SI FINANCES	68, rue du Faubourg Saint Honoré - 75008 Paris - France	0.0	100.0	100.0	0.0	100.0	100.0	NC	FC	FC

Company name	Corporate headquarters	% interest Dec. 2008	% interest Dec. 2007	% interest Dec. 2006	% control Dec. 2008	% control Dec. 2007	% control Dec. 2006	Consolidation method Dec. 2008	Consolidation method Dec. 2007	Consolidation method Dec. 2006
Anti-trust Remedies										
The deconsolidation of Distrigas was effective as of October 1, 2008 under the terms of the sale agreement with ENI.										
DISTRIGAS	Rue de l'Industrie, 10 - 1000 Brussels - Belgium	0.0	57.2	57.2	0.0	57.2	57.2	NC	FC	FC
DISTRIGAS & Co	Rue de l'Industrie, 10 - 1000 Brussels - Belgium	(e)	57.2	57.2	(e)	100.0	100.0	NC	FC	FC

(e) Distrigas & Co was sold to Fluxys on June 30, 2008 in accordance with the commitments made by the Group with respect to the European Commission. Accordingly, it has been accounted for by the Fluxys group using the equity method as of July 1, 2008.

FC: Full consolidation (subsidiaries).

PC: Proportionate consolidation (joint ventures).

EM: Equity method (associates).

NC: Not consolidated.

20.3 VERIFICATION OF YEARLY FINANCIAL HISTORICAL DATA

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

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2008, on:

- the audit of the accompanying consolidated financial statements of GDF SUEZ;
- the justification of our assessments;
- the specific verification required by French law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used, the significant estimates made, and evaluating the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 2008 and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matters set out in Notes 1.1.2 and 3 to the consolidated financial statements which describe the change in accounting method which took place in 2008 concerning segment reporting following the early application of IFRS 8 *Operating Segments* in the December 31, 2008 consolidated financial statements.

II. Justification of assessments

The accounting estimates used in the preparation of the consolidated financial statements for the year ended December 31, 2008 were made in a context of heavy market volatility and limited visibility regarding the future which makes it difficult to understand economic outlooks. These conditions are described in Note 1.3 to the consolidated financial statements. It is in this context and in accordance with Article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

As disclosed in Note 1 to the consolidated financial statements, the GDF SUEZ Group is required to make estimates and assumptions in order to prepare its consolidated financial statements. These significant accounting estimates relate to the measurement of the fair value of assets and liabilities of Gaz de France in connection with the business combination, and the measurement of goodwill, property, plant and equipment and intangible assets, provisions, financial derivative instruments, un-metered revenues (as in «gas in the meter») and the assessment of the tax loss carry-forwards recognised as deferred tax asset. This note 1 to the consolidated financial statements also specifies that the future results of the transactions in questions may differ from these estimates depending on assumptions used or different situations.

- As indicated in Note 2 to the consolidated financial statements, GDF SUEZ has 12 months from the date of acquisition to finalize the allocation of the purchase price to the assets, liabilities and contingent liabilities of Gaz de France. Given the importance and complexity of the transaction, the allocations recognized as of December 31, 2008 have been determined on a provisional basis and may be reviewed depending on the final measurement of the fair values. Since this involves a provisional valuation of the assets and liabilities of Gaz de France as of December 31, 2008, our procedures consisted in assessing the reasonableness and appropriateness of the methodologies and assumptions used to measure the allocated amounts and to verify that Notes 1 and 2 to the consolidated financial statements provide appropriate disclosure.

- Regarding goodwill as well as property, plant and equipment and intangible assets, we have examined the methods used to perform impairment tests, the data and assumptions used as well as the procedure for approving these estimates by management. We have reviewed the calculations made by the Group and verified that Notes 1 and 5 to the consolidated financial statements provide appropriate disclosure.
- Regarding provisions, in particular, provisions for nuclear fuel reprocessing and storage, decommissioning of nuclear power plants and gas infrastructures, litigation, and retirement and other employee benefits, we have assessed the bases on which these provisions have been recorded and verified that Notes 17, 18 and 28 to the consolidated financial statements provide appropriate disclosure.
- Regarding the valuation of financial derivative instruments that are not listed on regulated financial markets, the Group uses internal computer models representative of market practices. Our work consisted in examining the system for monitoring these models and assessing the data and assumptions used, including those applied to assess, in the context of the financial crisis, the counterparty risk taken into account to value financial derivative instruments. We have also verified that Notes 14 and 15 to the consolidated financial statements provide appropriate disclosure.
- Concerning sales of electricity and gas to customers whose energy consumption is metered during the accounting period, the Group prepared an estimate of the revenues based on historical data of consumptions as well as the estimated selling price. Our work consisted in examining methods and assumptions used to calculate these estimates and verifying that Note 1 to the consolidated financial statements provides appropriate disclosure.
- Concerning the tax loss carry-forwards recognized as deferred tax assets, our work consisted in verifying that the recognition criteria were satisfied and assessing the assumptions underlying the forecasts of taxable profits and the relating consumptions of tax loss carry-forwards. We have also verified that Note 7 to the consolidated financial statements provides appropriate disclosure.

Accounting policies and methods

We have examined the accounting treatments adopted by the GDF SUEZ Group, in particular, in respect of:

- the merger between SUEZ and Gaz de France which has been treated as a reverse acquisition of Gaz de France by SUEZ and the consolidation method of SUEZ Environment Company.
- the recognition of the acquisition of minority interests, and the practical applications of the provisions of IAS 39 relating to the type of contracts considered to be part of «normal activity», areas that are not the subject of specific provisions under IFRS, as adopted in the European Union,
- the accounting treatment applied to the concession contracts.

We ensured ourselves that the Notes 1 and 2 to the consolidated financial statements provide appropriate disclosure in this respect.

These assessments were made as part of our audit approach for the consolidated financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

III. Specific verification

As required by French law, we have also verified the information presented in the Group management report. We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, April 1, 2009

The Statutory Auditors

Deloitte & Associés	ERNST & YOUNG et Autres	Mazars
Jean-Paul Picard Pascal Pincemin	Christian Mouillon Nicole Maurin	Philippe Castagnac Thierry Blanchetier

20.4 PRO FORMA FINANCIAL INFORMATION AND STATUTORY AUDITORS' REPORT

1 DESCRIPTION OF THE TRANSACTION

A description of the conditions and expected impacts of the merger is provided in note 2 – "Main changes in Group structure" to the consolidated financial statements for the year ended December 31, 2008.

2 BASIS OF PRESENTATION

The following unaudited pro forma condensed combined financial information (the "Pro Forma Financial Information") at December 31, 2008 is presented in millions of euros and reflects the combination of Gaz de France and SUEZ using the purchase method of accounting under IFRS.

The unaudited pro forma condensed combined income statements (the "Pro Forma Income Statements") for the years ended December 31, 2007 and December 31, 2008 are presented as if the merger between Gaz de France and SUEZ had taken place on January 1, 2007 and January 1, 2008, respectively.

This Pro Forma Financial Information was prepared in accordance with the provisions of Annex II – "Pro Forma Financial Information Building Block" of European Commission Regulation no. 809/2004, and in accordance with the Committee of European Securities Regulators February 2005 recommendations for the consistent implementation of European Commission Regulation no. 809/2004 on Prospectuses.

The Pro Forma Financial Information is provided solely for illustrative purposes and, therefore, is not necessarily indicative of the combined results of operations or the financial position of the Group resulting from the transaction that might have been achieved if the merger had occurred on January 1 of the years presented, nor are they necessarily indicative of the results of operations or the financial position of the new Group that may, or may not be expected to occur in the future.

In January 2009, GDF SUEZ completed the divestments requested by the European Commission as a consequence of the merger (the "remedies") based on the propositions put forward by SUEZ and Gaz de France (see note 2.2 to the 2008 consolidated financial statements). The Pro Forma Financial Information was prepared as though these divestments had taken place on January 1 of each of the years presented.

The contributions of the entities concerned, as well as the proceeds recorded on disposal, have therefore been eliminated in the various captions presented in the Pro Forma Income Statement, and are instead presented on the line "Impact of remedies".

Only pro forma adjustments related directly to the merger that are factually supportable and that can be estimated reliably are taken into account. No account has been taken in this Pro Forma Financial Information of any synergies or cost savings that may be expected to occur after the merger. The Pro Forma Financial Information does not reflect any special items such as payments pursuant to contractual change-of-control provisions or restructuring and integration costs that may be incurred as a result of the merger.

The following Pro Forma Financial Information was derived from: (i) the audited IFRS consolidated financial statements of GDF SUEZ for the year ended December 31, 2008 and of SUEZ for the year ended December 31, 2007, which are included in the GDF SUEZ 2008 Reference Document; (ii) the audited IFRS consolidated financial statements of Gaz de France for the year ended December 2007, which are included in the Gaz de France 2007 Reference Document; and (iii) the unaudited historical interim financial statements of Gaz de France for the six months ended June 30, 2008 which were the subject of a limited review by the statutory auditors.

(1) Reverse acquisition. For accounting purposes the merger has been treated as the acquisition of Gaz de France by SUEZ even though, from a legal standpoint, Gaz de France is the acquirer and is the entity issuing shares to SUEZ shareholders.

(2) SUEZ Environnement Company. Following the spin-off of 65% of SUEZ Environnement Company to SUEZ shareholders which took place immediately prior to the merger, the new Group holds a 35% ownership interest in SUEZ Environnement Company and retains de facto control through a shareholders' agreement. Consequently, SUEZ Environnement Company is fully consolidated within the new Group's financial statements using the historical carrying amounts as if the spin-off had occurred at January 1, 2007 and January 1, 2008 for the purposes of preparing the Pro Forma Income Statements. The spin-off is neutral from a tax standpoint.

(3) Tax matters. The tax impact of pro forma adjustments has been calculated at the statutory rate in force during the years for which the Pro Forma Income Statements are presented.

On November 25, 2008, GDF SUEZ obtained a ruling from the French tax authorities allowing the Group to recognize an additional deferred tax asset of €316 million. This deferred tax asset derives from tax loss carry-forwards and deductible temporary differences of the SUEZ SA tax consolidation group that were not fully recognized in the SUEZ balance sheet at June 30, 2008. This additional deferred tax asset has been recorded as revenue in the new Group's income statement. In addition, following the dissolution of the SUEZ SA tax consolidation group, the neutralization of certain operations was discontinued, generating tax loss carry-forwards of €897 million, immediately utilized against taxable profits generated by GDF SUEZ SA for the period. The Pro Forma Income Statements for the years presented were not restated to take these various items into account.

(4) Reclassifications and homogenization of accounting policies. There were certain differences in the way Gaz de France and SUEZ presented items on their respective income statements. As a result, certain items have been reclassified in the Pro Forma Income Statements to conform to the reporting format adopted by the new Group.

Pro forma adjustments have also been made to harmonize the accounting policies used for similar transactions.

(5) Intercompany transactions. Following the completion of the merger, any transactions that occur between Gaz de France and SUEZ are considered intercompany transactions. Purchases and sales of energy and reciprocal services between the entities of the new Group have been eliminated in the Pro Forma Income Statements for the years presented.

3 MEASUREMENT AND ALLOCATION OF THE COST OF THE BUSINESS COMBINATION

The cost of the business combination was calculated based on the number of shares outstanding and on the closing share price on July 22, 2008, which is the effective date of the merger. The allocation of the purchase price to the assets and liabilities of Gaz de France is based on provisional estimates of their fair values.

In accordance with IFRS 3, the Group has twelve months from the acquisition date to finalize the allocation of the cost of the business combination to the assets and liabilities and contingent liabilities of Gaz de France. Given the size and complexity of the transaction, the allocations recognized at December 31, 2008 and the resulting pro forma adjustments were determined provisionally and are subject to revision to reflect the final determination of fair values.

The measurement and allocation of the cost of the business combination are described in note 2 – "Main changes in Group structure" to the consolidated financial statements included in this Reference Document.

4 GDF SUEZ PRO FORMA INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2008

4.1 GDF SUEZ Pro Forma Income Statement for the year ended December 31, 2008

In millions of euros	GDF SUEZ published data for the year ended Dec. 31, 2008	Gaz de France pro forma data for the period from Jan. 1, 2008 to July 22, 2008 (unaudited) (see note 6)	Impact of remedies (unaudited) (see note 7)	Purchase price computation and allocation for the period from Jan. 1, 2008 to July 22, 2008 (unaudited) (see note 8)	Other adjustments (unaudited) (see note 9)	Combined pro forma data for the year ended Dec. 31, 2008 (unaudited)
REVENUES	**67,924**	**17,844**	**(2,395)**	**(132)**	**(188)**	**83,053**
Purchases	(35,879)	(10,282)	3,466		(1,503)	(44,198)
Personnel costs	(9,679)	(1,420)	65	18	1	(11,015)
Depreciation, amortization and provisions, net	(3,713)	(913)	28	(307)	20	(4,885)
Net other operating expenses	(12,429)	(2,210)	(1,579)	132	1,692	(14,394)
CURRENT OPERATING INCOME	**6,224**	**3,019**	**(415)**	**(289)**	**22**	**8,561**
Mark-to-market on commodity contracts other than trading instruments	564	(43)	34			555
Impairment of assets	(812)	-			1	(811)
Restructuring costs	(254)	(74)			141	(187)
Disposals of assets, net	1,958	23	(1,901)	(5)	10	85
INCOME FROM OPERATING ACTIVITIES	**7,680**	**2,925**	**(2,282)**	**(294)**	**174**	**8,203**
Net financial costs	(1,359)	(59)	(44)	(2)	(12)	(1,476)
Net other financial expenses	(136)	(124)	(2)	114	12	(136)
NET FINANCIAL LOSS	**(1,495)**	**(183)**	**(46)**	**112**	**-**	**(1,612)**
Income tax expense	(912)	(996)	129	76	(62)	(1,765)
Share in net income of associates	318	78	59	(12)	4	447
NET INCOME BEFORE IMPACT OF REMEDIES	**5,591**	**1,824**	**(2,140)**	**(118)**	**116**	**5,273**
Group share	4,857	1,787	(2,043)	(115)	(24)	4,462
Minority interests	734	37	(98)	(3)	140	811
Earnings per share	2.98					2.07
Diluted earnings per share	2.95					2.05
IMPACT OF REMEDIES		**-**	**2,140**			**2,140**
NET INCOME AFTER IMPACT OF REMEDIES	**5,591**	**1,824**	**-**	**(118)**	**116**	**7,413**
Group share	4,857	1,787		(115)	(24)	6,505
Minority interests	734	37		(3)	140	908
Earnings per share	2.98					3.01
Diluted earnings per share	2.95					2.99

4.2 GDF SUEZ Pro Forma EBITDA for the year ended December 31, 2008

In millions of euros	GDF SUEZ pro forma data for the year ended Dec. 31, 2008 (unaudited)
CURRENT OPERATING INCOME	**8,561**
• Depreciation, amortization and provisions	4,885
• Share-based payment (IFRS 2)	199
• Net disbursements under concession contracts	241
EBITDA	13,886

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5 GDF SUEZ PRO FORMA INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2007

5.1 GDF SUEZ Pro Forma Income Statement for the year ended December 31, 2007

In millions of euros	Historical SUEZ data	Gaz de France pro forma historical data (unaudited) (see note 6.1)	Impact of remedies (unaudited) (see note 7)	Purchase price computation and allocation (unaudited) (see note 8)	Other adjustments (unaudited) (see note 9)	Combined pro forma data for the year ended Dec. 31, 2007 (unaudited)
REVENUES	**47,475**	**27,307**	**(2,612)**	**(284)**	**(658)**	**71,228**
Purchases	(21,289)	(15,201)	3,390		(1,676)	(34,776)
Personnel costs	(8,141)	(2,625)	137	36	18	(10,575)
Depreciation, amortization and provisions, net	(1,913)	(1,541)	25	(697)	16	(4,110)
Net other operating expenses	(10,956)	(4,062)	(1,541)	284	2,333	(13,942)
CURRENT OPERATING INCOME	**5,176**	**3,878**	**(601)**	**(661)**	**33**	**7,825**
Mark-to-market on commodity contracts other than trading instruments	68	(87)	48			29
Impairment of assets	(132)	8				(124)
Restructuring costs	(43)	(20)			39	(24)
Disposals of assets, net	339	104		(27)	(1)	415
INCOME FROM OPERATING ACTIVITIES	**5,408**	**3,883**	**(553)**	**(688)**	**71**	**8,121**
Net financial costs	(673)	(171)	(44)	(3)	9	(882)
Net other financial expenses	(49)	(148)	(1)	192	(14)	(20)
NET FINANCIAL LOSS	**(722)**	**(319)**	**(45)**	**189**	**(5)**	**(902)**
Income tax expense	(527)	(1,153)	185	194	(30)	(1,331)
Share in net income of associates	458	99	113	(24)	1	647
NET INCOME BEFORE IMPACT OF REMEDIES	**4,617**	**2,510**	**(300)**	**(329)**	**37**	**6,535**
Group share	3,923	2,472	(172)	(326)	(317)	5,580
Minority interests	693	38	(127)	(3)	354	955
Earnings per share	3.09	2.51				2.56
Diluted earnings per share	3.04	2.51				2.54
IMPACT OF REMEDIES		**-**	**300**			**300**
NET INCOME AFTER IMPACT OF REMEDIES	**4,617**	**2,510**	-	**(329)**	**37**	**6,835**
Group share	3,923	2,472		(326)	(317)	5,752
Minority interests	693	38		(3)	354	1,082
Earnings per share	3.09	2.51				2.64
Diluted earnings per share	3.04	2.51				2.62

5.2 GDF SUEZ Pro Forma EBITDA for the year ended December 31, 2007

In millions of euros	SUEZ	Gaz de France	Impact of remedies (unaudited)	Other adjustments (unaudited)	Combined pro forma data for the year ended Dec. 31, 007 (unaudited)
SUEZ PUBLISHED EBITDA (NEW GROUP DEFINITION)	**7,433**				
GAZ DE FRANCE PUBLISHED 2007 GROSS OPERATING INCOME		**5,666**			
- Net proceeds from disposals of property, plant and equipment and intangible assets		64			
+ Reclassification of costs attributable to the merger		17			
- Mark-to-market on commodity contracts other than trading instruments		(87)			
- Restructuring costs		(2)			
+ Other		(12)			
Gaz de France EBITDA (new Group definition)		5,696	-	-	
GDF SUEZ PRO FORMA EBITDA	**7,433**	**5,696**	**(627)**	**36**	**12,538**

6 GAZ DE FRANCE HISTORICAL DATA

Certain items included in Gaz de France historical income statement line-items have been reclassified to conform to the new Group presentation for pro forma purposes.

6.1 Gaz de France Income Statement for the period from January 1, 2008 to July 22, 2008 (pro forma presentation)

In millions of euros	Notes	Gaz de France as published at June 30, 2008	Reclassifications	Gaz de France data for the period from July 1, 2008 to July 22, 2008 (unaudited)	Gaz de France pro forma data for the period from Jan 1, 2008 to July 22, 2008 (unaudited)
REVENUES	*(1), (9)*	**16,864**	**(220)**	**1,200**	**17,844**
Purchases and other external charges	*(2)*	(11,587)	11,587		-
Purchases	*(2), (9)*		(9,711)	(571)	(10,282)
Personnel costs	*(3), (5)*	(1,302)	29	(147)	(1,420)
Depreciation, amortization and provisions, net	*(3), (5), (6), (7)*	(942)	29		(913)
Other operating income	*(4), (7), (8)*	358	(358)		-
Other operating expenses	*(4), (7), (8)*	(624)	624		-
Net other operating expenses	*(1), (2), (4), (9), (10), (11)*		(1,867)	(343)	(2,210)
OPERATING INCOME	*(12)*	**2,767**	**113**	**139**	
CURRENT OPERATING INCOME	*(12)*				**3,019**
Mark-to-market on commodity contracts other than trading instruments	*(8)*		(43)		(43)
Impairment of assets	*(6)*				-
Restructuring costs	*(3), (10)*		(74)		(74)
Disposals of assets, net	*(11)*		23		23
INCOME FROM OPERATING ACTIVITIES			**19**	**139**	**2,925**
Net financial costs		(59)			(59)
Net other financial expenses	*(11)*	(101)	(23)		(124)
Net financial loss					(183)
Income tax expense	*(13)*		(948)	(48)	(996)
Share in net income of associates		78	-	-	78
INCOME BEFORE TAX		**2,685**	**(952)**	**91**	
Corporate income tax	*(13)*	(948)	948		
NET INCOME		**1,737**		**91**	**1,824**
Group share		1,700	-	91	1,791
Minority interests		37	-	-	37

6.2 Gaz de France Income Statement for the year ended December 31, 2007 (pro forma presentation)

In millions of euros	Notes	Gaz de France as published at Dec. 31, 2007	Reclassifications	Gaz de France pro forma data for the year ended Dec. 31, 2007 (unaudited)
REVENUES	*(1), (9)*	**27,427**	**(120)**	**27,307**
Purchases and other external charges	*(2)*	(19,131)	19,131	-
Purchases	*(2), (9)*		(15,201)	(15,201)
Personnel costs	*(3), (5)*	(2,628)	3	(2,625)
Depreciation, amortization and provisions, net	*(3), (5), (6), (7)*	(1,532)	(9)	(1,541)
Other operating income	*(4), (7), (8)*	530	(530)	
Other operating expenses	*(4), (7), (8)*	(792)	792	-
Net other operating expenses	*(1), (2), (4), (9), (10), (11)*		(4,062)	(4,062)
OPERATING INCOME	*(12)*	**3,874**	**4**	
CURRENT OPERATING INCOME	*(12)*			**3,878**
Mark-to-market on commodity contracts other than trading instruments	*(8)*		(87)	(87)
Impairment of assets	*(6)*		8	8
Restructuring costs	*(3), (10)*		(20)	(20)
Disposals of assets, net	*(11)*		104	104
INCOME FROM OPERATING ACTIVITIES			**9**	**3,883**
Net financial costs		(170)	(1)	(171)
Net other financial expenses	*(11)*	(140)	(8)	(148)
Net financial loss				
Income tax expense	*(13)*		(1,153)	(1,153)
Share in net income of associates		99	-	99
INCOME BEFORE TAX		**3,663**	**(1,153)**	
Corporate income tax	*(13)*	(1,153)	1,153	
NET INCOME		**2,510**		**2,510**
Group share		2,472	-	2,472
Minority interests		38	-	38

Reclassification of specific line-items in the Gaz de France condensed statement of income

(1) Various cross-charged amounts included in "Revenues" have been reclassified to "Net other operating expenses".

(2) "Purchases and other external charges" has been reclassified to "Purchases", except for "Other purchases and expenses" and "Capitalized expenses" which were included in "Net other operating expenses".

(3) "Personnel costs" and "Allowances to provisions" incurred within the scope of a restructuring process have been reclassified in "Restructuring costs".

(4) "Other operating income" and "Other operating expenses" have been reclassified to "Net other operating expenses".

(5) Share-based payments included in various line-items have been reclassified to "Personnel costs".

(6) Impairment losses included in "Depreciation, amortization and provisions, net" have been reclassified to "Impairment of assets".

(7) Impairment losses on current assets recognized in "Other operating income" and "Other operating expenses" have been reclassified to "Depreciation, amortization and provisions, net".

(8) "Unrealized gains and losses on derivative instruments" included in "Other operating income" or "Other operating expenses", have been reclassified to "Mark-to-market on commodity contracts other than trading instruments".

(9) "Realized gains and losses on commodity hedging instruments" included in "Other operating income" and "Other operating expenses" have been reclassified to "Revenues" or "Purchases" according to their nature.

(10) The costs attributable to the business combination included in "Other operating income» or "Other operating expenses" have been reclassified to "Restructuring costs".

(11) "Net proceeds from disposals of property, plant and equipment, intangible assets and financial assets" which were included in "Other operating income", "Other operating expenses" or "Net other financial expenses", have been reclassified to "Disposal of assets, net".

(12) "Operating income" has been replaced by "Current operating income".

(13) "Corporate income tax" has been reclassified to "Income tax expense".

The "Income before tax" line-item is not included in the new Group reporting format.

The Group will pursue its review of the consistency of classification. Consequently, additional reclassifications may be necessary.

7 IMPACT OF REMEDIES

In accordance with the Group's commitments to the European Commission in relation to the merger, the following interests and entities have been sold:

- the 25.5% equity interest in the share capital of SPE (Belgium-based electricity producer);
- the heating network businesses operated by Gaz de France through Cofathec-Coriance;
- the equity interest in the share capital of Distrigas;
- 12.5% of the equity interest in the share capital of Fluxys.

In the Pro Forma Financial Information, these disposals are deemed to have been carried out on January 1 of each of the periods presented. The contributions of these entities, as well as the proceeds recorded on disposal (chiefly concerning the sale of the stakes in Distrigas and the 12.5% interest in Fluxys), have therefore been eliminated in the Pro Forma Income Statement, and are instead included within »Impact of remedies». For more information on these transactions, see note 2 – "Main changes in Group structure" and note 29 – "Subsequent events" to the consolidated financial statements included in this Reference Document.

8 MEASUREMENT AND ALLOCATION OF THE COST OF THE BUSINESS COMBINATION

The cost of the business combination and its allocation are presented in note 2 – "Main changes in Group structure". The fair value adjustment in the amount of €17,315 million allocated to intangible assets, concession assets and other property, plant and equipment is amortized over an average weighted useful life of 18.2 years. Consequently, additional amortization and depreciation expenses in the amounts of €479 million and €662 million were booked, respectively, in the Pro Forma Income Statement for the years ended December 31, 2008 and December 31, 2007, reflecting the impact of the amortization of the fair value adjustment recognized as part of the allocation of the cost of the business combination, as well as the impact in 2008 of reversing other comprehensive income previously recycled to the income statement and related to financial instruments designated as cash flow hedges existing at the date of merger. As indicated in note 2 – "Main changes in Group structure» to the consolidated financial statements, provisions set aside for renewal and replacement liabilities relating to gas distribution assets in France were eliminated, leading to the reversal of the corresponding unwinding of the discount. Consequently, amounts of €262 million and €225 million were recorded under "Other financial income and expenses" in the Pro Forma Income Statement for the years ended December 31, 2008, and December 31, 2007, respectively.

The deferred tax impact relating to these pro forma adjustments is €105 million at December 31, 2008 and €194 million at December 31, 2007.

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9 OTHER PRO FORMA ADJUSTMENTS

9.1 Homogenization of accounting policies

The only adjustment made in order to align SUEZ and Gaz de France accounting policies concerns borrowing costs. In accordance with the amendment to IAS 23, the new Group has elected to capitalize borrowing costs. This differs from the practice previously adhered to by Gaz de France whereby all interest costs were expensed in the period in which they were incurred, including borrowing costs incurred during the construction period to finance concession and other intangible assets.

For the years ended December 31, 2008, and December 31, 2007, the capitalization of borrowing costs results in respective decreases of €37 million and €46 million in interest costs. The related impacts on the "Income tax expense" line item are increases of €13 million and €15 million, respectively, for the years ended December 31, 2008, and December 31, 2007.

9.2 Intercompany transactions

Purchases and sales of energy and reciprocal services between the entities of the new Group have been eliminated in the Pro Forma Income Statements.

9.3 Reciprocal shareholdings and related dividends

Dividends received by Gaz de France and SUEZ on reciprocal shareholdings have been eliminated in the Pro Forma Income Statements. The corresponding adjustments amounted to a negative €21 million and a negative €23 million, respectively, for the years ended December 31, 2007, and December 31, 2008.

9.4 Spin-off of 65% of SUEZ Environnement Company

Following the spin-off of 65% of SUEZ Environnement Company to SUEZ shareholders immediately prior to the merger, the new Group holds a 35% ownership interest in SUEZ Environnement C, ompany and retains de facto control through a shareholders' agreement entered into between the new Group and the main shareholders of the former SUEZ Group, together representing 47% of the share capital of SUEZ Environnement Company. Accordingly, SUEZ Environnement Company is fully consolidated within the new Group's financial statements, with a corresponding reclassification to minority interests to take account of the spin-off of 65% of this business.

No current or deferred income tax effect related to this operation has been taken into account in the Pro Forma Income Statement as presented.

Since current IFRS do not specifically address the above issues and since the new Group retains control over SUEZ Environnement Company through a shareholders' agreement, the spin-off has been measured at its historical consolidated carrying amount based on the portion of SUEZ Environnement Company shares distributed.

Therefore, the spin-off results in a decrease in Group net income of €334 million at December 31, 2007 and of €116 million at December 31, 2008, with corresponding increases in minority interests.

9.5 Costs attributable to the merger

Within the scope of the merger, fees were incurred for legal, banking, financial and accounting advice. As the merger has been treated as a reverse acquisition for accounting purposes, the portion of these fees incurred by Gaz de France in 2007 and the first half of 2008 was recognized in income in the consolidated financial statements of Gaz de France. The former SUEZ entities also recognized expenses in relation to the spin-off of SUEZ Environnement Company in 2007 and 2008, as well as other fees relating to the merger that did not qualify for capitalization within the cost of the business combination. These costs were disbursed in connection with the preparation and execution of the merger, but are deemed to have been incurred in advance of the periods presented and have therefore been eliminated in the GDF SUEZ Pro Forma Income Statements for 2007 and 2008. For the years ended December 31, 2007, and December 31, 2008, this results in decreases in restructuring costs in the amounts of €33 million and €140 million, respectively. The related impact on the "Income tax expense" line item is €11 million and €48 million, respectively, for the years ended December 31, 2007, and December 31, 2008.

REPORT OF THE STATUTORY AUDITORS ON THE PRO FORMA FINANCIAL INFORMATION FOR 2007 AND 2008

This is a free and non official translation into English of a report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Chief Executive Officer

In our capacity as statutory auditors and in accordance with EU Regulation 809/2004, we have prepared the present report on the unaudited pro forma financial information (the «Pro Forma Information») for GDF SUEZ for the year ended December 31, 2008 and December 31, 2007 which is included in section 20.4 of the document de reference dated April 6th, 2009.

The sole objective of this Pro Forma Information is to show the effects that the merger of Gaz de France and SUEZ might have had on the income statements of GDF SUEZ at December 31, 2008 and December 31, 2007, had this transaction occurred at January 1, 2008 and January 1st, 2007 respectively. Because of its nature, the Pro Forma Information addresses a hypothetical situation and, therefore, does not necessarily represent the actual financial position or results that the company might have experienced had the transaction or event occurred at a date earlier than its intended date of occurrence.

In accordance with EU Regulation 809/2004 and CESR guidance, you are responsible for the preparation of the Pro Forma Information, based on the IFRS consolidated financial statements of GDF SUEZ as of December 31, 2008, audited by Deloitte & Associés, Ernst & Young et Autres and Mazars, the IFRS consolidated financial statements of SUEZ as of December 31, 2007, audited by Deloitte & Associés and Ernst & Young et Autres, the IFRS consolidated financial statements of Gaz de France as of December 31, 2007, audited by Ernst & Young Audit and Mazars & Guérard, and the unaudited historical interim financial statements of Gaz de France for the six month ended June 30, 2008 which were the subject of a limited review by Deloitte & Associés, Ernst & Young et Autres et Mazars & Guérard.

It is our responsibility to express our conclusion, on the basis of our work and in the terms required by EU Regulation 809/2004, Appendix II, paragraph 7, on the proper compilation of the Pro Forma Information.

We conducted our work in accordance with professional guidance issued by the *Compagnie nationale des commissaires aux comptes*. Our work, which does not include an examination of any of the underlying financial information supporting the Pro Forma Information, consisted primarily of verifying that the basis on which this Pro Forma Information was prepared, was consistent with the source documents described in note 2 – Basis of presentation, considering the evidence supporting the pro forma adjustments, and meeting with the management of GDF SUEZ to gather the information and explanations which we deemed necessary.

We conclude that:

- the Pro Forma Information has been properly compiled on the basis stated;
- this basis is consistent with GDF SUEZ accounting.

Without qualifying our conclusion above, we want to draw your attention to the section "Tax matters" of note 2 – Basis of presentation, which describes the impacts on the consolidated financial statements of the tax ruling obtained by GDF SUEZ from the French tax authorities and of the consequences of the dissolution of SUEZ SA tax consolidation group which reversed the neutralization of certain operations. It is specifically stated that the Pro Forma Income Statements for the years presented were not restated to take these various items into accounts.

This report is intended for the sole purpose of the Document de Reference 2008 of GDF SUEZ filed with the French Stock Exchange Regulatory Body (AMF) and may not be used for any other purpose.

Neuilly-sur-Seine and Paris-La Défense, April 1st, 2009

The Statutory Auditors

Deloitte & Associés		ERNST & YOUNG et Autres		Mazars	
Jean-Paul Picard	Pascal Pincemin	Christian Mouillon	Nicole Maurin	Philippe Castagnac	Thierry Blanchetier

20.5 PARENT COMPANY FINANCIAL STATEMENTS AND STATUTORY AUDITORS' REPORT

20.5.1 PARENT COMPANY FINANCIAL STATEMENTS

Balance sheet

● ASSETS

In millions of euros	Note	Dec. 31, 2008 Gross	Dec. 31, 2008 Depreciation, amortization and provisions	Dec. 31, 2008 Net	Dec. 31, 2007 Net
Non-current assets					
Intangible assets	C 1-2-8	1,021	153	868	63
Property, plant and equipment	C 1-2	830	473	357	2,170
Assets in progress (1)					449
Advances and downpayments on orders for property, plant and equipment (1)					35
Equity investments	C 4	59,005	3,257	55,748	17,170
Other financial fixed assets	C 4	9,983	263	9,720	8,645
	I	**70,839**	**4,146**	**66,693**	**28,532**
Current assets					
INVENTORIES	**C 5-8**				
Gas		2,111		2,111	1,393
Other		1		1	20
ADVANCES AND DOWNPAYMENTS ON ORDER		**7**		**7**	**22**
OPERATING RECEIVABLES	**C 6-8**				
Trade and other receivables		6,612	196	6,416	6,191
Other		688		688	374
MISCELLANEOUS RECEIVABLES					
Current accounts with subsidiaries		6,150		6,150	473
Other		2,214	22	2,192	304
MARKETABLE SECURITIES		**595**		**595**	**1,896**
CASH AND CASH EQUIVALENTS		**46**		**46**	**45**
	II	**18,424**	**218**	**18,206**	**10,718**
Accruals	III C 7	150		150	8
Unrealized foreign exchange losses	IV	297		297	27
TOTAL ASSETS	(I TO IV)	89,710	4,364	85,346	39,285

(1) As from 2008, assets in progress and advances and downpayments on orders for property, plant and equipment are not broken down but are included in intangible assets or property, plant and equipment based on the type of asset concerned.

● EQUITY AND LIABILITIES

In millions of euros		Note	Dec. 31, 2008	Dec. 31, 2007
TOTAL EQUITY				
SHAREHOLDERS' EQUITY		C 9		
Share capital			2,194	984
Additional paid-in capital			29,258	1,789
Merger premium				-
Revaluation adjustments			43	43
Legal reserve			219	98
Other reserves			33	33
Retained earnings			18,740	8,344
Net income			2,767	11,611
Interim dividend			(1,724)	
Tax-driven provisions and investment subsidies		C 11	513	1,234
	I		**52,043**	**24,136**
OTHER EQUITY	**II**	**C 10**	**497**	**497**
	I + II		**52,540**	**24,633**
Provisions for contingencies and losses	III	C 11	4,591	3,716
Liabilities		C 12-13-14		
BORROWINGS AND DEBT				
Borrowings			12,444	2,219
Current accounts with subsidiaries (2)			7,499	
Other borrowings and debt			418	394
			20,361	2,613
ADVANCES AND DOWNPAYMENTS RECEIVED ON ORDERS			**10**	**3**
TRADE AND OTHER PAYABLES			**5,252**	**2,710**
TAX AND EMPLOYEE-RELATED LIABILITIES			**1,405**	**1,287**
OTHER LIABILITIES (2)			**619**	**4,291**
	IV		27,647	10,904
ACCRUALS	**V**		**220**	
UNREALIZED FOREIGN EXCHANGE GAIN	**VI**		**348**	**32**
TOTAL EQUITY AND LIABILITIES	(I TO VI)		85,346	39,285

(2) At December 31, 2007, current accounts with Group subsidiaries were shown in other liabilities for an amount of €2,672 million.

Income statement

In millions of euros	Note	Dec. 31, 2008	Dec. 31, 2007
Energy sales		23,523	19,783
Other production sold		1,686	1,208
REVENUES	**C 15**	**25,209**	**20,991**
Production taken to inventory			-
Production for own use		63	248
TOTAL PRODUCTION		**25,272**	**21,239**
Energy purchases and change in gas reserves		(17,369)	(13,610)
Other purchases		(66)	(148)
Other external charges		(6,599)	(3,127)
VALUE ADDED		**1,238**	**4,354**
Taxes and duties net of subsidies received		(91)	(166)
Personnel costs		(820)	(1,384)
GROSS OPERATING INCOME		**327**	**2,804**
Net additions to depreciation, amortization and impairment	C 16	(130)	(744)
Net additions to provisions	C 16	29	(422)
Other operating income and expenses		90	97
NET OPERATING INCOME		**316**	**1,735**
NET FINANCIAL INCOME	**C 17**	**1,939**	**1,141**
NET RECURRING INCOME		**2,255**	**2,876**
NON-RECURRING ITEMS	**C 18**	**(105)**	**11,548**
INCOME TAX	**C 19**	**617**	**(2,813)**
NET INCOME		2,767	11,611

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Cash flow statement

This table is presented net of the impacts of (i) the subsidiaries formed to manage storage facilities and LNG terminals, and (ii) the merger of SUEZ SA into Gaz de France SA on January 1, 2008.

In millions of euros	Note	Dec. 31, 2008	Dec. 31, 2007
1. Cash flow from operations	1	2,635	3,341
Change in inventories	2a	758	(204)
Change in trade receivables (net of trade receivables with a credit balance)	2b	1,529	688
Change in trade payables	2c	(1,596)	(75)
Change in other items	2d	3,627	(495)
2. CHANGE IN WORKING CAPITAL REQUIREMENTS (2a + 2b + 2c + 2d)	**2**	**4,318**	**(86)**
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**(1 - 2) I**	**(1,683)**	**3,427**
II - Investing activities			
1. CASH FLOW USED IN INVESTING ACTIVITIES			
Intangible assets		397	201
Property, plant and equipment		37	850
Financial fixed assets		9,344	749
Change in amounts payable on investments		(900)	
Creation of GrDF – Financial fixed assets			12,011
	1	**8,878**	**13,811**
2. CASH FLOW FROM INVESTING ACTIVITIES			
Third party contributions		-	2
Net proceeds from asset disposals		1,175	42
Reduction in financial fixed assets		868	440
Creation of GrDF – disposal of assets			11,710
	2	**2,043**	**12,194**
CASH FLOW USED IN INVESTING ACTIVITIES	**(1 - 2) II**	**6,835**	**1,617**
III - Cash flow after operating and investing activities	(I - II) III	(8,518)	1,810
IV - Financing activities			
1. CAPITAL INCREASE EMPLOYEE SHARE SUBSCRIPTIONS	**1**	**35**	**-**
2. DIVIDENDS AND INTERIM DIVIDENDS PAID TO SHAREHOLDERS (1)	**2**	**(2,938)**	**(1,082)**
3. FINANCING RAISED ON CAPITAL MARKETS			
Long-term bonds		3,266	-
Short- and medium-term credit facilities		14,561	1,463
	3	17,827	1,463
4. REPAYMENTS			
Short- and medium-term credit facilities		7,464	1,674
	4	**7,464**	**1,674**
CASH FROM (USED IN) FINANCING ACTIVITIES	**(1 + 2 + 3 – 4) IV**	**7,460**	**(1,293)**
V - Change in cash and cash equivalents	C 21 (III + IV) V	(1,058)	517
Impact of cash transferred to Elengy and Storengy		1	
Impact of cash contributed by SUEZ SA as part of the merger		178	
CHANGE IN CASH AND CASH EQUIVALENTS EXCLUDING THE IMPACTS OF THE NEW SUBSIDIARIES AND OF THE MERGER		**(879)**	

(1) The €1,728 million dividend paid by SUEZ SA during the interim period in 2008 is not included in the total amount of €2,938 million, since it was considered a liability when calculating the net assets contributed by SUEZ SA and is therefore shown in "Change in other items" within working capital requirements.

20.5.2 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The merger of SUEZ SA into Gaz de France SA was effective as of July 22, 2008. Since that date, the new entity has been known as GDF SUEZ SA.

A new entity was formed to manage the distribution network on December 31, 2007, and two subsidiaries were created to manage storage facilities and LNG terminals, effective for accounting purposes on January 1, 2008. This has a material impact on the following captions of the parent company financial statements:

- other equity – Value of concession assets — Concession grantors' rights;
- intangible assets – Greenhouse gas emission rights;
- property, plant and equipment – Plant and equipment, Dismantling assets;
- gas in underground reservoirs;
- provisions for site rehabilitation costs.

These impacts are detailed in section B – Comparability of periods presented.

A Summary of significant accounting policies

The accounting policies and calculation methods used to prepare the parent company financial statements for the year ended December 31, 2008 as presented below, do not include captions that are no longer material as a result of the new subsidiaries created.

The 2008 financial statements have been drawn up in euros in compliance with the general principles prescribed by the French chart of accounts, as set out in Regulation No. 99.03 of the French Accounting Standards Committee (Comité de Réglementation Comptable – CRC), and with the valuation methods described below.

As from 2008, financial transactions involving equity investments and the related receivables, especially impairment charges or reversals, are included in non-recurring items rather than financial items. In accordance with Article 120-2 of the French chart of accounts, GDF SUEZ SA considers that although this classification diverges from French accounting standards, it gives a more faithful view of the income statement because all items of income and expenses relating to equity investments can be shown together with capital gains or losses on disposals under non-recurring items.

Use of estimates

The preparation of financial statements requires GDF SUEZ SA to use estimates and assumptions that affect the amounts reported in the financial statements or in the notes thereto. This mainly concerns provisions for dismantling and site rehabilitation costs, provisions for contingencies, the measurement of equity investments, and provisions and off-balance sheet commitments relating to employee benefits.

The financial statements reflect management's best estimates of these amounts, based on information available at the balance sheet date.

Shareholders' equity

Additional paid-in capital

External costs directly attributable to capital increases are deducted from additional paid-in capital. Other costs are expensed as incurred.

Merger premium

External expenses directly attributable to the merger between Gaz de France SA and SUEZ SA are deducted from the merger premium. Other costs are expensed as incurred.

Revaluation adjustments

This caption results from the legal revaluations of non-amortizable assets not operated under concessions carried out in 1959 and 1976.

Other equity – irredeemable and non-voting securities *(titres participatifs)*

GDF SUEZ SA issued irredeemable and non-voting securities (*titres participatifs*) in 1985 and 1986 within the scope of Act No. 83.1 of January 10, 1983 and Act No. 85.695 of July 11, 1985. These securities are shown in liabilities for their nominal amount and are redeemable only at the initiative of GDF SUEZ SA. Interest paid on irredeemable and non-voting securities (*titres participatifs*) is included in financial expenses (see Note 10).

Irredeemable and non-voting securities (*titres participatifs*) that have been redeemed are classified in "Marketable securities".

Intangible assets

This caption mainly comprises:

- the purchase cost or production cost of software, amortized over its estimated useful life;
- technical losses resulting from the merger (see section C 1-7 on the impacts of the merger).

A technical loss is allocated off-the-books to the various assets contributed within the scope of the merger. In the event of a disposal, the portion of the loss relating to the assets sold is reversed through income.

Research costs are expensed in the year in which they are incurred.

In accordance with the option permitted by CRC Regulation 2004-06, other development costs are capitalized provided they meet specific criteria, particularly as regards the pattern in which the intangible asset is expected to generate future economic benefits.

A useful life of between five and seven years is generally used to calculate software amortization.

Accelerated amortization, classified in the balance sheet under tax-driven provisions, is recognized whenever the useful lives for tax purposes are shorter than those used for accounting purposes, or whenever the amortization method for accounting and tax purposes differs.

Property, plant and equipment

All items of property, plant and equipment are carried at purchase cost or production cost, including ancillary expenses, with the exception of assets acquired prior to December 31, 1976, which are shown at their revalued amount at that date.

Almost all items of property, plant and equipment are depreciated on a straight-line basis.

Assets are depreciated over their useful lives, based on the period over which they are expected to be used. The useful lives for the main asset classes are as follows:

- buildings: 20 to 40 years;
- other: 3 to 15 years.

Accelerated depreciation, classified in the balance sheet under tax-driven provisions, is recognized whenever the useful lives for tax purposes are shorter than those used for accounting purposes, or whenever the depreciation method for accounting and tax purposes differs.

Components

When the components of a given asset cannot be used separately, the overall asset is recognized. If one or more components have different useful lives at the outset, each component is recognized and depreciated separately.

Financial fixed assets

Equity investments

Equity investments represent long-term investments providing GDF SUEZ SA with control or significant influence over the issuer, or helping it to establish business relations with the issuer.

As from 2008, newly acquired equity investments are recognized at purchase price plus directly attributable transaction fees.

Investments which GDF SUEZ SA intends to hold on a long-term basis are written down if value in use falls below cost. Value in use is assessed by reference to the intrinsic value, yield value, expected cash flows and stock market prices for the assets, taking into account any currency hedges where appropriate.

Investments which GDF SUEZ SA has decided to sell are written down if their book value is lower than their estimated sale price. If sale negotiations are ongoing at the balance sheet date, the best estimate is used to determine the sale price.

Amounts receivable from equity investments

This caption consists of loans granted by GDF SUEZ SA to equity investments.

They are recognized at face value. In line with the treatment adopted for equity investments, these amounts are written down if their value in use falls below their face amount.

Provisions for contingencies may be booked if the Company considers that its commitment represents an amount in excess of the value of the assets held.

Other financial fixed assets

This caption includes mainly investments other than equity investments that GDF SUEZ SA intends to hold on a long-term basis but which do not meet the definition of equity investments.

A writedown may be taken against other financial fixed assets in accordance with the criteria described above for equity investments.

Liquidity agreement and treasury stock

In 2006, Gaz de France SA entered into a liquidity agreement. Following the merger-takeover of SUEZ SA, two new liquidity agreements were signed with an investment services provider. The investment services provider agrees to buy and sell GDF SUEZ SA shares to organize the market for and ensure the liquidity of the share on the Paris and Brussels stock markets.

The amounts paid to the investment services provider are included in "Other long-term investments". An impairment loss is recognized against the shares when their average price for the month in which the accounts are closed is lower than their book value.

Marketable securities

Marketable securities are shown on the balance sheet at cost.

When the market value of securities at December 31 is lower than their acquisition cost, a writedown is recognized for the difference.

For listed securities, market value is determined based on the price at the balance sheet date.

Gas reserves

Gas injected into underground reservoirs in included in inventories. It is measured at average purchase cost including domestic and international freight costs upon entering the transportation network regardless of its source, and including any regasification costs. Outflows are measured on a monthly basis using the weighted average unit cost method.

An impairment loss is recognized when the net realizable value of inventories, representing the selling price less costs directly and indirectly attributable to distribution, is lower than weighted average cost.

Operating receivables

This caption includes all receivables arising on the sale of goods and other receivables arising in the ordinary course of operations.

Gas delivered but not billed

Receivables also include unbilled revenues for gas delivered, whether or not the meters have been read.

It concerns customers not billed monthly (mainly residential customers) and customers whose billing period is not aligned with the consumption period of a given month.

GDF SUEZ SA accounts for a portion of metering and billing expenses associated with these unbilled revenues to be incurred in the subsequent period, as well as the potential risk of non-collection.

Delivered unbilled natural gas ("gas in the meter") is calculated using a method factoring in average energy sale prices and historical consumption data. The average price used takes account of the category of customer and the age of the delivered unbilled "gas in the meter". These estimates are sensitive to the assumptions used.

Customers (mainly retail customers) can opt to pay on a monthly basis. In this case, the Company recognizes a monthly advance and a bill is issued at the anniversary date of the contract giving rise to the payment (or refund) of any difference between the amount billed and the advance payments already received.

As from 2008, unbilled revenues in respect of delivered unbilled natural gas will be netted against the advances already collected by the Company from customers billed monthly. This will provide GDF SUEZ SA with a more accurate estimate of the related future cash flows.

Impairment of trade receivables

Bad debt risk is analyzed on a case-by-case basis for the Company's largest customers.

Receivables from other customers are written down using rates which increase in line with the age of the related receivables.

Foreign currency transactions

Income and expenses denominated in foreign currencies are recorded at their equivalent value in euros at the transaction date.

Foreign currency receivables, payables and cash and cash equivalents are converted at the exchange rate prevailing at year-end. Translation differences are taken to income when they arise on cash and cash equivalents, or to the balance sheet under "Translation adjustments" when they arise on receivables and payables. A provision is set aside for unrealized losses after taking account of any associated hedging instruments.

Provisions for contingencies and losses

In accordance with CRC Regulation No. 2000-06 on liabilities, a provision is recognized when the Company has a legal or constructive obligation resulting from a past event which is expected to result in an outflow of resources embodying economic benefits that can be measured reliably.

The provision represents the best estimate of the amount required to settle the present obligation at the balance sheet date.

Provisions for rehabilitating land on which former gas production plants were located

These provisions are set aside to cover the estimated costs of rehabilitating land on which former gas production plants were located, in light of general environmental protection standards and laws and regulations specific to certain equipment.

These provisions reflect the best estimate of the costs that this will involve, based on (i) current cost information, technical knowledge and experience acquired, and (ii) regulatory requirements in force or in the process of being adopted.

The provision is set aside for the full amount of any such costs, since the Company may be asked to rehabilitate the site at any time. The provision recognized has not been discounted.

Any revisions subsequently made to estimates (timing of rehabilitation obligations, estimated costs involved, etc.) are taken into account on a prospective basis. Movements in these provisions are shown under operating items.

Provision for employee bonus share awards and stock option plans

In accordance with CRC Regulation No. 2008-15 of December 4, 2008, the provision for employee bonus share awards is recognized on a straight-line basis over the period during which the rights vest in the employees. The provision ultimately covers the disposal loss equal to the book value of treasury stock granted free of consideration to employees. Movements in this provision and any related costs are shown in personnel expenses.

Until December 31, 2007, the impacts on income of bonus share plans and stock options were recognized in non-recurring items.

For stock options, a provision is set aside whenever the share price at the balance sheet date is higher than the exercise price of the options granted. The provision is set aside on a straight-line basis over the vesting period of the rights and ultimately covers the disposal loss equal to the purchase cost of the shares less the exercise price paid by employees.

Bond redemption premiums and issue costs

In accordance with the benchmark treatment prescribed by the French National Accounting Board (*Conseil National de la Comptabilité* – CNC), bond issue costs are recognized on a straight-line basis over the life of the instruments. These issue costs mainly consist of advertising expenses (for public issues) and fees due to financial intermediaries.

Up to December 31, 2007, they were expensed as incurred. The impact on GDF SUEZ SA shareholders' equity is not material.

Bonds carrying a redemption premium are recognized in liabilities for their total amount including redemption premiums. The matching entry for these premiums is recorded in assets under accruals, and amortized over the life of the bonds pro rata to interest.

Pensions and other employee benefit obligations

Special regime for Electricity and Gas utilities

GDF SUEZ SA qualifies for the disability, pension and death benefits available under the special regime for Electricity and Gas utilities (see Note 22).

Accounting treatment

In accordance with the option permitted by the CNC's Emerging Issues Taskforce in opinion 2000-A of July 6, 2000, GDF SUEZ SA recognizes provisions under liabilities for benefits granted to employees whose rights have already begun to vest (annuities for occupational accidents and illnesses, temporary incapacity or disability benefits), benefits due during the employee's working life (long-service awards and bonus leave), and benefits covered by the pension provision prior to the change in accounting policy.

As part of the merger, the provisions for pensions and other employee benefit obligations (pensions, retirement indemnities and healthcare) booked by SUEZ SA at December 31, 2007 were transferred to GDF SUEZ SA.

In accordance with opinion 2005-C of the CNC's Emerging Issues Taskforce, and in accordance with the method applied by GDF SUEZ SA and described above, no further amounts will be set aside to these provisions in respect of rights newly vested by employees or the unwinding of discounting adjustments on provisions transferred within the scope of the merger. The provisions will be written back in line with the settlement of the corresponding obligations for which a provision was carried at December 31, 2007.

No provisions are set aside in liabilities for other commitments, which are disclosed in Note 22 regarding off-balance sheet commitments.

Basis of measurement and actuarial assumptions

Benefit obligations are measured using the projected unit credit method. The present value of the obligations of GDF SUEZ SA is calculated by allocating vested benefits to periods of service under the plan's benefit formula. When an employee's service in later years leads to a materially higher level of benefits than in earlier years, the Group allocates the benefits on a straight-line basis.

Future payments in respect of these benefits are calculated based on assumptions as to salary increases, retirement age, mortality and employee turnover.

The rate used to discount future benefit payments is determined by reference to the yield on investment grade corporate bonds based on maturities consistent with the benefit obligation.

Financial instruments and commodity derivatives

To hedge and manage its currency, interest rate and commodity risk, GDF SUEZ SA uses financial and operating instruments disclosed in off-balance sheet commitments.

Changes in the market value of forward currency purchase or sale contracts are taken to income symmetrically with the gain or loss on the hedged item.

Commodity derivatives are marked to market and treated in the same way as the items hedged.

If the hedged item ceases to exist, the contract is unwound and any gains or losses taken to income. Gains or losses on swaps are recognized when the transaction expires.

The recognition of gains or losses on these transactions depends on whether (i) they are carried out on an organized market, in which case the gain or loss on the contract, representing the change in its market value, is recognized before the contract is unwound, or (ii) whether they are traded over-the-counter, in which case they are recognized at the time the contract is unwound, with a provision recorded for any potential capital losses.

Income tax

Since January 1, 1988, GDF SUEZ SA has been part of the tax consolidation regime introduced by Article 68 of Act. No. 87-1060 of December 30, 1987. GDF SUEZ SA is head of the tax group within the meaning of Articles 223 A et seq. of the French Tax Code.

The contribution of subsidiaries in the tax consolidation group to the Group's income tax expense equals the amount of tax for which they would have been liable if they had not been members of the tax consolidation group.

The impacts of tax consolidation are recorded under the income tax expense of GDF SUEZ SA, as parent company.

GDF SUEZ SA also records a provision for any tax savings generated by subsidiaries' tax losses. These savings initially benefit GDF SUEZ SA as parent company, and are recovered by the subsidiaries once they return to profit (hence the provision booked).

Statutory training entitlement

Rights vested under the statutory training entitlement at December 31, 2008 are disclosed in Note 24.

In accordance with opinion 2004 F of the CNC's Emerging Issues Taskforce on the recognition of statutory training entitlements, no provision has been recorded by GDF SUEZ SA in the 2008 financial statements, as employee rights are included in the company training plan.

B Comparability of periods presented

A number of transactions which took place in 2007 and 2008 and are described in specific notes to these accounts, have a material impact on the comparability of the periods presented. These include:

- merger of SUEZ SA into Gaz de France SA on July 22, 2008, with retroactive effect for accounting and tax purposes from January 1, 2008;
- creation of GrDF to manage the distribution network on December 31, 2007;
- creation of Storengy and Elengy to manage storage facilities and LNG terminals, respectively, with retroactive effect for accounting and tax purposes from January 1, 2008;

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Several changes were made to the presentation of financial statements in 2008:

- following the creation of a Distribution subsidiary, items of property, plant and equipment operated within or outside a concession are no longer shown separately in the balance sheet;
- all financial transactions relating to equity investments and the related receivables were reclassified from financial items to non-recurring items to ensure that net financial income continues to reflect recurring operations and provides a meaningful comparison between periods presented;
- in accordance with CNC opinion 2008-17 of November 6, 2008 on the accounting treatment of employee bonus share awards and stock option plans, the costs relating to these items are now shown within personnel expenses and not non-recurring items.

The impacts of these changes in presentation and the transactions relating to the merger and creation of new subsidiaries are detailed below in Note 6.

1 Merger-takeover of SUEZ SA

The merger of SUEZ SA into Gaz de France SA was approved by the Shareholders' Meetings of both companies on July 16, 2008 and became effective on July 22, 2008. Since that date, the new entity has been known as GDF SUEZ SA.

In accordance with Article L. 236-4 of the French Commercial Code (*Code de commerce*), the merger agreement stipulates that the merger is effective for accounting and tax purposes as of January 1, 2008. Consequently, all of the transactions carried out by SUEZ SA between January 1, 2008 and the effective date of the merger ("interim period") are reflected in the accounts of Gaz de France SA in respect of this interim period.

The terms of SUEZ SA's merger into Gaz de France SA were established on the basis of the parent company financial statements of both companies at December 31, 2007, and on an exchange ratio of 21 Gaz de France shares for 22 SUEZ shares. Several transactions were carried out prior to the merger and recognized by Gaz de France in its interim period accounting.

1.1 Transactions carried out prior to the merger and recognized by GDF SUEZ SA in its interim period accounting

These transactions are described below.

- **Simplified merger-takeover of Rivolam by SUEZ SA**

  Prior to the merger of SUEZ SA into Gaz de France SA, and immediately before the spin-off of SUEZ Environnement, Rivolam, a wholly-owned subsidiary of SUEZ SA, was merged into SUEZ SA by means of a simplified procedure.

  This merger was carried out at net book value with retroactive effect for accounting and tax purposes from January 1, 2008. Net assets transferred to SUEZ SA for a total of €6,536 million essentially comprised shares in SUEZ Environnement held by Rivolam.

  As SUEZ SA owned all of the shares in the unlisted subsidiary Rivolam, no capital increase was required to complete these transactions, pursuant to Article L. 236 3 II of the French Commercial Code. Accordingly, the transaction has no impact on shareholders' equity. The technical loss of €715 million resulting from the difference between the value of the net assets contributed by Rivolam and the value of the Rivolam shares in the accounts of SUEZ SA is included within intangible assets in the GDF SUEZ SA financial statements.

- **Contribution by SUEZ SA to SUEZ Environnement Company of all of its shares in SUEZ Environnement**

  Following the merger-takeover of Rivolam, SUEZ SA contributed all of its shares in SUEZ Environnement to SUEZ Environnement Company. In accordance with Article L. 236-22 of the French Commercial Code, this transaction was carried out under the legal regime applicable to spin-offs set forth in Articles L. 236-16 to L. 236-21 of the French Commercial Code.

  The contribution was carried out at book value. The shares in SUEZ Environnement Company received in exchange for the contribution of the shares in SUEZ Environnement were recognized at the same value as the SUEZ Environnement shares carried in the books of SUEZ SA, i.e. €6,157 million (€6,104 million transferred to SUEZ SA as part of its merger-takeover of Rivolam and €53 million already directly held by SUEZ SA). The technical loss of €715 million arising on the merger-takeover of Rivolam is included within intangible assets.

- **Spin-off of 65% of shares in SUEZ Environnement Company by SUEZ SA to its shareholders**

  Immediately after the contribution and prior to the merger of SUEZ SA into Gaz de France SA, a portion of the SUEZ Environnement Company shares, representing 65% of the share capital, was distributed by SUEZ SA to its shareholders (other than itself) in proportion to their interest in the capital, based on a ratio of one SUEZ Environnement Company share for four SUEZ shares.

  A total of 318,304,389 shares were distributed to shareholders, and deducted from the net assets contributed by SUEZ SA to Gaz de France SA.

  This transaction was recorded at net book value and charged in full to "additional paid-in capital". The amount of the spin-off was equal to €4,467 million, representing the book value of the SUEZ Environnement Company shares distributed to shareholders, i.e. €4,003 million, plus the share in the technical loss (arising on the Rivolam merger) relating to distributed shares of SUEZ Environnement Company for €465 million.

Accordingly, a technical loss of €253 million was included in the assets of GDF SUEZ SA following these transactions, representing the loss arising on the merger-takeover of Rivolam and allocated to shares retained by SUEZ in SUEZ Environnement Company.

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Immediately after the spin-off, **SUEZ SA was merged into Gaz de France SA by means of an issue of new shares based on a ratio of 21 Gaz de France shares for 22 SUEZ shares.**

1.2 Cross shareholdings

Prior to the merger date, Gaz de France SA held 8,049,212 SUEZ shares and SUEZ SA held 35,724,397 SUEZ shares. SUEZ SA did not directly hold any shares in Gaz de France.

In accordance with Article L. 236-3 of the French Commercial Code, no treasury shares held by SUEZ SA or SUEZ shares held by Gaz de France SA were exchanged.

At the time of the merger, the 35,724,397 treasury shares held by SUEZ SA at July 21, 2008 for €1,456 million were deducted from the net assets qualifying for the exchange, and the SUEZ shares held by Gaz de France SA were canceled, giving rise to a merger loss (see section 7).

The dividends received in 2008 on SUEZ shares held by Gaz de France SA were canceled by crediting the merger premium account as part of the interim period accounting.

Proceeds from the disposal of treasury shares sold by SUEZ SA during the interim period were included in the interim period accounting with retroactive effect, and are therefore included in the calculation of net income for the new entity. Accordingly, they were not deducted from the net contributed assets.

1.3 Measurement of assets and liabilities contributed by SUEZ SA

Pursuant to CRC Regulation No. 2004-01 on accounting for mergers and similar transactions, the merger of SUEZ SA into Gaz de France SA was carried out based on the book values at December 31, 2007 of the assets and liabilities contributed by SUEZ SA, as shown in the parent company financial statements of SUEZ SA for the year ended December 31, 2007.

1.4 Net assets contributed by SUEZ SA at December 31, 2007

The net assets contributed by SUEZ SA based on its financial statements for the year ended December 31, 2007 total €36,793 million, corresponding to assets of €37,737 million net of depreciation, amortization and impairment, less €944 million in liabilities.

In millions of euros	Gross	Depreciation, amortization, provisions	Net
Intangible assets	34	18	16
Property, plant and equipment	13	8	5
Financial fixed assets	39,657	2,752	36,905
o/w equity investments	38,203	2,509	35,694
o/w other long-term investments	1,204	-	1,204
o/w amounts receivable from equity investments	241	241	-
o/w other financial fixed assets	8	1	7
Current assets, accruals and translation adjustments	824	13	811
TOTAL ASSETS CONTRIBUTED BY SUEZ SA AT DECEMBER 31, 2007	**40,528**	**2,791**	**37,737**
Provisions for contingencies and losses			250
Borrowings and debt			500
Operating payables			145
Miscellaneous payables, accruals and translation adjustments			49
TOTAL LIABILITIES ASSUMED AT DECEMBER 31, 2007			**944**
NET ASSETS OF SUEZ SA AT DECEMBER 31, 2007			**36,793**

1.5 Value of net assets contributed after adjustments for transactions carried out in the interim period (adjustments to net assets recorded at December 31, 2007)

Since the transactions have retroactive effect for accounting purposes from January 1, 2008, and in order to determinate the capital of the operation, the transactions and other items described below were included in the calculation of the net assets contributed:

Net assets of SUEZ SA at December 31, 2007	36 793
• **Treasury shares held by SUEZ SA at July 21, 2008** (35,724,397 shares representing a total of €1,457 million) are not included in net assets qualifying for the exchange and are therefore deducted from the net assets contributed by SUEZ SA at December 31, 2007.	(1,457)
• In accordance with CRC Regulation 2004-01, **dividend payouts decided by the shareholders of SUEZ SA** during the interim period represent a liability of the absorbed company, and have therefore been deducted from net contributed assets at December 31, 2007. This liability was closed out when the entries for the interim period were reversed, including payments made by the absorbed company.	(1,729)
• **The SEC shares distributed to the shareholders of SUEZ SA** are not part of the assets contributed to the new entity, and are therefore deducted from the net assets contributed by SUEZ SA to Gaz de France SA at December 31, 2007.	(4,467)
• **The price for the shares issued during the period between January 1, 2008 and the date of the merger** is added to the net assets contributed by SUEZ SA to Gaz de France SA at December 31, 2007.	48
NET ASSETS CONTRIBUTED TO GAZ DE FRANCE SA	29,188

1.6 Remuneration of net contributed assets and capital increase

Based on the above, the net assets contributed by SUEZ SA that qualify for the exchange total €28,964 million. This amount corresponds to the percentage of SUEZ shares issued and outstanding not held by Gaz de France SA (99.2%), multiplied by the total value of the net assets contributed to Gaz de France SA (€29,188 million).

The exchange ratio was set at 21 Gaz de France shares for 22 SUEZ shares, and was calculated based on a multi-criteria approach typically used in similar transactions.

In exchange for the 1,265,168,344 SUEZ shares comprising the share capital of SUEZ SA at the merger date, less 35,724,397 treasury shares held by SUEZ and 8,049,212 SUEZ shares held by Gaz de France SA, **Gaz de France SA issued 1,207,660,692 new, fully paid-up Gaz de France shares, each with a par value of €1**.

Accordingly, share capital was increased from €983,871,988 to €2,191,532,680.

The merger premium corresponds to the difference between the book value of the assets contributed by SUEZ SA qualifying for the exchange (€28,964 million), and the par value of shares issued as consideration (€1,208 million), representing a total of €27,756 million. After the adjustments made in compliance with the decisions of the Shareholders' Meeting, the merger premium amounts to €27,436 million (see Note 9-B).

1.7 Merger loss

Following the merger, Gaz de France SA recognized a technical loss resulting from "the difference between the net assets received by the absorbing company in proportion to its interest in the absorbed entity and the book value of its interest" (CRC Regulation No. 2004-01).

This merger loss is included in intangible assets for €32 million and allocated off-the-books to the underlying assets.

In light of the technical loss which arose on the merger-takeover of Rivolam and was allocated to the shares retained in SUEZ Environnement Company (€253 million), the merger loss recognized in intangible assets totaled €285 million.

1.8 Tax treatment

The tax authorities gave their approval for:

- transferring a portion of tax losses from SUEZ SA to GDF SUEZ SA, based on the provisions of Articles 223 I 5 and 223 I 6 of the French Tax Code;
- transferring a portion of tax losses from SUEZ SA to SUEZ Environnement Company, based on the provisions of Articles 223 I 5 and 223 I 7 of the French Tax Code;
- applying the preferential tax treatment set out in Articles 210 B and 115-2 of the French Tax Code to the contribution and spin-off of SUEZ Environnement Company shares, and ensuring that the benefits of this treatment remain undisputed under the merger.

Under the preferential tax treatment, net income reported by SUEZ SA after January 1, 2008 will be included in the taxable income of GDF SUEZ SA. GDF SUEZ SA also agrees to:

- take over the provisions on which tax has been deferred by SUEZ SA and which remain pertinent following the merger, as well as the tax-driven provisions (particularly the provision for investments) which are taxed on a deferred basis pursuant to a special clause in the French Tax Code (Article 210 A-3.a.);

- replace SUEZ SA in adding back to income items which had been deferred for tax purposes by SUEZ SA (Article 210 A-3.b. of the French Tax Code);
- calculate the capital gains arising on the disposal of non-amortizable assets received as part of the contribution, based on the value of these assets for tax purposes in the accounts of SUEZ SA at December 31, 2007 (Article 210 A-3.c. of the French Tax Code).

Since the merger involved two legal entities liable for corporate income tax, GDF SUEZ SA is eligible for the provisions of Article 816 of the French Tax Code and is subject only to flat-rate registration fees of €500.

2 Creation of Storengy and Elengy to manage storage facilities and LNG terminals

The Ordinary and Extraordinary Shareholders' Meeting of December 17, 2008 approved the creation of two subsidiaries (**Storengy** and **Elengy**) to manage the Group's storage and LNG terminals activities, respectively. The subsidiaries were created by means of a partial contribution of assets.

The two contribution agreements signed by (i) GDF SUEZ SA and Storengy, and (ii) GDF SUEZ SA and Elengy, set the date for the contribution at December 31, 2008. Pursuant to Article L. 236-4 of the French Commercial Code, the agreements stipulate that the contributions will have retroactive effect for accounting and tax purposes from January 1, 2008. Consequently, the results of any operations carried out by GDF SUEZ SA in relation to storage and LNG terminals activities between January 1, 2008 and the date of the contributions were recognized in the accounts of the two subsidiaries in respect of the interim period, spanning from the retroactive effective date of the contributions as set by the contribution agreements to the actual date the transactions were carried out.

In accordance with CRC Regulation No. 2004-01 of May 4, 2004, as this transaction represents internal restructuring measures within the contributing company, which holds more than 99% of the capital of the entities benefiting from the contribution, the assets and liabilities contributed were valued at their net book value in the accounts of Gaz de France SA at December 31, 2007, i.e.:

- €1,903,610,200 in net assets contributed in respect of Storage activities;
- €114,094,600 in net assets contributed in respect of LNG Terminals activities.

As consideration for these contributions, GDF SUEZ SA received 19,036,102 new Storengy shares and 1,140,946 new Elengy shares with a par value of €10, issued as consideration for the contributions made and recorded within equity investments under assets.

The impact of these transactions on 2008 net income for GDF SUEZ SA totaled €907 million before tax, related primarily to the reversal of tax-driven provisions not transferred to the subsidiaries, since the contributions were made at net book value.

Storengy and Elengy took over their respective share in the pension and other employee benefit obligations transferred to the subsidiaries, as well as the corresponding plan assets.

At December 31, 2008, Elengy carried out a second capital increase in an amount of €326 million reserved for GDF SUEZ SA. This capital increase was intended to fund the acquisition of 69.70% of the shares in Société du Terminal Méthanier de Fos Cavaou, which had previously been held by COGAC, a subsidiary of GDF SUEZ SA.

3 Creation of GrDF to manage natural gas distribution

Pursuant to an agreement signed on July 20, 2007 and effective December 31, 2007, Gaz de France SA contributed its natural gas distribution activities to a newly created subsidiary, GrDF. The assets and liabilities transferred by Gaz de France SA cover all of the assets, rights and obligations relating to the distribution network.

The transaction took the form of a sale, and was financed by (i) a capital increase fully subscribed by Gaz de France SA, and (ii) a long-term loan granted by Gaz de France SA for €3,611 million.

At December 31, 2007, the capital gain on the disposal of gas distribution activities had no impact on tax, since GrDF is a member of the tax consolidation group. As from 2008, the subsidiary's statutory financial statements show tax savings from the amortizable share of the capital gain arising on the disposal of the business. This excess amortization had no impact at the level of tax consolidation. In accordance with the tax consolidation agreements signed with its subsidiaries, Gaz de France SA set aside a provision for tax consolidation with respect to GrDF amounting to €2,158 million at December 31, 2007 (see Note 11 B4).

In the income statement of Gaz de France SA for the year ended December 31, 2007, the creation of GrDF had a €11,433 million impact on non-recurring items, representing the capital gain on disposal, and a €2,158 million impact on income tax expense, representing a net impact of €9,275 million on net income.

As from 2008, GrDF is responsible for the industrial and commercial operation, maintenance and development of the distribution network in France.

4 Change in accounting policy

In light of the merger-takeover of SUEZ SA and in order to ensure consistent treatment, the new GDF SUEZ SA entity decided to make certain changes to the accounting policies used to prepare its parent company financial statements.

Equity investments

Equity investments represent long-term investments providing GDF SUEZ with control or significant influence over the issuer, or helping it to establish business relations with the issuer.

As from 2008, newly acquired equity investments are recognized at purchase price plus directly attributable transaction fees. Up to December 31, 2007, these fees were expensed in full.

In accordance with the option permitted by CRC Regulation No. 2004-06, the Company decided to adopt this change in accounting policy on a prospective basis. The change has no impact on income for the period.

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Bond issue costs

In accordance with the benchmark treatment prescribed by the CNC, bond issue costs are spread on a straight-line basis over the life of the instruments. These issue costs mainly consist of advertising expenses (for public issues) and fees due to financial intermediaries.

Up to December 31, 2007, they were expensed as incurred. The impact on GDF SUEZ SA shareholders' equity is not material.

5 Change in presentation of financial statements

Non-current assets

In light of the contribution of the distribution network to a new subsidiary on December 31, 2007, only those non-current assets held under concessions in respect of distribution networks in Corsica and mainland propane gas localities continue to be reported by GDF SUEZ SA. As from 2008, these assets are no longer shown separately on the balance sheet, but included within property, plant and equipment.

Similarly, assets in progress and downpayments on orders for property, plant and equipment are no longer reported on a separate line of the balance sheet, but allocated to intangible assets or property, plant and equipment, based on the type of assets concerned.

Financial income and expense/Non-recurring items

As from 2008, financial transactions involving equity investments and the related receivables, especially impairment charges or reversals, are included in non-recurring items rather than financial items. In accordance with Article 120-2 of the French chart of accounts, GDF SUEZ SA considers that although this classification diverges from French accounting standards, it gives a more faithful view of the income statement because all items of income and expenses relating to equity investments can be shown together with capital gains or losses on disposals under non-recurring items.

Expenses relating to employee bonus share awards and stock option plans

In accordance with CRC Regulation No. 2008-15 of December 4, 2008, movements in provisions and expenses relating to employee bonus share awards are shown in personnel expenses. In 2007, Gaz de France SA recorded these expenses as non-recurring items.

6 Additional information on the impacts of the merger and of the new subsidiaries

To provide a more meaningful comparison between the periods presented, the following tables :

- show the impacts on assets and liabilities as of January 1, 2008 (the effective date of the transactions for accounting and tax purposes) of the merger-takeover of SUEZ SA and of the new subsidiaries created to manage storage facilities and LNG terminals;
- present the income statement published by SUEZ SA as well as the impacts of the subsidiaries created to manage distribution, storage and LNG terminals activities on the income statement of Gaz de France SA for 2007. In light of the specific, non-recurring items impacting the financial and non-recurring lines reported by Gaz de France SA and SUEZ SA in 2007, the impacts are only presented up to the level of operating income before tax.

● ASSETS

In millions of euros	Dec. 31, 2007, as published	Impacts of the new subsidiaries		Impacts of the merger-takeover of SUEZ SA	Dec. 31, 2007, adjusted for the impacts of the new subsidiaries and of the merger
		ELENGY	STORENGY		
Non-current assets					
Intangible assets, property, plant and equipment, and advances and downpayments on orders					
Gross	4,809	(481)	(3,195)	333	1,466
Depreciation and amortization	(2,092)	336	1,223	(27)	(560)
Equity investments					
Gross	17,179	115	1,904	33,145	52,343
Depreciation and amortization	(11)	-	-	(2,510)	(2,521)
Other financial fixed assets					
Gross	8,647	(1)	(36)	(261)	8,349
Depreciation and amortization	-	-	-	(242)	(242)
TOTAL NON-CURRENT ASSETS					
Gross	30,635	(367)	(1,327)	33,217	62,158
Depreciation and amortization	(2,103)	336	1,223	(2,779)	(3,323)
Net	28,532	(31)	(104)	30,438	58,835
Current assets					
Inventories					
Gross	1,478	(4)	(119)	10	1,365
Provisions	(65)	2	62	(10)	(11)
Advances and downpayments on orders	22	-	-	1	23
Trade and other receivables					
Gross	6,664	(14)	(29)	102	6,723
Provisions	(99)	-	-	(2)	(101)
Current accounts with subsidiaries					
Gross	473	-	-	664	1,137
Other receivables					
Gross	313	-	(1)	-	312
Provisions	(9)	-	-	-	(9)
Marketable securities					
Gross	1,898	-	-	100	1,998
Provisions	(2)	-	-	-	(2)
Cash and cash equivalents	45	-	-	78	123
TOTAL CURRENT ASSETS					
Gross	10,893	(18)	(149)	955	11,681
Provisions	(175)	2	62	(12)	(123)
Net	10,718	(16)	(87)	943	11,558
ACCRUALS	**8**	**-**	**-**	**-**	**8**
UNREALIZED FOREIGN EXCHANGE LOSSES	**27**	**-**	**-**	**-**	**27**
TOTAL ASSETS	39,285	(47)	(191)	31,381	70,428

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● EQUITY AND LIABILITIES

In millions of euros	Dec. 31, 2007, as published	Impacts of the new subsidiaries		Impacts of the merger-takeover of SUEZ SA	Dec. 31, 2007, adjusted for the impacts of the new subsidiaries and of the merger
		ELENGY	STORENGY		
Shareholders' equity					
Share capital	984	-	-	1,208	2,192
Additional paid-in capital	1,789	-	-	-	1,789
Merger premium	-	-	-	27,436	27,436
Revaluation adjustments	43	-	-	-	43
Legal reserve	98	-	-	121	219
Other reserves	33	-	-	-	33
Retained earnings	8,344	-	-	-	8,344
Net income	11,611	-	-	-	11,611
Impact on income [1]		47	861		908
Tax-driven provisions and investment subsidies	1,234	(47)	(861)	1	327
	24,136	**-**	**-**	**28,766**	**52,902**
OTHER EQUITY	**497**	**-**	**-**	**-**	**497**
PROVISIONS FOR CONTINGENCIES AND LOSSES	**3,716**	**(26)**	**(112)**	**250**	**3,828**
Liabilities					
BORROWINGS AND DEBT					
Borrowings	2,219	-	-		2,219
Current accounts with subsidiaries	-	-	-	155	155
Other	394	-	-	348	742
	2,613	**-**	**-**	**503**	**3,116**
ADVANCES AND DOWNPAYMENTS RECEIVED ON ORDERS	**3**	**-**	**(1)**	**-**	**2**
TRADE AND OTHER PAYABLES	**2,710**	**(12)**	**(55)**	**105**	**2,748**
TAX AND EMPLOYEE-RELATED LIABILITIES	**1,287**	**(5)**	**(12)**	**36**	**1,306**
OTHER LIABILITIES	**4,291**	**(4)**	**(11)**	**1,722**	**5,998**
ACCRUALS	**-**	**-**	**-**	**-**	
UNREALIZED FOREIGN EXCHANGE GAINS	**32**	**-**	**-**	**-**	**32**
TOTAL EQUITY AND LIABILITIES	39,285	(47)	(191)	31,381	70,428

(1) Tax-driven provisions not transferred to Elengy and Storengy were written back by GDF SUEZ SA against income.

INCOME STATEMENT

In millions of euros	2007, as published		Impacts of the new subsidiaries on 2007 (1)	2007 comparative data
	Gaz de France SA	SUEZ SA 2007		
Energy sales	19,783		5	19,788
Other production sold	1,208	88	(74)	1,222
REVENUES	**20,991**	**88**	**(69)**	**21,010**
Production taken to inventory	-	-	-	-
Production for own use	248	8	(230)	26
PRODUCTION	**21,239**	**96**	**(299)**	**21,036**
Energy purchases and change in gas reserves	(13,610)		(14)	(13,624)
Other purchases	(148)	(1)	132	(17)
Other external charges	(3,127)	(242)	(2,697)	(6,066)
VALUE ADDED	**4,354**	**(147)**	**(2,878)**	**1,329**
Taxes and duties net of subsidies received	(166)	(9)	118	(57)
Personnel costs	(1,384)	(75)	837	(622)
GROSS OPERATING INCOME/LOSS	**2,804**	**(231)**	**(1,923)**	**650**
Net additions to depreciation, amortization and impairment	(744)	(3)	683	(64)
Net additions to provisions	(422)	60	418	56
Other operating income and expenses	97	(49)	(129)	(81)
NET OPERATING INCOME/LOSS	**1,735**	**(223)**	**(951)**	**561**

(1) The creation of the Distribution subsidiary with effect from December 31, 2007, and the Storage and LNG Terminals subsidiaries with effect from January 1, 2008.

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C Additional information regarding the balance sheet and income statement

NOTE 1 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Changes in the gross value of these assets can be analyzed as follows:

In millions of euros	At Dec. 31, 2007	Impacts of the merger and of the new subsidiaries	Change in presentation	Increases	Decreases	At Dec. 31, 2008
Intangible assets [(1)]	**151**	**315**	**162**	**601**	**(208)**	**1,021**
Property, plant and equipment						
Land	55	(10)	-	-	(2)	43
Dismantling assets	52	(50)	(2)	-	-	-
Buildings	539	(50)	-	21	(16)	494
Plant and equipment	3,416	(3,281)	2	7	(4)	140
Other	107	(3)	-	11	(18)	97
Construction in progress	-	-	31	23	(24)	30
	4,169	**(3,394)**	**31**	**62**	**(64)**	**804**
TOTAL CONSTRUCTION IN PROGRESS	**454**	**(261)**	**(193)**	**-**	**-**	**-**
ADVANCES AND DOWNPAYMENTS	**35**	**(1)**	**-**	**-**	**(8)**	**26**
	4,809	(3,341)	-	663	(280)	1,851

(1) Including a €285 million technical loss arising on the merger-takeover of Rivolam by SUEZ SA and the merger-takeover of SUEZ SA by Gaz de France SA.

Research and development costs recognized in expenses in 2008 totaled €57 million, versus €86 million in 2007.

NOTE 2 DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Changes in this caption were as follows:

In millions of euros	At Dec. 31, 2007	Impacts of the merger and of the new subsidiaries	Additions taken through the income statement	Reversals taken through the income statement	Changes taken through the balance sheet	At Dec. 31, 2008
Intangible assets	**88**	**17**	**50**	**(2)**		**153**
Property, plant and equipment						
Land	4	(2)				2
Dismantling assets	22	(22)				
Buildings	322	(12)	32	(9)		333
Plant and equipment	1,583	(1,512)	5	(4)	1	73
Other	68	(1)	10	(17)		60
Assets in progress	5	-				5
	2,004	(1,549)	47	(30)	1	473
	2,092	**(1,532)**	**97**	**(32)**	**1**	**626**

Depreciation and amortization expenses can be broken down as follows:

In millions of euros	Au 31 déc. 2008	Au 31 déc. 2007
Straight-line method	96	233
Declining-balance method	1	15
Impairment	1	305
Amortization of residual balance of capitalized concession termination	-	56
	98	**609**

Movements in impairment during the period are detailed in Note 8.

NOTE 3 FINANCE LEASES

If GDF SUEZ SA was the outright owner of property and other plant and equipment currently held under finance leases, these assets would be reported as follows:

In millions of euros	Gross value	Additions for the period	Net value	Depreciation
Property	158	5	75	83
Other plant and equipment	-	-	-	-
	158	**5**	**75**	**83**

Contractual commitments are as follows:

		Lease payments				
In millions of euros	Paid in 2008	Outstanding	Due in 1 year or less	Due in 1 to 5 years	Due in more than 5 years	Option exercise price
Property	12	50	10	28	12	-
Other plant and equipment	-	-	-	-	-	-
	12	**50**	**10**	**28**	**12**	**-**

Virtually all property lease agreements provide for a purchase option exercisable at a symbolic price of one euro.

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NOTE 4 FINANCIAL FIXED ASSETS

Note 4 A Gross values

Changes in the gross value of these assets can be analyzed as follows:

In millions of euros	At Dec. 31, 2007	Impacts of the merger and of the new subsidiaries	Increases	Decreases	Other	At Dec. 31, 2008
Equity investments						
Consolidated equity investments	17,165	34,955	6,760	90	(376)	58,415
Non-consolidated equity investments	14	209	2	47	411	589
Other investments			1			1
	17,179	**35,164**	**6,763**	**137**	**35**	**59,004**
Other financial fixed assets						
Other long-term investments	261	(509)	1,722	11	(35)	1,428
Amounts receivable from equity investments	8,089	205	740	826	(41)	8,167
Loans	65	(1)	3	22	-	45
Other (2)	232	6	115	10	-	343
	8,647	(299)	2,580	869	(76)	9,983
	25,826	34,865	9,343	1,006	(41)	68,987

Within the scope of the merger between SUEZ SA and Gaz de France SA, SUEZ SA contributed equity investments for a total amount of €33,145 million. As consideration for contributions made in connection with the creation of new subsidiaries to manage its storage facilities and LNG terminals, GDF SUEZ SA received shares in Storengy and Elengy totaling €1,903 million and €114 million, respectively.

The year-on-year change in equity investments at December 31, 2008 reflects:

- subscriptions to the capital increases carried out by Electrabel (€4 billion), Genfina (€1,650 million), GDF SUEZ Energy Services (€711 million) and Elengy (€326 million);
- the sale of Gas Natural for €35 million;
- the sale of shares in Aretina for €10 million and Aguas Cordobesas for €2 million;
- the liquidation of SUEZ Finance LP with a gross value of €85 million.

Shares in SI Finance and SFAP (€373 million and €3 million, respectively) were reclassified in non-consolidated equity investments.

Other long-term investments include mainly treasury stock held with a view to being canceled (36,898,000 shares) for an amount of €1,415 million. No treasury shares were held at December 31, 2007.

Equity investments and amounts due from these investments are detailed in Note 27.

Note 4 B Impairment

In millions of euros	At Dec. 31, 2007	Impacts of the merger and of the new subsidiaries	Additions	Reversals	Other	At Dec. 31, 2008
Consolidated equity investments	-	2,320	772	35	(227)	2,830
Non-consolidated equity investments	11	190	1	2	227	427
Amounts receivable from equity investments	-	240	22	1		261
Other	-	1	-	-		1
	11	**2,751**	**795**	**38**	**-**	**3,519**

Additions mainly concern impairment losses taken against Genfina shares for €739 million.

Reversals relate chiefly to reversals of impairment losses taken on SUEZ Finance LP for €24 million following its liquidation.

Impairment losses totaling €227 million recognized against SI Finance shares were reclassified under non-consolidated equity investments.

NOTE 5 INVENTORIES

In millions of euros	Gross value at Dec. 31, 2007	Impacts of the merger and of the new subsidiaries	Increases	Decreases	Gross value at Dec. 31, 2008
Gas reserves	1,446	(92)	2,618	1,861	2,111
Other	32	(21)	1	11	1
	1,478	**(113)**	**2,619**	**1,872**	**2,112**

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NOTE 6 MATURITY OF RECEIVABLES

In millions of euros	Gross amount at Dec. 31, 2008	Due		
		End-2009	Between 2010 and 2013	2014 and beyond
Non-current assets				
Amounts receivable from equity investments	8,167	1,499	1,450	5,218
Loans	45	5	16	24
Other financial fixed assets	343	13	214	116
Current assets				
Trade and other receivables	6,612	6,612	-	-
Current accounts with subsidiaries	6,150	6,150	-	-
Other operating receivables	688	688	-	-
Other receivables	2,214	2,182	19	13
Advances and downpayments on orders	7	3	-	4
	24,226	**17,152**	**1,699**	**5,375**

NOTE 7 ACCRUALS

In millions of euros	At Dec. 31, 2007	Increases	Decreases	At Dec. 31, 2008
Loan redemption premiums	8	17	1	24
Deferred loan issuance costs	-	8	-	8
Financial instruments	-	118	-	118
	8	**143**	**1**	**150**

NOTE 8 IMPAIRMENT OF ASSETS EXCLUDING FINANCIAL FIXED ASSETS

In millions of euros	At Dec. 31, 2007	Impacts of the merger and of the new subsidiaries	Additions	Reversals	At Dec. 31, 2008
Intangible assets	1	(1)	-	-	-
Property, plant and equipment	7	-	-	-	7
Inventories	65	(54)	-	11	-
Receivables	108	2	155	47	218
Marketable securities	2	-	-	2	-
	183	**(53)**	**155**	**60**	**225**

NOTE 9 SHAREHOLDERS' EQUITY

Note 9 A Share capital – shares issued and outstanding

The merger of SUEZ SA into Gaz de France SA was approved by the Extraordinary Shareholders' Meeting of July 16, 2008 based on a ratio of 21 Gaz de France shares for 22 SUEZ shares. No treasury shares held by SUEZ SA or SUEZ shares held by Gaz de France SA were exchanged. The effective date for the merger was July 22, 2008, when 1,207,660,692 new shares were issued, bringing the total number of shares issued and outstanding from 983,871,988 to 2,191,532,680.

Share capital is fully paid up. Each share carries a single voting right.

Share capital

Shares comprising the share capital at January 1	983,871,988
Shares issued during the period:	
• shares created following the merger-takeover of SUEZ SA	1,207,660,692
• employee share subscriptions	2,111,140
TOTAL NUMBER OF SHARES COMPRISING THE SHARE CAPITAL	**2,193,643,820**

The Ordinary and Extraordinary Shareholders' Meeting of Gaz de France SA held on May 23, 2007 authorized the Board of Directors, under its sixth resolution, to buy back Gaz de France shares representing up to 5% of the share capital. The maximum purchase price was set at €50 per share excluding transaction fees.

At its meeting of December 19, 2007, the Board of Directors of Gaz de France SA decided to implement a share buyback program with a view to canceling the Gaz de France shares repurchased. The program concerned a maximum of 24,500,000 shares or around 2.5% of the capital of Gaz de France, up to a limit of €1,225 million excluding transaction fees. The buyback program ran from January 2008 to November 23, 2008. At December 31, 2008, the Board of Directors had bought back the maximum amount of shares permitted, representing 24,500,000 shares for an amount of €983 million.

At its meeting of July 22, 2008, the Board of Directors of GDF SUEZ SA decided to buy back its own shares with a view to canceling the shares repurchased, for a maximum amount of €1 billion. At December 31, 2008, GDF SUEZ SA held 12,398,000 shares totaling €432 million.

At December 31, 2008, GDF SUEZ SA held 36,898,000 of its own shares, plus the shares it acquired in connection with bonus share awards (see Note 9 C) for a total amount of €1,415 million. At end-2008, the market value of these shares amounted to €1,303 million.

GDF SUEZ SA also holds 99,359 shares under several liquidity agreements for a value of €4 million.

Note 9 B Change in shareholders' equity

In millions of euros	Change in shareholders' equity
Shareholders' equity at December 31, 2007	24,136
Impacts of the merger-takeover of SUEZ SA	
• share capital	1,208
• merger premium	27,436
• legal reserve	121
Employee share subscriptions	35
Dividends and interim dividends paid	(2,938)
Tax-driven provisions	(721)
Miscellaneous	(1)
Income	2,767
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2008	**52,043**

On November 27, 2008, GDF SUEZ SA paid an interim dividend of €0.80 per share, representing a total of €1,724 million.

In application of the authorizations granted by the Shareholders' Meeting of July 16, 2008, on August 29, 2008 the Board of Directors of GDF SUEZ SA resolved:

- to restore reserves and tax-driven provisions carried in the SUEZ SA balance sheet by deducting €1 million from the merger premium;
- to allocate €121 million of the merger premium to the legal reserve;
- to cancel the dividends received by SUEZ SA in the interim period against the merger premium for €39 million;
- to charge against the merger premium all expenses, duties and taxes incurred or due in connection with the merger. A final amount totaling €237 million was charged against the merger premium in this respect.

These transactions reduced the merger premium to €27,436 million from its initial amount of €27,756 million.

Note 9 C Employee bonus share awards and stock option plans

In accordance with the decisions taken by the Shareholders' Meeting of Gaz de France SA, in June 2007 and May 2008, the Board of Directors decided to allocate shares free of consideration to all Group employees, subject to a vesting period of two years. It was decided that a portion of the shares would be allocated based on performance conditions. These programs are known as the "Shares+2007 Plan" and "Shares+2008 Plan", respectively.

Bonus shares awarded by SUEZ SA prior to the merger were transferred to GDF SUEZ SA.

At December 31, 2008, GDF SUEZ SA acquired 1,526,000 shares for a total amount of €51 million in connection with its "Shares+2007 Plan". The market value of these shares at end-2008 was €54 million. No shares were acquired in connection with other share awards.

NOTE 10 OTHER EQUITY

In millions of euros	At Dec. 31, 2008	At Dec. 31, 2007
Irredeemable and non-voting securities *(titres participatifs)*	480	480
Value of concession assets – Concession grantors' rights	17	17
OTHER EQUITY	497	497

GDF SUEZ SA issued irredeemable and non-voting securities (*titres participatifs*) in 1985 and 1986 pursuant to Act No. 83.1 of January 1, 1983 and Act No. 85.695 of July 11, 1985.

Since August 1992, GDF SUEZ SA may choose to redeem these irredeemable and non-voting securities (*titres participatifs*) at any time, at a price equal to 130% of their nominal amount.

The irredeemable and non-voting securities (*titres participatifs*) accrue interest within an average bond yield range of between 85% and 130%. They include a fixed component equal to 63% of the average bond yield (TMO) and a variable component based on the year-on-year increase in value added reported by GDF SUEZ SA or the Group (Group share), whichever is higher.

A contract hedging the interest payable on these irredeemable and non-voting securities (*titres participatifs*) was set up in 2006 (see Note 21 A).

At December 31, 2008, €480 million of irredeemable and non-voting securities (*titres participatifs*) had not yet been redeemed, unchanged from December 31, 2007.

At end-2008, the corresponding financial expense amounted to €25 million.

NOTE 11 PROVISIONS

Note 11 A Tax-driven provisions and investment subsidies

In millions of euros	At Dec. 31, 2007	Impacts of the merger and of the new subsidiaries	Additions taken through the income statement	Reversals taken through the income statement	At Dec. 31, 2008
Accelerated depreciation and amortization	1,092	(907)	141	(33)	293
Provision for price increases	141	-	76	-	217
Provision for investments	-	1	2	-	3
TAX-DRIVEN PROVISIONS	**1,233**	**(906)**	**219**	**(33)**	**513**
INVESTMENT SUBSIDIES	**1**	**(1)**	**-**	**-**	**-**
TOTAL	1,234	(907)	219	(33)	513

Note 11 B Provisions for contingencies and losses

In millions of euros	At Dec. 31, 2007	Impacts of the merger and of the new subsidiaries	Additions taken through the income statement	Additions taken through the balance sheet	Utilizations		Reversals (surplus provisions)	Unwinding of discounting adjustments	At Dec. 31, 2008
					Balance sheet	Income statement			
Provisions for site rehabilitation (Note 11 B1)	164	(124)	21	-	-	13	-	-	48
Provisions relating to employees (Note 11 B2)	249	124	125	-	-	39	18	13	454
Provisions for taxes (Note 11 B3)	745	14	-	-	-	83	-	-	676
Provisions for tax consolidation (Note 11 B4)	2,320	-	160	-	-	131	220	-	2,129
Vendor warranties (Note 11 B5)	-	25	34	-	-	2	3	-	54
Risks arising on subsidiaries (Note 11 B6)	61	73	130	-	-	13	46	-	205
Other provisions for contingencies and losses (Note 11 B7)	177	-	906	12	-	57	-	(13)	1,025
PROVISIONS FOR CONTINGENCIES AND LOSSES	**3,716**	**112**	**1,376**	**12**	**-**	**338**	**287**	**-**	**4,591**

Note 11 B1 Provisions for site rehabilitation

At December 31, 2008, these provisions consisted of:

- €3 million for plant and equipment versus €127 million at end-2007, following the transfer to Storengy and Elengy of €124 million in provisions for rehabilitation of storage sites and LNG terminals in use as part of the contribution of the storage and LNG terminals businesses to the new subsidiaries. In light of the above, this provision now concerns only the Corsican distribution network.
- €45 million (end-2007: €37 million) for the rehabilitation of land on which gas production plants were located. An additional charge of €21 million was made to the provision in 2008 to reflect revised assessments of the work to be carried out. The provision was utilized in an amount of €12 million, reflecting rehabilitation work already completed.

Note 11 B2 Provisions relating to employees

Provisions for pensions and other employee benefit obligations

Pension obligations are covered by insurance funds and a provision of €159 million.

Provisions have been set aside for the full amount of (i) disability benefits and allowances for occupational accidents and illnesses of active employees at year-end, (ii) bonus leave, and (iii) long-service awards, totaling €68 million, €14 million and €7 million, respectively.

Within the scope of the merger, provisions for pensions and other employee benefit obligations recognized by SUEZ SA at December 31, 2007 were transferred to GDF SUEZ SA. These provisions are written back as and when the corresponding liabilities for which they have been set aside are extinguished. No further amounts will be set aside to these provisions in respect of rights newly vested by employees or the unwinding of discounting adjustments on provisions transferred within the scope of the merger. At December 31, 2008, the corresponding provisions totaled €43 million for pensions and €24 million for post-employment benefits.

The full amount of end-of-career indemnities is covered by insurance funds.

Details of changes in these provisions are provided in Note 22.

Provision for employee bonus share awards and stock option plans

At December 31, 2008, provisions for employee bonus share awards and stock option plans amounted to €163 million (end-2007: €13 million). Following the merger-takeover of SUEZ SA, the latter contributed provisions for €64 million.

These provisions were set aside to cover the Gaz de France "shares+2007" and "shares+2008" plans, as well as the plans existing at SUEZ SA prior to the merger. An additional amount of €113 million was set aside to the provision in 2008 to cover the rights vested by employees. The provision was written back in an amount of €27 million following the expiry of one SUEZ SA plan in March 2008.

These provisions were recorded in "Other provisions for contingencies and losses" at December 31, 2007.

Other provisions

At December 31, 2008, GDF SUEZ SA recognized other provisions relating to employees for €18 million.

Note 11 B3 Provisions for taxes

Provisions for taxes totaled €676 million at December 31, 2008 and €745 million at December 31, 2007, and chiefly relate to the acquisition of the transmission network in 2002. The provisions will be written back over a period of 14 years; the amount written back in 2008 was €83 million.

Note 11 B4 Provisions for tax consolidation

GDF SUEZ SA has chosen to file consolidated tax returns. As a result, it sets aside a provision reflecting its obligation to transfer to subsidiaries any tax losses utilized.

At December 31, 2007, the capital gain on the disposal of the gas distribution activity had no impact on tax, since GrDF was part of the tax consolidation group. As from 2008 the subsidiary's statutory financial statements show tax savings relating to the amortizable component of the capital gain arising on the disposal of the gas distribution business. This excess amortization is canceled out at the level of the tax consolidation group. In accordance with the tax consolidation agreements signed with its subsidiaries, GDF SUEZ SA recognized a provision for tax consolidation with respect to GrDF amounting to €2,158 million at December 31, 2007, calculated based on provisional estimates of the amortizable portion. These provisional estimates reflect the best estimates available to GDF SUEZ SA at year-end.

At December 31, 2008, GrDF reviewed and adopted a definitive breakdown of the intangible asset into its amortizable and non-amortizable components, leading to a reversal of €220 million from the provision which was no longer warranted.

At end-2008, an amount of €100 million was written back corresponding to the neutralization of the excess amortization on the amortizable component of the asset arising in 2008.

Provisions for tax consolidation amounted to €2,129 million at end-2008, including €1,837 million relating to the amortizable component of GrDF's intangible asset.

Note 11 B5 Provisions for vendor warranties

At December 31, 2008, provisions for vendor warranties totaled €54 million. An additional amount of €34 million was set aside to the provisions during the year as a result of unfavorable decisions handed down against GDF SUEZ SA in 2008 in two former disputes arising on the sale of Indosuez to Crédit Agricole. As a result, the provision is now commensurate with the estimated risks.

Note 11 B6 Provisions for risks arising on subsidiaries

These provisions totaled €216 million at December 31, 2008. Within the scope of the merger, €64 million of these provisions were transferred by SUEZ SA relating to companies in which GDF SUEZ SA had a direct shareholding.

The main changes in the year are attributable to GDF SUEZ FINANCE, for which a provision of €127 million was recognized based on its negative net assets.

Note 11 B7 Other provisions for contingencies and losses

This item mainly includes provisions for contingencies arising on other third parties, and provisions for disputes. Movements in these provisions chiefly impact non-recurring items.

NOTE 12 BORROWINGS AND DEBT

In millions of euros	At Dec. 31, 2008	At Dec. 31, 2007
Borrowings		
Bonds	5,727	2,018
Other loans	6,717	201
Current accounts and loans with subsidiaries (1)	7,499	-
	19,943	**2,219**
Other borrowings and debt		
Deposits received from customers	38	39
Current portion of interest due	122	91
Bank overdrafts	29	253
Miscellaneous borrowings	229	11
	418	**394**
	20,361	2,613

(1) At December 31, 2007, current accounts with Group subsidiaries were shown in other liabilities for an amount of €2,672 million.

The increase in borrowings in 2008 reflects:

- issues of euro bonds for €2,600 million and foreign currency bonds for an equivalent value of €1,178 million (see Note 13 A);
- issues of commercial paper (EUR and USD) for a total of €5,517 million;
- drawdowns of €1 billion from a credit facility;
- the reclassification of current accounts with subsidiaries previously recorded in other operating payables.

NOTE 13 MATURITY OF BORROWINGS, DEBT AND PAYABLES

In millions of euros	At Dec. 31, 2008	Due		
		End-2009	Between 2010 and 2013	2014 and beyond
Borrowings and debt	20,361	14,350	2,007	4,004
Bonds	5,727	29	1,694	4,004
Other loans	6,717	6,717	-	-
Current accounts and loans with subsidiaries	7,499	7,345	154	
Other borrowings and debt	418	259	159	-
TRADE AND OTHER PAYABLES	**5,252**	**5,252**	**-**	**-**
Tax and employee-related liabilities	1,405	1,405	-	-
OTHER LIABILITIES	**619**	**496**	**113**	**10**
Advances from customers	118	118	-	-
Other	501	378	113	10
Advances and downpayments received on orders	**10**	**10**	**-**	**-**
	27,647	**21,513**	**2,120**	**4,014**

Note 13 A Breakdown of bond debt

	At Dec. 31, 2008	Issue date	Expiration date	Interest	Listing
Public issues					
• in millions of euros	1,250	02/2003	02/2013	4.750%	Paris/Luxembourg
• in millions of euros	750	02/2003	02/2018	5.125%	Paris/Luxembourg
• in millions of euros	1,000	10/2008	01/2014	6.250%	Luxembourg
• in millions of euros	900	10/2008	01/2019	6.875%	Luxembourg
• in millions of euros	400	12/2008	01/2014	6.250%	Luxembourg
• in millions of euros	300	12/2008	01/2019	6.875%	Luxembourg
• in millions of pounds sterling	500	10/2008	10/2028	7.000%	Luxembourg
• in millions of Swiss francs	625	12/2008	12/2012	3.500%	Zurich
Private placements					
• in millions of yen	3,000	03/2004	03/2009	0.658%	None
• in millions of yen	15,000	12/2008	12/2023	3.180%	None

A EUR/JPY cross currency swap against 3-month Euribor was taken out in respect of the €3,000 million private placement of bonds denominated in Japanese yen.

Bonds issued in 2008 fall within the scope of the EMTN program set up on October 7, 2008 for an aggregate amount of €10 billion. Currency and/or interest rate hedges have been taken out in respect of all of these issues.

Note 13 B Other loans

At December 31, 2008, other loans were at fixed rates and denominated in euros (€5,747 million) and US dollars (equivalent value of €970 million). These loans fall due in less than one year.

Note 13 C Other borrowings and debt

Other borrowings and debt (deposits received from customers, bank overdrafts, bank facilities, etc.) are chiefly denominated in euros.

NOTE 14 ANALYSIS OF BORROWINGS AND DEBT BY CURRENCY AND INTEREST RATE

Note 14 A Analysis by interest rate

In millions of euros	After hedging		Before hedging	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
FLOATING RATE				
Bonds	1,789	18	-	2,672
Other loans	3,932	-	1,001	394
Current accounts with subsidiaries	7,499	2,672	7,499	-
Other borrowings and debt	418	394	418	-
FIXED RATE				
Bonds	3,938	2,000	5,727	2,018
Other loans	2,785	201	5,716	201
	20,361	**5,285**	**20,361**	**5,285**

Note 14 B Analysis by currency

In millions of euros	After hedging		Before hedging	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
IN EUROS				
Bonds	5,727	2,018	4,638	2,000
Other loans	6,717	201	5,747	201
Current accounts with subsidiaries	7,278	2,608	6,875	2,259
Other borrowings and debt	418	394	418	394
IN FOREIGN CURRENCY				
Bonds	-	-	1,089	18
Other loans	-	-	970	-
Current accounts with subsidiaries	221	64	624	413
	20,361	**5,285**	**20,361**	**5,285**

NOTE 15 BREAKDOWN OF REVENUES

In millions of euros	Dec. 31, 2008	Dec. 31, 2007
Energy sales		
• France	16,862	14,523
• International	6,661	5,260
Works, research and services provided	961	785
Revenues from non-core activities and other	725	423
TOTAL REVENUES	**25,209**	**20,991**

NOTE 16 ADDITIONS TO DEPRECIATION, AMORTIZATION, IMPAIRMENT AND PROVISIONS (NET OF REVERSALS), AND EXPENSE TRANSFERS

Note 16 A Net additions to depreciation and amortization

In millions of euros	Dec. 31, 2008	Dec. 31, 2007
Depreciation of dismantling assets	-	13
Straight-line depreciation/amortization	96	220
Declining-balance depreciation/amortization	1	15
Concession termination amortization (1)	1	502
Reversals	-	(19)
NET ADDITIONS TO DEPRECIATION AND AMORTIZATION	98	731

(1) In light of the creation of a subsidiary to manage the distribution network, the only depreciation/amortization charged against assets under concessions in 2008 relates to the distribution network in Corsica and mainland propane gas localities.

Note 16 B Net additions to impairment

Net additions to impairment amounted to €32 million in 2008 versus €13 million in 2007.

Note 16 C Net changes in provisions

In millions of euros	Dec. 31, 2008	Dec. 31, 2007
Provision for capital renewal and replacement liabilities regarding concession assets	1	434
Provision for site rehabilitation	9	(8)
Provisions relating to employees	(19)	(12)
Other contingency and loss provisions for operating items	(20)	8
NET CHANGES IN PROVISIONS	(29)	422

Note 16 D Expense transfers

In millions of euros	Dec. 31, 2008	Dec. 31, 2007
EXPENSE TRANSFERS	(167)	(156)

Expense transfers are included in other operating income. In 2007, expense transfers related mainly to the special depreciation/amortization of concession items taken to assets (€121 million).

NOTE 17 FINANCIAL INCOME AND EXPENSE

In millions of euros	Dec. 31, 2008			Dec. 31, 2007
	Expenses	Income	Net	Net
Other interest income and expenses	(409)	145	(264)	(29)
Interest on current accounts and amounts receivable from equity investments	(120)	537	417	145
Foreign exchange gains/(losses)	(514)	496	(18)	13
Dividends received	-	1,859	1,859	1,045
Unwinding of discount on provisions for site rehabilitation	-	-	-	(57)
Movements in provisions for financial items	(72)	17	(55)	24
TOTAL	**(1,115)**	**3,054**	**1,939**	**1,141**

NOTE 18 NON-RECURRING ITEMS

In millions of euros	Dec. 31, 2008			Dec. 31, 2007
	Expenses	Income	Net	Net
Disposals of property, plant and equipment and intangible assets	(2,128)	2,140	12	15
Disposals of financial fixed assets	(175)	1,189	1,014	2
Provision for price increases	(76)	-	(76)	114
Accelerated depreciation and amortization	(141)	940	799	(86)
Movements in provisions for financial items	(925)	59	(866)	-
Other	(1,084)	96	(988)	11,503
TOTAL	**(4,529)**	**4,424**	**(105)**	**11,548**

The net balance of non-recurring items for 2008 was an expense of €105 million, chiefly reflecting:

- additional price consideration paid by SUEZ-Tractebel to Electrabel in an amount of €976 million following the disposal by SUEZ SA in 2007;
- the reversal of tax-driven provisions for €905 million which were no loner warranted after the associated assets had been transferred to Elengy and Storengy;
- the cost of reorganizing sites in the Greater Paris region as a result of the merger for €126 million;
- various additions to provisions, mainly regarding the securities portfolio (€739 million for Genfina shares due to the fall in the Gas Natural share price, and a €127 million contingency provision for GDF SUEZ Finance SA).

In 2007, Gaz de France SA reported non-recurring income which included the disposal gain on the contribution of its distribution network activities to a new subsidiary for €11,433 million.

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NOTE 19 TAX POSITION

1. Impacts of the merger

The tax consolidation group headed by SUEZ was dissolved following the merger. Some of the companies in this group subsequently joined the tax consolidation group headed by Gaz de France SA, renamed GDF SUEZ SA with retroactive effect from January 1, 2008.

Tax losses existing in the former SUEZ tax consolidation group were transferred following approval of the tax authorities to GDF SUEZ SA and SUEZ Environnement Company SA.

2. Tax consolidation regime

The current option to file consolidated tax returns initially subscribed by Gaz de France SA was automatically renewed on January 1, 2008 for a period of five years. This option also applies to former SUEZ entities joining the new tax consolidation group.

3. Income tax

The income tax rate in 2008 was 34.43% and includes the 3.3% contribution introduced in 2000.

In millions of euros	2008	2007
Income tax due by GDF SUEZ SA for the period (excluding tax consolidation group) (1)	0	4,683
Income tax relating to subsidiaries within the tax consolidation group (2)	(345)	(3,999)
Net change in provisions for income tax (3)	(275)	2,127
Other	3	2
Corporate income tax		
Income tax expense		2,813
Tax benefit	(617)	

(1) Taxable earnings of the parent company GDF SUEZ SA in 2008 include a tax loss relating to the impacts of deneutralizing the former SUEZ tax group, which are recognized against the taxable earnings of GDF SUEZ SA.

(2) The savings resulting from tax consolidation amounted to €336 million and are attributable to the difference between:

- €60 million in tax due by GDF SUEZ SA in respect of the tax group; and

- the €405 million contribution to Group tax due to GDF SUEZ SA by subsidiaries reporting a profit.

A portion of these contributions was recognized against the tax losses transferred by the former SUEZ tax group, thereby reducing the Group's income tax expense.

(3) Net reversals from provisions for taxes in 2008 reflect mainly:

- €130 million set aside to provisions in respect of income tax savings arising on tax losses transferred by subsidiaries in the tax consolidation group;

- €321 million in reversals from the provision reflecting taxation of the amortizable component of the capital gain arising on the disposal of gas distribution activities in 2007, of which €101 million relates to the excess amortization charged in 2008 and €220 million to the definitive adoption by GrDF in 2008 of the amortizable/ non-amortizable breakdown of the intangible asset giving rise to the capital gain;

- €83 million in reversals from the provision set aside to cover the tax impact of recognizing the capital gain on the purchase of the transmission network in 2002 over a period of 14 years.

4. Deferred tax

Future tax liabilities as shown in the table below result from temporary differences between the treatment of income and expenses for tax and accounting purposes.

The future tax rate applied takes into account the special 3.3% tax surcharge provided for by Article 235 ter ZC of the French Tax Code, less a deduction of €763,000.

In millions of euros	2008	2007
Deferred tax liabilities		
unrecognized deductible expenses	243	-
untaxed income recognized	326	353
Deferred tax assets		
temporary non-deductible expenses recognized	678	309
unrecognized taxable income	351	41
Net deferred tax (assets)		
tax base	460	(3)
AMOUNT	**158**	**(1)**

5. Tax audit

In their tax deficiency notice dated December 22, 2008, the French tax authorities questioned the tax treatment of the sale of a tax receivable in 2005 for an amount of €995 million. The Company intends to contest the tax authorities' position, which it considers unfounded, and has therefore not set aside a provision for the financial consequences of the dispute.

NOTE 20 MARKETABLE SECURITIES

Marketable securities are shown in the balance sheet for a gross value of €595 million. The market value of these securities at December 31, 2008 was €605 million. GDF SUEZ shares acquired for subsequent delivery to employees are also included in this caption.

NOTE 21 OFF-BALANCE SHEET COMMITMENTS (EXCLUDING EMPLOYEE BENEFIT OBLIGATIONS)

Note 21 A Financial commitments

The GDF SUEZ Group's Finance Division is responsible for managing all financial risks (interest rate, currency, liquidity and credit risks).

Liquidity risk

The Group's financing policy is based on the following principles:

- centralizing external financing;

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 A

- diversifying sources of financing between credit institutions and capital markets;
- achieving a balanced debt repayment profile.

The GDF SUEZ Group centralizes the cash surpluses and requirements of the entities it controls, as well as most of their external financing requirements. Since the merger date, GDF SUEZ SA has no longer been responsible for the Group's cash pooling arrangements. Short-term cash requirements and cash surpluses for Europe are managed by dedicated financial vehicles in Paris and in Luxembourg (GDF SUEZ Finance SA, Tractebel Cash Management Services, Electrabel Finance & Treasury Management). These vehicles centralize virtually all of the cash requirements and surpluses of the companies controlled by the Group. The Group seeks to diversify its long-term sources of financing by carrying out public or private bond issues within the scope of its Euro Medium Term Notes program. It also issues commercial paper in France and Belgium, as well as in the United States.

Since the merger, long-term capital markets have been accessed chiefly by the parent company GDF SUEZ SA in connection with the Group's new bond issues, and by GDF SUEZ SA and Electrabel in connection with commercial paper. As commercial paper is relatively inexpensive and highly liquid, it is used by the Group in a cyclical or structural fashion to finance its short-term cash requirements. However, the full amount of commercial paper outstanding is backed by confirmed bank lines of credit so that the Group can continue to finance its activities in the event that access to this financing source were to dry up.

The Group's liquidity is based on maintaining cash and cash equivalents and access to confirmed credit facilities. GDF SUEZ SA can therefore access facilities readily convertible into cash, enabling it to meet its cash requirements in the ordinary course of business or to serve as a bridge to finance external growth operations:

- GDF SUEZ SA has a €3,000 million syndicated line of credit maturing in February 2012, from which it drew down an amount of €1,000 million on October 10, 2008, repayable on April 14, 2009;
- GDF SUEZ SA also has access to short-term debt markets through the following issues under its commercial paper programs: US commercial paper for USD 3,000 million (of which USD 1,350 million had been drawn down at December 31, 2008), and euro commercial paper (*billets de trésorerie*) for €5,000 million (€4,747 million drawn down at December 31, 2008);
- to optimize liquidity management at the level of the Group, the Finance Division of GDF SUEZ has set up a cash pooling arrangement with the Group's main subsidiaries, which has been managed by GDF SUEZ Finance SA since the merger. GDF SUEZ SA continues to act as intermediary between GDF SUEZ Finance SA and the subsidiaries of the former Gaz de France group. This explains the amounts reported in assets and liabilities in respect of current accounts with subsidiaries for €6,150 million and €7,499 million, respectively, at December 31, 2008.

None of these facilities contains a default clause linked to covenants or minimum credit ratings.

Following the onset of the US subprime crisis in summer 2007, virtually all cash surpluses were invested in term deposits with banks and standard money market funds. The interbank liquidity crunch in fourth-quarter 2008 and the ensuing rise in counterparty risk led the Group to immediately adjust its investment policy in order to maximize liquidity. At December 31, 2008, substantially all of the cash pooled was invested in overnight bank deposits and standard money market funds with daily liquidity. These instruments are monitored on a daily basis and are subject to rules-based management.

Unpooled cash surpluses are invested in instruments selected on a case-by-case basis in light of local financial market imperatives and the financial strength of the counterparties concerned.

Counterparty risk

GDF SUEZ SA is exposed to counterparty risk arising on its operating and financing activities.

To manage counterparty risk arising on operating activities, the Group has put in place monitoring procedures adapted to the characteristics of the counterparties concerned (private corporations, individuals, public authorities). Customers representing a significant counterparty for the Group are covered by procedures applicable to the financial activities described below, thereby providing broad-ranging oversight of the corresponding counterparty risk. For its financing activities, GDF SUEZ SA has put in place procedures for managing and monitoring counterparty risk based on (i) the accreditation of counterparties according to external credit ratings and their financial positions, and (ii) the definition of risk exposure limits. To reduce its risk exposure, GDF SUEZ SA may also use contractual instruments such as standardized netting agreements or margin calls with its counterparties.

Interest rate risk

Based on its net debt position, GDF SUEZ SA has adopted a policy for optimizing borrowing costs using a combination of financial instruments (interest swaps and options) according to market conditions.

GDF SUEZ SA takes care to ensure that the difference between its floating-rate debt and its cash surpluses invested at a floating rate has a low degree of exposure to adverse changes in short-term interest rates.

In order to manage the interest rate structure for its net debt, the Group uses hedging instruments, primarily rate swaps and options. Positions are managed centrally and are reviewed each quarter or whenever any new financing is raised. Management must approve in advance any transaction that causes the interest rate mix to change significantly.

In millions of euros	Notional amount at Dec. 31, 2008						
	Due in 1 year or less	Due in 1 to 5 years	Due in 6 to 10 years	Due after 10 years	Total	Fair value	Notional amount at Dec. 31, 2007
Cap on floating-for-fixed interest rate swap	-	-	-	-	-	-	80
INTEREST RATE SWAPS							
Fixed-rate borrower/floating-rate lender	-	-	-	863	863	(27)	930
Floating-rate borrower/fixed-rate lender	2,931	-	400	1,057	4,388	53	376
SALE OF SWAPTION							
Fixed-rate borrower/floating-rate lender	638	-	-	-	638	36	-
TOTAL EUR	**3,569**	**-**	**400**	**1,920**	**5,889**	**(10)**	**1,386**
CURRENCY SWAPS							
Fixed-rate borrower/fixed-rate lender	-	-	-	638	638	(114)	-
TOTAL GBP	**-**	**-**	**-**	**638**	**638**	**(114)**	**-**
Floating-rate borrower/fixed-rate lender	-	-	-	129	129	(13)	-
Floating-rate borrower/fixed-rate lender	23	-	-	-	23	(2)	-
TOTAL JPY	**23**	**-**		**129**	**152**	**(15)**	**-**
Floating-rate borrower/fixed-rate lender	-	406	-	-	406	16	-
TOTAL CHF	**-**	**406**	**-**	**-**	**406**	**16**	**-**
TOTAL FOREIGN CURRENCY INSTRUMENTS	23	406	-	767	1,196		
	3,592	406	400	2,687	7,085	(123)	1,386

Interest rate hedges entered into in previous years which remained in force at December 31, 2008 are detailed below.

- on January 23, 2006, GDF SUEZ SA entered into an interest rate swap with a financial institution hedging the interest rate on its class A irredeemable and non-voting securities (*titres participatifs*). The swap is for a notional amount of €480 million, maturing on October 15, 2035, and comprises two successive periods:
  - up to October 15, 2015, a rate of 130% is applied to the notional amount indicated above,
  - thereafter, a rate of 100% is applied through to maturity.

  GDF SUEZ SA receives floating-rate interest equal to the average 10-year yield on a constant maturity swap (CMS) in euros, and pays an all-in fixed rate of 4.3285%.

  The 10-year yield on the constant maturity swap is strongly correlated with the benchmark average bond yield (TMO) used to calculate the interest payable on the irredeemable and non-voting securities *(titres participatifs)*, while offering better liquidity and stability over the term of the hedge;
- to protect itself against interest rate risk on an electricity production investment project, GDF SUEZ SA set up two fixed-for-floating rate swaps maturing on December 30, 2020 for a total notional amount of €250 million;

GDF SUEZ SA carried out a number of additional operations during the period to optimize its borrowing costs, which remained in force at December 31, 2008:

- GDF SUEZ SA subscribed for short-term swaps (maturing in less than six months) to hedge the interest rate risk on its short-term cash management transactions (essentially commercial paper issues). These floating-rate borrower (Eonia)/fixed-rate lender swaps had a total notional amount of €2.9 billion at year-end;
- GDF SUEZ SA issued bonds for a nominal amount of £500 million maturing in 2028. To optimize the cost of its debt and protect against currency risk on these bonds, GDF SUEZ SA entered into:
  - two swaps converting pounds sterling into euros, enabling the initial debt of £500 million paying 7% fixed interest to be swapped for debt of €638 million paying an average fixed interest rate of 6.712%,
  - two transactions affecting the cost of debt,
    - a swap for a notional amount of €318 million, converting debt at a fixed-rate of 6.7% into floating-rate debt based on 6-month Euribor + 2.65%,
    - a swap for a notional amount of €319 million, converting debt at a fixed-rate of 4% into floating-rate debt based on 6-month Euribor,

- two debt optimization transactions involving the sale of two swaptions for a total notional amount of €638 million. If the option was exercised, GDF SUEZ SA would borrow at a fixed rate of 4% and lend at a floating rate based on 6-month Euribor;

- GDF SUEZ SA issued bonds for a nominal amount of CHF 625 million maturing in 2012. Five currency swaps convert the full amount of the fixed-rate CHF debt into floating-rate debt denominated in euros:
  - four currency swaps paying 6-month Euribor + 1.7% and receiving a fixed-rate of 3.51% for a total notional amount of €113 million,
  - a currency swap paying 6-month Euribor +1.95% and receiving a fixed-rate of 3.51% for a total notional amount of €293 million.
- GDF SUEZ SA issued bonds for a nominal amount of JPY 15 billion maturing in 2023. A currency swap was taken out in respect of these bonds to convert the full amount of the fixed-rate JPY debt into floating-rate debt denominated in euros. GDF SUEZ SA pays 3-month Euribor + 2.05% and receives a fixed-rate of 3.18% for a total notional amount of €129 million;
- GDF SUEZ SA issued fixed-rate bonds for a nominal amount of €400 million maturing in 2014, swapped for a floating-rate based on 6-month Euribor + 1.73%;
- GDF SUEZ SA issued fixed-rate bonds for a nominal amount of €300 million maturing in 2019, swapped for a floating-rate based on 6-month Euribor +2.17%.

Currency risk

GDF SUEZ SA is exposed to currency risk chiefly on commercial transactions involving the purchase and sale of gas, since several gas purchase and sale contracts are indexed to the price of oil derivatives, mostly listed in US dollars.

The exposure to currency risk on these transactions is managed and monitored as follows:

- pass-through mechanisms are applied in determining (i) sale prices for eligible customers and (ii) regulated rates;
- the margin on fixed-price sale contracts or contracts indexed by financial swaps is hedged.

There is a time lag between the impact of fluctuations in the US dollar on procurement costs and their repercussion onto sales prices, reflecting mainly the effect of rolling averages and the inventory stocking/disposal cycle.

To manage its exposure to fluctuations in exchange rates, GDF SUEZ SA uses forward currency purchase or sale contracts to hedge its gas purchases and its financing activities.

At December 31, 2008, commitments under these contracts were as follows:

Forward contracts In millions of euros	Fixed portion of commitments at Dec. 31, 2008 – Maturity 2009	2010	2011 and beyond	Fair value at Dec. 31, 2008	Exchange rate fluctuations at Dec. 31, 2008	Fixed portion of commitments at Dec. 31, 2007
LONG POSITIONS						
GBP	402	-	638	1,032	(8)	350
USD	1,360	3	6	1,296	(73)	392
JPY	23	-	128	151	-	23
NOK	63	-	-	64	1	-
EUR	1	7	-	7	(1)	-
CHF	-	-	406	404	(2)	-
HUF	-	-	-	-	-	9
SHORT POSITIONS						
GBP	3	-	-	3	-	31
USD	301	3	3	291	16	180
NOK	981	-	-	904	77	582
HUF	-	-	-	-	-	45
EUR	1	7	-	7	1	-
CAD	63	-	-	58	5	-
TRY	181	-	-	181	-	-

To limit the impact of translation risk on certain amounts receivable from equity investments and on future foreign currency purchases, and to hedge the net asset risk arising on consolidation, GDF SUEZ SA has taken new positions or reinforced existing positions in forward currency transactions that allow it to cancel out or minimize translation adjustments on deposits and loans or other future operations.

Other financial commitments given

In millions of euros	Total at Dec. 31, 2008	Maturity		
		End-2009	Between 2010 and 2013	2014 and beyond
MARKET COMMITMENTS				
Performance and other guarantees	1,111	32	75	1,004
Performance and other guarantees given on behalf of subsidiaries	425	87	129	209
FINANCING COMMITMENTS				
Personal sureties given	5,814	2,997	2,171	646
Guarantees and endorsements given to subsidiaries	1,344	64	34	1,246
Collateral given				
Credit lines in euros	900	215	156	529
OTHER COMMITMENTS GIVEN				
Contractual guarantees for sales of businesses	2,450		1,607	843
Operating lease commitments	1,099	135	500	464
Finance lease commitments	50	10	28	12
Commitments relating to LNG terminals	562	47	515	
	13,755	**3,587**	**5,215**	**4,953**

Personal sureties relate mainly to:

- debt issued and commitments given by GIE GDF SUEZ Alliance to members of the GIE, excluding GDF SUEZ SA. GDF SUEZ SA has stood surety for each member in the event they receive a call for funds above and beyond their share in the GIE.

  Each member's responsibility for the payment of its share is recorded in commitments received. GDF SUEZ SA also guarantees contracts hedging changes in interest rates and exchange rates set up by GIE SUEZ Alliance. At December 31, 2008, these contracts had a positive market value;
- the balance relates to payment guarantees granted to counterparties of GDF SUEZ SA.

Guarantees and endorsements to subsidiaries correspond to payment guarantees granted by GDF SUEZ SA to third parties on behalf of its subsidiaries.

Commitments given with regard to credit lines relate mainly to credit lines granted to GDF SUEZ SA subsidiaries for €798 million.

Contractual guarantees for sales of businesses relate mainly to commitments given on the disposals of Northumbrian, Nalco and SUEZ-Tractebel:

- for Northumbrian, GDF SUEZ SA is second-ranking guarantor in the event of default by the sellers and SUEZ Environnement, counter-guarantor;
- for Nalco, GDF SUEZ SA is counter-guarantor in the event of default by the sellers, Léo Holding and Nalco International SAS;
- for SUEZ-Tractebel, the transaction is accompanied by a seller's warranty for a maximum amount of €1,500 million, expiring in March 2013 at the latest.

Operating lease commitments relate to the present value of rent payments outstanding through to maturity of the property leases within the scope of GDF SUEZ SA's operations. As certain property rental expenses are rebilled to Group subsidiaries, the corresponding commitments are shown in commitments received.

Finance lease commitments are detailed in Note 3.

Commitments relating to LNG tankers concern freight contracts.

Other commitments have been given in respect of **performance and completion guarantees**:

- to Naperville Property Trust (acting on behalf of NCC Solar Company), banks and investors. These guarantees cover all payment obligations, notably for outstanding rent (€152 million) under the lease agreement for the premises occupied by Nalco, an entity based in Naperville which was sold in 2003 and whose head office is still in Naperville. The lease was taken over by Léo Holding following the sale of Nalco. GDF SUEZ SA received an equivalent counter-guarantee from Ondeo Nalco, which remains liable to the Group and the lessor for all obligations under the lease;
- to the Hong Kong authorities, in respect of contracts awarded to Sita (now SUEZ Environnement), which counter-guaranteed GDF SUEZ SA for the same amounts. These contracts relate to:
  - the operation of the Nent landfill in partnership with Newworld and Guandong groups,
  - the operation of various landfill sites, including Went, NWNT and Piller Point, in partnership with Swire Pacific Ltd (with the two groups splitting ultimate liability 50/50);
- to Surrey County Council for a BOT contract awarded to SUEZ Environnement, which stood as guarantor for GDF SUEZ SA under the contract;
- to two Scottish companies, Ayr Environmental Services and Caledonian Environmental Services, for contracts for the construction of wastewater purification and sludge treatment plants awarded to the Degrémont SA/AMEC Capital Projects Ltd group of construction companies;
- to the Lord Mayor, Aldermen and Burgesses of Cork, in respect of a contract for the construction and operation of the Cork city wastewater purification plant awarded to a consortium comprising two SUEZ subsidiaries, Vinci subsidiary Dumez GTM, PJ Hegarty & Sons and Electrical & Pump Services. Each consortium member and Vinci agreed to counter-guarantee GDF SUEZ SA;
- to the Halifax Regional Municipality in respect of a contract for the construction of Halifax, Dartmouth and Herring Cove water treatment plants awarded to D & D Water Solutions Inc, a 50/50 joint venture owned by Degrémont Limitée (a subsidiary of Degrémont) and Dexter (a subsidiary of Municipal Enterprises Limited). GDF SUEZ SA is acting as second-ranking guarantor and Degrémont as first-ranking guarantor for its share of the contract.

In 2008, SUEZ Environnement undertook to counter-guarantee all of the guarantees given by GDF SUEZ SA (formerly SUEZ SA) for the Environment business that it had not yet counter-guaranteed:

- in connection with the Neptune project for the construction and operation of an offshore LNG regasification terminal off the coast of Boston, GDF SUEZ SA granted two unlimited guarantees regarding:
  - the fulfillment by Neptune LNG LLC (a special purpose entity created by SUEZ Energy International) of its obligations under the Oil Pollution Act of 1990,
  - in connection with Neptune LNG LLC's obligations under its Deepwater Port License. This was given to the US Department of Transportation-Maritime Administration to guarantee the operating company's compliance with the terms and conditions of the license and the applicable statutory framework;
- as part of the spin-off of water and wastewater activities in 2000, a performance guarantee was granted by GDF SUEZ SA in the context of its transfer of local public service franchise contracts to Lyonnaise des Eaux France. There are some 747 such contracts;
- GDF SUEZ SA has also undertaken to:
  - guarantee the consequences of any proceedings initiated against SUEZ-Tractebel subsidiary Ineo in connection with the fire at Crédit Lyonnais' head office,
  - indemnify GE Capital UIS for a period of ten years starting December 2002, for all legal and/or financial consequences resulting from a third party disputing its title to the premises at 16 rue de la Ville l'Evêque, Paris, France (which it acquired after taking over the leasing contract held by the subsidiary SSIMI), on condition that it exercises the call option granted by the lessor.

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Other financial commitments received

In millions of euros	Total at Dec. 31, 2008	Maturity		
		End-2009	Between 2010 and 2013	2014 and beyond
MARKET COMMITMENTS				
Guarantees received				
FINANCING COMMITMENTS				
Undrawn credit facilities	4,245	715	3,001	529
Other financing commitments received				
Other financing commitments received in relation to subsidiaries	6	6		
OTHER COMMITMENTS RECEIVED				
Counter-guarantees for personal sureties	4,067	2,314	1,201	552
Counter-guarantees for trading commitments				
Operating lease commitments	70	12	50	8
Finance lease commitments	50	10	28	12
Commitments relating to LNG tankers	574		118	456
	9,012	**3,057**	**4,398**	**1,557**

Since August 2002, GDF SUEZ SA has had access to a revolving line of credit for €2 billion. This amount was increased to €3 billion as from February 2005, maturing in 2012. The lending banks are able to opt out of the syndicate on an individual basis in the event of a change in the Company's controlling shareholder. At December 31, 2008, an amount of €1 billion had been drawn down from the facility, and subsequently reimbursed on January 21, 2009.

GDF SUEZ SA grants credit facilities to its subsidiaries GDF SUEZ E&P Norge AS, Spem, Elengy and GDF SUEZ Energy UK Ltd. The undrawn amount of these facilities at December 31, 2008 amounted to €696 million.

Counter-guarantees given on personal sureties concern guarantees received from members of GIE GDF SUEZ Alliance.

Securities commitments

GDF SUEZ SA had no commitments regarding securities at December 31, 2008.

Note 21 B Modity-related commitments

Natural gas and electricity commitments

Gas supplies in Europe are based primarily on long-term "take-or-pay" contracts. These long-term commitments make it possible to finance costly production and transmission infrastructures. Under these contracts, the seller makes a long-term commitment to serve the buyer, subject to a commitment by the latter to buy minimum quantities regardless of whether or not it takes delivery of them. These commitments are combined with backup measures (force majeure) and flexible volume arrangements, making it possible to manage any uncertainties (primarily weather conditions) affecting demand as well as any technical contingencies that may arise.

These types of contracts can run up to 25 years and are used by GDF SUEZ SA to meet the demands of its customers for natural gas in the medium and long term.

The contracts provide for reciprocal commitments regarding specified quantities of gas:

- a commitment by GDF SUEZ SA to purchase quantities of gas above a minimum threshold;
- a commitment by suppliers to provide these quantities at competitive prices.

The appeal of these contracts is provided by indexed price formulas and price adjustment mechanisms. GDF SUEZ SA makes the bulk of its purchases under such contracts.

At December 31, 2008, GDF SUEZ SA had commitments to purchase a minimum of 524 TWh the first year, 2,203 TWh between two and five years and 6,179 TWh after five years.

GDF SUEZ SA also entered into forward purchases and sales of natural gas, primarily at maturities of less than one year, as part of its trading activities: these consist of purchases and sales on short-term markets and offers featuring engineered prices for industrial customers.

At December 31, 2008, commitments given by GDF SUEZ SA totaled 69 TWh under forward purchase contracts and 57 TWh under forward sale contracts.

To meet its commitments to take delivery of specified volumes, GDF SUEZ SA has entered into long-term contracts to reserve land and sea transmission capacities.

As part of its trading activities, GDF SUEZ SA has also entered into forward purchases and sales of electricity and electricity options. At December 31, 2008, commitments given by GDF SUEZ SA totaled 37 TWh under forward purchase contracts and 23 TWh under forward sale contracts.

Commodity derivatives

Commodity derivatives (natural gas, oil and electricity) consist mainly of swaps, futures and options set up to manage price risk within the scope of trading activities of GDF SUEZ SA. These instruments are traded with third parties by the Company's specialized subsidiary, Gaselys.

These derivatives are contracted to manage risks arising on:

- price engineering transactions designed to meet the growing demand among customers for tight controls on gas and electricity price risk. These products are primarily intended to guarantee a commercial margin regardless of trends in the commodity indexes included in the prices offered to customers, even when they differ from the commodity indexes to which GDF SUEZ SA purchases are pegged. Options (calls and puts) are set up to guarantee maximum and minimum prices;
- measures taken to optimize procurement costs. Energy procurement costs, assets used in electricity production and reservations of available transport and storage capacity not required to supply customers are systematically valued on the market.

The exposure to commodity price risk on these commercial transactions is managed and monitored as follows:

- pass-through mechanisms are applied in determining (i) sale prices for eligible customers and (ii) regulated rates;
- the margin on fixed-price sale contracts or contracts indexed by financial swaps is hedged.

There is a time lag between the impact of fluctuations in the US dollar and their repercussion onto sales prices, reflecting mainly the effect of rolling averages and the inventory stocking/disposal cycle.

	Notional amount at Dec. 31, 2008				Fair value at Dec. 31, 2008	Notional amount at Dec. 31, 2007
	In GWh by maturity					
	x < 1 year	1 year < x < 2 years	x > 2 years	In millions of euros	In millions of euros	In GWh
SWAPS (LONG POSITIONS)						
Natural gas	14,845	4,690	2,139	595	(188)	9,834
Oil-based products	284,592	113,885	25,663	11,906	(3,503)	312,776
SWAPS (SHORT POSITIONS)						
Natural gas	34,159	8,617	1,029	1,284	420	12,354
Oil-based products	170,435	70,199	18,248	7,447	2,338	234,763
Electricity	835			7	6	1,210
OPTIONS (LONG POSITIONS)						
Natural gas	2,113	75		8	2	33,218
Oil-based products	2,078	145	64	70	10	14,718
Electricity	59			3	3	-
OPTIONS (SHORT POSITIONS)						
Natural gas	144	75		1	1	2,795
Oil-based products	661	64	5	14	(7)	2,371
Electricity			390	14	(3)	324

Note 21 C Greenhouse gas emission rights

Following the creation of subsidiaries to manage its storage and LNG terminals activities, GDF SUEZ SA no longer has any obligations as regards greenhouse gas emission rights, since these were transferred to the subsidiaries in question.

Note 21 D Energy savings certificates

Planning Act No. 2005-781 of July 13, 2005 laying down the key areas of French energy policy introduced energy savings certificates as from July 1, 2006. This system requires suppliers of energy to meet certain energy savings targets imposed by public authorities over a given period. Energy suppliers are free to decide the way in which they discharge these obligations.

For the period from July 1, 2006 to June 30, 2009, GDF SUEZ SA is required to achieve energy savings of 13,424,901,016 KWh cumac[*], including 4,484,308,531 KWh for 2007/2008 and 4,452,139,344 KWh for 2008/2009.

GDF SUEZ SA has already been awarded energy savings certificates for 3,631,276,239 KWh cumac, and two projects are currently being examined by the DRIRE (French industrial, environmental and planning authorities) for a total of 8,355,693,707 KWh cumac. Measures planned by GDF SUEZ SA in respect of its commercial offerings and its partnerships with fitters, constructors and local authorities should enable it to meet its targets.

Note 21 E Insurance of eligible risks

GDF SUEZ SA systematically transfers all material risks based on an identification of risks eligible for insurance – particularly relating to company assets and damages caused to third parties. Insurance policies offer extensive coverage in order to limit the financial impact of any claims on the Group's accounts.

To ensure a consistent approach, insurance policies are managed at Group level. As a result, new projects developed by subsidiaries can be incorporated within existing policies to enable the parent company to fully assume its role for its majority-owned subsidiaries.

Note 21 F Legal and arbitration proceedings

Competition and industry concentration

On May 22, 2008 the European Commission announced its decision to open formal proceedings against Gaz de France for a suspected breach of EC rules on abuse of dominant position and restrictive business practices. As the Commission makes clear in its press release, "*the initiation of proceedings does not imply that the Commission has proof of an infringement*", it only signifies that the Commission will conduct an in-depth investigation of the case. The investigation relates in particular, to a combination of long-term reservation of transport capacity and a network of import agreements, as well as potential underinvestment in transport and import infrastructure capacity. On June 11, 2008, Gaz de France received a statement of objections from the Commission in which it voices its suspicions of collusion with E.ON resulting in the restriction of competition on their respective markets regarding, in particular, natural gas supplies transported via the Megal pipeline. GDF SUEZ filed observations in reply on September 8, 2008. A hearing took place on October 14, 2008 following which the decision of the European Commission is still pending. GDF SUEZ will continue to provide the European Commission with its full cooperation in the course of the proceedings and shall assert its rights in full.

Argentina

SUEZ and certain other shareholders of water distribution and treatment concession operators in the greater Buenos Aires area (Aguas Argentinas in Buenos Aires, Aguas Provinciales de Santa Fe in Rosario and Aguas Cordobesas in Cordoba) launched arbitration proceedings against the Argentine government in 2003 before the ICSID pursuant to the Franco-Argentine Bilateral Investment Treaties. The aim of these proceedings is to obtain compensation for the loss of value of investments made since the start of the concession, due to measures taken by the Argentine government following the adoption of the Emergency Act in 2002, which froze tariffs under concession contracts.

The arbitration proceedings are still underway, except those relating to Aguas Cordobesas. SUEZ sold its controlling interest in Aguas Cordobesas to the private Argentine group Roggio in 2006 and its residual 5% interest to SUEZ Environnement upon the listing of the latter. The arbitral awards should be rendered in 2009.

Alongside the arbitration proceedings, the concession operators have instituted proceedings before the Argentine courts against the decisions by the authorities to terminate the concession contracts which led to the bankruptcy of Aguas Argentinas and the voluntary liquidation of Aguas Provincales de Santa Fe.

Banco de Galicia, a minority shareholder of Aguas Argentinas, which was excluded from the arbitration proceedings, has withdrawn the action it initiated for abuse of majority shareholder power following the buy-back by GDF SUEZ of its interests in Aguas Argentinas and Aguas Provinciales de Santa Fe. The claim filed by Aguas Lenders Recovery Group, in order to obtain the payment by SUEZ, Agbar and AYSA of USD 130 million owed by Aguas Argentinas to unsecured lenders, has also been withdrawn.

Prior to its merger with Gaz de France, SUEZ entered into an agreement with SUEZ Environnement providing for the economic transfer to SUEZ Environnement of the rights and obligations relating to the ownership interest held by SUEZ in Aguas Argentinas and Aguas Provinciales de Santa Fe.

(*) *Cumulative, discounted KWh.*

Squeeze-out bid for Electrabel shares

On July 10, 2007, Deminor and two other funds initiated proceedings before the Brussels Court of Appeal against SUEZ and Electrabel under which they sought additional consideration following the squeeze-out bid launched by SUEZ in June 2007 on Electrabel shares that it did not already own. By decision dated December 1, 2008, the Court of Appeal ruled that the claim was unfounded.

Messrs Geenen and others initiated similar proceedings before the Brussels Court of Appeal, which were rejected on the grounds that the application was invalid. A new application was filed, without Electrabel and the Belgian Banking, Financial and Insurance Commission being joined as parties to the proceedings. The case was heard on October 21, 2008 and judgment has been reserved.

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NOTE 22 PENSIONS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

OVERVIEW OF OBLIGATIONS

In millions of euros	At Dec. 31, 2008	Impacts of the merger	Impacts of the new subsidiaries	At Dec. 31, 2007
PENSIONS	**1,552**	**228**	**(20)**	**1,347**
• EGI sector scheme	1,311	-	(20)	1,347
• other schemes	241	228	-	-
OTHER RETIREMENT AND POST-EMPLOYMENT BENEFITS	**282**	**28**	**(34)**	**276**
• reduced energy and water prices	179	8	(24)	175
• end-of-career indemnities	46	-	(5)	56
• immediate bereavement benefits	21	-	(3)	24
• other schemes	36	20	(2)	21
OTHER EMPLOYEE BENEFIT OBLIGATIONS	**81**	**-**	**(9)**	**84**
disability benefits and other	74	-	(8)	76
long-service awards	7	-	(1)	8
TOTAL	1,915	256	(63)	1,707

Note 22 A Pensions

The main defined-benefit plans operated by GDF SUEZ SA comprise:

- pensions falling within the scope of the special scheme for Electricity and Gas utilities ("EGI");
- pension plans taken over following the merger of SUEZ SA into GDF SUEZ SA:
  - the 1953 supplementary pension plan, closed since December 31, 1988,
  - plans operated by the former Compagnie de SUEZ (annuity schemes based on end-of-career salaries),
  - supplementary pension plans for senior managers operated by all water companies (annuity schemes based on end-of-career salaries).

Pension plan for electricity and gas utilities in France

Since January 1, 2005, the *Caisse Nationale des Industries Electriques et Gazières* (CNIEG) has operated the pension, disability, life, occupational accident and occupational illness benefit plans for EGI sector companies. The CNIEG is a private welfare body placed under the joint responsibility of the ministries in charge of social security, budget and energy. Salaried employees and retirees of EGI sector companies have been automatically affiliated to the CNIEG since January 1, 2005. The conditions for calculating benefit entitlement under the EGI scheme are set out in the national statute for EGI sector employees (decree of June 22, 1946) and determined by the government. By law, companies cannot amend any of these conditions.

Law 2004-803 of August 9, 2004 (concerning electricity and gas public services and electricity and gas utilities) and its implementing decrees allocated specific benefits already vested at December 31, 2004 ("past specific benefits") between the various EGI entities. Within each entity, the law also distinguished between (i) benefits earned by employees assigned respectively to gas and electricity transmission and distribution services ("regulated past specific benefits"), and (ii) benefits earned by employees assigned to other activities ("unregulated past specific benefits"). Specific benefits under the special pension plan applicable to EGI companies are on top of statutory benefits payable under ordinary law.

Regulated past specific benefits are funded by the levy on natural gas transmission and distribution services (*Contribution Tarifaire d'Acheminement*), and therefore no longer represent an obligation for the GDF SUEZ Group.

Unregulated past specific benefits are funded by EGI sector entities to the extent defined by decree no. 2005-322 of April 5, 2005. For GDF SUEZ, this funding obligation represents 3.25% of the past specific benefit obligations of all EGI sector companies.

The specific benefits vested under the plan since January 1, 2005 will be wholly financed by EGI sector companies in proportion to their respective share of the electricity and gas market as measured by total payroll costs.

1. Financial obligations of GDF SUEZ SA as from January 1, 2005

Pursuant to the Act of August 9, 2004 on electricity and gas public services and electricity and gas utilities, as from January 1, 2005 GDF SUEZ SA has the following financial obligations:

- to pay the CNIEG its share of the contributions due under statutory pension plans. These contributions are then paid over by the CNIEG to the CNAV and to the mandatory supplementary pension schemes AGIRC and ARRCO;
- to pay the CNIEG its contribution to financing the benefits paid in excess of rights under statutory pension plans not funded by the CTA levy;
- to pay the CNIEG its share in exceptional flat-rate contributions in full and final discharge of its liabilities due to the CNAV, AGIRC and ARRCO and not financed by the CTA levy;
- to pay the CNIEG its share of the administrative expenses incurred by the CNIEG as well as compensation with respect to other statutory pension schemes and benefits relating to disability, death, work accidents and occupational illnesses;
- as a gas and electricity supplier (and carrier, where applicable), to collect and pay over to the CNIEG the CTA levies.

2. Reform of public sector pensions with effect from July 1, 2008

In accordance with the "Guidance Document on the Reform of Special Pension Plans" published by the French Ministry for Labor, Social Affairs and Solidarity on October 10, 2007, the special pension scheme for electricity and gas utilities was amended by decree no. 2008-69 of January 22, 2008. Following a transitional phase, the decree brings the pension scheme for these utilities into line with standard public sector pensions.

Decree no. 2008-627 of June 27, 2008 on the pension and disability scheme for employees of electricity and gas utilities amends Appendix 3 of the national statute for EGI sector employees. The decree reiterates the core principles of the pension reform enshrined in decree no. 2008-69 of January 22, 2008 and lays down the basis for the new rules governing the special EGI scheme since July 1, 2008.

The decree introduces changes regarding the rights of family members and spouses, minimum pension payments, and disability considerations resulting from negotiations which took place after the decree had been published on January 22, 2008 between electricity and gas sector employers and trade unions.

This decree is supplemented by decree no. 2008-653 of July 2, 2008 which updates various provisions of the EGI statute.

The amendments made to the existing scheme came into force on July 1, 2008 and chiefly concern:

- an extension of the period during which employees pay in contributions;
- introduction of a discount/premium mechanism;
- the methodology for recalculating pensions.

During the transitional phase, the period over which employees have to pay in contributions before they can retire on a full pension – previously set at 150 quarters – will rise gradually up to 160 quarters on December 1, 2012. The scheme will then evolve in line with standard public sector pensions.

Discounts will be gradually introduced for employees who have not completed the required pay-in period.

The discount consists of applying a financial penalty to employees who have not paid in contributions over a sufficient period to qualify for a full pension. Conversely, a premium will be applied to employees who, under certain conditions, continue to work beyond 60 and have paid in contributions over more than 160 quarters.

Pensions and disability annuities will be recalculated as of January 1, 2009 on the basis of the retail price index (excluding tobacco).

As part of the pension reform and in accordance with the principles laid down by the pension reform guide, a first agreement was signed on January 29, 2008 for EGI sector companies. The agreement provides for the revaluation of the basic national salary for 2008 applicable to active and retired employees, modification of salary bands and changes in end-of-career indemnities.

The impacts of the reform affecting GDF SUEZ SA differ according to the sector to which employees belong (regulated/deregulated) and the vesting period for the rights concerned.

The overall impact of pension reform and supporting measures is a reduction of €30 million in pension obligations under the EGI scheme.

Overview of the CTA levy

Article 18 of Act No. 2004-803 of August 9, 2004 concerning electricity and gas public services and electricity and gas utilities defines the specific benefits of the EGI sector pension scheme covered in the pension financing reform as benefits received in excess of those granted under the "basic" statutory pension system, based on the benefits that would have been accrued under these plans if both employers and employees had always contributed to them.

These specific benefits evolve over time, notably in respect of the pay policies of companies in the sector and any reforms concerning access to benefits under the statutory pensions plan or the special EGI pension plan.

The Act of August 9, 2004 introduced a surcharge on natural gas transmission and distribution services (the CTA levy) designed to fund the specific pension benefits accruing to current employees in regulated activities within the EGI sector ("regulated past specific benefits") and vested at December 31, 2004. The funding of these benefits is no longer incumbent on the GDF SUEZ Group, except for modifications caused by changes in the system after December 31, 2004 that increase the level of such benefits and result from changes in the classification of employees or in the regulations governing post-employment entitlements under EGI plans.

As no implementing decree has been enacted for the abovementioned law, the interpretation of GDF SUEZ SA is that the notion of a modification can be assessed based on the net balance of the core reform and all of the support measures taken together, and that in principle, the CTA levy will fund the support measures to the extent, net of the impacts of the reform, that they do not increase regulated past specific benefits.

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The latest support measures negotiated led to a slight €26 million net increase in the vested benefit obligation at December 31, 2004 and may therefore continue to represent a charge for the Group. In light of the CTA mechanism, no obligations in respect of past benefits existing at December 31, 2007 were transferred to GRTgaz or GrDF at the time the subsidiaries were created to manage the transmission and distribution network. As no implementing decree has been enacted in respect of the abovementioned law stating that GRTgaz and GrDF must bear the cost of any modifications, GDF SUEZ SA considers that the related risk remains unchanged.

This interpretation was submitted to the ministries concerned in January 2008. In the absence of any implementing decree, discussions began recently aimed at clarifying any potential divergences in the interpretation of the law of August 9, 2004.

Pending the outcome of these discussions, GDF SUEZ SA is maintaining its position. However as a measure of caution, at end-2008 it reversed only €21 million of the residual provision set aside in the past on a flat-rate basis, in order to protect itself against any obligation to fund more than the net amount of the reform and its support measures.

The past specific benefits relating to activities other than transmission and distribution, i.e., deregulated activities, are funded by the companies in existence at December 31, 2004.

Calculation of pension obligations

In accordance with CNC Recommendation 2003-R.01 of April 1, 2003, GDF SUEZ SA calculates its pension obligations using a yield-to-maturity method. The method used is known as the projected unit credit method and is based on assumptions regarding:

- end-of-career salaries (based on seniority, salaries and career promotions);
- retirement age, based on specific criteria applicable to EGI sector employees (length of service, number of children for female employees);
- changes in the population of retired employees, based on mortality tables drawn up by INSEE and an employee turnover rate based on behavioral statistics for EGI sector employees;
- payments of benefits to surviving spouses, based on the life expectancy of employees and their spouses, and the percentage of married employees among EGI sector personnel.

The obligations are calculated as follows:

- based on the rights vested at the measurement date, under both the EGI scheme and statutory pension schemes;
- for all active and retired employees in the EGI sector, and all employees and eligible beneficiaries for former SUEZ plans;
- including contributions to CNIEG administrative expenses.

The discount rate used at December 31, 2008 was 5.2% versus 5% at December 31, 2007.

Obligations resulting from the reform of the EGI pension scheme

At December 31, 2008, the total obligations of GDF SUEZ SA in respect of EGI sector employees, net of CTA funding where appropriate and before the tax impact, were as follows:

In millions of euros

Pension obligations	1,232
+ Obligations resulting from the review clause (AGIRC and ARRCO)	35
+ Obligations in respect of administrative expenses due to the CNIEG	44
Total obligations at December 31, 2008	**1,311**

Note 22 B Other employee benefit obligations

Benefits payable to active and retired employees of EGI sector companies (excluding pensions) are described below.

- long-term benefits:
  - allowances for occupational accidents and illnesses,
  - temporary and permanent disability allowances,
  - long-service awards;
- post-employment benefits:
  - reduced energy prices,
  - end-of-career indemnities,
  - bonus leave,
  - immediate bereavement benefits,
  - partial reimbursement of educational expenses.

Employees of the former SUEZ SA entity are also entitled to long-service awards. Retired employees of SUEZ SA are eligible for post-employment benefits consisting of a cash contribution towards the costs of their water supply and complementary healthcare insurance.

The discount rate used to calculate these obligations varies according to when they fall due. Post-employment benefit obligations were assessed using a discount rate of 5.2% at December 31, 2008 versus 5% at December 31, 2007, except for obligations relating to end-of-career indemnities and bonus leave, which were measured based on a discount rate of 4.5%. Other benefit obligations were assessed based on a discount rate of 4.7% at end-2008 versus 4.5% at end-2007.

1. Allowances for occupational accidents and illnesses

Like other employees under the standard pension scheme, EGI sector employees are entitled to compensation for accidents at work and other occupational illnesses. These benefits cover all employees or the dependents of employees who die as a result of occupational accidents or illnesses, or injuries suffered on the way to work.

The amount of the obligation corresponds to the likely present value of the benefits to be paid to current beneficiaries, taking into account any reversionary annuities.

2. Reduced energy prices

Under article 28 of the national statute for electricity and gas industry personnel, all current and former employees are entitled to benefits in kind which take the form of energy granted at "employee rates". This benefit entitles employees to electricity and gas supplies at a reduced price. For the retirement phase, this represents a post-employment defined benefit which is recognized over the period during which the employee services are rendered.

The amount of the GDF SUEZ SA obligation regarding gas supplied to EGI sector employees within GDF SUEZ SA and to EDF employees corresponds to the likely present value of the power (KWh) supplied to the employees during the retirement phase, assessed based on the unit cost of the energy.

The amount of the obligation also takes account of the price of the energy exchange agreement with EDF. In accordance with the financial agreements signed with EDF in 1951, in return for EDF supplying the Group's EGI sector employees with electricity at preferential rates, GDF SUEZ SA supplies gas to EDF's employees at preferential rates by means of a balancing contribution. The obligation resulting from this energy exchange agreement represents the likely present value of the components of the balancing contribution allocated to GDF SUEZ SA employees during the retirement phase.

Retirees must have at accumulated at least 15 years' service in EGI sector companies to be eligible for the reduced energy price scheme.

3. End-of-career indemnities

Further to the reform of EGI sector pensions as of July 1, 2008, retiring employees (or their dependents in the event of death during active service) are entitled to end-of-career indemnities which increase in line with the length-of-service within the utilities.

The obligation resulting from end-of-career indemnities is calculated using the projected unit credit method.

4. Impacts of the pension reform and the support measures

The overall impact of the pension reform and its support measures on post-employment benefits and other long-term benefits is a net reduction of €2 million in the benefit obligation. In light of changes to the end-of-career indemnities scheme, rights that had not yet vested at December 31, 2008 totaled €12 million.

Note 22 C Change in the present value of benefit obligations

In millions of euros	EGI sector scheme		Other schemes		Post-employment benefits		Long-term benefits		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Present value of benefit obligation at January 1	**1,347**	**1,626**	**-**		**276**	**704**	**84**	**207**	**1,707**	**2,537**
Impacts of the merger and of new subsidiaries	(20)	(200)	228		(6)	(376)	(9)	(109)	193	(685)
Past service cost: plan amendments	(30)				(2)		4		(28)	
Service cost	32	109	8		5	13	7	9	52	131
Interest cost	64	74	12		13	30	4	9	93	113
Actuarial gains and losses on the obligation	(22)	(180)	6		9	(66)	-	-	(7)	(246)
Benefits paid under all schemes (funded and unfunded) (1)	(60)	(82)	(13)		(13)	(29)	(8)	(21)	(94)	(132)
Other								(11)		(11)
Present value of benefit obligation at December 31	**1,311**	**1,347**	**241**		**282**	**276**	**82**	**84**	**1,916**	**1,707**

(1) Benefits paid under all pension schemes are recognized in the income statement, with the exception of employee benefit obligations in respect of which a provision has been set aside, where the year-on-year change is taken to income in full (see note 22 D). The aggregate impact on income of benefits paid and changes in the benefit obligation totaled €59 million at December 31, 2008 versus €90 million at December 31, 2007.

Note 22 D Provisions

GDF SUEZ SA sets aside provisions in respect of allowances for occupational accidents and illnesses, and temporary and permanent disability benefits for active employees at year-end, as well as for benefits due during employees' active working lives (long-service awards and end of career additional vacation entitlement). The balance sheet of GDF SUEZ SA also includes a pension provision in liabilities totaling €116 million at December 31, 2008, after taking into account a €21 million write-back from the provision (see Note 22 A).

In connection with the creation of subsidiaries to manage its storage and LNG terminals activities, GDF SUEZ SA transferred the provisions it had set aside for commitments to the employees relocated to these subsidiaries, with the exception of the pension provision for €12 million.

Within the scope of the merger, the provisions for pensions and other employee benefit obligations (pensions, retirement indemnities and healthcare) booked by SUEZ SA at December 31, 2007 were transferred to GDF SUEZ SA. These provisions are written back as and when the corresponding liabilities for which they have been set aside are extinguished. No further amounts will be set aside to these provisions in respect of rights newly vested by employees or the unwinding of discounting adjustments on provisions transferred within the scope of the merger.

At December 31, 2008, GDF SUEZ SA had set aside a provision totaling €272 million (€236 million at December 31, 2007).

● CHANGES IN PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS

In millions of euros	Pensions		Allowances for occupational accidents and illnesses, temporary and permanent disability benefits		Other (1)		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Present value of benefit obligation at January 1 (provisioned)	**137**	**137**	**73**	**177**	**26**	**66**	**236**	**380**
Impacts of the merger and of new subsidiaries	48		(10)	(89)	22	(37)	60	(126)
Service cost			5	9	1	3	6	12
Interest cost			3	7	1	3	4	10
Actuarial gains and losses on the obligation				(9)	(1)	(3)	(1)	(12)
Benefits paid under all schemes (funded and unfunded)	(5)		(7)	(18)	(3)	(6)	(15)	(24)
Other	(21)			(4)		-	(21)	(4)
Plan amendments			**2**		**1**		**3**	**-**
PRESENT VALUE OF BENEFIT OBLIGATION AT DECEMBER 31 (PROVISIONED)	**159**	**137**	**66**	**73**	**47**	**26**	**272**	**236**

(1) Bonus leave, long-service awards, end-of-career indemnities and complementary healthcare insurance available to retirees of the former SUEZ group.

Note 22 E Insurance contracts

GDF SUEZ SA has taken out insurance contracts with several insurance firms to cover its obligations in respect of pensions and end-of-career indemnities. An amount of €6 million was paid to these insurance firms in 2008.

The value of these contracts stood at €1,667 million at December 31, 2008 (€1,745 million at December 31, 2007).

Note 22 F Change in the fair value of plan assets

In connection with the creation of subsidiaries to manage its storage and LNG terminals activities, GDF SUEZ SA transferred the portion of plan assets relating to employees relocated to these subsidiaries for an amount of €7 million.

As part of the merger, SUEZ SA contributed €168 million in plan assets.

In millions of euros	Pensions		Other post-employment benefits	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Fair value of plan assets at January 1	1,700	1,821	45	104
Impacts of the merger and of new subsidiaries	166	(169)	(4)	(54)
Expected return on plan assets	97	80	2	5
Premiums net of handling fees (1)	6	60		-
Actuarial gains and losses on plan assets	(260)	(20)	(8)	(2)
Benefits paid by plan assets (1)	(73)	(72)	(3)	(8)
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**1,636**	**1,700**	**32**	**45**

(1) Only insurance premiums and benefits reimbursed by plan assets were recognized in income. The net balance reflects net income of €70 million in 2008 versus net income of €20 million in 2007.

- RETURN ON PLAN ASSETS

	Pensions			Other post-employment benefits	
	2008				
	EGI sector scheme	Other schemes	2007	2008	2007
Actual return on plan assets	(9.70%)	Between 4% and 4.7%	3.3%	(13.70%)	3.0%

Pension plans other than the EGI sector scheme are funded by separate plan assets on which aggregate actual returns over the period were between 4% and 4.7%.

The expected return on plan assets for 2008 is 5.305% in respect of pensions and 5.625% in respect of other obligations.

The allocation of plan assets by principal asset category can be analyzed as follows:

	Dec. 31, 2008		
	EGI sector scheme	Other schemes	Dec. 31, 2007
Equities	26%	12%	32%
Bonds	46%	81%	45%
Other (including money market securities)	28%	7%	23%
TOTAL	100%	100%	100%

NOTE 23 HEADCOUNT

At December 31, 2008, the breakdown for each category was as follows:

	At Dec. 31, 2007	Impacts of the merger	Impacts of the new subsidiaries	Change	At Dec. 31, 2008
Operating staff	1,260	10	(188)	(193)	889
Senior technicians and supervisory staff	3,839	96	(660)	(257)	3,018
Managerial staff	3,544	242	(304)	179	3,661
TOTAL	8,643	348	(1,152)	-271	7,568

The average number of employees was 7,622 in 2008. The average number of employees in 2007 (20,970) included employees subsequently transferred to GrDF, Storengy and Elengy.

NOTE 24 STATUTORY TRAINING ENTITLEMENT

Under Act No. 2004-391 of May 4, 2004 on vocational training, employees working under an indefinite-term employment contract governed by private law accrue a minimum of 20 hours' statutory training entitlement per year, cumulative over a period of six years. If at the end of the six-year period employees have not used all or part of their training entitlement, the entitlement is capped at 120 hours.

Pursuant to opinion 2004-F of the CNC's Emerging Issues Taskforce on accounting for the statutory training entitlement, no provisions were set aside at December 31, 2008 in respect of this obligation.

At that date, GDF SUEZ SA employees had accrued a total of 770,369 unused training hours.

NOTE 25 EMPLOYEE PROFIT-SHARING

An employee profit-sharing agreement based on performance criteria has been set up in compliance with the legal conditions prescribed by Order 86-1134 of October 21, 1986.

Beneficiaries of the agreement may pay all or part of the amounts received under the profit-sharing scheme into savings plans operated by GDF SUEZ SA, rather than accessing the amounts immediately. In this case, the employer matches 100% of their contribution. These mechanisms are treated as personnel expenses.

NOTE 26 INFORMATION CONCERNING RELATED OR ASSOCIATED COMPANIES AFFECTING SEVERAL BALANCE SHEET AND INCOME STATEMENT CAPTIONS

In millions of euros	Related companies	Associated companies
Equity investments	55,744	4
Amounts receivable from equity investments	7,865	8
Loans	13	-
Deposits and guarantees	7	-
Provisions for contingencies and losses	44	-
Trade and other receivables	1,272	327
Other receivables (including current accounts with subsidiaries showing a debit balance)	6,169	1
Other liabilities	114	970
Current accounts with subsidiaries showing a credit balance	5,435	-
Trade and other payables	782	760
Miscellaneous borrowings and debt	2,289	-
Payable on fixed assets	900	-
Other	6	7,103
Revenues	5,009	82
Energy purchases and change in gas reserves	1,155	520
Other external charges	4,739	30
Other operating income and expenses	514	11
Interest on amounts receivable from equity investments	488	-
Interest on amounts payable to equity investments	78	-
Interest on current accounts with subsidiaries showing a credit balance	117	-
Interest on current accounts with subsidiaries showing a debit balance	31	-
Other financial income	1,175	61
Other financial expenses	8	-

NOTE 27 SUBSIDIARIES AND INVESTMENTS

In millions of euros

Name	Share capital as per latest available balance sheet	Other equity as per latest available balance sheet	% capital held at Dec. 31, 2008
A - Detailed information concerning subsidiaries and investments whose gross value exceeds 1% of GDF SUEZ SA capital (€21,915,632)			
1. SUBSIDIARIES (MORE THAN 50%-OWNED BY GDF SUEZ SA)			
Aguas Provinciales de Santa Fe [(1)]	60	(294)	64.19
Cogac	1,433	11	100
Dumez	48	24	100
Electrabel	2,373	9,834	98.65
Elengy	44	440	100
G.D.F. International	4,972	122	100
GDF SUEZ Communication	31	246	100
Genfina	1,750	(60)	100
GIE GDF SUEZ Alliance	100	(5)	64
GrDF	1,800	6,600	100
G.R.E.A.T.	46	3	100
GRTgaz	500	2,730	100
Ondeo	2,348	1,056	100
SI Finance	120	23	100
GDF SUEZ Energie Services	699	1,465	100
Société Foncière et Immobilière du Gaz (SFIG)	56	22	96.51
Sopranor	N.S.	9	99.92
S.S.I.M.I.	61	68	100
Storengy	190	1,738	100
2. EQUITY INVESTMENTS (10%-50%-OWNED BY GDF SUEZ SA)			
Aguas Argentinas	159	(1,151)	48.2
SUEZ Environnement Company	3,323	714	35
3. OTHER LONG-TERM INVESTMENTS (LESS THAN 10%-OWNED BY GDF SUEZ SA)			
B - Information concerning other subsidiaries and investments			
1. SUBSIDIARIES NOT INCLUDED IN SECTION A			
French subsidiaries			
Foreign subsidiaries [(1)]			
2. EQUITY INVESTMENTS NOT INCLUDED IN SECTION A			
French companies			
Foreign companies [(1)]			
TOTAL			

(1) Amounts in local currency (millions of units).

Transactions with related companies mainly involve loans, advances and changes in current accounts with subsidiaries.

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Book value of shares held at Dec. 31, 2008							
Gross	Provision	Loans and advances granted by GDF SUEZ SA	Sureties and endorsements given by GDF SUEZ SA	Revenues for latest availableperiod	Net income (+) or loss (-) for latest available period	Dividends received by GDF SUEZ SA during the period	Year-end of last available period
39	(39)			109	(20)	-	12/2005
1,434	-	-	-	456	57	22	12/2008
65	-	-	-	-	2	-	12/2008
27,131	-	-	-	14,669	177	-	12/2008
440	-	134	-	184	38	-	12/2008
4,972	-	467	49	275	1,021	979	12/2008
900	(623)	-	-	-	7	-	12/2008
2,627	(1,088)	-	-	-	(168)	-	12/2008
62	-	-	-	-	(5)	-	12/2008
8,400	-	3,445	-	3,003	(209)	-	12/2008
49	-	-	-	2	-	-	12/2008
2,300	-	2,095	-	1,464	135	138	12/2008
2,580	(865)	-	-	-	45	-	12/2008
373	(225)	-	-	-	4	-	12/2008
2,931	-	-	-	1,468	179	246	12/2008
57	-	-	2	87	3	2	12/2008
245	(235)	-	-	-	3	-	12/2008
96	-	-	-	-	2	-	12/2008
1,904	-	-	-	887	306	-	12/2008
56,605	**(3,075)**				**1,577**	**1,387**	
145	(145)			726	(190)		12/2005
2,180	-	-	-	171	364	403	12/2008
2,325	**(145)**				**174**	**403**	
		23					
40	(16)						
35	(20)						
59,005	(3,256)				1,961	1,790	

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NOTE 28 COMPENSATION DUE TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

Total compensation (gross salary, bonuses, profit-sharing incentives, employer contributions and benefits in kind) paid to the Chairman and Chief Executive Officer, the Vice-Chairman and President, and members of the Executive Committee came to €16.8 million for 2008.

Members of the Board of Directors elected by the Shareholders' Meeting received €1.17 million in attendance fees during the period.

The amounts specified above represent those paid by Gaz de France SA and SUEZ SA before the merger, and by GDF SUEZ SA after the merger.

NOTE 29 SUBSEQUENT EVENTS

Three bond issues

- From January 7 to January 8, 2009 GDF SUEZ carried out a €4.2 billion bond issue which was subscribed more than twice over.

  The issue consists of:

  - a 3-year tranche for €1.75 billion, maturing on January 16, 2012 and paying interest of 4.375%,
  - a 7-year tranche for €1.5 billion, maturing on January 18, 2016 and paying interest of 5.625%,
  - a 12-year tranche for €1 billion, maturing on January 18, 2021 and paying interest of 6.375%.

- Between January and February 2009, GDF SUEZ carried out a further public bond issue on the Belgian and Luxembourg markets for €750 million. Initially advertised for a minimum of €150 million, it was subscribed more than four times over and closed for new subscriptions two weeks before the scheduled date.

  The bonds were issued at 102% of par for a six-year term maturing on February 23, 2015 and paying interest at 5%.

- On February 3, 2009, GDF SUEZ carried out a bond issue for £700 million, maturing on February 11, 2021 and paying interest of 6.125%.

20.5.3 TOTAL AND PARTIAL TRANSFERS OF ASSETS, SUBSIDIARIES, AND EQUITY INVESTMENTS WITHIN OR OUTSIDE STATUTORY DISCLOSURE THRESHOLDS

TOTAL AND PARTIAL TRANSFERS OF ASSETS

In euros	% at Dec. 31, 2007	% at Dec. 31, 2008	Reclassification within the Group	Transfer outside the Group	Net book value of shares held	Business sector
SUBSIDIARIES [(1)]						
Rivolam	100.00	0.00	X [(a)]		-	Holding company
SUEZ Finance L.P.	99.90	0.00		Liquidation	-	Financing
SUEZ Environnement	100.00	0.00	X [(a)]		-	Environment
Finabel	99.83	99.83	X		59,382	Holding company
Bogotana de Aguas	51.00	0.00	X		-	Water services
Consortium Intesa Aretina	51.00	0.00	X		-	Water services
Société de l'Oum Er Bia	50.00	0.00	X		-	Water services
S.E.C.	99.76	35.00		X	2,180,166,637	Holding company
EQUITY INVESTMENTS [(2)]						
Gas Natural	0.41	0.00	X		-	Energy
Aguas Cordobesas	5.00	0.00	X		-	Water services

(1) More than 50%-owned by GDF SUEZ SA.
(2) Less than 50%-owned by GDF SUEZ SA.
(a) Rivolam and SUEZ Environnement were wound up as a result of the merger-takeover of SUEZ SA by Gaz de France SA (see section B 1.1 describing pre-merger transactions).

ACQUISITIONS OF SUBSIDIARIES AND INVESTMENTS WITHIN OR OUTSIDE STATUTORY DISCLOSURE THRESHOLDS

In euros	% at Dec. 31, 2007	% at Dec. 31, 2008	Reclassification within the Group	Acquisition outside the Group	Net book value of shares held	Business sector
SUBSIDIARIES [(1)]						
Dumez	0.00	100.00	X [(a)]		64,993,525	Holding company
GDF SUEZ Energy Services	100.00	100.00	X		2,931,131,597	Services
Genfina	100.00	100.00	X		1,539,166,704	Holding company
G.R.E.A.T.	0.00	100.00	X		48,998,524	Energy
Vilorex.	100.00	100.00	X		19,946,109	Holding company
GIE GDF SUEZ Alliance	58.00	64.00	X		62,484,375	Financing
Electrabel	98.07	98.65	X		27,130,928,625	Energy
Adilone	0.00	99.76	X		38,532	Holding company
Cleomind	0.00	99.76	X		37,068	Holding company
Aguas de Santa Fe	51.69	64.19		X	-	Water services
Storengy	100.00	100.00	X		1,903,650,140	Infrastructures
Elengy	100.00	100.00	X		440,413,240	Infrastructures
EQUITY INVESTMENTS [(2)]						
Aguas Argentinas	39.94	48.20		X		Water services

(1) More than 50%-owned by GDF SUEZ SA.
(2) Less than 50%-owned by GDF SUEZ SA.
(a) The shares in Dumez held by Rivolam were contributed to the merger-takeover of Rivolam by SUEZ SA as part of transactions carried out prior to the merger (see section B 1.1 describing pre-merger transactions).

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20.5.4 DETAILS OF SECURITIES AT DECEMBER 31, 2008

In millions of euros **Main equity investments (net value exceeding €50 million)**	**Share capital as per latest available balance sheet**	**% capital held at Dec. 31, 2008**	**Gross book value of shares held at Dec. 31, 2008**	**Net book value of shares held at Dec. 31, 2008**
FRENCH SUBSIDIARIES (1)				
Cogac	1,433	100	1,434	1,434
Dumez	48	100	65	65
Elengy	44	100	440	440
GDF International	4,972	100	4,972	4,972
GDF SUEZ Communication	31	100	900	277
GIE GDF SUEZ Alliance	100	64.00	62	62
GrDF	1800	100	8,400	8,400
GRTgaz	500	100	2,300	2,300
Ondeo	2,348	100	2,580	1,715
SI Finance	120	100	373	148
GDF SUEZ Energy Services	699	100	2,931	2,931
Société Foncière et Immobilière du Gaz (SFIG)	56	96.51	57	57
Sopranor	N.M.	99.92	245	10
S.S.I.M.I.	61	100	96	96
Storengy	190	100	1,904	1,904
FOREIGN SUBSIDIARIES (1)				
Electrabel	2,373	98.65	27,131	27,131
Genfina	1,750	100	2,627	1,539
			56,517	**53,479**
EQUITY INVESTMENTS (2)				
Aguas Argentinas	159	48.20	145	-
SUEZ Environnement Company	3,323	35.00	2,180	2,180
Other (4)			163	88
			2,488	**2,268**
OTHER LONG-TERM INVESTMENTS (3) Other				
MONEY MARKET FUNDS				
Groupama Entreprises				200
LBPAM Trésorerie				66
Mousquetaire 2006				15
Apigaz Parts Mezzanines				19
				300
TOTAL				**56,047**

(1) More than 50%-owned by GDF SUEZ SA.
(2) 10%-50%-owned by GDF SUEZ SA.
(3) Less than 10%-owned by GDF SUEZ SA.
(4) Net book value less than €20 million.

20.5.5 FIVE-YEAR FINANCIAL SUMMARY

	2008	2007	2006	2005	2004
CAPITAL AT YEAR-END					
Share capital *(in euros)*	2,193,643,820	983,871,988	983,871,988	983,871,988	903,000,000
Number of ordinary shares issued and outstanding	2,193,643,820	983,871,988	983,871,988	983,871,988	451,500,000
Maximum number of shares to be issued:					
• by converting bonds	-	-	-	-	-
• by exercising stock options	39,167,750	-	-	-	-
RESULTS OF OPERATIONS FOR THE YEAR *(in millions of euros)*					
Revenues excluding VAT	25,209	20,991	20,933	17,704	15,126
Income before tax, employee profit-sharing, depreciation, amortization, provisions and transfer of concession termination amortization	3,254	15,429	2,814	2,542	2,578
Income tax (benefit)	(617)	2,813	409	554	244
Employee profit-sharing and incentive payments for the year	0	-	-	-	-
Income after tax, employee profit-sharing, depreciation, amortization, provisions and transfer of concession termination amortization	2,767	11,611	1,785	1,234	629
Total dividends paid *(including on treasury shares in2008)*	4,795	1,240	1,082	669	418
EARNINGS PER SHARE *(in euros)*					
Income after tax and employee profit-sharing but before depreciation, amortization, provisions and transfer of concession termination amortization	1.76	12.82	2.44	2.02	2.58 (*)
Income after tax, employee profit-sharing, depreciation, amortization, provisions and transfer of concession termination amortization	1.26	11.80	1.81	1.25	0.70 (*)
Dividend per share	2.20	1.260	1.100	0.680	0.464 (*)
HEADCOUNT					
Average number of employees during the year	7,622	20,970	21,780	21,943	24,509
Total payroll	485	914	892	862	910
Total employee benefit obligations paid (social security taxes and contributions to pension plans, welfare schemes, etc.)	335	470	493	573	771

(*) In order to permit meaningful comparison, net income and dividends per share were restated to reflect the decision of the Ordinary and Extraordinary Meeting of April 28, 2005, which approved a two-for-one stock split, with share capital at that date comprising 903 million shares (versus 451.5 million shares previously). Based on this number of shares, the dividend per share in 2004 would have been €0.464 instead of €0.927 as approved by the Ordinary and Extraordinary Shareholders' Meeting of March 29, 2005.

20.5.6 STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The statutory auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2008, on:

- the audit of the accompanying financial statements of GDF SUEZ;
- the justification of our assessments;
- the specific verifications and information required by French law.

The financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, the significant estimates made, and evaluating the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and assets and liabilities of the Company at December 31, 2008 and the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

Without qualifying our opinion, we draw your attention to the matters discussed in the Notes A, B-4 and B-5 to the financial statements which describe the changes made to the presentation of financial statements and to the accounting policies relating to the accounting of transaction fees directly attributable to equity investments and of bond issue costs.

II - Justification of our assessments

The accounting estimates used in the preparation of the financial statements for the year ended December 31, 2008 were prepared in a context of heavy market volatility and limited visibility regarding the future which makes it difficult to understand economic outlooks. It is in this context and in accordance with Article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments that we conducted our own assessments, which we bring to your attention:

- As stated in Note A to the financial statements, equity investments which GDF SUEZ intends to hold on a long-term basis are written down if value in use falls below cost. As part as our assessment of significant estimates performed to prepare the financial statements, we have examined the data and the assumptions used to find the value in use and we ensured of the reasonableness of the estimates.
- Concerning sales of gas to customers whose energy consumption is metered during the accounting period, the Group prepared an estimate of the revenues based on historical data of consumptions as well as the estimated selling price. Our work consisted in examining methods and assumptions used to calculate these estimates and verifying that Note A to the financial statements provides appropriate disclosure.
- Regarding provisions, in particular provisions for litigation, we have assessed the bases on which these provisions have been established et verified that Notes A and C-11B7 to the financial statements provide appropriate disclosure.
- Notes A and C-22 to the financial statements relating to retirement plans and other commitments to employees describe the measurement method and the accounting of the obligations resulting from electricity ans gas industry retirement plan and the value of insurance contracts entered into to meet these obligations. As part as our assessment of significant estimates performed to prepare the financial statements, we have examined the data and actuarial assumptions used to measure these obligations as well as informations disclosed by the Company, given that these commitments are not subject to provision for their entirety, in accordance with the option proposed by the French accounting principles. We ensured of the reasonableness of the estimates.

- Note C-21 to the financial statements relating to off-balance sheet commitments describes financial derivative instruments commitments used by the Company as at December 31, 2008. Regarding the valuation of financial derivative instruments that are not listed on regulated financial markets, the Group uses internal models representative of market practices. Our work consisted in examining the system for monitoring these models and assessing the data and assumptions used, including those applied to assess, in the context of the financial crisis, the counterparty risk taken into account to value financial derivative instruments. We have also verified that Note C-21 to the financial statements provide appropriate disclosure.

The assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III - Specific verifications and information

We have also performed the specific verifications required by law.

We have no matters to report regarding:

- the fair presentation and the conformity with the financial statements of the information given in the directors' report and in the documents addressed to the shareholders with respect to the financial position and the financial statements;
- the fair presentation of the information given in the directors' report in respect of remunerations and benefits granted to the relevant directors and any other commitments made in their favour in connection with, or subsequent to, their appointment, termination or change in current function.

In accordance with the law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names of the principal shareholders and holders of voting rights has been properly disclosed in the directors' report.

Neuilly-sur-Seine and Paris-La Défense, April 1st, 2009

The statutory auditors

Deloitte & Associés		ERNST & YOUNG et Autres		Mazars	
Jean-Paul Picard	Pascal Pincemin	Christian Mouillon	Nicole Maurin	Philippe Castagnac	Thierry Blanchetier

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20.6 DIVIDEND DISTRIBUTION POLICY

GDF SUEZ endeavors to carry out a dynamic dividend distribution policy providing an attractive return compared with the sector. This policy aims to pay out more than 50% of recurring Group net income and provide average annual dividend growth of 10-15% between 2007[1] and 2010. The Group will also have the potential to pay out additional dividends, while maintaining a share buyback program.

Nevertheless, the objectives described above do not constitute a commitment by the company, and future dividends will be assessed on a year-by-year basis depending on the company's results, financial position and any other factor considered appropriate by the Board of Directors when preparing its recommendations to Shareholders' Meetings.

In view of the above, the Group's strong 2008 results and the favorable outlook for each of its businesses, the Board of Directors, acting on the recommendation of the Audit Committee, decided at its October 22, 2008 meeting to pay an interim dividend with respect to 2008 of €0.8 per share, as of November 27, 2008.

The Board of Directors, at its meeting of March 4, 2009, decided to recommend to the May 4, 2009 General Shareholders' Meeting a total dividend for 2008 of €2.20, breaking down as follows:

- €1.40 of dividend paid in accordance with the recurring dividend distribution policy, including €0.80 which was paid as an interim dividend on November 27, 2008;
- a non-recurring special dividend of €0.80.

Each shareholder may choose between a payment in cash or in shares for the portion of dividend corresponding to the non-recurring special dividend of €0.80.

For shareholders who opt for a cash payment, the dividend will be paid on June 4, 2009. For shareholders who opt for the payment of the dividend in shares, the shares will be delivered on the same date.

The portion of the dividend which is not eligible for the option of payment in shares, i.e., €0.60, will be paid in cash on May 11, 2009.

The dividend increase reflects the GDF SUEZ Group's dynamic shareholder remuneration program, which seeks to remain in line with profit trends while offering a return on investment that is competitive with the sector as a whole.

In 2008, this dividend payout policy was complemented by share buyback programs.

DIVIDEND PER SHARE

● GAZ DE FRANCE DIVIDENDS OVER THE LAST FIVE YEARS (AFTER ADJUSTMENT FOR THE TWO-FOR-ONE STOCK SPLIT APPROVED BY THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 28, 2005)

Fiscal year (in euros) (fully paid up shares)	Net ordinary dividend per share	Tax credit	Gross dividend per share
2003	N/A	N/A	N/A
2004 [a]	0.46	-	0.46
2005	0.68	-	0.68
2006	1.10	-	1.10
2007	1.26	-	1.26

(a) In order to permit meaningful comparison with 2005, the per share dividend has been adjusted to reflect the decision of the Ordinary and Extraordinary Shareholders' Meeting of April 28, 2005 to approve the two-for-one stock split, with Gaz de France's share capital at that date comprising 903 million shares versus 451.5 million shares previously. On this basis, the per share dividend for 2004 would have amounted to €0.464 instead of €0.927, as approved by the Ordinary Shareholders' Meeting of March 29, 2005.

(1) Based on the dividend paid by Gaz de France in 2007 with respect to 2006 (€1.1 per share). Former SUEZ shareholders will also receive the 2009 dividend paid by SUEZ Environnement Company with respect to 2008.

- SUEZ DIVIDENDS OVER THE LAST FIVE YEARS (AFTER ADJUSTMENT FOLLOWING THE CASH CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS ON OCTOBER 12, 2005)

Fiscal year (in euros) (fully paid up shares)	Net ordinary dividend per share	Tax credit	Gross dividend per share
2003	0.70	0.35	1.05
2004	0.79	-	0.79
2005	1.00	-	1.00
2006	1.20	-	1.20
2007	1.36	-	1.36

After a period of five years, unclaimed dividends are automatically paid to the French Treasury.

20.7 LEGAL AND ARBITRATION PROCEEDINGS

The Group is party to a number of legal and arbitration proceedings with third parties or with the tax authorities of certain countries in the normal course of its business. The main proceedings at the date of issue of the Reference Document are presented hereafter. Provisions are recorded for these proceedings when (i) a legal, contractual, or implied obligation exists at the balance sheet date with respect to a third party; (ii) it is probable that an outflow of resources embodying economic benefits will be required in order to settle the obligation with no consideration in return; and (iii) a sufficiently reliable estimate can be made of this obligation. Provisions recorded in respect of these legal and arbitration proceedings totaled €1,280.5 million at December 31, 2008.

20.7.1 RUE DE LA MARTRE

On December 26, 2004, a gas explosion at 12 rue de la Martre in Mulhouse, France resulted in 17 deaths and significant material damage. The judicial experts' report attributes the cause of the explosion to a "crack" in Gaz de France's distribution pipeline discovered the day after the explosion. Consequently, the company was placed under judicial investigation on 21st March, 2006.

Following the investigation, the former Gaz de France (now GDF SUEZ), which does not contest the cause of the explosion nor its criminal responsibility, was summoned before the Mulhouse Criminal Court by order dated November 7, 2008, for involuntary manslaughter and injuries, as well as for involuntary destruction of third party property by fire or explosion. The hearings took place from March 9 to March 19, 2009 and the judgement is due on June 8, 2009.

The Public Prosecuter of France called for the corporate entity to pay a fine of € 225,000 for involuntary homicide and €120,000 for involuntary injuries.

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20.7.2 GHISLENGHIEN

Following an explosion caused by the disruption of Fluxys' gas transit pipeline in Ghislenghien, Belgium, on July 30, 2004, which resulted in 24 deaths and over 130 injuries, Electrabel, a GDF SUEZ subsidiary, was one of 22 natural or legal persons to be indicted for involuntary manslaughter and injuries due to failure to take protective or precautionary measures.

The public prosecutor requested that Electrabel and Fluxys be summoned before the criminal court for involuntary manslaughter and bodily injuries, as well as for contravening the Act of August 4, 1996 on the welfare of workers. The court dismissed the charges against Electrabel on January 16, 2009.

20.7.3 QUEEN MARY

Following the collapse of a footbridge leading onto the Queen Mary II ocean liner in St Nazaire on November 15, 2003, as a result of which 15 people died and 30 or so people were injured, a third party claim was brought against Endel, a GDF SUEZ subsidiary, with respect to the assembly of hired footbridges leading from the dock to the liner. By decision of February 11, 2008 rendered by the criminal court of Saint Nazaire, Endel was sentenced to a fine of €150,000 for involuntary manslaughter and 11 fines of €2,500 for involuntary injuries. The four employees of Endel charged with involuntary manslaughter and injuries were acquitted in the absence of established misconduct. Les Chantiers de l'Atlantique and Endel were ordered, jointly and severally, to indemnify the victims.

The public prosecutor of Saint Nazaire appealed the decision. The judgement is due on July 2, 2009. The Public Prosecuter called for the corporate entity Endel, a GDF SUEZ subsidiary, to pay a fine of €225,000 euros for involuntary homicide and €82,500 for involuntary injuries.

20.7.4 ELECTRABEL – THE HUNGARIAN GOVERNMENT/EUROPEAN COMMISSION

Electrabel, a GDF SUEZ subsidiary, filed international arbitration proceedings against the Hungarian government before the International Centre for Settlement of Investment Disputes (ICSID), for breach of obligations under the Energy Charter Treaty. The dispute mainly concerns (i) electricity prices set in the context of a long-term power purchase agreement (PPA) entered into between the power plant operator Dunamenti (a subsidiary of Electrabel) and MVM (a company controlled by the Hungarian government) on October 10, 1995, and (ii) allocations of CO_2 emission allowances in Hungary. The arbitration tribunal has temporarily suspended its investigation into certain issues over which the Hungarian government claims it lacks jurisdiction, but has authorized Electrabel, a GDF SUEZ subsidiary, to file an additional claim for damages.

The European Commission petitioned the arbitration tribunal for *amicus curiae* participation on August 13, 2008, pursuant to its June 4, 2008 decision, according to which the long term PPAs in force at the time of Hungary's accession to the European Union constituted incompatible State aid. Following this decision, the Hungarian government passed a law to terminate PPAs with effect from December 31, 2008 and took execution measures to terminate such agreements and to recover the related State aid from the power generators. Dunamenti, a GDF SUEZ company, may consider appealing the Commission's decision and any decision of the Hungarian authorities which harms its interests.

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20.7.5 SLOVAK GAS HOLDING – SLOVAK REPUBLIC

Slovak Gas Holding (SGH) has taken preliminary steps towards international arbitration proceedings against the Slovak State for breach of obligations under (i) the Bilateral Treaty entered into between the Slovak and Czech Republic on the one hand and the Netherlands on the other hand (the “Bilateral Treaty”), and (ii) the Energy Charter Treaty. SGH is held with equal stakes by GDF SUEZ and E.ON and holds a 49% interest in Slovenský plynárenský priemysel, a.s. (“SPP”), the remaining 51% being held by the Slovak Republic through the National Property Fund.

The dispute relates to the legal and regulatory framework, which the Slovak Republic has recently amended or established in view of controlling SPP’s ability to request price increases to cover gas selling costs.

Discussions are currently underway between the parties by virtue of a mandatory six-month discussion period.

20.7.6 ARGENTINA

SUEZ and certain other shareholders of water distribution and treatment concession operators in the greater Buenos Aires area (Aguas Argentinas in Buenos Aires, Aguas Provinciales de Santa Fe in Rosario and Aguas Cordobesas in Cordoba) launched arbitration proceedings against the Argentine government in 2003 before the ICSID pursuant to the Franco-Argentine Bilateral Investment Protection Treaties. The aim of these proceedings is to obtain compensation for the loss of value of their investments, due to measures taken by the Argentine government following the adoption of the Emergency Act in 2002, which froze tariffs under concession contracts.

The arbitration proceedings are still underway, except those relating to Aguas Cordobesas. SUEZ sold its controlling interest in Aguas Cordobesas to the private Argentine group Roggio in 2006 as well as its residual 5% interest in Aguas Cordobesas to SUEZ Environnement Company upon the listing of the latter. The arbitral awards should be rendered in 2009.

Alongside the arbitration proceedings, the concession operators have instituted proceedings before the Argentine courts against the decisions by the authorities to terminate the concession contracts which led to the court-protected restructuring of Aguas Argentinas and the voluntary liquidation of Aguas Provincales de Santa Fe.

Banco de Galicia, a minority shareholder of Aguas Argentinas, which was excluded from the arbitration proceedings, has withdrawn the action it initiated for abuse of majority shareholder power following the buy-back by GDF SUEZ of its interests in Aguas Argentinas and Aguas Provinciales de Santa Fe. The claim filed by Aguas Lenders Recovery Group, in order to obtain the payment by SUEZ, Agbar and AYSA of US$130 million owed by Aguas Argentinas to unsecured lenders, has also been withdrawn.

Prior to its merger with Gaz de France, SUEZ entered into an agreement with SUEZ Environnement providing for the economic transfer to SUEZ Environnement of the rights and obligations relating to the ownership interest held by SUEZ in Aguas Argentinas and Aguas Provinciales de Santa Fe. Details of this agreement are provided in chapter 16.2 of this Reference Document.

20.7.7 TOGO ELECTRICITÉ

SUEZ Energy Services, renamed GDF SUEZ Energy Services, is party to arbitration proceedings instituted in March 2006 before the ICSID by Togo Electricité, a GDF SUEZ subsidiary, against the Togolese government, following the adoption of decrees by the government which terminated the concession contract held by Togo Electricité since December 2000 for the management of Togo’s public power distribution service.

The Togolese government took possession of all of the assets of Togo Electricité in February 2006, without indemnification. It instituted several proceedings, including proceedings instituted first against Togo Electricité, then subsequently extended to GDF SUEZ Energy Services, seeking an order for payment by the two companies of compensation between FCFA 27 billion and FCFA 33 billion (between €41 million and €50 million) for breach of contract. However, as the contract contained an arbitration clause, Togo Electricité instituted the arbitration proceedings referred to above.

The first hearings of the arbitration tribunal should take place in May 2009 and an award could be rendered at the end of the year.

20.7.8 COMPETITION AND INDUSTRY CONCENTRATION

- On May 22, 2008 the European Commission announced its decision to open formal proceedings against Gaz de France for a suspected breach of EC rules on abuse of dominant position and restrictive business practices. As the Commission makes clear in its press release, "*the initiation of proceedings does not imply that the Commission has proof of an infringement*", it only signifies that the Commission will conduct an in-depth investigation of the case. The investigation relates in particular, to a combination of long-term reservation of transport capacity and a network of import agreements, as well as potential underinvestment in transport and import infrastructure capacity.
- On June 11, 2008, Gaz de France received a statement of objections from the Commission in which it voices its suspicions of collusion with E.ON resulting in the restriction of competition on their respective markets regarding, in particular, natural gas supplies transported via the Megal pipeline. GDF SUEZ filed observations in reply on September 8, 2008. A hearing took place on October 14, 2008 following which the decision of the European Commission is still pending.
- On December 17, 2008, the Group received a statement of objections in the case regarding its acquisition of Compagnie Nationale du Rhône. The European Commission claims that GDF SUEZ failed to file their transaction at the end of 2003 when, according to the Commission, the Group knew it had acquired control. The Group filed observations in reply on February 16, 2009. The outcome of the proceedings will have no impact on the Group's acquisition of Compagnie Nationale du Rhône, which the Commission approved on April 29, 2008, as only procedural aspects (time limits) are being questioned. GDF SUEZ is currently unable to determine the potential impact of these proceedings initiated by the European Commission.
- Alongside its energy sector inquiry, on which the final report was presented on January 10, 2007, the Commission completed its review of long-term contractual framework established upon the privatization of power generation in Hungary and Poland. It has asked the Hungarian and Polish governments to review these contractual frameworks and, where necessary, to indemnify the parties to the agreements. The Group is directly concerned by this move, in its capacity as contracting party in Hungary (Dunamenti) and in Poland (Polaniec). The agreement in Poland terminated on the contractually agreed date. In Hungary, discussions with the government are still in progress regarding the financial consequences of the termination of the PPA with MVM on January 1, 2009.
- The European Commission also started an investigation on the term of the electricity supply contracts entered into by certain European producers in their historical markets. Electrabel, a GDF SUEZ subsidiary, is fully cooperating with the Directorate-General for Competition on this issue. The inquiry into the rise of gas prices (retail supply contracts) initiated by the rapporteurs of the Belgian Competition Council announced by Electrabel Customer Solutions at the beginning of summer 2007 has been completed. The rapporteurs did not find any indication that Electrabel had infringed competition rules.
- In its decision of July 11, 2002, the French Antitrust Council ruled that the existence of equal stakes in water distribution companies held by Compagnie Générale des Eaux (a subsidiary of Veolia Environment) and Lyonnaise des Eaux France (a subsidiary of SUEZ Environnement) created a collective dominant position between the two groups. Although the Antitrust Council did not impose sanctions against the two companies, it requested the French Minister of the Economy to order the two companies to modify or terminate the agreements under which their resources are combined within joint subsidiaries in order to lift the barrier to competition. As part of the Minister of the Economy's investigation, the two companies were asked to unwind their cross-holdings in these joint subsidiaries. As of the date of publication of this Reference Document, Lyonnaise des Eaux France and Veolia Eau-Compagnie Générale des Eaux have decided to comply with the Minister's decision and entered into an agreement in principle to this effect on December 19, 2008.

20.7.9 FOS CAVAOU

By order dated December 15, 2003 in respect of facilities subject to environmental protection (ICPE) the Prefect of the Bouches du Rhône region authorized Gaz de France to operate an LNG terminal in Fos Cavaou. The permit to build the terminal was issued the same day by a second prefectoral order. These two orders have been challenged in court.

The order authorizing the operation of the terminal, issued in respect of ICPE, is subject to two actions for annulment before the Administrative Court of Marseille, one filed by the *Association de Défense et de Protection du Littoral du Golfe de Fos-sur-Mer* (ADPLGF) and the other by a private individual. No decisions have been handed down to date.

The two actions for annulment of the building permit filed with the Administrative Court of Marseille, one by the Fos-sur-Mer authorities and the other by the *Syndicat d'agglomération nouvelle* (SAN), were dismissed by the Court on October 18, 2007. The Fos-sur-Mer authorities appealed this decision on December 20, 2007. The appeal is still pending.

20.7.10 UNITED WATER

A claim for compensatory damages of US$60 million and punitive damages of the same amount was filed by flood victims residing in the Lake DeForest area (State of New York, USA) against United Water, a GDF SUEZ subsidiary, for negligence in the maintenance of the local dam and reservoir.

The claim was filed pursuant to torrential rain, which caused the rainwater drainage system operated by United Water to overflow. United Water is not responsible for maintenance of the dam and the reservoir and considers that the claim should be dismissed.

20.7.11 SQUEEZE-OUT BID FOR ELECTRABEL SHARES

On July 10, 2007, Deminor and two other funds initiated proceedings before the Brussels Court of Appeal against SUEZ and Electrabel under which they sought additional consideration following the squeeze-out bid launched by SUEZ in June 2007 on Electrabel shares that it did not already own. By decision dated December 1, 2008, the Court of Appeal ruled that the claim was unfounded.

Individuals MM Geenen and others initiated similar proceedings before the Brussels Court of Appeal, which were rejected on the grounds that the first process was invalid. A new first process was filed, without Electrabel and the Belgian Banking, Financial and Insurance Commission being summoned to the proceedings. The case was heard on October 21, 2008 and judgment has been reserved.

20.7.12 CLAIMS BY THE BELGIAN TAX AUTHORITIES

The Special Inspection department of the Belgian tax authorities is claiming €188 million from SUEZ-Tractebel SA, a GDF SUEZ subsidiary, concerning past investments in Kazakhstan. SUEZ-Tractebel has filed a recourse with the administrative court against these claims which, based on the advice of legal counsel, it considers unfounded.

The Belgian tax authorities also challenged the applicability of the Belgium-Luxembourg convention for the prevention of double taxation to income generated in Luxembourg by the branches EFTM and TCMS and the permanent establishments of the partners of associations en participation (partnerships governed by the laws of Luxembourg) managed by those branches. They notified a €107 million adjustment in respect of the period 2003-2005. The Group considers that the adjustment is unfounded and the subsidiaries concerned have appealed.

20.7.13 CLAIM BY THE FRENCH TAX AUTHORITIES

In their tax deficiency notice dated December 22, 2008, the French tax authorities questioned the tax treatment of the sale of a tax receivable by SUEZ in 2005 for an amount of €995 million. The company intends to contest the tax authorities' position, which it considers unfounded. Consequently, it has not set aside a provision for the financial consequences of the dispute.

20.7.14 CLAIM BY THE US TAX AUTHORITIES

The US subsidiary of GSEI was recently subject to a tax audit by the IRS, who rejected the deduction of interest on loans taken out with Group subsidiaries and banks. An adjustment of US $ 260 million was notified in respect of 2004 and 2005. A provision was recorded at December 31, 2008 subject to all reservations and without any prejudice to the Group. The Group contests both the adjustment and its amount, and will assert its position through any and all legally permissible means.

GDF SUEZ is not aware of any other legal or arbitration proceedings which are likely to have, or have recently had, a material impact on the financial position, results of operations, business or assets of the Company or the Group.

20.8 SIGNIFICANT CHANGE IN THE FINANCIAL OR COMMERCIAL SITUATION

See chapter 20.2 note 29 “Subsequent events” and chapter 21 “Additional information”

The 31st march 2009, SUEZ ENVIRONNEMENT succeeded in the placement of a €1.8 billion bond.

The transaction has two tranches:

- €1 billion with 5 year maturity, coupon rate of 4.875%, maturity date April, 8, 2014
- €800 millions with 10 year maturity, coupon rate of 6.25%, maturity date April, 8, 2019

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ADDITIONAL INFORMATION

SHARE CAPITAL

At January 21, 2009, the share capital of GDF SUEZ was increased to €2,193,643,820, divided into 2,193,643,820 fully paid-up shares with a par value of €1 each, following the exercise of stock purchase or subscription options previously approved by SUEZ and taken over by GDF SUEZ after the merger between Gaz de France and SUEZ on July 22, 2008. The impact of the exercise of these options was included in the financial statements for the year ended December 31, 2008.

Gaz de France shares, which were listed on the Eurolist of Euronext Paris (sub-fund A) since July 8, 2005 became GDF SUEZ shares after the merger of Gaz de France and SUEZ on July 22, 2008, and are now listed using the ISIN code FR0010208488 and mnemonic code GSZ. From this date onwards, they have also been listed on Euronext Brussels and on the Luxembourg stock exchange. GDF SUEZ shares are included in the CAC 40 index; the main index published by NYSE Euronext Paris, and are eligible for the deferred settlement service (SRD). GDF SUEZ appears in all the major international stock indexes: CAC 40, BEL 20, Dow-Jones STOXX 50, Dow-Jones EURO STOXX 50, Euronext 100, FTSE Eurotop 100, FTSE Eurotop MSCI Europe and ASPI Eurozone.

In line with Article 24.1 of Law no. 2004-803 of August 9, 2004 and Decree no. 2007-1790 of December 20, 2007, the share capital of GDF SUEZ includes a golden share resulting from the transformation of an ordinary share belonging to the French State, and aiming to preserve the essential interests of France in the energy sector, and notably the continuity and safety of energy supply. In application of Law no. 2006-1537 of December 7, 2006 relating to the energy sector, the State's golden share entitles the State to indefinitely disagree, via decree invoked by the Minister of Economic Affairs, with any decision made by the Company, or any company representing the Company's rights and obligations, and its subsidiaries governed by French law, which directly or indirectly aim to sell in any form whatsoever, transfer operations, assign as surety or guarantee or change the intended use of the following assets:

- natural gas transmission pipelines located on the national territory;
- assets related to the distribution of natural gas on the national territory;
- underground natural gas storage located on the national territory;
- liquefied natural gas facilities located on the national territory,

if it believes such a decision to be contrary to the essential interests of France in the energy sector, notably for the continuity and safety of energy supply.

The decisions aforementioned are deemed to be authorized if the Minister of Economic Affairs does not disagree with them within one month from the date of declaration, as recorded by a receipt issued by the administration. This period may be extended for a period of 15 days by order of the Minister of Economic Affairs. Before the expiration of the aforementioned one-month period, the Minister of Economic Affairs may waive the right to oppose. Should there be a disagreement, the Minister of Economic Affairs will communicate the reasons for his/her decision to the company in question. The decision of the Minister of Economic Affairs may be appealed.

Pursuant to Decree no 93-1296 of December 13, 1993, any transaction executed in violation of Decree no 2007-1790 of December 20, 2007 is automatically null and void.

At the time of the merger, and pursuant to American regulations, GDF SUEZ is registered with the US Securities and Exchange Commission (SEC). The SUEZ ADR level 1 program which existed prior to the merger became the GDF SUEZ ADR level 1 program. ADRs are not listed on the American stock exchange but are subject to transactions on the Nasdaq unlisted securities market.

● TRADING VOLUMES AND HIGH AND LOW PRICES OF GAZ DE FRANCE SHARES IN PARIS

	High *(euros)*	Low *(euros)*	Trading volume [(a)]
2007			
January	35.88	32.74	1,748,068
February	35.58	33.31	1,612,097
March	34.77	32.34	1,867,588
April	35.74	34.19	1,310,041
May	38.00	35.20	1,580,000
June	37.49	34.32	1,493,235
July	38.40	33.65	1,309,350
August	36.80	31.90	1,491,693
September	36.44	33.03	1,984,219
October	39.68	36.46	1,156,744
November	39.90	37.57	1,350,474
December	40.64	38.35	1,109,286
2008			
January	42.53	33.68	2,260,468
February	38.26	35.89	1,439,713
March	38.71	36.87	2,015,563
April	43.44	39.06	1,334,261
May	43.95	40.94	1,615,286
June	44.73	40.61	1,427,908
July (until July 22, 2008)	43.76	38.41	6,117,268

(a) Daily average (source: Bloomberg).

● TRADING VOLUMES AND HIGH AND LOW PRICES OF SUEZ SHARES IN PARIS

	High (euros)	Low (euros)	Trading volume [a]
2007			
January	36.54	33.66	6,611,078
February	35.33	33.17	4,492,573
March	36.23	32.23	7,014,218
April	38.02	35.91	5,235,491
May	39.44	37.87	4,911,998
June	38.49	35.74	6,259,068
July	38.50	34.52	4,631,506
August	37.81	32.76	6,240,113
September	37.41	33.87	7,361,595
October	40.70	37.51	5,486,494
November	41.67	39.86	5,904,984
December	42.67	40.95	4,683,302
2008			
January	44.01	34.46	8,178,309
February	38.75	36.82	4,993,071
March	38.47	36.32	6,526,743
April	41.82	38.36	4,524,799
May	43.39	39.85	4,746,949
June	43.78	38.82	4,668,170
July (until July 22, 2008)	40.86	36.41	9,364,276

(a) Daily average (source: Bloomberg).

● TRADING VOLUMES AND HIGHS AND LOWS PRICES OF GDF SUEZ SHARES IN PARIS

	High (euros)	Low (euros)	Trading volume [a]
2008			
July (from July 22, 2008)	43.50	40.27	5,574,355
August	39.88	36.27	4,354,653
September	40.00	33.35	6,720,174
October	36.81	24.30	11,364,575
November	36.22	30.97	6,542,261
December	35.33	27.37	5,275,020
2009			
January	35.94	30.07	4,291,391
February	32.13	25.53	5,429,007

(a) Daily average (source: Bloomberg).

POTENTIAL CAPITAL

The Company's potential capital as of December 31, 2008 was 39,167,750 shares that could result from the exercise of stock subscription options.

At such date, the dilution percentage in the event of the exercise of these stock subscription options would represent 1.79% of the capital, being specified that the State's interest in the Company's capital remains above one-third, in compliance with Article 24 of Law no. 2004-803 of August 9, 2004, as amended by Article 39 of Law no. 2006-1537 of December 7, 2006.

The tables relating to the various stock option plans are set out in Note 24 of Section 20.2 relating to financial information.

PLEDGES, GUARANTEES AND COLLATERAL

Pledges of assets

The percentage of shares pledged is not significant.

Other pledges

Millions of euros	Total value	2009	2010	2011	2012	2013	from 2014 to 2018	> 2018	Account total	corresponding %
Intangible assets	21.1	8.1	1.0	0.9	0.8	0.8	0.3	9.2	10,691.6	0.2%
Property, plant and equipment	2,417.1	421.6	37.3	33.6	43.0	47.5	304.1	1,530.0	63,482.1	3.8%
Equity investments	1,192.9	155.8	6.4	7.2	36.2	243.1	411.5	332.7	6,413.3	18.6%
Bank accounts	68.0	63.3	0.6	0.0	0.7	0.0	2.4	1.0	9,049.3	0.8%
Other assets	132.9	36.8	0.4	24.8	13.7	2.1	22.2	32.9	32,691.0	0.4%
TOTAL	**3,832.0**	**685.6**	**45.7**	**66.5**	**94.4**	**293.5**	**740.5**	**1,905.8**	**122,327.3**	**3.1%**

Note: the total amount of the pledge relating to equity instruments may relate to consolidated equity instruments with zero value in the consolidated balance sheet (elimination of these equity instruments upon consolidation).

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21.1 AMOUNT OF SUBSCRIBED CAPITAL

The following transactions marked 2008 and the beginning of 2009:

- on July 22, 2008, the creation of 1,207,660,692 new shares of a par value of €1 each, which are fully subscribed and paid up, cum dividend, as part of the capital increase to remunerate SUEZ's contribution to Gaz de France under the merger;
- on January 21, 2009, the creation of 2,111,140 new shares, which have been fully subscribed and paid up, resulting from the share subscription options previously granted by SUEZ and taken over by GDF SUEZ as part of the commitments made by the Ordinary and Extraordinary Shareholders Meeting of July 16, 2008 that approved the merger-takeover of SUEZ by Gaz de France. Said new shares were recorded in GDF SUEZ's financial statements at December 31, 2008.

A Total of, 1,209,771,832 GDF SUEZ shares were issued between July 22, 2008 and January 31, 2009.

21.1.1 AUTHORIZED UNISSUED CAPITAL

The Company's shareholders delegated the following powers and authorisations in relation to financial matters to the Board of Directors at the Ordinary and Extraordinary Shareholder's meeting of July 16, 2008:

● AUTHORIZATIONS GRANTED BY THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING HELD ON JULY 16, 2008

Resolution	Type of delegation of authority	Validity and expiration	Maximum nominal amount per authorization *(in millions of euros or percentage of capital)*	Amounts utilized *(in number of shares issued or as a percentage of capital)*	Remaining balance *(as a percentage of capital)*
13th	Capital increase, either by issuing, with preferential subscription rights, shares and/or securities that may be converted into shares of the Company or subsidiaries either by capitalizing premiums, reserves, profits or other reserves	26 months (up to September 16, 2010)	**€250 million** for shares (*) (corresponding to a capital increase of 11.41%) or total of amounts that may be capitalized in the event of the capitalization of premiums, reserves, profits or other reserves + **€5 billion** for debt securities (*)	None	Full amount of the authorization
14th	Capital increase, either by issuing, without preferential subscription rights, shares and/or securities that may be converted into shares of the Company or subsidiaries or of shares of the Company to which the securities to be issued by the subsidiaries would grant entitlement, including in order to remunerate securities contributed under a Public Offer of Exchange or, within the limit of 10% of the share capital, contributions in kind granted to the Company and comprised of capital securities	26 months (up to September 16, 2010)	**€250 million** for shares (*) (corresponding to a capital increase of 11.41%) + **€5 billion** for debt securities *	None	Full amount of the authorization

16th	Capital increase by the issue of shares and/or securities that may be converted into shares of the Company within the limit of 10% of the share capital in order to remunerate the contributions in kind granted to the Company and comprised of capital securities	26 months (up to September 16, 2010)	**€250 million** for shares (*) (corresponding to a capital increase of 11.41%) + €5 billion for debt securities *	None	Full amount of the authorization
17th	Capital increase reserved for employees members of a GDF SUEZ Group Saving Plan	26 months (up to September 16, 2010)	**€40 million** i.e. 40 million shares (approximately 1.83% of the capital)	None	Full amount of the authorization
18th	Capital increase, without preferential subscription rights, in favor of all entities whose exclusive object is to favor access to the share capital GDF SUEZ by the Group's foreign employees	18 months (up to January 16, 2010)	**€20 million** i.e. 20 million shares (approximately 0.91% of the capital)	None	Full amount of the authorization
20th	Capital increase by the issue of shares and/or issue of securities that may be converted into shares of the Company or subsidiaries by capitalizing premiums, reserves, profits or other reserves.	26 months (up to September 16, 2010)	**€250 million** for shares (*) (corresponding to a capital increase of 11.41%) or the total amounts that may be capitalized in the event of the capitalization of premiums, reserves, profits or other reserves + **€5 billion** for debt securities (*)	None	Full amount of the authorization
21st	Authorization to allocate bonus shares to corporate officers and employees of the Company and/or companies of the Group	12 months (up to July 16, 2009)	Maximum interest: 0.5% of capital Chargeable on the 0.5% of the 22nd resolution approved by the Annual Shareholders' Meeting of July 16, 2008	Allocation on November 12, 2008 of 1,812,548 existing performance shares, i.e. 0.1% of the capital at 12/31/2008	i.e. 0.4% of the capital and 0.1% factoring in subscription options charged to the same budget allowance
22nd	Delegation to be granted to the Board of Directors to grant share subscription and purchase options to corporate officers and to employees of the Company and/or companies of the Group	12 months (up to July 16, 2009)	Maximum interest: 0.5% of capital	Allocation on November 12, 2008 of 7,645,990 share purchase options, i.e. 0.3% of the capital at 12/31/2008	0.2% of capital
23rd	Authorization to reduce the capital by cancelling treasury stock	26 months (up to September 16, 2010)	10% of the share capital per 24-month period	None	Full amount of the authorization
24th	Authorization to trade in the Company's own shares	18 months (up to January 16, 2010)	Maximum purchase price: **€55** Maximum interest: 10% of capital Aggregate amount of acquisitions: ≤ **€12 billion**	GDF SUEZ holds 2.20% of its capital at December 31, 2008	7.80% of capital

* *This is a common global limit set for the 13th, 14th, 15th, 16th, 17th and 18th resolutions of the Annual Shareholders' Meeting of July 16, 2008.*

21.1.2 NON EQUITY

Irredeemable and non-voting securities

The Company (formerly Gaz de France) issued irredeemable and non-voting securities in 1985 and 1986 in two tranches, A and B. Only tranche A securities are outstanding; Tranche B securities were fully repaid in 2000.

● FEATURES OF TRANCHE A SECURITIES

Unit par value	€762.25	
Remuneration (*)	Fixed portion	63% of the average bond rate
	Variable portion	depends on the added value of GDF SUEZ
Repurchase	Possible redemption at any time of all or part on the Stock Exchange as the Company wishes.The ecurities thus repurchased shall be cancelled. The securities may be repaid in full or in part as the Company wishes at a price equal to 130% of the par value.	
Stock exchange listing	Paris	
ISIN code	FR 0000047748	

(*) *The minimum annual remuneration is 85% of the average bond rate and the maximum annual remuneration is 130% of the average bond rate.*

As of December 31, 2008, there were 629,887 non-voting tranche A shares outstanding, representing a nominal outstanding of €480,131,365.75. Their total market value, based on closing price on December 30, 2008 (€800), was €503,909,600.

● REMUNERATION OF TRANCHE A SECURITIES OVER THE LAST THREE YEARS

In euros	2006	2007	2008
Fixed remuneration	18.70	21.03	22.11
Variable remuneration	37.14	41.07	43.37
Theoretical total remuneration	55.84	62.11	65.48
Minimum remuneration	25.24	28.38	29.84
Maximum remuneration	38.60	43.40	45.63
Gross remuneration per security	38.60	43.40	45.63

GDF SUEZ is governed by the provisions of Articles R. 228-49 and of the French Commercial Code *(Code de commerce)* applicable to issuers of irredeemable and non-voting securities and must, in this respect, under Article R. 228-67 of the French Commercial Code, call a General Meeting of holders of said securities by placing a notice in the *Bulletin des Annonces Légales Obligatoires* (Bulletin of Mandatory Legal Announcements or BALO).

● TRADING VOLUMES AND HIGH AND LOWS PRICES OF THE TRANCHE A SECURITIES

	High *(euros)*	Low *(euros)*	Trading volume *(securities)*
2005			
January	970	961	1,263
February	977	966	304
March	975	970	648
April	979	970	304
May	980	975	226
June	989	975	442
July	981	977	170
August	987	977	163
September	992	980	139
October	990	955	470
November	969	955	238
December	965	953	266
2006			
January	965	912	245
February	959	910	878
March	965	915	729
April	960	915	664
May	960	915	894
June	958	924	1,056
July	949	924	224
August	950	921	513
September	950	922	946
October	950	920	1,167
November	912	900	961
December	912	889	2,887
2007			
January	912	906	631
February	910	906	795
March	915	908	185
April	915	905	1,159
May	915	905	525
June	924	906	420
July	924	906	656
August	921	906	1,035
September	922	907	689
October	920	883	723
November	900	881	858
December	889	871	493

2008			
January	883	850	901
February	864	849	947
March	855	819	1,055
April	836	810	607
May	845	800	203
June	824	812	992
July	847	792	814
August	880	858	457
September	879	835	409
October	851	745	488
November	775	745	583
December	800	750	377
2009			
January	810	800	541
February	801	781	904

Euro Medium Term Notes ("EMTN") Program

At the date of the merger on July 22, 2008 Gaz de France had a Euro Medium Term Notes ("EMTN") program of an amount of €4 billion that has not been updated.

At the date of the merger on July 22, 2008 SUEZ had a €10 billion EMTN program with SUEZ Finance, GIE SUEZ Alliance, Electrabel and Belgelec Finance as issuers and GIE SUEZ Alliance as guarantor.

On October 7, 2008, this €10 billion program was updated with GDF SUEZ and Electrabel as issuers and GDF SUEZ as guarantor.

On January 20, 2009, the amount of the program was increased to €15 billion.

Bond issues

The outstanding amount of bond loans issued by Gaz de France prior to the merger amounted to €2,023 million SUEZ had no more bond loans outstanding at said date.

On account of the merger-takeover of SUEZ by Gaz de France on July 22, 2008, the Company became a member of the GIE GDF SUEZ Alliance (formerly named GIE SUEZ Alliance). The amount of outstanding bond loans issued or guaranteed by GIE GDF SUEZ Alliance of which GDF SUEZ is now a member, stood at €5,670 million at December 31, 2008.

Between October 17, 2008 and February 15, 2009, the Company issued the equivalent of close to €10 billion under its EMTN program via benchmark transactions on the Euro, Sterling and Swiss Franc markets, by private placements in Japanese yen and lastly by a transaction for individuals in Belgium and Luxembourg.

The main features of bond issues outstanding at February 15, 2009 by the Company and issued or guaranteed by GIE GDF SUEZ ALLIANCE, of which the Company is a member, are listed in the table below.

MAIN FEATURES OF BOND ISSUES

Issuer	Currency	Coupon rate	Maturity	Amount issued (in stated currency) *(in millions)*	Exchange	ISIN Code
Gaz de France	EUR	4.750%	02/19/2013	1,250	Euronext Paris Luxembourg	FR0000472326
Gaz de France	EUR	5.125%	02/19/2018	750	Euronext Paris Luxembourg	FR0000472334
Gaz de France	JPY	0.658%	03/26/2009	3,000	None	FR0010069534
Belgelec	EUR	5.125%	06/24/2015	750	Luxembourg	FR0000475741
Belgelec	EUR	5.500%	02/20/2009	504	Luxembourg	FR0000488207
Belgelec	EUR	5.875%	10/13/2009	1,220	Luxembourg	FR0000495848
Belgelec	EUR	4.250%	06/24/2010	650	Luxembourg	FR0000475733
Belgelec (*)	EUR	3m + 12.5bp	05/03/2011	400	Luxembourg	FR0010463646
Belgelec	CHF	3.250%	12/22/2014	340	SIX	CH0035844890
Electrabel	EUR	4.750%	04/10/2015	600	Luxembourg	BE0934260531
GIE (*)	EUR	5.500%	11/26/2012	300	Luxembourg	FR0000471054
GIE	EUR	5.750%	06/24/2023	1,000	Luxembourg	FR0000475758
SFSA (*)	CZK	3m + 60bp	06/24/2010	500	Luxemburg	FR0000474231
GDF SUEZ (*)	EUR	6.250%	01/24/2014	1,400	Luxembourg	FR0010678151
GDF SUEZ (*)	EUR	6.875%	01/24/2019	1,200	Luxembourg	FR0010678185
GDF SUEZ (*)	EUR	4.375%	01/16/2012	1,750	Luxembourg	FR0010709261
GDF SUEZ (*)	EUR	5.625%	01/18/2016	1,500	Luxembourg	FR0010709279
GDF SUEZ (*)	EUR	6.375%	01/18/2021	1,000	Luxembourg	FR0010709451
GDF SUEZ (*)	EUR	5.000%	02/23/2015	750	Luxembourg	FR0010718189
GDF SUEZ (*)	GBP	7.000%	10/30/2028	500	Luxembourg	FR0010680041
GDF SUEZ (*)	GBP	6.125%	02/11/2021	700	Luxembourg	FR0010721704
GDF SUEZ (*)	CHF	3.500%	12/19/2012	975	SIX	CH0048506874
GDF SUEZ (*)	JPY	3.180%	12/18/2023	15,000	None	FR0010697193
GDF SUEZ (*)	JPY	3m + 120bp	02/05/2014	18,000	None	FR0010718205

(*) *Issues made under the €15 billion EMTN program.*

Commercial paper

The Company has short term financing programs (commercial paper and US Commercial Paper).

GDF SUEZ set up a new €5 billion commercial paper program on August 13, 2008. In this framework, GDF SUEZ must comply with its obligations as issuer of negociable debt instruments. These obligations are stipulated by Decree no 92-137 of February 13, 1992 and by the implementing order of February 13, 1992. These texts require the issuers of negotiable debt instruments to create financial presentation documentation covering their business, financial position and their issue program. This documentation is updated each year following the General Shareholders' Meeting called to approve the financial statements for the previous year. Moreover, GDF SUEZ must immediately update the financial documentation following any modification to the ceilling for the outstanding amount, its rating as well as any change that may have a material impact on the outlook for the issued securities or repayment of debt. These updates are sent to the Banque de France. The Company makes the financial documentation and its updates available to the *Autorité des marchés financiers*.

At December 31, 2008, the outstanding amount was €4,747 million.

The Company set up a new USD3 billion US Commercial Paper progam on October 9, 2008. At December 31, 2008, the amount outstanding was USD1,350 million.

The Gaz de France Euro Commercial Paper and US Commercial Paper program was terminated on November 25, 2008.

21.1.3 TREASURY STOCK

The twenty-fourth resolution of the General Shareholders' Meeting of July 16, 2008 authorised the Company to trade in its own shares with a view to managing its shareholders equity according to the applicable laws and regulations.

Terms:

- maximum purchase price: €55;
- maximum shareholding: 10% of the share capital;
- aggregate amount of acquisitions: €12 billion.

A one-year liquidity contract, renewable by tacit agreement, of an initial value of €55 million was signed on May 2, 2006, on the Euronext Paris market and implemented by Rothschild & Cie Banque. The amount of this contract was raised to €150 million on July 22, 2008. On the same date, the scope of this contract was extended to the Euronext Bruxelles market of NYSE Euronext by €15 million but ended on January 13, 2009 due to the the implementation of a centralized order book between Paris and Brussels.

This contract aims, in particular, to reduce the volatility of the GDF SUEZ share and therefore risk perceived by investors. This contract complies with the Code of Conduct drawn up by the *Association Française des Entreprises d'Investissement* (French Association of Investment Companies) and continues to apply in 2009.

Moreover, GDF SUEZ shares were acquired by GDF SUEZ outside said contract.

Between the Annual Shareholders' Meeting of July 16, 2008 and December 31, 2008, the Company bought 16,010,579 shares for a total value of €556.3 million and a value of €34.74 per share on the stock exchange including 3,612,579 shares under the liquidity contract and 12,398,000 shares outside said contract. Over the same period, GDF SUEZ sold 3,515,836 shares for a total sale value of €123.4 million (i.e. €35.09 per share).

Between January 1, 2009 and February 28, 2009, the Company bought 11,204,487 of its own shares for a total value of €314.9 million (i.e. unit value of €28.11 per share), including 1,404,487 shares under the liquidity contract and sold under the said contract 853,846 shares for a total value of €27.8 million (i.e. €32.58 per share).

On February 28, 2009, the Company held 2.23% of its capital, i.e. 48,873,950 shares, including:

- 650,000 shares under the liquidity contract;
- 36,898,000 shares to be cancelled;
- 11,325,950 shares to cover purchase options and bonus shares.

Description of the stock repurchase program to be submitted to the Ordinary and Extraordinary Shareholders' Meeting of May 4, 2009 (fifth resolution)

The purpose of the following description of the program pursuant to Articles 241-1 to 241-6 of the AMF's General Rules is to set out the goals terms and conditions of GDF SUEZ's stock repurchase program that will be submitted to the Annual Shareholders' Meeting called on May 4, 2009.

A. Main features of the program

The main features and goals of the progam are summarized below:

- relevant securities: Shares listed on Eurolist – SRD at the Paris Stock Exchange or on Eurolist at the Brussels Stock Exchange;
- maximum capital repurchase percentage authorized by the Annual Shareholders' Meeting: 10%;
- maximum purchase price: €55 per share.

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B. Goals of the stock repurchase program

The goals of GDF SUEZ stock repurchase program are summarized below:

- ensuring liquidity in the Company's shares by an investment service provider under liquidity contracts;
- subsequent cancellation of the shares thus purchased subject to a decision or authorization to reduce the share capital granted by the Extraordinary Shareholders' Meeting;
- allocation or assignment of shares to employees or former employees and corporate officers or former corporate officers of the Group;
- the setting up of share purchase or subscription options or bonus share plans;
- lock-up and later delivery of shares (as exchange, payment or otherwise) under external growth transactions within the limit of 5% of the number of shares making up the share capital;
- hedging of securities giving right to the granting of Company shares by delivering shares upon exercising rights attached to securities giving rights, by redemption, conversion, exchange, submission of a warrant or in any other way to granting of Company shares.

C. Terms

1. Maximum percentage of capital that can be repurchased and maximum amount payable by GDF SUEZ

The maximum number of shares that can be bought by GDF SUEZ may not exceed 10% of the shares capital of the Company on the date of the Annual Shareholders' Meeting, i.e. approximately 219 million shares, for a maximum theoretical amount of €12 billion. GDF SUEZ reserves the right to hold the maximum amount authorised.

At February 28, 2008, GDF SUEZ directly held 48,873,950 million share, i.e. 2.23% of the capital.

Therefore, the share repurchases may, based on the capital estimated at the date of the Meeting, relate to 170 million shares, representing 7.7% of the capital, i.e. a maximum amount payable of €9.3 billion.

2. Maximum term of stock repurchase program

The stock repurchase program will be in effect, in accordance with the fifth resolution of the Shareholders' Meeting of May 4, 2009, for 18 months beginning on the date the Annual Shareholders' Meeting is held, i.e. up to November 6, 2011.

21.1.4 AMOUNT OF SECURITIES CONVERTIBLE, EXCHANGEABLE OR ACCOMPANIED BY EQUITY WARRANTS, WITH AN INDICATION OF THE TERMS AND CONDITIONS FOR CONVERSION, EXCHANGE OR SUBSCRIPTION

Not applicable.

21.1.5 INFORMATION ON THE CONDITIONS GOVERNING ANY RIGHT OF PURCHASE AND/OR ANY OBLIGATION RELATED TO THE SUBSCRIBED, UNPAID CAPITAL, OR ANY ACTION AIMED AT INCREASING THE SHARE CAPITAL

Not applicable.

21.1.6 INFORMATION ON THE SHARE CAPITAL OF ANY MEMBER OF THE GROUP THAT IS UNDER OPTION OR SUBJECT TO A CONDITIONAL OR UNCONDITIONAL AGREEMENT PROVIDING THAT IT BE PLACED UNDER OPTION

Not applicable.

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21.1.7 HISTORY OF THE SHARE CAPITAL OF GDF SUEZ

Share issue

Date	**Event**	**Amount** *(euros)*	**Premium** *(euros)*	**Capital** *(euros)*	**Number of shares**	**Par value per share** *(euros)*
11/17/2004	Decree no. 2004-1223 of November 17, 2004 publishing the bylaws of the public limited company (société anonyme) Gaz de France			903,000,000	451,500,000	2.00
04/28/2005	Two-for-one stock split			903,000,000	903,000,000	1.00
07/07/2005	Privatization – Increase of the share capital	70,323,469				1.00
07/08/2005	Increase of the share capital for exercise of the over-allocation option			983,871,988	983,871,988	1.00
07/22/2008	Increase of the share capital for the merger-takeover of SUEZ by Gaz de France	1,207,660,692	27,756,244,783	2,191,532,680	2,191,532,680	1.00
01/21/2009	Increase of the share capital resulting from the exercise of share subscription options	2,111,140 (*)		2,193,643,820	2,193,643,820	1.00

* *Said new shares were recorded in the financial statements of GDF SUEZ at December 31, 2008.*

A total of, 1,209,771,832 GDF SUEZ shares were issued between July 22, 2008 and January 31, 2009.

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21.2 INCORPORATING DOCUMENTS AND BYLAWS

21.2.1 ISSUER'S CORPORATE PURPOSE

The Company's purpose is the management and development of its current and future assets, in all countries, by all means and especially to:

- prospect, produce, process, import, export, buy, transport, store, distribute, supply and market combustible gas, electricity and all other energy;
- trade in gas, electricity and all other energy;
- supply services related to the aforementioned activities;
- carry out the public service missions that are assigned to it under current law and regulations, in particular, the Nationalisation of Electricity and Gas Act no. 46-628 of April 8, 1946, the Gas and Electricity Markets and the Public Service of Energy Act no. 2003-8 of January 3, 2003, the Public Service of Electricity of Gas and Electricity and Electrical and Gas Companies no. 2004-803 of August 9, 2004 as well as the Energy Sector Act no. 2006-1537 of December 7, 2006;
- study, design and implement all projects and all public or private works on behalf of all public authorities and individuals; prepare and enter into all agreements, contracts and deals related to the implementation of said projects and said work;
- participate directly or indirectly in all operations or activities of any kind that may be connected to one of the aforementioned objects or that are liable to further the development of the company's assets, including research and engineering activities, by setting up new companies or undertakings, by contribution, subscription or purchase of securities or rights with respect to entities, by acquiring interests or holdings, in any form whatsoever, in all existing or future undertakings or companies, via mergers, partnerships or any other form;
- create, acquire, rent, lease all personal property, real property and businesses, rent, install, and operate all establishments, businesses, plants or workshops connected with one of the aforementioned objects;
- register, acquire, operate, grant or sell all processes, patents and patent licences relating to the activities connected with one of the aforementioned objects;
- obtain, acquire, rent and operate, mainly via subsidiaries and holdings, all concessions and undertakings related to the supply of drinking water to municipalities or water to industry, to the evacuation and purification of waste water, to drainage and sanitation operations, to irrigation and transport, to protection and pondage structures as well as all to sales and service activities to public authorities and individuals in the development of towns and the management of the environment;
- and in general to carry out all industrial, commercial, financial, personal property or real property operations and activities of any kind, including services, in particular insurance intermediation, acting as an agent or delegated agent in a complementary, independent or research position; these operations and activities being directly or indirectly related, in whole or in part, to any one of the aforementioned objects, to any similar, complementary or related objects and to those that may further the development of the Company's business.

21.2.2 CORPORATE GOVERNANCE BODIES

Regarding the formation and operating procedures of corporate governance bodies, refer to Section 14.1 "Information concerning the administrative bodies", to Section 14.4 "Information concerning general management" and Section 16 "Operation of administrative and management bodies, Operating procedures of the Board of Directors".

Board of Directors

GDF SUEZ is managed by a Board of Directors.

The Board determines the Company's business strategy and sees to the implementation thereof. Subject to the powers expressly granted to General Shareholders' Meetings and within the limit of the Company's corporate purpose, the Board deals with all matters concerning the smooth running of the Company and through its decisions manages the Company's business. The Board may carry out the controls and verifications that it considers appropriate.

a) Appointment of Directors

Subject to the special rules governing Directors representing the State, the three Directors representing employees and the Director representing employee-shareholders, the General Shareholders' Meeting appoints Board members.

Directors representing the State are appointed pursuant to the provisions of Article 2 of the Decree-Act of October 30, 1935 as amended, Directors representing employees and the Director representing employee-shareholders are appointed pursuant to the provisions of articles L. 225-28 and L. 225-23 of the French Commercial Code and the bylaws.

Up to the close of the General Shareholders' Meeting called in 2010 to approve the 2009 financial statements, the Company shall be managed by a Board of Directors comprised of **twenty-four members** at most.

As from the close of the General Shareholders' Meeting called in 2010 approve the 2009 financial statements, the Board of Directors shall be comprised of **twenty-two members** at most pursuant to the provisions of articles L. 225-17, L. 225-23 and L. 225-27 of the French Commercial Code.

b) Rights and responsibilities of the Directors

The Board represents all shareholders, regardless of its compartion and the origin of its members.

Directors must act in all circumstances in the Company's interest and, regardless of the method of their appointment, must consider himself/herself to represent all shareholders.

Directors shall carry out their duties independently, fairly and professionally. He/she shall endeavour, in all circumstances, to maintain his/her independence of analysis, judgement, decision and action. He/she undertakes not be influenced by any information that is not related to the Company's interest which it is his/her role to protect and to warn the Board of any information of which he/she is aware that seems to him/her liable to affect the Company's interests.

It is his/her duty to clearly express his questions and opinions and endeavour to convince the Board of the relevance of his/her positions. In the event of disagreement, he/she shall see that they are explicitly recorded in the minutes of the Board's meetings.

The Director undertakes to devote the necessary time and attention to his/her duties. They will stay informed of the business lines and the specifics of the Company, its issues and values, including by questioning principal officers. He/she shall assiduously and diligently attend Board meetings. He/she shall attend General Shareholders' Meetings.

He/she shall endeavour to obtain the information he/she considers to be essential for his/her information in order to deliberate within the Board with full knowledge of the facts within suitable time limits and shall endeavour to update the knowledge that he/she deems to be useful and may request the undertaking to provide him/her with the training that he/she needs to properly carry out his/her assignment.

Measures shall be taken to ensure the independence of employee Directors, in particular, at the level of their careers.

Directors shall contribute to the collegial administration and efficacy of the proceedings of the Board and of any specialized committees set up within the Board. He/she shall make recommendations that he/she considers may improve the operating procedures of the Board, in particular, at the time of the periodic assessment thereof (not exceeding two years) by an independent director. He/she shall accept the assessment of his own actions within the Board.

They agree, along with all the members of the Board of Directors, to ensure that their supervisory duties are accomplished with efficiency and without any obstacles. In particular, he/she shall see that procedures to check compliance with laws and regulations in letter and spirit are set up in the undertaking.

He/she shall ensure that that the positions adopted by the Board are covered, in particular, relating to the approval of financial statements, the budget, resolutions to be put to the Annual Shareholders' Meeting as well as to important matters relating to the life of companies, by formal decisions that are correctly substantiated and recorded in the minutes of the Board's meetings.

Under the provisions of Article 13.6 of the bylaws, all Directors must own at least fifty (50) shares of the Company, unless an exemption has been granted under the applicable law or regulations. This obligation does not apply to representatives of the State or shareholder-employee representatives.

c) Term of office of Directors

The term of office of all Directors is four years and expires at the close of the General Shareholders' Meeting called to approve the financial statements of the past year and held in the year during which the term of office expires and Substitutes may carry on his/her duties only for the unexpired term of office.

Notwithstanding the foregoing, among the Directors whose appointment was decided by the General Shareholders' Meeting of July 16, 2008:

- one Director was appointed for a period expiring at the close of the General Annual Shareholders' Meeting held in 2010 approve the 2009 financial statements;
- five Directors were appointed for a period of three years expiring at the close of the General Shareholders' Meeting held in 2011 to approve the 2010 financial statements;
- seven Directors appointed by the General Shareholders' Meeting of July 16, 2008 were appointed for a period of four years expiring at the close of the General Shareholders' Meeting held in 2012 to approve the 2011 financial statements.

Directors representing employees and the director representing the employee shareholders are appointed for a term of office expiring at the close of the General Annual Shareholders' Meeting held in 2013 to approve the 2012 financial statements. In the event a seat of a Director appointed by the employees falls vacant, the vacant seat is filled in accordance with the provisions of article L. 225-34 of the French Commercial Code.

In the event of vacancy caused by death or resignation of one or more seats of Directors appointed by the General Shareholders' Meeting, the Board of Directors may, between two General Shareholders' Meetings, replace Directors whose position has become vacant during the term of office, unless the number of

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 A

Directors in office falls below the legal minimum, in which case the Board of Directors or, failing this, the Statutory Auditors must immediately call a General shareholders' Meeting with the purpose of completing the Board line up. Provisional appointments made by the Board of Directors are subject to approval by the very next General Shareholders' Meeting.

These provisions are not applicable in the event of a vacancy, for any reason whatsoever, of a seat of a Director appointed by the employees and the seat of the Director representing employe shareholders.

d) Directors representing employees and employee shareholders

The **Director representing employee-shareholders** has the same status, same powers and same responsibilities as the other directors.

The duties of **Directors appointed by employees** end either upon the proclamation of the results of the election that the Company must organise in accordance with the terms of the bylaws or in the event of the termination of their employment contract or in the event of removal from office pursuant to the conditions provided for under the applicable law or regulations or for other reasons provided for by law for Directors appointed by the General Shareholders' Meeting.

In the event of a vacancy of a seat of a Director appointed by the employees, the vacant seat is filled pursuant to the terms and conditions provided for in Article L. 225-34 of the French Commercial Code.

Subject to the rules relating to coopting not applicable to him/her, ther termination of his/her duties shall be subject to the same rules as those applicable to other shareholders. Moreover, his/her term of office shall end automatically in the event of loss of (i) his/her capacity as employee of the company or companies or consortia affiliated to it within the meaing of Article L. 225-180 of the French Commercial Code or (ii) his/her capacity as shareholder of the Company, individually or via a company mutual fund, unless, in the latter case, he/she brings his/her situation into compliance within a three month period.

In the event of the vacancy of the position of Board member representing employee shareholders for any reason, the applicants to replace such Director shall be appointed in accordance with the terms provided for in Article 13.3 of the Bylaws at the latest prior to the meeting of the very next General Shareholders' Meeting or, if it is held less than four months after the position has become vacant, prior to the next General Shareholders' Meeting. The Board of director may validly meet and deliberate up to the date of his/her appointment.

e) Non-voting members of the Board

The General Shareholders' Meeting may appoint one or more non-voting members *(censeurs)* to the Company, within the limit of a maximum number of four, who may be natural persons or legal entities, chosen among the shareholders or outside them, for a term of office of four years expiring at the close of the General Shareholders' Meeting held in the year during which the term of office expires to approve the financial statements of the past year.

The Board of Directors shall determine the terms and conditions in which the non-voting members shall carry out their duties.

f) Government commissioner

Pursuant to Artical 24.2 of Law no. 2004-803 of August 9, 2004, the Minister for Energy shall appoint a Government commissioner to the Company who shall attend meetings of the Board of Directors and its committees in an advisory capacity and may present his/her observations to any General Shareholders' Meeting.

General Management

a) Chairman and Chief Executive Officer

Subject to the powers expressly granted by law to Shareholders' Meetings, powers that it grants specially to the Board of Directors and within the scope of the Company's objects as well as the of the provision of Article 13 to 15 of Law no. 2004-803 of August 9, 2004, either the Chairman of the Board of Directors or another natural person appointed by the Board of Directors and holding the title of Chief Executive Officer shall be responsible for the general management of the Company under the responsibility of the Board of Directors.

The Board of Directors, at its meeting of July 22, 2008, decided not to separate the duties of Chairman and Chief Executive Officer. The Chairman of the Board of Directors shall be responsible for the general management of the Company.

The Chairman of the Board of Directors shall represents the Board. He/she shall organise and manage the Board's proceedings and report thereon to the General Shareholders' Meeting. He/she shall see to the proper operating of the Company's bodies and ensure, in particular, that Directors are able to carry out their duties.

The Chairman shall chair Board meetings, direct proceedings and ensure compliance with the internal regulations. He/she may suspend the meeting at any time. He/she shall see to the quality of discussions and collegial nature of the Board's decisions. He/she shall ensure that the Board devotes sufficient time to discussions and allow each agenda item time commensurate with the stake that it represents for the Company. The Chairman shall see, in particular, that questions posed in compliance with the agenda receive an adequate reply.

If the Chairman is unable to act, he/she shall be replaced, in accordance with Article 16 of the bylaws, by one of the Vice-Chairmen or, failing this, by a Director that the Board chooses at the start of the meeting.

The Chief Executive Officer shall be vested with the broadest powers to act in the Company's in all circumstances. He/she shall exercise his/her powers within the scope of the Company's objectives and subject to the powers expressly granted by law to Shareholders' Meetings and to the Board of Directors. The Board of Directors shall determine, in accordance with the conditions provided for by law, the scope and term of powers granted to the Chief Executive Officer.

Regardless of the term of office granted, the duties of the Chief Executive Officer shall end no later than at the close of the meeting of the Ordinary General Shareholders' Meeting held to approve the financial statements of the past year in the year during which the Chief Executive Officer reaches the age of 65 years.

b) President

The Board of Directors may appoint, in accordance with the conditions provided for by law, one sole individual to assist the Chief Executive Officer bearing the title of President, who shall be chosen among Board members. The President shall also be appointed Vice-Chairman of the Board of Directors under Article 16 of the bylaws.

Regardless of the term of office granted, the duties of the President shall end no later than at the close of the meeting of the Ordinary General Shareholders' Meeting held to approve on the financial statements of the past year in the year during which the President reaches the age of 65 years.

The President shall have the same powers and the same limitations as the Chief Executive Officer with regard to third parties.

The Board of Directors shall determine, in accordance with the conditions provided for by law, the scope and term of powers granted to the Vice Chairman and President.

c) Vice-Chairman of the Board of Directors

The Board of Directors may appoint one or more Vice-Chairman/ Chairmen among Board members. Article 16 of the bylaws provides that the President is also appointed Vice-Chairman of the Board of Directors.

The Vice-Chairman shall chair the Board in the event of the Chairman's absence.

Decisions of the Board of Directors

The Chairman shall call Board meetings in accordance with the conditions provided for by law, the Bylaws and the Internal Regulations. The notice of meeting shall set the meeting venue and include the agenda.

When the Board of Directors has not met for more than two months, at least one-third of the Board members may request the Chairman to call a Board meeting to address a given agenda. The Board of Directors shall meet at any venue mentioned in the notice of meeting.

The Chairman may take the initiative of organizing Board meetings by videoconference, Internet or by any other means of telecommunication, within the limits and subject to the conditions set under current law and regulations and, where applicable, the Internal Regulations.

The Board may validly deliberate only if at least half of the Directors are present or deemed to be present at the meeting, without account being taken of members represented.

Directors who participate in Board meetings by all videoconference or telecommunication means that allow them to be identified and that guarantee their effective participation in accordance with the conditions set under current regulations, the terms of the bylaws and the internal regulations are deemed to be present for calculation of the quorum and majority.

The Chairman sets the agenda of meetings. Any Director that wishes to discuss any issue not on the agenda with the Board shall inform the Chairman thereof prior to the meeting. The Chairman shall inform the Board thereof.

Decisions are taken in accordance with the quorum and majority conditions provided for by law. The Chairman shall have a casting vote in the event of a tie in voting.

Regulated agreements

Any agreement entered into directly or through an intermediary between GDF SUEZ and one of the Board members, its Chairman and Chief Executive Officer, its Vice-Chairman and President or a shareholder holding voting rights in excess of 10% or, if it involves a shareholder company, the company that controls it within the meaning of Article L. 233-3 of the French Commercial Code must be submitted to the prior authorization of the Board of Directors.

This authorization is also required in the event of agreements entered into between GDF SUEZ and in which one of the natural persons or legal entities mentioned in the previous paragraph is indirectly involved in as well as in the event of agreements entered into between GDF SUEZ and a company, if one of the Directors, the Chief Executive Officer or one of the Presidents, is the owner, a partner with unlimited liability, legal manager, director, member of the Supervisory Board or, in general, an executive manager of said company.

Independent Directors, may make a recommendation, in the Company's interest, to the Board of Directors on said agreements.

Without prejudice to the formalities of prior authorization and control laid down by law and the bylaws, the Company's Directors must promptly disclose to the Chairman any agreement entered into by the Company and in which they are directly or indirectly involved.

In particular, Directors must thus disclose to the Chairman any agreement entered into between themselves or a company of which they are executive managers or in which they directly or indirectly hold a significant interest and the Company or one of its subsidiaries.

The Chairman shall promptly notify all Directors of the essential terms and conditions of agreements disclosed and notify the Statutory Auditors of agreements authorized by the Board within a one-month period after said agreements have been signed.

The foregoing terms are not applicable to agreements relating to day to day transactions and entered into under normal conditions, which shall be subject to the formalities provided for in Article L. 225-39 of the French Commercial Code.

Compensation of Directors and non-voting Board members

The General Shareholders' Meeting shall set the annual global amount of attendance' fees allocated to the Board of Directors which, on recommendation of the Compensation Committee, shall allocate said compensation between its members and set the amount of the non-voting members' fees by deduction from the annual budget for attendance fees.

The Company shall reimburse Directors for expenses incurred to carry out their term of office upon presentation of documentary evidence.

Employee representatives shall be allowed a time credit equal to half of the statutory work time.

21.2.3 RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO SHARES

Attendance at meetings (Article 20 of the Bylaws)

Any shareholder has the right to attend the meetings provided his shares are paid in full.

The right to attend meetings or to be represented there is subject to the account registration of the securities in the shareholder's name on the third business day prior to the meeting at zero hours, Paris time, either in the registered securities' accounts held by the Company or in bearer securities' accounts held by the authorized intermediary.

The Board of Directors may, if it deems necessary, send to the shareholders individualized admission cards in each shareholder's name and require them to be presented in order to gain access to the General Shareholders' Meeting.

If the Board of Directors so decides at the time of calling the meeting, the shareholders may participate in the meeting by videoconference or by any telecommunication or teletransmission means, including Internet, that permits their identification in accordance with the terms and conditions set under current regulations. Where applicable, this decision shall be announced in the notice of meeting published in the *Bulletin des Annonces Légales Obligatoires* (Bulletin of Mandatory Legal Announcements or BALO).

Shareholders may be represented at any meeting either by their spouse or another shareholder.

The owners of securities mentioned in the seventh paragraph of Artice L. 228–1 of the French Commercial Code may be represented, in accordance with the conditions provided for by law, by a registered intermediary.

Voting right (Articles 10, 11, 12 and 20 of the bylaws)

Each share grants a right to vote and to representation at General Shareholders' Meetings, in accordance with the law and the bylaws. Ownership of one share entails automatic acceptance of these bylaws and of all decisions of the General Shareholders' Meeting of the Company.

Unless otherwise provided for by law, each shareholder shall have as many voting rights and shall cast as many votes at meetings as he holds shares on which due and payable payments have been paid in full.

The shares are indivisible with regard to the Company. Co-owners of shares are represented at General Shareholders' Meetings by one of them or by one agent. In the case of disagreement, at the request of the most diligent co-owner, a court may appoint an agent.

The voting rights attached to shares belong to the beneficial owner of the shares, in the case of the Ordinary General Shareholder's Meetings and to the bare owner, in the case of the Extraordinary General Shareholders' Meetings.

Any time it is necessary to own several shares in order to exercise any right whatsoever, in the case of an exchange, reorganization or an allotment of shares, or as a result of a share capital increase or decrease, a merger or any other corporate transaction, the owners of isolated shares or an insufficient number of shares may exercise such right provided that they combine or, as the case may be, buy or sell the necessary shares or rights.

Shareholders may be represented at any meeting either by their spouse or another shareholder. The owners of securities mentioned in the seventh paragraph of Artice L. 228-1 of the French Commercial Code may be represented, in accordance with the conditions provided for by law, by a registered intermediary.

Any shareholder may cast a postal vote in accordance with the terms and conditions provided for by law and the regulations. The shareholders may, in accordance with the terms and conditions provided for by law and regulations, send their postal proxy form either as a printed form or, further to a decision of the Board of Directors published in the notice of meeting and the notice to attend the meeting, by teletransmission.

21.2.4 CHANGE IN RIGHTS ATTACHED TO SHARES

The rights attached to the Company's shares may be modified only the Extraordinary General Shareholders' Meeting, subject to the special terms related to the specific share of the State provided for in Article 6 of the bylaws (refer also to section 21 "Share capital" above)

In accordance with the applicable law and regulations, any amendment of the bylaws that defines the rights attached to GDF SUEZ shares must be approved by a two-thirds majority at Extraordinary General Shareholders' Meetings. All increases in the commitments of the shareholders must be unanimously approved by all shareholders.

21.2.5 GENERAL SHAREHOLDERS' MEETINGS

Notices to attend meetings (Articles 20, 21 and 22 of the bylaws)

Ordinary and Extraordinary General Shareholders' Meetings and, where applicable, Special Shareholders' Meeting shall be called, meet and deliberate in accordance with the conditions provided for by law.

The party issuing the notice of meeting also draws up the agenda of meetings. However, one or more shareholders may, in accordance with the conditions provided for by law, request that draft resolutions be entered on the agenda.

The meeting may take place at the company's headquarters or at any other location stated in the notice.

The Chairman of the Board of Directors or, in his/her absence, one of the Vice-Chairmen of the Board of Directors or, in the latter's absence, a Director delegated for this purpose by the Board chairs meetings. Otherwise, the meeting shall appoint its own chairman.

In accordance with the law and regulations, General Shareholders' Meeting are described as being Extraordinary when their decisions involve an amendment of the bylaws and as Ordinary in all other cases. The General Shareholders' Meeting and, where applicable, the Special Meetings have the powers defined by law.

The two members of the Shareholders' Meeting present who accept said duties and who hold the greatest number of votes will act as scrutineers. The officers of the meeting shall appoint the Secretary, who may be chosen from outside the shareholders.

An attendance sheet is kept in accordance with the conditions provided for by law.

Minutes of meetings are drawn up and copies thereof are issued and certified in accordance with the conditions provided for by law.

Attendance at meetings (Article 20 of the bylaws)

Refer to Section 21.2.3 above.

21.2.6 PROVISIONS RESTRICTING THE CHANGE OF CONTROL OF THE COMPANY

Under the terms of Act No. 2004-803 of August 9, 2004 as amended by Act no. 2006-1537 of December 7, 2006, the State must at all times hold more than one third of the Company's capital.

In line with Article 24.1 of Act no. 2004-803 of August 9, 2004 and Decree no. 2007-1790 of December 20, 2007, the share capital of GDF SUEZ includes a golden share resulting from the transformation of an ordinary share belonging to the French State, with a view to conserving the essential interests of France in the energy sector relating to the continuity and safety of energy supply. The State's golden share entitles the State to indefinitely disagree with decisions made by GDF SUEZ and its French subsidiaries, who directly or indirectly sell, in any form whatsoever, transfer operation, to assign as surety or guarantee or to change the destination of some assets covered by the decree, if it considers that such a decision is contrary to the essential interests of France in the energy sector relating to the continuity and safety of energy supply.

According to the terms of Article 2 of Decree no. 2007-1790 of December 20, 2007, and its appendix, the assets covered by the State's right of opposition pursuant to the golden share are:

- natural gas transport pipelines located on the national territory;
- assets related to the distribution of natural gas in the national territory;

- underground natural gas storage located on the national territory; and
- liquified natural gas facilities located on French territory.

In line with Decree no. 93-1296 of December 13, 1993 applied pursuant to Article 10 of Act no. (as amended) 86-912 relating to privatizations and concerning certain rights pertaining to the golden share, and to Decree no. 2007-1790 of December 20, 2007, all decisions of this nature must be reported to the Minister of Economy, Industry and Labor.

Apart from the foregoing, the bylaws do not include any other provision that delays, defers or constitutes an impediment to a change in control of the Company.

21.2.7 PROVISIONS RELATING TO THE DISCLOSURE OF INTERESTS

Duty of Disclosure upon Crossing Thresholds (Article 9 of the bylaws)

In addition to the thresholds provided for under Article L. 233-7 of the French Commercial Code, any natural person or legal entity acting alone or in concert who happens to directly or indirectly hold a portion of the capital or voting rights or securities that may be converted in the future to capital of the Company – equal or in excess of 0.5% - must inform the Company thereof by recorded delivery letter, within five trading days as from crossing said 0.5% threshold, by specifying his/her/its identity as well as that of natural persons or legal entities acting in concert with it, and by specifying the total number of shares, voting rights or securities that may be converted in the future to capital that he/she/it owns directly or indirectly or else in concert. This duty of disclosure relates also to the possession of each additional portion of 0.5% of the capital or voting rights or securities that may be converted in the future to capital of the Company. It being specified that thresholds to be declared under this paragraph shall be determined pursuant to the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code and current regulations. Said same duty of disclosure applies in accordance with the same time limits in the event of crossing under said 0.5% threshold or a multiple thereof.

The intermediary registered as a holder of shares pursuant to the seventh paragraph of Article L. 228-1 of the French Commercial Code is bound, without prejudice to the obligations of shareholders, to make the declarations provided for in this article for all shares for which he/she/it is registered in account.

Pursuant to the provisions of Article L. 233-7 of the French Commercial Code, in the event of breach of the foregoing provisions, one or more shareholders holding more than 0.5% of the capital or voting rights may request that the penalties provided for in the first two paragraphs of Article L. 233-14 of the French Commercial Code be applied.

Identification of bearer securities (Article 9 of the bylaws)

In view of identifying bearer securities, the Company may request, in accordance with the law and regulations and subject to the penalties provided for under the French Commercial Code, the central depository that manages the issue account of its securities for information that allows identification of holders of Company securities that grant immediately or in the future the right to vote at its Shareholders' Meeting and, in particular, the quantity of securities held by each of them.

If they are registered securities that may be converted immediately or in the future to capital, the intermediary registered in accordance with the conditions provided for under the French Commercial Code must reveal the identity of owners of said securities on simple request from the Company or its agent, which may be presented at any time.

The breach by holders of securities or intermediaries of their duty to disclose the information provided for above may, in accordance with the conditions provided for by law, entail the suspension or the loss of voting right and the right to the payment of dividends attached to the shares.

21.2.8 CHANGES IN SHARE CAPITAL

The share capital may be increased, reduced or amortized in accordance with the conditions provided for by law, subject to the special provisions relating to the State's interest in the capital and the golden share of the State specified in Article 6 of the bylaws (refer also to Section 21.2.6 above).

Only the Extraordinary General Shareholders' Meeting is empowered to decide on a capital increase, based on the report by the Board of Directors.

If the increase is carried out by capitalizing reserves, profits or issue premiums, the General Shareholders' Meeting must vote in accordance with the quorum and majority requirements of Ordinary General Shareholders' Meetings.

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IMPORTANT CONTRACTS

Please refer to section 10 “cash flow and capital resources” and to note 2 of chapter 20.2 relating to financial information

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THIRD-PARTY INFORMATION STATEMENTS BY EXPERTS AND DECLARATIONS OF INTEREST

N/A.

24

DOCUMENTS ACCESSIBLE TO THE PUBLIC

24.1 CONSULTATION OF DOCUMENTS

The documents relating to GDF SUEZ that must be made available to the public (bylaws, reports, historical financial information on Gaz de France, SUEZ and GDF SUEZ as well as on GDF SUEZ Group subsidiaries included or mentioned in this Reference Document and those relating to each of the two years prior to the filing of this Reference Document) may be consulted during the entire validity period at the registered office of GDF SUEZ (22, rue du Docteur Lancereaux, 75008 PARIS). These documents may also be obtained in electronic format from the GDF SUEZ website (www.gdfsuez.com) and some of them may be obtained from the webside of the *l'Autorité des marchés financiers* (French Financial Markets Authority) website(www.amf-france.org).

24.2 CORPORATE COMMUNICATION

Valérie Bernis

Member of the GDF SUEZ Executive Committee in charge of Communications and Financial Communications

Telephone: +33 (0)1 57 04 00 00

Address: 22, rue du Docteur Lancereaux, 75008 Paris, France

Website: www.gdfsuez.com

The GDF SUEZ Reference Document has been translated into English, Spanish and Dutch.

In addition to this Reference Document filed with the AMF, GDF SUEZ publishes an illustrated Progress and Sustainable Development Report at the time of the General Shareholders' Meeting of GDF SUEZ.

● TENTATIVE FINANCIAL REPORTING SCHEDULE

Publication of 2008 revenues	February 2, 2009
Presentation of earnings for 2008	March 5, 2009
General Shareholders' Meeting	May 4, 2009
Presentation of the 2009 half year results	August 27, 2009

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INFORMATION ON HOLDINGS

List of main consolidated companies as of December 31, 2008

Please refer to chapter 20.2 – note 30.

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APPENDICES TO THE REFERENCE DOCUMENT

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REPORT ON INTERNAL CONTROL PROCEDURES

- **ON THE TERMS AND CONDITIONS GOVERNING THE PREPARATION AND ORGANIZATION OF THE WORK PERFORMED BY THE BOARD OF DIRECTORS, THE INTERNAL CONTROL PROCEDURES IMPLEMENTED BY THE COMPANY, THE LIMITATIONS IMPOSED BY THE BOARD ON THE POWER OF THE CHIEF EXECUTIVE OFFICER, AND THE PRINCIPLES AND RULES ADOPTED BY THE BOARD OF DIRECTORS IN ORDER TO DETERMINE THE COMPENSATION AND BENEFITS GRANTED TO CORPORATE OFFICERS, AND**
- **ON INTERNAL CONTROL PROCEDURES**

(PURSUANT TO ARTICLE L.225-37 OF THE FRENCH COMMERCIAL CODE *CODE DE COMMERCE*)

YEAR ENDED DECEMBER 31, 2008

1. TERMS AND CONDITIONS GOVERNING THE PREPARATION AND ORGANIZATION OF THE WORK PERFORMED BY THE BOARD OF DIRECTORS

Pursuant to Article L.225-37 of the French Commercial Code, the Chairman of the Board of Directors hereby reports on:

- the terms and conditions governing the preparation and organization of the work of the Board of Directors of GDF SUEZ (the Company) and the internal control procedures implemented by the Company;
- the limitations imposed by the Board on the powers of the Chairman and Chief Executive Officer and the Vice-Chairman, President; and
- the principles and rules adopted by the Board of Directors in order to determine the compensation and benefits granted to corporate officers.

Prior to their merger, Gaz de France and SUEZ took into account the recommendations of AFEP-MEDEF in the application of the rules relating to corporate governance. At its November 12, 2008 meeting, the Board of GDF SUEZ confirmed that it referred to the AFEP-MEDEF code of corporate governance, as amended on October 6, 2008, in the preparation of this report, in particular as regards information on the compensation of executive corporate officers. At said meeting, the Board acknowledged that the Group followed the recommendations of the AFEP-MEDEF code.

GDF SUEZ corporate governance structures are organized in accordance with the principles and provisions of Order no. 2008-1278 of December 8, 2008 transposing European Directive 2006/43/EC of May 17, 2006, to be implemented on or after September 1, 2009.

This report (and the preparatory work and procedures required) has been drawn up with the support of the General Secretary's department and the Audit and Risk department, in collaboration with the Finance department, the Communications and Financial Communications department, the Legal department and the Executive Vice-Presidents.

This report was presented to the Audit Committee for information, after being reviewed by the Steering Committee of the 2008 Reference Document, and submitted to the Group's Executive Committee for validation. It was approved by the Board at its meeting of March 4, 2009 pursuant to Article 26 of law no. 2008-649 of July 3, 2008 amending various provisions of corporate law to reflect Community law, for the purpose of increasing transparency requirements for companies in terms of corporate governance and internal control.

1.1 Board of Directors

GDF SUEZ is a *société anonyme* (limited liability company) with a Board of Directors subject to laws and regulations applicable to limited liability companies and the bylaws, without prejudice to specific laws governing the Company, and to its bylaws. Specific laws governing GDF SUEZ include law no. 46-628 of April 8, 1946 on the nationalization of electricity and gas, law no. 86-912 of August 6, 1986, law no. 2003-8 of January 3, 2003 on gas and electricity markets and public energy services, law no. 2004-803 of August 9, 2004 on public electricity and gas services and electricity and gas companies, as well as law no. 2006-1537 of December 7, 2006 on the energy sector.

Articles 15.1 of the Company's bylaws and 1.2 of the Internal Regulations of the Board of Directors define the powers of the Board of Directors:

"The powers of the Board of Directors are those conferred on it by statute."

"The Board of Directors determines the Company's business strategy and oversees the implementation thereof. Subject to the powers expressly granted to General Shareholders' Meetings and within the limit of the Company's corporate purpose, the Board deals with all matters concerning the smooth running of the Company and settles issues related thereto by virtue of its decisions.

The Board of Directors carries out the controls and verifications it considers appropriate."

Under applicable laws and regulations, the Board of Directors deliberates on the main strategic, economic, financial or technological direction of the Company's and the Group's activities, in particular the review of the budget, the Group's industrial strategy, financial strategy and energy supply policy. The Board sets the total amount of sureties, endorsements and guarantees which the Chairman and Chief Executive Officer is authorized to use per year. The Board reviews the budget, the Group's industrial strategy, financial strategy and energy supply policy, at least once a year.

Under Article 2.1 of the Internal Regulations, certain Executive Management decisions must first be submitted to the Board of Directors for approval, as described in Section 1.2 of this report "Limitation on the powers of the Chairman and Chief Executive Officer and the Vice-Chairman and President".

During 2008, the Board of Directors met on sixteen occasions (ten times during the period January 1 to July 22, 2008 and six times during the period July 22 to December 31, 2008), with an average attendance rate of 75%. Of the ten meetings scheduled for 2009, two have already been held on the date hereof.

In July 2008, the Board of Directors adopted new Internal Regulations, which were amended in December 2008, as well as a Directors' Charter and a Code of Conduct. These documents provide the Board with the modus operandi necessary to operate efficiently, while serving the interests of the Company and its shareholders, and set out the rights and obligations of Directors – with which each Director must comply – in a fully transparent manner. These documents may be consulted at the Company's headquarters and on its website wwwgdfsuez.com.

The Internal Regulations define the Board's composition and operation and the scope of responsibility of the Board, the Executive Management and the Board's committees. The Directors' Charter sets out the rules relating to Directors' terms of office, as regards compliance with the company's interests, the laws and bylaws, the Directors' independence, duty of expression, professional skills, involvement and efficiency and conflict of interest policy. The Code of Conduct sets out the rules relating to securities transactions and insider trading applicable to Directors, corporate officers and all employees. The Code of Conduct reflects the Company's intention to ensure prudent management of its securities, compliance with applicable regulations relating to securities transactions carried out by corporate officers and employees. It informs them of the prohibitions with regard to certain transactions involving the Company's securities, the obligation to report transactions carried out by corporate officers, managers and persons closely related to them, as well as criminal and regulatory rules on insider trading.

Article 1.1.2 of the Board's Internal Regulations provides that every year, before the Ordinary Shareholders' Meeting held to approve the financial statements, the Board carries out an evaluation of the independence of Directors. During the course of this evaluation, the Board reviews, on a case-by-case basis, the status to be attributed to each of its members on the basis of the criteria that it has adopted, the specific circumstances and the situation of the Director concerned, the Company and the Group. The independence criteria for Directors are set by the Board in line with corporate governance practices recommended by the applicable French authorities (in particular, the AFEP-MEDEF report). Representatives of the French government and Directors representing the employees and the employee shareholders may not be considered as independent.

During 2008, the Board of Directors relied on the work of the following five committees:

1. the Audit Committee;
2. the Strategy and Investments Committee;
3. the Nominations Committee;
4. the Compensation Committee; and
5. the Ethics, Environment and Sustainable Development Committee.

A committee's role consists in studying the topics and projects that the Board or the Chairman submits for its approval, preparing the work and decisions of the Board relating to these topics and projects, and reporting their conclusions to the Board in the form of minutes, proposals, opinions, information or recommendations.

The committees carry out their duties under the Board's responsibility. No committee can take the initiative to handle issues outside its remit. Committees do not have decision-making powers.

At its meeting of July 22, 2008, following the Shareholders' Meeting which approved the merger between Gaz de France and SUEZ on July 16, 2008, the Board of Directors decided that Executive Management will continue to be headed by the Chairman of the Board under the Board's responsibility. Pursuant to the Board's decision, Executive Management is comprised of Gérard Mestrallet, appointed Chairman and Chief Executive Officer, and Jean-François Cirelli, appointed Vice-Chairman, President.

The Vice-Chairman, President has the same powers of representation with regard to third parties as the Chairman and Chief Executive Officer. The powers of the Chairman and Chief Executive Officer and those of the Vice-Chairman and President are determined by the Board of Directors and the Board's Internal Regulations, which set their limits.

Information relating to the composition of the Board of Directors and other management structures and corporate officers' terms of office is provided in Section 14 of the Reference Document "Corporate Governance". The terms and conditions governing the preparation and organization of the work performed by the Board of Directors and the work performed by the Board and its committees are set out in Section 16 of the Reference Document "Functioning of the Board of Directors and other management structures". They follow the recommendations of the French Financial Markets Authority (*Autorité des Marchés Financiers* or "AMF").

The principles and rules adopted by the Board of Directors in order to determine the compensation and benefits granted to corporate officers are described in Section 15 of the Reference Document "Compensation and benefits".

The provisions relating to shareholders' attendance at Shareholders' Meetings and shareholders' voting rights are set out in Section 21.2.3 of the Reference Document "Rights, privileges and restrictions attached to shares" and in the bylaws (Articles 10, 11, 12 and 20).

Information relating to the control of the Company is set out in Section 18.3 of the Reference Document.

1.2 Executive Management

Limitation on the powers of the Chairman and Chief Executive Officer and the Vice-Chairman and President

Article 2.1 of the Board of Directors' Internal Regulations defines the powers of the Chairman and Chief Executive Officer and the Vice-Chairman and President.

The Chairman and Chief Executive Officer and the Vice-Chairman and President shall obtain the prior authorization of the Board to enter into significant agreements with the French government relating to targets and the terms and conditions of implementation of public service assignments entrusted to the Company or its subsidiaries, within the limits set by law.

1) The following decisions of the Chairman and Chief Executive Officer and the Vice-Chairman and President shall first be submitted to the Board of Directors for approval:

- to acquire or sell any direct or indirect interests of the Company in any companies already in existence or to be created, to participate in the creation of any companies, joint ventures, combinations and organizations, to subscribe to any issue of shares, share equivalents or bonds, where the Company's or the Group's financial exposure exceeds €350 million for the transaction concerned;
- to approve all transactions involving a contribution or an exchange of goods, shares or securities, with or without a balancing cash payments, for an amount exceeding €350 million;
- in the event of litigation, to enter into any agreements and settlements, or accept any compromise, for an amount exceeding €200 million;
- to enter into any long-term power purchase agreements on behalf of the Group for quantities exceeding the following per transaction:
  - 30 billion kWh of gas per year, including the conditions of transport,
  - 20 billion kWh of electricity per year, including the conditions of transport.

2) The Chairman and Chief Executive Officer and the Vice-Chairman and President shall obtain prior authorization from the Board to carry out any transaction involving the acquisition or sale of real property for an amount exceeding €200 million.

3) The Chairman and Chief Executive Officer and the Vice-Chairman and President shall obtain prior authorization from the Board to carry out the following transactions for an amount exceeding €1.5 billion:

- grant or enter into all loans, borrowings, credits or advances by the Company, or authorize the subsidiaries or any Group financing vehicle to do so;
- acquire or assign any receivables, by any method.

2. REPORT ON THE INTERNAL CONTROL PROCEDURES IMPLEMENTED BY THE COMPANY

2.1 Group objectives and standards in the area of internal control

Objectives

The internal control objective of GDF SUEZ, to which both Groups were committed before the July 22, 2008 merger, is to implement a process designed to provide reasonable assurance of the control of operations with regard to:

- compliance with applicable laws and regulations;
- reliability of accounting and financial information;
- effectiveness and efficiency of operations.

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However, as any control system, it can only provide reasonable assurance that all risks of error or fraud are completely controlled or eliminated.

GDF SUEZ's aim is to have effective internal control systems in place at each level of responsibility and supported by:

- an environment conducive to the implementation of control systems;
- the commitment of all players, in particular operational personnel who are closely involved in the processes and in charge of the continuous improvement of their system;
- an approach which takes into account the cost of implementing a control in connection with the level of risk and adjusting its degree to the desired level of assurance.

Standards applied

GDF SUEZ has chosen an organization and procedures for internal control based on the model promoted by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which is the model chosen by each Group before the merger. This organization and these procedures also comply with the reference framework and take into account the application guide published in January 2007 by the AMF).

2.2 Coordination and monitoring of operations and internal control

Coordination and monitoring of operations

The coordination and monitoring of each Group's operations before the merger has been described in the Groups' respective reports on internal control procedures for 2007[(1)]. Prior to the merger some fifty projects were launched which can be grouped into six categories: coordination-mobilization, organization, synergies, governance, policy and key processes and lastly, key interfaces. These projects were coordinated by special purpose bodies and monitored by units overseeing the integration process. These initiatives contributed to the implementation of a system combining the two Group's best practices in terms of governance procedures and organizational structures.

The coordination and monitoring of operations in GDF SUEZ is based on:

- The Board of Directors, which determines the Company's business strategy and oversees the implementation thereof, as described in Section 1.1. The Board sets out the objectives of the Company's internal control system through its ongoing activities and work; periodic reviews of internal control are submitted to the Audit Committee;
- The Chairman and Chief Executive Officer, who heads up GDF SUEZ and implements the strategic decisions taken by the Board of Directors. As such, he has overall responsibility for implementing internal control procedures throughout the Group's functional divisions and business lines; he is assisted by the Vice-Chairman and President;
- The Management Committee, chaired by the Chairman and Chief Executive Officer or the Vice-Chairman and President, comprises six members (the Chairman and Chief Executive Officer, the Vice-Chairman and President, and the four Executive Vice-Presidents);
- The Executive Committee comprises 19 members representing the various business lines and functional divisions; it reviews questions and decisions related to strategy, development on Enterprise organization and the Group's overall management; the Committee examines subjects and issues as the need arises.
- A limited number of Company-level committees have been created (Finance Committee, Investment Committee, Energy Policy Committee, Research and Innovation Committee, Career Management Committee, Business Line Committee, Energy Market Risks Committee) in order to coordinate instructions and decision-taking across GDF SUEZ's organizational lines.
- Three management levels:
  - The center coordinates the Group's activities and is responsible for defining strategy and financial performance; it structures the Group by determining and overseeing the implementation of policies covering a broad range of functions; the central functional division are: Finance, Strategy and Sustainable Development, Audit and Risk Management, the Secretary, Human Resources, Executive Management Division, Communication and Financial Communication, International Relations, Research and Innovation, Integration, Synergies and Performance, Information Systems, Purchasing, Health, Security and Management Systems, Nuclear Activities, Nuclear Safety and Radiation Protection,
  - the business lines (Energy France, Energy Europe & International, Infrastructures, Energy Services, Global Gas & LNG, and Environnement) represent a management level with a coordinating role and hierarchical authority over the business units within their respective areas of responsibility,
  - the Group's reporting takes place at the business unit level, which is the management level at which GDF SUEZ's performance is monitored.

The principles of conduct and action for management and personnel applied by each Group prior to the merger were described in their respective reports on internal control procedures for 2007[(2)]. Basing itself on the earlier ethical analysis carried out by the two Groups, GDF SUEZ has adopted an "Ethics and Compliance Program" designed to promote a Group culture that fosters ethical behaviour and to manage compliance with applicable laws and rules. This program is based on a network of one hundred and thirsty compliance officers, an extranet site dedicated to ethics and the publication of charters and codes. The most important documents are: the Code of Conduct – Ethics for the Handling of Information; Ethics Guidelines for Commercial Relationships; the Environmental

(1) Gaz de France: Section 1.2.2 "Group management bodies" and Section 1.3 "Conduct guidelines"; SUEZ: Section 2.2 "Coordination and monitoring of operations and internal control".

(2) Gaz de France: Section 1.3 "Conduct guidelines"; SUEZ: Section 2 .2 "Coordination and monitoring of operations and internal control".

Charter; the Code of Ethics for Group Financial Officers; Ethics Guidelines: Purchasing; Guidelines for Handling Information – Protecting the Confidentiality of Inside Information; and the Code of Conduct Governing Suppliers' Relationships.

Coordination and monitoring of internal control

The coordination and monitoring of each Group's internal control system before the merger was described in their respective reports on internal control procedures for 2007[3].

In order to maintain the momentum of SUEZ's Codis program and Gaz de France's Financial Internal Control program, GDF SUEZ's Audit and Risks department has launched the Internal Control Management and Efficiency program (INCOME) whose purpose is to maximize convergence, integration and effectiveness. This program aims not only to roll out a common methodology and implement, coordinate and monitor internal control at GDF SUEZ, but also to spread the internal control culture throughout the Group. The program has been presented to the Audit Committee.

GDF SUEZ's structure for coordinating and monitoring internal control is based on the following principles:

Role of GDF SUEZ's internal control directions

GDF SUEZ's internal control directions focus on:

- the implementation of an effective and rigorous coordination and monitoring program, for which management is responsible and which is differentiated according to the needs of each management level and can be adapted to different organizations and risks;
- a formal commitment by management at different organizational levels to implement an internal control system for their area of responsibility as well as to identify actions to improve the system;
- the rollout of a internal control network to support management.

Implementation of GDF SUEZ's internal control directions

GDF SUEZ's internal control directions are being implemented as follows:

- The business lines and functional divisions define their own control procedures in accordance with Group standards and policies and in a manner adapted to their specific businesses. These procedures are in line with the INCOME program which enables them to supervise the internal control system's application to the activities within their specific area of responsibility and to confirm its effectiveness in meeting their needs. For example, the Health and Safety Management Systems department is in charge of proposing Group policies in relation to prevention, health and safety, control of industrial safety risks and safety risks in connection with energy uses and the protection of tangible and intangible assets and in relation to management systems (quality). It is also responsible for detailing these policies, ensuring that they are taken into account and coordinating the players in the areas of industrial safety, health and safety, protection of assets and management systems within the Group. It also provides internal control for the implementation of Group policies and standards in the areas concerned, through controls carried out in the entities, department reviews with the business lines and the promoting of assessments by the players themselves.
- In accordance with the bylaws and the principles of corporate governance, the Audit and Risks divisions reports to the Chairman and Chief Executive Officer. It reports its findings to the GDF SUEZ Audit Committee and to the Chairman and Chief Executive officer on a regular basis. It is made up of three services whose responsibilities are described below.
  - The Internal Control service coordinates the network of some two hundreds and fifty internal control coordinators and managers working in the business lines or in the functional departments and subsidiaries by providing methodology and instructions and by organizing information and training sessions. In collaboration with the functional departments and business lines it organizes the coordination and monitoring of the program in order to enable the Company to effectively control its most significant risks; in this regard, it analyzes and continuously enhances the internal control system.

    The business line internal control officers supervise the internal control coordinators working in their business units and legal entities within their area of responsibility, ensure their implementation of the internal control program in the business line and prepare the items necessary for certification of the internal control procedures by the head of the business line.

    The internal control coordinators working with the head of a business unit or legal entity assist the process managers ("business process owners") in charge of implementing the controls within the business, set up the internal control program and prepare the items necessary for certification of the internal control procedures by the head of the business unit or legal entity.

    The internal control coordinators working in a functional department implement the internal control program, rely on the internal control network to control and implement in the Group the network's decisions, and prepare the items necessary for certification of the internal control procedures by the head of the functional department.
  - The Internal Audit division, which as an independent and objective function, is responsible for the proper functioning of the Company in all areas and, in particular, the relevance and effectiveness of the internal control system. It exercises this responsibility directly and relies on the internal audit organizations of the business lines over which it exercises hierarchical authority. The Group's internal audit team ensures the implementation and control of compliance with professional standards, the appropriate level of resources and professional skills as well as the quality assurance of the internal audit. Among other tasks, it is responsible for the adequate planning of audit engagements, their execution in line with the audit plan as well as the rigorous reporting of observations.

    The business line's internal audit team ensures the implementation, within its area of responsibility, of professional

(3) *Gaz de France: Section 1.2.5 "Group corporate services departments", the role of the internal control delegate and Section 3.3 "Control of the process (of financial internal control)"; SUEZ Section 2.2 "Coordination and monitoring of operations and internal control".*

standards as well as the procedures and instructions defined by the Group's internal audit team.

The internal auditors coordinate their work with the Statutory Auditors in order to ensure the consistency and mutual effectiveness of their actions.

- The Risk Management division (see Section 2.3 below).

2.3 Implementation of internal control objectives

Risk assessment and management

For several years Gaz de France and SUEZ each had their own processes for assessing and managing their risks. These processes were presented in 2007 in the last report on internal control procedures appended to their 2007 reference documents(4). These policies had a similar basis which was consistent with professional standards (in particular the Federation of European Risk Management Associations, COSO II) and explicitly aimed at reducing their risks to a reasonable level, in line with their objectives.

These policies were applied up until the two Groups' merger, with each Group's business units updating their risk mapping in the second quarter, prior to the merger.

Role of the GDF SUEZ Audit Committee

The key aspects of the overall risk management policy were presented to the Audit Committee on October 14, 2008. The Committee has been regularly updated regarding the financial risks of the crisis and the first overview of the risks of all GDF SUEZ businesses was presented to the Committee in January 2009.

GDF SUEZ's enterprise risk management policy

As a market leader in energy and environmental services, GDF SUEZ aims to manage its risks in order to maintain and increase its growth and assets and to strengthen its reputation and internal motivation. Considering a risk to be "any event likely to affect the Company's continuity, its reputation or the achievement of its strategic, financial and operational objectives", the Company favors a reasonable degree of risk-taking which complies with laws and regulations and is acceptable to public opinion and economically tenable.

In order to achieve this aim, GDF SUEZ has designated as Chief Risk Officer the Executive Committee member in charge of the Audit and Risks department. The department's Risk Management division, which reports to the Chief Risk Officer, coordinates the Enterprise Risk Management (ERM) network. The Risk Officers working in central management, the business lines, the business units and the functional departments support management in identifying and assessing risks as well as assessing the means provided for reducing or hedging these risks. A unified methodology for assessing risks will be defined at the start of 2009 on the basis of the standards, best professional practices and the experience acquired by the two former Groups.

Risks are managed by the business lines and/or the functional departments (and their network). In particular:

- the Finance department manages, measures and controls the risks related to the Group's financial activities (interest rates, foreign exchange, liquidity and counterparty) within the framework of specific policies. As part of energy market risk and energy counterparty risk policies which it has defined for the Group, the Finance department provides a consolidated measurement of these risks, a second-tier control and the coordination and monitoring of the Energy Market Risks Committee. In addition, the Insurance division is in charge of designing, implementing and managing insurance programs;
- the Legal department manages the Group's legal risks;
- the Strategy and Sustainable Development department coordinates risk management in its area of responsibility.

The same applies to risks related to ethics and compliance, information systems, human resources, health and safety, and environment, whose risk control actions are coordinated by the departments responsible for these areas.

Preparation for crisis management has been entrusted to the Health and Safety Management Systems department.

As the business units had reviewed their risks prior to the merger and have updated them since then as necessary, the business lines and the functional departments carried out in the fourth quarter of 2008 their first review of the activities of the newly-merged Group. This information was summarized to identify the Group's main risks. The Executive Committee and the Audit Committee carried out a preliminary review of these risks in January and will carry out a final review before the end of the first quarter of 2009. The main risk factors are described in Section 4 of the Reference Document.

Preparation of internal audit programs

The Internal Audit division of the Audit and Risks department recommends the Group's program of audits by relying in particular on risk mapping in order to identify the most relevant audit themes and to assess risk hedging policies. In a reciprocal fashion, the audit results serve to update the risk maps.

Compliance with laws and regulations

Within the General Secretary's department, the Legal department helps to create a secure legal framework for the Group's operations and the decisions of its corporate officers. Dedicated teams within this department are tasked with providing the business lines and functional departments with the necessary expertise.

Compliance with laws and regulations remains the responsibility of each business line and each functional department in its respective area of responsibility. Implementation of internal control objectives as regards compliance with laws and regulations is performed at each level throughout the Group. For example, certain cross-disciplinary

(4) Gaz de France: Section 2 "Conduct guidelines"; SUEZ: Section 2.3 .2 "Coordination and monitoring of operations and internal control".

compliance objectives are managed directly by the relevant central functional department:

- the Finance department oversees Group compliance in accounting, financial and tax matters and is responsible for statutory financial reporting;
- within the General Secretary's department, the Ethics and Compliance department is tasked with drafting rules on ethics and compliance for the Group as a whole, as well as checking that such rules are actually applied in accordance with laws and regulations currently in force;
- the Human Resources department is in charge of compliance with current labor legislation and regulations and of employee data reporting;
- the Business Strategy and Sustainable Development department is responsible for compliance with environmental laws and regulations throughout the Group. It assesses the environmental maturity of the Group's various businesses and is in charge of regulatory environmental reporting.

Reliability of accounting and financial information

As part of the preparation for the merger and prior to that event, the two Groups worked on harmonizing their processes for preparing accounting and financial information, particularly via the following projects:

- the "Controlling" project dealing with subjects related to management control and budgetary control, including the medium-term business plan;
- the "Publication – Standards" project covering the harmonizing of accounting principles and the convergence of the layouts of published financial statements.

Up until the date of the merger, the items mentioned in the two reports by the Chairmen of the Boards of Directors of Gaz de France and SUEZ concerning internal control procedures in relation to 2007 continued to be applied[5].

Since July 22, 2008, and pursuant to the harmonization work above mentioned, the following internal control principles and procedures have been set up by the Company:

AMF reference framework

The internal control system in relation to accounting and financial information has taken into account the AMF reference framework. This system covers not only the processes for preparing financial information for financial statements, consolidation, forecasting phases and financial communication, but also all upstream operational processes contributing to the production of this information.

Accounting standards and procedures

The main applicable procedures when preparing the statutory and consolidated financial statements are set out in two Group documents:

- the manual of Group accounting policies issued by the Accounting Standards Center of Expertise within the Corporate Control, Planning and Accounting Department. This manual may be consulted on the intranet by all members of the finance departments throughout the Group and is regularly updated in line with the latest developments in international standards. The manual includes a definition of the performance indicators used by the Group;
- closing instructions sent out prior to each consolidation phase. These instructions cover the assumptions made when preparing the year-end accounts (exchange rates, discount rates and tax rates, for example), the scope of consolidation, the timetable for submitting data, the specific points requiring attention at year-end, and the main changes in accounting regulations and standards.

Organization principles

Responsibility for accounting and financial reporting is defined at each level of the Group (central management, business lines, business units and legal entities). This includes setting up and maintaining an effective system of internal control.

The Corporate Control, Planning and Accounting department coordinates the production of the Group's consolidated financial statements. The Consolidation and Management Control departments of the various business lines help it to coordinate reporting from the business units and legal entities.

Each of these players carries out controls in its own area of responsibility to ensure that accounting standards and Group accounting policies have been circulated, understood and correctly applied. This principle of subsidiarity makes it possible to apply second-tier controls to the information produced:

- controls at the business line level on the information passed on to this level by the business units and legal entities;
- controls at the central level on the information passed on to this level by the business lines.

Centers of expertise (the Consolidation Methods Center of Expertise – described below – and the Accounting Standards Center of Expertise, for example) have been set up at central level in order to develop optimal solutions to complex technical issues. They pool expertise from throughout the Group, thus ensuring that both the analyses performed and the resulting positions adopted are of a consistently high standard.

Information systems management

In order to secure and standardize the processes used in preparing management forecasts and financial statements, the Group has deployed a single, standardized software application known as SMART. The reporting entities that did not use it at June 30, 2008 at the time of the half-year closing are involved in a migration project whose final stage is set for the first quarter closing of

(5) *Gaz de France: Section 1.2.5 "Group corporate services departments", the role of the internal control delegate and Section 3 "Control of the process (of financial internal control)"; SUEZ: Section 2.3 "Coordination and monitoring of operations and internal control".*

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March 31, 2009 (although certain entities early migrated in 2008). The business lines not using SMART in all their units are preparing a consolidated reporting package using this application for to subsidiaries which are not covered by this application in order to enable central management to carry out the Group's consolidation with the SMART application.

The application is managed jointly by:

- the Consolidation Methods Center of Expertise (part of the Corporate Control, Planning and Accounting department) which handles administration (access, relations with service providers involved in system support and operation), system configuration (the identification of system enhancement needs, drawing up of specifications and validating of system updates are carried out by the consolidation department) and providing assistance to users (running a hotline);
- the Information Systems department which is in charge of specific underlying infrastructures.

Other information systems used in the preparation of accounting and financial information are managed as appropriate on a decentralized basis by the various subsidiary IT departments.

Preparation of accounting and financial information

All reporting levels in the Group are involved in preparing financial and accounting information. They must comply with the internal control guidelines developed at central level by the Internal Control division within the scope of the INCOME program. This process involves, inter alia:

- the Finance department of each business unit and legal entity, which formally validates the accounting and financial reporting package prepared in accordance with the main procedures established at Group level;
- the various Finance departments at the business line level, which are in charge of implementing procedures with all operating subsidiaries. These include management control procedures performed in a decentralized manner in order to take account of the specific characteristics of each business;
- the Corporate Control, Planning and Accounting department (part of the Finance department), which is in charge of financial reporting, monitoring the statutory financial statements (of GDF SUEZ and the financial vehicles managed at central level) and the consolidated financial statements, and liaising with the accounting departments of the AMF.

The Group is implementing a formalized system which commits operational and financial managers with regard to the accuracy and fairness of the financial information passed on to the business lines by the legal entities and then by the business lines to central management, as well as with regard to the internal control systems which contribute to the reliability of this information throughout the information chain mentioned in the above paragraph "Organization principles".

Setting objectives and coordination

Group Executive Management updates and circulates GDF SUEZ's overall objectives and allocates resources to the different business lines. Group Management Control (part of the Corporate Control, Planning and Accounting department) prepares written instructions to be sent out to the operational departments of the business lines, setting out the macro-economic assumptions to be applied (exchange rates, interest rates, commodity prices, etc.), the financial and non-financial indicators to be measured in the following period, the reporting timetable and the basis of segmentation to be used in financial reporting. Each business line is responsible for sending these instructions to its subsidiaries after tailoring them to the specific characteristics of the businesses.

Management control is performed in a decentralized manner to reflect the specific characteristics of each business. In particular, it must take account of the instructions circulated on a periodic basis by the Corporate Control, Planning and Accounting department, the SMART software application and the manual of Group accounting policies.

The business line committee meeting held in the fall validates the objectives set for the following year for each business line and the corresponding budget. This meeting, prepared by the finance department under the responsability of the Corporate Control, Planning and Accounting department, comprises representatives from Executive Management, Group operational and functional departments and the operational and Finance departments of the business line concerned. The consolidated budget is presented to the Audit Committee before being submitted to the Board. Group Executive Management then sends a summary memorandum to each business line setting out its quantitative and qualitative objectives.

At subsequent business line committee meetings, actual figures are compared to budget and any adjustments to annual forecasts are validated by the Group's Executive Management and business line management. The business line committee meeting held in the spring also looks beyond the current year to examine the projections stemming from the medium-term business plan which provides the basis for impairment tests of goodwill and long-term assets.

Financial communications

Preparation and approval of the Annual Report

The General Secretarier is in charge of preparing the annual report ("*Document de référence*") document filed with the AMF, which involves the following:

- defining the procedures for submitting and validating the information that will appear in the Annual Report;
- overseeing the work of the Annual Report Steering Committee;
- liaising with the AMF and applying its regulations.

Preparation and approval of press releases

In line with the growing importance of financial communications and the imperative of providing high-quality financial information, the Group ensures that the Communications and Financial Communications division has the necessary resources to present fair and reliable information and to containement any possible risks to its reputation. This department is responsible for coordinating communication initiatives that could impact GDF SUEZ in terms of image, reputation, brand integrity or share value. The principles for exercising this responsibility are set out in the "Media Communications" procedure and consist in: coordinating actions between the communication teams at the center and business line level; implementing an approval process whenever information is communicated, whether internally or externally; setting up a crisis management system and steering committees for each type of media.

Effectiveness and efficiency of operations

Internal control contributes to the controlling of risks of improperly functioning processes and more generally to the improvement of business controls. The internal control system is incorporated into the Group's operational and functional processes.

Each head of a business unit (or legal entity) is responsible for the implementation of the internal control system within their business unit (or legal entity). Accordingly the head of the business unit:

- develops and maintains a suitable general control environment in the business unit (or legal entity);
- delegates to the business process owner the implementing of controls to contain the risks for activities within his area of responsibility;
- assesses the internal control system for his own business unit (or legal entity);
- relies on a representative of the internal control network (an internal control coordinator) to coordinate implementation of the INCOME program and provides support to business process owners;
- commits himself toward the next higher hierarchical level.

Each owner of a business process integrated into the coordination and monitoring program performs an annual assessment of the key controls based on the objectives set by each management level.

This assessment enables the business process owner to verify that the control is still suited to the risks and to ensure that it is properly implemented. Any problems identified are analyzed and appropriate corrective measures are taken. The entire system thus reflects a continuous improvement approach. The implementation of corrective actions is monitored within the scope of the coordination and monitoring program.

In addition, the Integration, Synergies and Performance department is in charge of the organization of the Group, the management of the integration processes, the coordination and monitoring of synergies and performance programs (such as EFFICIO) as well as the coordination of cross-disciplinary business activities.

2.4 Internal control progress plan

GDF SUEZ has launched a process of enhancing its internal control system in line with the general directions and priorities laid down by the Chairman and Chief Executive Officer, the Audit Committee and the Executive Committee. The actions undertaken within the scope of this process are the responsibility of the functional departments and the business lines and are coordinated and monitored at the appropriate level of the internal control network.

Internal control can be enhanced, in particular, through an assessment of the overall control environment, the roll out of the above-mentioned INCOME program, finalization of the harmonization work, anti-fraud actions, risk containment and the contribution of information systems to the internal control system. These internal control enhancement opportunities are presented to the Audit Committee.

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (CODE DE COMMERCE), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF GDF SUEZ

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of GDF SUEZ and in accordance with article L. 225-235 of the French commercial code (Code de Commerce), we hereby report on the report prepared by the chairman of the board of directors of your company in accordance with article L. 225-37 of the French commercial code (Code de Commerce) for the year ended December 31, 2008.

It is the chairman's responsibility to prepare and submit for the board of directors' approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French commercial code (Code de Commerce) relating to matters such as corporate governance.

Our role is to:

- report on the information contained in the chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information,
- confirm that the report also includes the other information required by article L. 225-37 of the French commercial code (Code de Commerce). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the chairman of the board of directors in accordance with article L. 225-37 of the French commercial code (Code de Commerce).

Other information

We confirm that the report prepared by the chairman of the board of directors also contains the other information required by article L. 225-37 of the French commercial code (Code de Commerce).

Neuilly-sur-Seine and Paris-La Défense, April 1, 2009.

The Statutory Auditors

Deloitte & Associés		ERNST & YOUNG et Autres		Mazars	
Jean-Paul Picard	Pascal Pincemin	Christian Mouillon	Nicole Maurin	Philippe Castagnac	Thierry Blanchetier

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STATUTORY AUDITORS' REPORT ON THE REVIEW OF SELECTED ENVIRONMENTAL AND SOCIAL INDICATORS

This is a free translation into English of the original report issued in the French language and is provided solely for the convenience of English speaking readers

At the request of GDF SUEZ and in our capacity as the company's Statutory Auditors, we performed a review in the aim of providing assurance on the environmental and social indicators selected by GDF SUEZ and identified by the symbols ■ or ■■ in the sections 6.6.2 and 6.6.4 for fiscal year 2008 and at the Group level ("the Data").

The data, which is the responsibility of GDF SUEZ management, has been prepared in accordance with the following internal reporting criteria:

- set of procedures relating to environmental data reporting,
- set of procedures relating to social data reporting,

available for consultation at the Sustainable Development Department (Environment Climate), the HR Controlling Department and the Health, Safety and Management Systems Department, as summarized in sections 6.6.2.5 and 6.6.4 (hereinafter the "Reporting Criteria"). It is our responsibility, based on the work performed, to express a conclusion on this Data. The conclusions expressed below relate solely to this Data and not to the entire sustainable development report.

The 2008 data corresponds to pro-forma information, as though the merger had taken place on January 1, 2008.

Nature and scope of our work

We conducted our procedures in accordance with the applicable professional guidelines.

Moderate assurance

We conducted the following procedures in order to provide moderate assurance that the selected Data[1], identified by the symbol ■, did not contain any material anomalies. A higher level of assurance would have required more extensive work. We have assessed the Reporting Criteria with respect to its relevance, reliability, objectivity, clarity and its completeness.

- We met with the persons responsible for the application of the Reporting Criteria at the Sustainable Development Department (Environment Climate), the HR Controlling Department and the Health, Safety and Management Systems Department at the head office, and within the branches: Energy France, Energy Europe and International, Global Gas and LNG, Infrastructure, Energy Services and SUEZ Environment.
- We conducted substantive tests at 35 sites owned by 27 selected entities[2] for the environmental data, representing on average 72% of the GDF SUEZ consolidated data, and at 28 selected entities[3] for social data, representing 65% of the GDF SUEZ consolidated staff, an increase over last year for the two types of data.
- In addition, we have carried out analytical reviews and consistency tests for 8 additional entities for environmental reporting and 15 additional entities for social reporting.

1 *The Data is as follows [contribution to group data from the entities selected for our work is mentioned between brackets] Relevant revenue covered by EMAS or ISO 14001 certified environmental management systems (37%); Renewable energy – installed capacity (38%); Renewable energy – electricity and heat produced (40%); SO_2 emissions (26%); NOx emissions (49%); Dust emissions (33%); Industrial water consumption (35%); Cooling process water (84%); Pollution load treated (purification) (94%); Non-hazardous waste and sub-products discharged (63%); Non-hazardous waste and sub-products recovered (66%); Hazardous waste and sub-products discharged (52%); Hazardous waste and sub-products recovered (41%); Quantities of leachates treated (60%); Electricity and heat sold (incinerators, waste storage centers and water purification stations) (59%); Drinking water distribution – linear loss index (in relation to the quantity of drinking water injected in the network) (68%); Administrative personnel (66%), Non-administrative personnel (Senior technicians and supervisors and workers, employees, and technicians) (69%), Employee resignation rate – Voluntary turnover (62%), Number of fatal accidents (employees) (70%), Work-related accident frequency rate (FR).*

2 *Energy Europe and International: Electrabel SA (Amercoeur, Herdersburg, Rodenhuize and Tihange sites), Electrabel Nederland (Eems and Bergum sites), Baymina, Edelnor (Mejillones site), Bahia Las Minas, SENA (Wise, Choctaw, Ennis and Red Hills sites), Glow Group (Glow IPP and Glow Rayong sites), Dunamenti, Vado Ligure and Polianec; Energy France: DK6 and CNR; Energy Services: Elyo Ile de France (BU and Curma site), Cofathec Services (BU and Saint-Michel-sur-Orge site) and Cofathec Italia (Settimo Torinese); SUEZ Environment: LDEF, Degrémont (Viveros de la Villa and Grimonpont sites), United Water (Toms River and Indianapolis sites), Agbar (Barcelona site), Sita France (BU and Tri Val'Auve and ISD MMS Les ménils sites), Sita UK (BU and Kirklees and Packington sites), Sita Sweden (BU and Kovik site), SITA Germany (BU and Zorbau site) and TERIS (BU and Teris Labo Services and Givors sites); Global Gas and LNG: GDF Produktion Exploration Deutschland (Dexpro); GDF - Direction Exploration Production; Infrastructure: Terminaux Méthaniers (BU and Fos Tonkin site).*

3 *Energy Europe and International: Electrabel, Electrabel Nederland NV, Dunamenti; Polaniec, Tirreno Power (Vado Ligure site), Distrigaz (south), SEGNA, Glow IPP Company Ltd and Glow Energy Public Co Ltd; Energy Services: Axima France, Axima Services Belgium, Endel, Fabricom GTI SA, Ineo SA, Elyo Services Ltd, GTI, Elyo France (2 entities: Elyo IDF and Elyo Midi-Océan) and Cofathec Services France; SUEZ Environment: LDEF, SDEI, LYDEC, United Water, Sita France (4 entities: Sita IDF, Sita Central West, Sita FD, Sita MOS), Sita UK, Sita Poland and Sita Deutschland; Energy France: Savelys and CNR; Infrastructure: GRT Gaz and GrDF.*

We examined, on a sampling basis, the calculations and verified the data reporting at different consolidation levels.

Reasonable assurance

For the indicators[4] identified by the symbol ■ ■, the degree of precision applied to the measurement and the more extensive nature of our work than that previously described, particularly in terms of the number of samplings, enable us to express reasonable assurance.

To assist us in conducting our work, we referred to the environment and sustainable development experts of our firms under the responsibility of Mr. Eric Duvaud for Ernst & Young and Mr. Eric Dugelay for Deloitte & Associés.

Comments on the procedures

In the continuing effort to improve the reliability of environmental and social data, GDF SUEZ harmonized its data reporting processes in 2008, taking into account the comments expressed in our auditors' reports for fiscal year 2007. We have the following comments with respect to these processes:

Environmental reporting

- The introduction of a common Reporting Criteria in 2008 and a shared reporting tool contributed to the production of consistent data within an expanded scope.
- Since the previous fiscal year, the internal controls for environmental indicators have been strengthened for a substantial number of branches and entities. However, there is room for improvement for certain entities, with respect to the level of controls implemented.

Social reporting

- A project to overhaul group social reporting was undertaken over the last quarter of 2008 in order to provide GDF SUEZ with a single reporting system. However, two separate indicator reporting systems and procedures were maintained for fiscal year 2008 with respect to the former Gaz de France and SUEZ scopes. Consequently, certain adjustments were necessary at the Group level in order to publish consistent data.
- The strengthening of the internal control system over the past several years should be pursued for all the entities, particularly for the "number of hours worked" and "number of days of sick leave" indicators used for calculating rate of frequency and severity indicators for work-related accidents.

Conclusion

Moderate assurance

Based on our review, we did not identify any material anomalies likely to call into question the fact that the Data identified by the symbol ■ was prepared, in all material respects, in accordance with the above-mentioned Reporting Criteria.

Reasonable assurance

We wish to express a qualification on the following data.

- The "percentage of employees trained" for which difficulties in terms of clarity and the application of procedures were observed, due primarily to the current harmonization of reporting processes.

In our opinion, subject to the above qualification, the Data identified by the symbol ■ ■ was prepared, in all material respects, in accordance with the above-mentioned Reporting Criteria.

Signed in Neuilly-sur-Seine, April 1, 2009

The Statutory Auditors

Deloitte & Associés		ERNST & YOUNG et Autres		Mazars	
Jean-Paul Picard	Pascal Pincemin	Christian Mouillon	Nicole Maurin	Philippe Castagnac	Thierry Blanchetier

4 *The Data is as follows [contribution to group data from the entities selected for our work is mentioned between brackets] Primary energy consumption (57%); Electricity consumption (76%); Fossil fuel plant energy efficiency (in relation to energy production) (58%); Greenhouse gas emissions (excluding vehicle fleet) (59%), Total workforce (69%), Proportion of women in the workforce (62%), Percentage of trained workers (64%).*

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 4, 2009

AGENDA

A. Ordinary Shareholders' Meeting

- Board of Directors' report.
- Statutory Auditors' reports.
- Approval of transactions and the statutory financial statements for the year ended December 31, 2008.
- Approval of the consolidated financial statements for the year ended December 31, 2008.
- Appropriation of net income and declaration of dividend for fiscal year 2008.
- Approval of regulated agreements pursuant to Article L.225-38 of the French Commercial Code (*Code de commerce*).
- Authorization to be given to the Board of Directors to trade in the Company's shares.
- Appointment of Directors representing the employee shareholders pursuant to Article 13.3 2 of the bylaws.

B. Extraordinary Shareholders' Meeting

- Board of Directors' report.
- Statutory Auditors' special reports.
- Independent expert's report.
- Delegation of authority to be given to the Board of Directors to increase the share capital, with cancellation of preferential subscription rights, in favor of any entities whose sole purpose is to subscribe, hold and dispose of GDF SUEZ shares or other financial instruments within the scope of the implementation of one of the multiple formulas of the GDF SUEZ Group's international employee shareholding plan.
- Authorization to be given to the Board of Directors to grant options for the subscription or purchase of shares of the Company to employees and/or officers of the Company and/or Group companies.
- Authorization to be given to the Board of Directors to award free shares to employees and/or officers of the Company and/or Group companies.
- Powers to implement the resolutions adopted by the Shareholders' Meeting and perform the related formalities.

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BOARD OF DIRECTORS' REPORT ON THE RESOLUTIONS PRESENTED TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 4, 2009

1. BOARD OF DIRECTORS' REPORT ON THE RESOLUTIONS PRESENTED TO THE ORDINARY SHAREHOLDERS' MEETING

Approval of transactions and the statutory financial statements for the year ended December 31, 2008 (first resolution)

Under the **first resolution**, the shareholders are asked to approve the statutory financial statements for the year ended December31, 2008.

Net income for 2008 amounts to €2,766,786,164.

Approval of the consolidated financial statements for the year ended December 31, 2008 (second resolution)

Under the **second resolution**, the shareholders are asked to approve the consolidated financial statements for the year ended December 31, 2008, which show net income Group share of €4,857,119,000.

Appropriation of net income and declaration of dividend for fiscal year 2008 (third resolution)

The purpose of the **third resolution** is to appropriate net income and declare the dividend for fiscal year 2008.

On May 27, 2008, the date on which the dividend for fiscal year 2007 was paid, the Company held 19,974,256 of its own shares. The dividend corresponding to these shares, i.e., 19,974,256 x €1.26 = €25,167,563, was not distributed, but instead appropriated to retained earnings, in accordance with the third resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 19, 2008.

The balance sheet at December 31, 2008 shows net income of €2,766,786,164 and retained earnings of €18,739,865,064.

The shareholders are asked to appropriate net income for the period as follows:

euros	
Net income	2,766,786,164
Appropriation to the legal reserve	211,114
Balance	2,766,575,050
Retained earnings at December 31, 2008	18,739,865,064
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	**21,506,440,114**
Dividend payout for 2008 (i.e., a net dividend of €2.20 per share)	**4,795,008,520**
Interim dividend paid on November 27, 2008, to be deducted from the dividend for fiscal year 2008 (i.e., a net dividend of €0.80 per share)	1,723,907,172
Remaining dividend payout for 2008 (i.e., a net dividend of €1.40 per share, in light of the interim dividend payment)	**3,071,101,348**
The total amount of dividend payout for 2008 will be paid out of	4,795,008,520
-net income for the period	2,766,575,050
-retained earnings	2,028,433,470

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In accordance with Article 243 bis of the French Tax Code (*Code général des impôts*), the entire distribution is eligible for the 40% deduction available to individuals domiciled in France for tax purposes provided for in Article 158-3 2 of the French Tax Code.

The total net dividend of €2.20 per share is broken down as follows:

- €1.40 of dividend paid in accordance with the recurring dividend distribution policy, including €0.80 which was paid as an interim dividend on November 27, 2008;
- a non-recurring special dividend of €0.80.

The shareholders are asked, pursuant to Articles L.232-18 to L.232-20 of the French Commercial Code and Article 26, paragraph 4 of the bylaws, which authorizes the payment of dividends in shares, to allow each shareholder to choose between a payment in cash or in shares for the portion of dividend corresponding to the non-recurring special dividend of €0.80.

The issue price of the new shares, issued for the payment in shares, will be equal to 90% of the average opening price of the shares on NYSE Euronext Paris during the 20 trading sessions prior to the date of this Shareholders' Meeting less the amount of the remaining dividend payout per share, in light of the interim dividend payment, in accordance with Article L.239-19 of the French Commercial Code. The Board of Directors will be entitled to round the price to the nearest euro cent.

Each shareholder may choose either method of payment of the dividend, but the choice will cover the full amount of the dividend eligible for the option, i.e., €0.80. Each shareholder will have to inform the financial intermediary of its choice between May 6 and May 22, 2009, inclusive. After the expiration of this period, the dividend may only be paid in cash.

For shareholders who opt for a cash payment, the dividend will be paid on June 4, 2009. For shareholders who opt for the payment of the dividend in shares, the shares will be delivered on the same date.

The portion of the dividend which is not eligible for the option of payment in shares, i.e., €0.60, will be paid in cash on May 11, 2009.

If the amount of the dividend to be received does not correspond to a whole number of shares, the dividend will be rounded down to the nearest whole number and a cash payment will be made by the Company for the difference.

The new shares will be subject to the laws and regulations and the bylaws and will carry dividend rights as of January 1, 2009, the start date of the current fiscal year.

In accordance with Article L.232-20 of the French Commercial Code, the shareholders will be asked to grant full powers to the Board to take all measures to implement the dividend payout in shares, to report the number of shares issued and the completion of the share capital increase, to amend the bylaws accordingly and to carry out the publication formalities required by law.

The total amount of the dividend is based on the number of existing GDF SUEZ shares on December 31, 2008, i.e., 2,193,643,820 shares. Consequently, on the date the dividend is paid, the dividend corresponding to the Company's treasury stock will be allocated to "other reserves".

Dividend payouts in respect of the previous three fiscal years were as follows:

Fiscal year	Number of shares carrying dividend rights *(in millions)*	Dividend *(total amount in millions of euros)*	Net dividend per share *euros*
2005 (1)	984	669	0.68
2006 (1)	984	1,082	1.10
2007 (1) (2)	964	1,215	1.26

(1) Dividends for fiscal years ending December 31, 2005, December 31, 2006 and December 31, 2007 were eligible for the 40% tax deduction available to individuals domiciled in France for tax purposes in accordance with Article 158-3 2 of the French Tax Code.
(2) The total amount of the dividend for fiscal year 2007 includes the dividends not paid on treasury stock (20 million shares).

Approval of regulated agreements pursuant to Article L.225-38 of the French Commercial Code (fourth resolution)

The Statutory Auditors' special report covers regulated agreements governed by Articles L.225-38 et seq. of the French Commercial Code.

This report is set out on page 550 of the GDF SUEZ Reference Document 2008.

The purpose of the **fourth resolution** is to submit to your approval, in accordance with Article L.225-40 of the French Commercial Code, the transactions referred to in the Statutory Auditors' special report relating to the regulated agreements entered into by GDF SUEZ or that remained in force during fiscal year 2008.

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Authorization to be given to the Board of Directors to trade in the Company's shares (fifth resolution)

The shareholders authorized the Company to trade in its own shares, under the twenty-fourth resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008, under the following terms and conditions:

- maximum purchase price: €55
- maximum shareholding: 10% of the share capital;
- aggregate amount of purchases: €12,053,429,740.

The shareholders are reminded of the following transactions:

- between the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008 and December 31, 2008, the Company purchased 16,010,579 shares for a total amount of €556.3 million or €34.74 per share, including 3,612,579 shares under the liquidity agreement. Over the same period, GDF SUEZ sold 3,515,836 shares under the liquidity agreement for a total selling price of €123.4 million or a price per share of €35.09;
- between January 1, 2009 and February 28, 2009, the Company purchased 11,204,487 shares for a total amount of €314.9 million or €28.11 per share, including 1,404,487 shares under the liquidity agreement and sold 853,846 shares under this liquidity agreement for a total price of €27.8 million or a price per share of €32.58.

The authorization granted by the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008 to trade in the Company's shares is due to expire in January 2010.

The purpose of the **fifth resolution** is to ask the shareholders to renew the authorization granted to the Board of Directors to trade in the Company's shares, for a period of 18 months from the date of this Shareholders' Meeting. This authorization would cancel, from the date hereof, the authorization granted under the twenty-fourth resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008.

The new authorization's proposed terms and conditions are as follows:

- maximum purchase price: €55, excluding transaction costs
- maximum shareholding: 10% of the share capital
- aggregate amount of purchases: €12 billion

This authorization would be granted for a period of 18 months from the date of this Shareholders' Meeting.

This authorization would enable the Board of Directors to purchase the Company's shares in accordance with Articles L.225-209 et seq. of the French Commercial Code and EC Regulation no. 2273/2003 of December 22, 2003, in order to:

- maintain a liquid market in the Company's shares through a liquidity agreement with an independent investment services provider that complies with the Code of Ethics recognized by the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF); or
- cancel all or part of the repurchased shares in accordance with Article L.225-209 of the French Commercial Code as part of a reduction of share capital decided or authorized by the Shareholders' Meeting; or
- grant or sell them to employees or former employees or officers or former officers of the Company and/or companies that are or will be affiliated with it under the terms and conditions provided for by the applicable regulations, in particular in relation to stock option plans, awards of free shares, corporate or inter-company savings plans; or
- hold them for subsequent remittance in exchange or payment in connection with external growth transactions, subject to a ceiling of 5% of the Company's share capital; or
- use them for allocation upon the exercise of the rights attached to issued securities convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company; or
- implement any other market practices authorized or to be authorized by market authorities.

The Company may also use this stock repurchase program for any other purpose authorized or to be authorized by the laws and regulations.

The purchase, sale or transfer of shares may be performed at any time, and by any means, except during the period of public offer for the Company, on the open market or over the counter, including through block trades, public tender offers or exchange offers, or the use of options or forward financial instruments traded on a regulated market or over the counter or through the issue of securities convertible, exchangeable, redeemable or otherwise exercisable for shares of the Company, in accordance with the conditions provided by the market authorities and applicable legislation.

Appointment of Directors representing the employee shareholders pursuant to Article 13.3 2 of the bylaws (sixth to twelfth resolutions)

Under Article 13.3 2 of the Company's bylaws, the shareholders are asked to make a decision with regard to the appointment of Directors representing the employee shareholders, as presented **in the sixth to twelfth resolutions**, from among the candidates presented to them. The information on each candidate is set out below in accordance with Article R.225-83 5 of the French Commercial Code. In accordance with Article 13.1 of the Company's bylaws, the four-year terms of office of Directors representing the employee shareholders, appointed by the Shareholders' Meeting, shall expire at the close of the Shareholders' Meeting to be held in 2013 to approve the financial statements for the year ended December 31, 2012.

The candidate who obtains the most votes will be appointed as Director representing the employee shareholders.

Candidates put forward by a body of electors	Position held within the GDF SUEZ Group References and professional experience over the last five years	Number of GDF SUEZ shares held personally
Candidate put forward by the employee shareholders exercising their voting rights		
Patrick Arnaud 59 A French citizen Sponsored by the ASGAZ association	Patrick Arnaud is a graduate of *École d'Électricité Industrielle de Paris*. He began his career in 1973 with Gaz de France as sales executive and held various technical and managerial positions at EDF, the Ministry of Industry, and the Ministry of Equipment, Housing, Transport and the Sea. In 1996, he was appointed Information Center Manager for building professionals in Gaz de France. Today, he holds the position of Energy Efficiency Manager of Gaz de France within GDF SUEZ. He is the President of the employee shareholders' association ASGAZ.	Mutual fund (FCPE) units corresponding to 1,714 shares
Eric Charles Bourgeois 46 A French citizen Sponsored by the ADAS association	Eric Charles Bourgeois joined Gaz de France in 1982. As instrumentation technician and team manager within the Transport Gaz Division, he was a union employee and secretary of the Central Works Council. He is currently a director of GRTgaz and holds a technical position on a part time basis.	Mutual fund units corresponding to 11 shares
Emmanuel Bridoux 40 A French citizen Sponsored by the gAS association	Emmanuel Bridoux graduated from business school. He began working in the gas and electricity industries in 1990, where he held various sales and customer service positions, working mainly for small and medium-sized businesses. Since 2004, he has worked as representative of the CFE-CGC union (*Confédération Française de l'Encadrement-Confédération Générale des Cadres*) for the Energy France Division.	Mutual fund units corresponding to 569 shares
Jean-Luc Rigo 54 A French citizen Sponsored by the FCE-CFDT union (*Fédération chimie et energie – Confédération Française Démocratique du Travail*)	Jean-Luc Rigo, who earned a doctorate in agricultural engineering, joined EDF GDF Distribution in 1982, where he held sales positions before serving as Industrial Development Manager at DRIRE Lorraine and Associate Professor at *École des Mines* in Nancy. He has been an employee of GRTgaz since 2002 and is in charge of energy policy for the FCE-CFDT. He is a member of the *Conseil Supérieur de l'Energie*, the European Works Council and the Supervisory Board of the 2005 Action Gaz mutual fund (since its inception).	Registered shares and mutual fund units corresponding to 5,555 shares

Candidate put forward by the Spring France mutual fund		
Gabrielle Prunet 53 A French citizen Sponsored by the *Fédération des services publics –* CGT union (*confédération générale du travail*)	Gabrielle Prunet joined the accounting department of Lyonnaise des Eaux Biarritz 33 years ago. She is a member of the Works' Council, where she served as treasurer for many years. After managing the IT department for 20 years, she joined the Customer Billing and Collection department, which includes responsibility over adapting the relevant agreements stored in the customer information system.	Mutual fund units corresponding to 4,005 shares
Candidate put forward by the 2005 Action Gaz mutual fund		
Philippe Taurines 47 A French citizen Sponsored by the FNEM-FO union (*Fédération nationale de l'énergie et des mines – Force ouvrière*)	Philippe Taurines joined the Gaz de France Group in 1985. He earned a university degree in literature/philosophy. After holding several positions within Shared Services, he joined Gaz de France's headquarters in 1994. In 1995, he accepted a position with responsibilities at the Logistics department of the Gas Engineering Center. He was appointed FO Deputy Secretary at the Central Services Department of Gaz de France in 1997 and General Secretary in 2002. He was elected Federal Secretary in 2003. He has been a member of the Supervisory Board of the Action Gaz fund since its creation in 2005 and is currently the fund's President.	Registered shares and mutual fund units corresponding to 1,297 shares
Candidate put forward by the Spring International mutual funds		
Robin Vander Putten 40 A Belgian citizen Member of the ACV METAAT trade union	Robin Vander Putten joined Fabricom (GDF SUEZ Energy Services Division – Belgium) in 1987. He held the position of site manager until 1995 when he was appointed principal representative of the largest Belgian trade union, Union ACV METAAT. He joined the European Works Council of Tractebel in 1996 and the European Works Council of SUEZ in 2001. He has served as Chairman of the Supervisory Board of the Spring Classic mutual funds for several years. He speaks Dutch, French, English and German.	Mutual fund units corresponding to 605 shares

2. BOARD OF DIRECTORS' REPORT ON THE RESOLUTIONS PRESENTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

Delegation of authority to be given to the Board of Directors to increase the share capital, with cancellation of preferential subscription rights, in favor of any entities whose sole purpose is to subscribe, hold and dispose of GDF SUEZ shares or other financial instruments within the scope of the implementation of one of the multiple formulas of the GDF SUEZ Group's international employee shareholding plan (thirteenth resolution)

The purpose of the **thirteenth resolution** is to ask the shareholders to renew the delegation of authority granted to the Board of Directors to increase the Company's share capital, with cancellation of preferential subscription rights, through the issuance of shares reserved for any entities whose sole purpose is to subscribe, hold and dispose of GDF SUEZ shares or other financial instruments within the scope of the implementation of one of the multiple formulas of the GDF SUEZ Group's international employee shareholding plan, for a maximum nominal amount of €20 million through the issuance of a maximum number of 20 million shares with a par value of €1 each.

This delegation of authority would be renewed for a period of 18 months from the date of the Shareholders' Meeting of May 4, 2009 and would cancel the delegation of authority previously granted under the eighteenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008.

The subscription price for the shares issued by the entity or entities would be equal to that offered to employees subscribing for the multiple formula under the seventeenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008 (relating to the capital increase via a share issue reserved for members of a GDF SUEZ Group corporate savings plan (*plan d'épargne d'entreprise* – PPE), subject to the possibility offered to the Board of Directors when setting the price, to eliminate or reduce the discount provided for in the aforementioned seventeenth resolution.

The shares or equity interests of the entity or entities that are the beneficiaries of this reserved share issue may be proposed to the employees of consolidated foreign subsidiaries of the GDF SUEZ Group pursuant to Article L.3344-1 of the French Labor Code (*Code du travail*) and who, for local regulatory or tax reasons, may not subscribe for GDF SUEZ shares under the aforementioned seventeenth resolution.

The GDF SUEZ shares subscribed for by the entity or entities could be assigned, where applicable, in full or in part to one or more credit institutions with their registered office either in France or in another European Union Member State for the purpose of ensuring:

- in part, the coverage of the multiple formula offered to employees of foreign subsidiaries under this resolution;
- in part, the coverage of the multiple formula offered to employees of foreign subsidiaries subscribing for GDF SUEZ shares under the seventeenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008.

The shareholders are asked to give the Board of Directors a certain amount of latitude in the choice of the structure allowing for the best implementation of the multiple formula for the employees of the GDF SUEZ Group in the countries concerned, in light of the changes in the applicable legislation.

In order to adapt the subscription formulas presented to the employees in each country concerned, where applicable, the shareholders are asked to delegate their authority to the Board of Directors to determine the subscription formulas and to distinguish between (i) countries where employees will be offered shares or equity interests in the above-mentioned entity or entities and (ii) countries where employees will subscribe for GDF SUEZ shares under the seventeenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008.

The equitable nature of the conditions for the issuance of the GDF SUEZ shares in favor of the entity or entities whose sole purpose is to subscribe, hold and dispose of GDF SUEZ shares or other financial instruments within the scope of the implementation of one of the multiple formulas of the GDF SUEZ Group's international employee shareholding plan, was submitted to an independent expert, Mr. Jean Borjeix, whose report has been provided to you.

If, as a result of massive subscriptions, the number of subscriptions were to exceed the maximum number of shares authorized for issue, the Board of Directors would reduce employee subscriptions in accordance with the rules that it has set in accordance with the provisions of French law and the limits set by the authorization granted by the Shareholders' Meeting. These rules will be laid down by the Board of Directors, by applying, as the case may be, a principle of cutting back and/or a principle of proportionality, and could be inspired by the following rules, it being specified that the final rules will be set by the Board of Directors when it determines the subscription formulas:

- the reduction would be made resolution by resolution: if the maximum number of shares authorized for issue under one of the two above-mentioned resolutions is not exceeded, the employees concerned by the resolution in question would receive the full amount of their subscriptions, with the reduction in the subscriptions only concerning the oversubscribed share issue;
- if, under one of the two above-mentioned resolutions, the number of subscriptions is greater than the maximum number of shares authorized for issue pursuant to the resolution concerned, a reduction would be made by cutting back the number of subscriptions by employee and, as needs be, by a proportional reduction in employee subscriptions;
- where, under one of the two above-mentioned resolutions, the number of subscriptions is greater than the maximum number of shares authorized for issue pursuant to the resolution concerned

and where one of the countries falling within the scope covered by such resolution, which is itself subject, for regulatory or tax reasons, to a maximum limit on subscriptions (hereinafter the "country subject to an upper limit") also exceeds its own upper limit, a proportional reduction would be made, in priority, in the subscriptions by the employees of the country subject to an upper limit;

- however, if such a reduction does not make it possible to comply with the maximum number of shares authorized for issue pursuant to the resolution concerned, a new proportional reduction would be made affecting all the employees concerned by such resolution, including those in the country or countries subject to an upper limit, with these employees being treated in the same way as the employees in other countries;
- foreign employees who subscribe for GDF SUEZ shares under the seventeenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008, may receive, for each GDF SUEZ share subscribed, an SAR (Share Appreciation Right), which would be covered by a corresponding issue of GDF SUEZ shares under this resolution;
- in the event of a reduction in subscriptions by foreign employees for GDF SUEZ shares under the seventeenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008, the number of shares to be issued under this resolution could also be reduced in certain cases, depending on the multiple formulas that are finally decided by the Board of Directors.

Authorization to be given to the Board of Directors to grant options for the subscription or purchase of shares of the Company to employees and/or officers of the Company and/or Group companies (fourteenth resolution)

The authorization given to the Board of Directors at the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008 to grant options for the subscription or purchase of shares of the Company to employees and/or officers of the Company and/or Group companies will expire in July 2009.

Under the **fourteenth resolution**, the shareholders are asked to renew the authorization given to the Board of Directors to grant options for the subscription of new shares and/or the purchase of existing shares of the Company, on one or several occasions, to all or certain employees and officers of the Company and of companies or groups that are affiliated with the Company, as defined in Article L.225-180 of the French Commercial Code, subject to the limitations provided by law. This delegation of authority would be given for a period of 18 months from the date of this Shareholders' Meeting and would cancel, from the date hereof, the authorization previously granted under the twenty-second resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008.

The total number of options granted pursuant to this resolution may not give rise to the subscription or purchase of shares representing over 0.5% of the Company's share capital as of the date of the Board of Directors' decision. Said number of shares will be deducted from the total number of shares that may be granted to certain employees and/or officers pursuant to the fifteenth resolution (authorization to award free shares), which is limited to 0.5% of the share capital. In any event, the French government must hold over one-third of the Company's capital and continue to do so after all securities giving access to the Company's capital and the share subscription options granted have been taken into account.

The exercise price for new shares and the purchase price for existing shares will be set, without any discount, in accordance with the provisions of Articles L.225-177 and L.225-179 of the French Commercial Code.

The Board of Directors will have all powers to draw up the list of the beneficiaries of the options and decide on the number of shares that each of them will be able to purchase or subscribe for, as well as the conditions for obtaining, purchasing and selling these shares.

Authorization to be given to the Board of Directors to award free shares to employees and/or officers of the Company and/or Group companies (fifteenth resolution)

The authorization given to the Board of Directors by the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008 to award free shares to employees and/or officers of the Company and affiliated companies under the conditions provided by law in accordance with the provisions of Articles L.225-197-1 to L.225-197-3 of the French Commercial Code, will expire in July 2009.

The purpose of the **fifteenth resolution** is to renew this authorization to enable the Board of Directors to continue to award free shares to employees and/or officers of the Company and/or Group companies.

This authorization would be given for a period of 18 months from the date of this Shareholders' Meeting and would cancel, from the date hereof, the authorization previously granted under the twenty-first resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008. This authorization may result in the award of shares to all of the Group's employees and officers, except for the GDF SUEZ officers, under a global plan representing not more than (i) 0.5% of the share capital as of the date of the Board of Directors' decision to award them to certain employees and/or officers of the Group, said number of shares will be deducted from the total number of shares that may be granted pursuant to the fourteenth resolution (authorization to grant options for the subscription or purchase of shares), which is limited to 0.5% of the share capital and (ii) 0.2% of the share capital as of the date of the Board of Directors' decision.

The shares awarded would be existing shares.

All or some of the shares would only vest after a minimum two-year period and a minimum holding period of two years would apply from the vesting date. It is specified that there may be no minimum holding period for shares subject to a minimum four-year vesting period, in which case said shares would be freely transferable once they have vested.

In the event that a beneficiary is classified as having a second or third class disability, as defined by Article L.341-4 of the French Social Security Code (*Code de la sécurité sociale*), the shares awarded to that beneficiary would vest immediately. In the event of death of a beneficiary, his or her successors may ask, within six months of the date of death, for the shares to vest, in which case, they will be immediately transferable.

As regards the free award of shares limited to 0.5% of the share capital, the Board would be able to draw up the list of the beneficiaries of the share awards, from among the employees and officers of the Company and of the companies or economic interest groupings, of which at least 10% of the capital or voting rights are held, directly or indirectly, by the Company. The Board of Directors would be empowered to set the conditions and criteria for granting said share awards. The Board would be able to use this authorization on one or more occasions.

In accordance with the provisions of Article L.225-197-4 of the French Commercial Code, a special report will be drawn up to inform the shareholders of the transactions carried out under this authorization.

ADDITIONAL INFORMATION IN THE EVENT OF THE USE OF THE DELEGATION OF AUTHORITY AND/OR OTHER AUTHORIZATIONS REFERRED TO ABOVE

The authorizations referred to in the thirteenth, fourteenth and fifteenth resolutions would be given to the Board of Directors or a representative duly authorized in accordance with the laws and regulations.

In accordance with the provisions of Law no. 2006-1537 of December 7, 2006, the delegation of authority referred to in the thirteenth resolution and the authorization granted under the fourteenth resolution may only be used by the Board of Directors – or the Chairman and Chief Executive Officer or the Vice-Chairman, President acting under a delegation of authority granted by the Board of Directors under the conditions provided by law – with respect to a limited number of securities, so that following each grant, the French government will hold over one-third of the Company's capital and will continue to do so after all securities giving access to the Company's capital and the share subscription options granted have been taken into account.

Powers to implement the resolutions adopted by the Shareholders' Meeting and perform the related formalities (sixteenth resolution)

Under the **sixteenth resolution**, the shareholders are asked to authorize the bearer of a copy or extract of the minutes of the Shareholders' Meeting to carry out any formalities required by law.

The Board of Directors

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DRAFT RESOLUTIONS PRESENTED TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 4, 2009

A. ORDINARY SHAREHOLDERS' MEETING

First resolution: Approval of transactions and the statutory financial statements for the year ended December 31, 2008

After reviewing the financial statements for the year ended December 31, 2008, the Board of Directors' management report and the Statutory Auditors' report on the financial statements, the Ordinary Shareholders' Meeting approves the financial statements for the year ended December 31, 2008, as presented to it, as well as the transactions entered in these financial statements or summarized in these reports, showing net income for the year of €2,766,786,164.

In accordance with Article 223 quater of the French Tax Code, the Ordinary Shareholders' Meeting approves the non-deductible expenses and charges governed by Article 39-4 of the French Tax Code – amounting to €699,616.81 for 2008 – as well as the corresponding tax liability of €240,901.39.

Second resolution: Approval of the consolidated financial statements for the year ended December 31, 2008

After reviewing the Board of Directors' report and the Statutory Auditors' report on the consolidated financial statements, the Ordinary Shareholders' Meeting approves the consolidated financial statements for the year ended December 31, 2008, as presented to it, as well as the transactions entered in these consolidated financial statements or summarized in these reports, showing net income Group share of €4,857,119,000.

Third resolution: Appropriation of net income and declaration of dividend for 2008

The Ordinary Shareholders' Meeting notes that the balance sheet at December 31, 2008 shows net income of €2,766,786,164 and retained earnings of €18,739,865,064.

Pursuant to the Board of Directors' recommendations, the Ordinary Shareholders' Meeting decides to appropriate the net income and distribute the dividend as follows:

euros	
Net income	2,766,786,164
Appropriation to the legal reserve	211,114
Balance	**2,766,575,050**
Retained earnings at December 31, 2008	18,739,865,064
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	**21,506,440,114**
Dividend payout for 2008 (i.e., a net dividend of €2.20 per share)	**4,795,008,520**
Interim dividend paid on November 27, 2008 to be deducted from the dividend for fiscal year 2008:	
(i.e., a net dividend of €0.80 per share)	1,723,907,172
Remaining dividend payout for 2008: (i.e., a net dividend of €1.40 per share)	**3,071,101,348**
The total amount of dividend payout for 2008 will be paid out of:	4,795,008,520
net income for the period	2,766,575,050
retained earnings	2,028,433,470

Accordingly, the Ordinary Shareholders' Meeting declares a net dividend for 2008 of €2.20 per share, i.e., a total dividend payout of €4,795,008,520.

Given that the interim dividend of €0.80 per share, to be deducted from the dividend for fiscal year 2008, was paid on November 27, 2008, the remaining dividend for fiscal year 2008 amounts to €1.40 per share, i.e., a total dividend payout of €3,071,101,348.

The total dividend payout is based on the number of existing GDF SUEZ shares on December 31, 2008, i.e., 2,193,643,820 shares.

On the date the dividend is paid, the dividend corresponding to the treasury stock held by the Company will be allocated to "other reserves".

In accordance with Article 243 bis of the French Tax Code, the entire distribution is eligible for the 40% deduction available to individuals domiciled in France for tax purposes provided for in Article 158-3 2 of the French Tax Code.

Pursuant to Articles L.232-18 to L.232-20 of the French Commercial Code and Article 26, paragraph 4 of the bylaws, which authorizes the payment of dividends in shares, the Ordinary Shareholders' Meeting decides that each shareholder may choose between a payment in cash or in shares for the portion of dividend equal to €0.80.

The issue price of the new shares, issued for the payment in shares, will be equal to 90% of the average opening price of the shares on NYSE Euronext Paris during the 20 trading sessions prior to the date of this Shareholders' Meeting less the amount of the remaining dividend payout per share, in light of the interim dividend payment, in accordance with Article L.239-19 of the French Commercial Code. The Board of Directors will be entitled to round the price to the nearest euro cent.

Each shareholder may choose either method of payment of the dividend, but the choice will cover the full amount of the dividend eligible for the option, i.e., €0.80. Each shareholder will have to inform the financial intermediary of its choice between May 6 and May 22, 2009 inclusive. After the expiration of this period, the dividend may only be paid in cash.

For shareholders who opt for a cash payment, the dividend will be paid on June 4, 2009. For shareholders who opt for the payment of the dividend in shares, the shares will be delivered on the same date.

The portion of the dividend which is not eligible for the option of the payment in shares, i.e., €0.60 will be paid in cash on May 11, 2009.

If the amount of the dividend to be received does not correspond to a whole number of shares, the dividend will be rounded down to the nearest whole number and a cash payment will be made by the Company for the difference.

The new shares will be subject to the laws and regulations and the bylaws and will carry dividend rights as of January 1, 2009, the start date of the current fiscal year.

In accordance with Article L.232-20 of the French Commercial Code, the Ordinary Shareholders' Meeting grants full powers to the Board to take all measures to implement the dividend payout in shares, to report the number of shares issued and the completion of the share capital increase, to amend the bylaws accordingly and to carry out the publication formalities required by law.

Pursuant to applicable law, the Ordinary Shareholders' Meeting hereby acknowledges that dividend payouts in respect of the previous three fiscal years were as follows:

Fiscal year	Number of shares carrying dividend rights *(in millions)*	Dividend *(total amount in millions of euros)*	Net dividend per share *euros*
2005 (1)	984	669	0.68
2006 (1)	984	1,082	1.10
2007 (1) (2)	964	1,215	1.26

(1) Dividends for fiscal years ending December 31, 2005, December 31, 2006 and December 31, 2007 were eligible for the 40% tax deduction available to individuals domiciled in France for tax purposes in accordance with Article 158-3 2 of the French Tax Code.

(2) The total amount of the dividend for fiscal year 2007 includes the dividends not paid on treasury stock (20 million shares).

Fourth resolution: Approval of regulated agreements pursuant to Article L.225-38 of the French Commercial Code

After reviewing the Statutory Auditors' special report on regulated agreements governed by Article L.225-38 of the French Commercial Code, the Ordinary Shareholders' Meeting approves the transactions referred to in these agreements which were entered into or which remained in force during the past year.

Fifth resolution: Authorization to be given to the Board of Directors to trade in the Company's shares

After reviewing the terms of the stock repurchase program, the Ordinary Shareholders' Meeting authorizes the Board of Directors, or a representative duly authorized in accordance with the law, to purchase the Company's shares in accordance with the terms and conditions set forth in Articles L.225-209 et seq. of the

French Commercial Code and EC Regulation no. 2273/2003 of December 22, 2003, in order to:

- maintain a liquid market in the Company's shares through a liquidity agreement with an independent investment services provider that complies with the code of ethics recognized by the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF); or
- cancel all or part of the repurchased shares in accordance with Article L.225-209 of the French Commercial Code as part of a reduction of share capital decided or authorized by the Shareholders' Meeting; or
- grant or sell them to employees or former employees or officers or former officers of the Company and/or companies that are or will be affiliated with it under the terms and conditions provided for by the applicable regulations, in particular in relation to stock option plans, awards of free shares, corporate or inter-company savings plans; or
- hold them for subsequent remittance in exchange or payment in connection with external growth transactions, subject to a ceiling of 5% of the Company's share capital; or
- use them for allocation upon the exercise of the rights attached to issued securities convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company; or
- implement any other market practices authorized or to be authorized by market authorities.

  The Company may also use this stock repurchase program for any other purpose authorized or to be authorized by the laws and regulations.

In accordance with the following terms and conditions:

- the maximum number of shares purchased by the Company during the period of the stock repurchase program may not exceed 10% of the shares comprising the Company's share capital as of the date of this Shareholders' Meeting;
- the maximum purchase price may not exceed €55, excluding acquisition costs, and the aggregate amount of purchases, net of expenses, may not exceed €12 billion.

The purchase, sale or transfer of shares may be performed at any time, and by any means, except during the period of public offer for the Company, on the open market or over the counter, including through block trades, public tender offers, or the use of options or forward financial instruments traded on a regulated market or over the counter or through the issue of securities convertible, exchangeable, redeemable or otherwise exercisable for shares of the Company, in accordance with the conditions provided by the market authorities and applicable legislation.

This authorization will be valid for a period of 18 months from the date of this Shareholders' Meeting. It cancels the authorization granted under the twenty-fourth resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008.

The Ordinary Shareholders' Meeting authorizes the Board of Directors, or a representative duly authorized in accordance with the law, to adjust the maximum purchase price to take into account the impact on the share price of any corporate actions, including a change in the par value of the share, a capital increase paid up by capitalizing reserves, a bonus share issue, a stock-split or reverse stock-split, a distribution of reserves or any other assets, or a redemption of share capital.

The Ordinary Shareholders' Meeting gives full powers to the Board of Directors, or a representative duly authorized in accordance with the law, to use this authorization and to set the terms and conditions applicable to the stock repurchase program, to place any buy and sell orders, enter into any and all agreements in view of updating the share registers, carry out all filings with the AMF and any other authorities, complete all formalities, and generally do all that is necessary.

Sixth resolution: Appointment of a Director representing the employee shareholders pursuant to Article 13.3 2 of the bylaws

After reviewing the Board of Directors' report, the Ordinary Shareholders' Meeting decides to appoint Patrick Arnaud, as Director representing the employee shareholders, for a four-year term, in accordance with Article 13.3 2 of the bylaws. His term of office will expire at the close of the Shareholders' Meeting to be held in 2013 to approve the financial statements for the year ending December 31, 2012.

Seventh resolution: Appointment of a Director representing the employee shareholders pursuant to Article 13.3 2 of the bylaws

After reviewing the Board of Directors' report, the Ordinary Shareholders' Meeting decides to appoint Eric Charles Bourgeois, as Director representing the employee shareholders, for a four-year term, in accordance with Article 13.3 2 of the bylaws. His term of office will expire at the close of the Shareholders' Meeting to be held in 2013 to approve the financial statements for the year ending December 31, 2012.

Eighth resolution: Appointment of a Director representing the employee shareholders pursuant to Article 13.3 2 of the bylaws

After reviewing the Board of Directors' report, the Ordinary Shareholders' Meeting decides to appoint Emmanuel Bridoux, as Director representing the employee shareholders, for a four-year term, in accordance with Article 13.3 2 of the bylaws. His term of office will expire at the close of the Shareholders' Meeting to be held in 2013 to approve the financial statements for the year ending December 31, 2012.

Ninth resolution: Appointment of a Director representing the employee shareholders pursuant to Article 13.3 2 of the bylaws

After reviewing the Board of Directors' report, the Ordinary Shareholders' Meeting decides to appoint Gabrielle Prunet, as Director representing the employee shareholders, for a four-year term, in accordance with Article 13.3 2 of the bylaws. Her term of office will expire at the close of the Shareholders' Meeting to be held in 2013 to approve the financial statements for the year ending December 31, 2012.

Tenth resolution: Appointment of a Director representing the employee shareholders pursuant to Article 13.3 2 of the bylaws

After reviewing the Board of Directors' report, the Ordinary Shareholders' Meeting decides to appoint Jean-Luc Rigo, as Director representing the employee shareholders, for a four-year term, in accordance with Article 13.3 2 of the bylaws. His term of office will expire at the close of the Shareholders' Meeting to be held in 2013 to approve the financial statements for the year ending December 31, 2012.

Eleventh resolution: Appointment of a Director representing the employee shareholders pursuant to Article 13.3 2 of the bylaws

After reviewing the Board of Directors' report, the Ordinary Shareholders' Meeting decides to appoint Philippe Taurines, as Director representing the employee shareholders, for a four-year term, in accordance with Article 13.3 2 of the bylaws. His term of office will expire at the close of the Shareholders' Meeting to be held in 2013 to approve the financial statements for the year ending December 31, 2012.

Twelfth resolution: Appointment of a Director representing the employee shareholders pursuant to Article 13.3 2 of the bylaws

After reviewing the Board of Directors' report, the Ordinary Shareholders' Meeting decides to appoint Robin Vander Putten, as Director representing the employee shareholders, for a four-year term, in accordance with Article 13.3 2 of the bylaws. His term of office will expire at the close of the Shareholders' Meeting to be held in 2013 to approve the financial statements for the year ending December 31, 2012.

B. EXTRAORDINARY SHAREHOLDERS' MEETING

Thirteenth resolution: Delegation of authority to be given to the Board of Directors to increase the share capital, with cancellation of preferential subscription rights, in favor of any entities whose sole purpose is to subscribe, hold and dispose of GDF SUEZ shares or other financial instruments within the scope of the implementation of one of the multiple formulas of the GDF SUEZ Group's international employee shareholding plan

After reviewing the Board of Directors' report, the Statutory Auditors' special report and the independent expert's report, and in accordance with Articles L.225-129, L.225-129-2 to L.225-129-6 and L.225-138 of the French Commercial Code, the Extraordinary Shareholders' Meeting:

1. delegates its authority to the Board of Directors to increase the share capital, on one or more occasions, by a maximum nominal amount of €20 million via the issuance of a maximum of 20 million new shares with a par value of €1 each;
2. resolves that this delegation of authority will be valid for a period of 18 months from the date of this Shareholders' Meeting and cancels the authorization granted under the eighteenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008;

3. delegates its authority to the Board of Directors to choose the entity or entities referred to in point 6 below;
4. resolves that the final amount of the capital increase will be set by the Board of Directors which shall have full powers for such purpose;
5. resolves that the amount of subscriptions by each employee may not exceed the limits that will be set by the Board of Directors within the scope of this delegation of authority and that, in the event of excess employee subscriptions, these will be reduced in accordance with the rules defined by the Board of Directors;
6. resolves to cancel the shareholders' preferential subscription rights and reserve the subscription of all the shares to be issued, in accordance with the provisions of Article L.225-138 of the French Commercial Code, for any French or foreign entities, whether or not they have legal personality, whose sole purpose is to subscribe, hold and dispose of GDF SUEZ shares or other financial instruments within the scope of the implementation of one of the multiple formulas of the GDF SUEZ Group's international employee shareholding plan;
7. resolves that the issue price of the new shares will be equal to the price of the shares to be issued within the scope of the next share issue reserved for employees who are members of the GDF SUEZ Group corporate savings plan, pursuant to the seventeenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008, and which will be equal to 80% of the average opening price of the shares on NYSE Euronext Paris during the 20 trading sessions prior to the date of the decision setting the opening date of the subscription period for the share issue reserved for members of a GDF SUEZ Group corporate savings plan. However, the Extraordinary Shareholders' Meeting authorizes the Board of Directors, where appropriate, to reduce or eliminate any discount applied to the subscription price of the shares issued pursuant to the seventeenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008 (share issue reserved for employees who are members of a corporate savings plan), subject to legal and regulatory limitations, to take into account local legal, accounting, tax and social security rules;
8. resolves that the Board of Directors may determine the subscription formulas which will be presented to the employees in each company concerned, in light of the constraints of applicable local laws, and select the countries to be included from among those in which GDF SUEZ has consolidated subsidiaries pursuant to Article L.3344-1 of the French Labor Code (*Code du travail*) and those of such subsidiaries whose employees will be able to participate in the transaction;
9. resolves that the amount of the share issue or of each share issue shall be limited, where applicable, to the amount of subscriptions received by GDF SUEZ, in accordance with applicable legal and regulatory requirements.

Fourteenth resolution: Authorization to be given to the Board of Directors to grant options for the subscription or purchase of shares of the Company to employees and/or officers of the Company and/or Group companies

After reviewing the report of the Board of Directors and the Statutory Auditors' special report, the Extraordinary Shareholders' Meeting:

1. authorizes the Board of Directors, or a representative duly authorized in accordance with the law, pursuant to Articles L.225-177 et seq. of the French Commercial Code, to grant options for the subscription of new shares and/or the purchase of existing shares of the Company, on one or several occasions, to all or certain employees and officers of the Company and of companies or groups that are affiliated with the Company, as defined in Article L.225-180 of the French Commercial Code, subject to the limitations provided by law;
2. resolves that this authorization will be valid for a period of 18 months from the date of this Shareholders' Meeting and cancels the authorization granted under the twenty-second resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008;
3. resolves that the total number of options granted pursuant to this resolution may not give rise to the subscription or purchase of shares representing over 0.5% of the Company's share capital as of the date of the Board of Directors' decision and that said number of shares will be deducted from the total number of shares that may be granted to certain employees and/or officers of the Company pursuant to the fifteenth resolution, which is limited to 0.5% of the share capital as of the date of the Board of Directors' decision. It is specified that, in accordance with Article 24 of Law no. 2004-803 of August 9, 2004 as amended, the authorization granted under this resolution may only be used by the Board of Directors – or the Chairman and Chief Executive Officer or the Vice-Chairman, President acting under a delegation of authority granted by the Board of Directors under the conditions provided by law – with respect to a limited number of share subscription options, so that following each grant, the French government will hold over one-third of the Company's capital and will continue to do so after all securities giving access to the Company's capital and the share subscription options granted have been taken into account;
4. resolves that the exercise price for new shares and the purchase price for existing shares will be set, without any discount, in accordance with the provisions of Articles L.225-177 and L.225-179 of the French Commercial Code;
5. notes that this authorization will automatically entail the waiver by shareholders of their preferential right to subscribe for new shares issued as and when share subscription options are exercised, in favor of the beneficiaries of those options;

6. resolves to grant to the Board of Directors the necessary powers to implement this resolution, subject to the limitations set forth above and in the Company's bylaws, including the power to:
   - set the dates and the terms and conditions of each grant, draw up the list of beneficiaries and decide on the number of shares that each beneficiary may acquire;
   - determine, where appropriate, the periods during which the exercising of options will be temporarily suspended as a result of certain financial transactions;
   - determine the terms and conditions for exercising the options, including the exercise price for new shares, the purchase price for existing shares, the exercise period or periods and the period of validity of the options, which may not exceed ten years;
   - specify, where appropriate, the holding period applicable to all or any shares obtained by exercising the options, which may not exceed three years from the exercise date;
   - set the number of shares to be held in registered form by the Company's officers until the end of their term of office;
   - determine the conditions in which the price and the number of shares to be purchased or issued may be adjusted in the cases provided for by law;
   - record increases in share capital resulting from the exercising of options, amend the bylaws accordingly and accomplish all formalities, either directly or through a representative;
   - charge the issuance costs of the shares against the related premiums and deduct from the premiums the amounts necessary to raise the legal reserve to one-tenth of the new capital after each issue, where appropriate;

   and generally do all that is necessary;
7. resolves that the Board of Directors will inform shareholders, at each Ordinary Shareholders' Meeting, of the transactions carried out pursuant to this authorization in accordance with the applicable legal and regulatory provisions;
8. grants full powers to the Board of Directors to decide, where appropriate, all modifications and adjustments to the terms and conditions of share subscription and purchase options granted prior to this Shareholders' Meeting.

Fifteenth resolution: Authorization to be given to the Board of Directors to award free shares to employees and/or officers of the Company and/or Group companies

After reviewing the report of the Board of Directors and the Statutory Auditors' special report, the Extraordinary Shareholders' Meeting:

1. authorizes the Board of Directors, or a representative duly authorized in accordance with the law, to award existing shares, on one or several occasions, in accordance with Articles L.225-197-1 et seq. of the French Commercial Code;
2. resolves that this authorization will be valid for a period of 18 months from the date of this Shareholders' Meeting and cancels the authorization granted under the twenty-first resolution of the Ordinary and Extraordinary Shareholders' Meeting of July 16, 2008;
3. resolves that the total number of shares awarded pursuant to this authorization to all employees of the Company and employees or officers of companies or groups that are affiliated with it under a global plan, under the conditions provided by law, may not represent more than (i) 0.5% of the Company's share capital as of the date of the Board of Directors' decision to award shares to certain employees and/or officers of the Company and/or of companies or groups that are affiliated with the Company under the conditions provided by law and that said number of shares will be deducted from the total number of shares that may be granted pursuant to the fourteenth resolution, which is limited to 0.5% of the share capital as of the date of the Board of Directors' decision and (ii) 0.2% of the share capital as of the date of the Board of Directors' decision;
4. resolves that all or some of the shares awarded will only vest after a minimum two-year period, and that a minimum holding period of two years will apply from the vesting date, being specified that there may be no minimum holding period for shares subject to a minimum four-year vesting period, in which case said shares would be freely transferable once they have vested;
5. resolves that in the event that a beneficiary is classified as having a second or third class disability, as defined by Article L.341-4 of the French Social Security Code (*Code de la sécurité sociale*), the shares awarded to that beneficiary will vest immediately. In the event of the death of a beneficiary, his or her successors may ask, within six months of the date of death, for the shares to vest in which case they will be immediately transferable;

6. grants full powers to the Board of Directors, or a representative duly authorized in accordance with the law, to implement this authorization, subject to the above limitations, and in particular to:

- set the number of shares to be awarded to each beneficiary;
- set the conditions and, where appropriate, the criteria for awarding the shares, including the minimum vesting period and the minimum holding period;
- provide, where appropriate, for the possibility to extend the vesting period and in such case, to defer the end-date of the holding period accordingly, so that the minimum holding period remains unchanged;
- adjust the number of shares awarded in the event that the value of the Company's shares should change as a result of transactions involving the share capital;
- set the dates and the terms and conditions of the free share awards and, in general, take all the necessary steps and enter into all agreements to properly complete the transaction.

Sixteenth resolution: Powers to implement the resolutions adopted by the Shareholders' Meeting and perform the related formalities

The shareholders grant full powers to the bearer of the original or a copy or extract of the minutes of this Shareholders' Meeting to carry out all filings and other formalities as required.

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS WITH RELATED PARTIES

This is a free translation into English of the statutory auditors' special report on regulated agreements and commitments with related parties that is issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby report to you on regulated agreements and commitments with related parties.

AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE YEAR

In accordance with article L.225-40 of the French Commercial Code (Code de Commerce), we have been informed of certain agreements and commitments with related parties authorised by your Board of Directors.

We are not required to ascertain the existence of any other agreements and commitments but to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us. We are not required to comment as to whether they are beneficial or appropriate. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

1. Agreements and commitments previously authorised by the SUEZ Board of Directors during the first half of 2008

1.1. With Groupe Bruxelles Lambert, Caisse des Dépôts et Consignations, CNP Assurances, Sofina, Areva and SUEZ Environnement Company

Shareholder and directors concerned

Groupe Bruxelles Lambert, Mr. Gérard Mestrallet, Mr. Albert Frère, Mr. Edmond Alphandery, Mr. Etienne Davignon, Mr. Paul Desmarais Jr., Mr. Richard Goblet d'Alviella, Mr. Thierry de Rudder and Ms. Anne Lauvergeon.

Nature and purpose

In connection with the spin-off of the SUEZ Environment Division ("Spin-off"), Groupe Bruxelles Lambert, Sofina, Caisse des Dépôts et Consignations, Areva and CNP Assurances, as well as SUEZ Environnement Company entered into a renewable 5-year shareholders' agreement on June 5, 2008, as of the date of completion of the spin-off. The shareholders' agreement shall constitute an agreement whereby the parties shall be considered to be acting in concert within the meaning of Article L.233-10 of the French Commercial Code, and within which GDF SUEZ shall play a major role. The consequence of this shareholders' agreement shall be to confer the control of SUEZ Environnement Company to GDF SUEZ.

The shareholders' agreement shall be terminated early should (i) all of the securities covered by the shareholders' agreement represent less than 20% of the share capital of SUEZ Environnement Company, or should (ii) GDF SUEZ no longer be the majority shareholder acting in concert pursuant to the shareholders' agreement. Furthermore, should any party to the shareholders' agreement own less than one third of its initial shareholding interest, the shareholders' agreement shall be terminated with respect to that specific party but all of its provisions shall remain in force with respect to all the other parties.

The SUEZ Board of Directors, at its June 4, 2008 meeting, expressly authorised this agreement, which was approved by the SUEZ Shareholders' Meeting of July 16, 2008, after having taken due note of the statutory auditors' special report.

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1.2. With SUEZ Environnement Company

Director concerned

Mr. Gérard Mestrallet

Nature and purpose

A cooperation and pooled functions contract was entered into between SUEZ and SUEZ Environnement Company, entering into force as of the date of completion of the distribution by SUEZ to its shareholders of 65% of the shares of its subsidiary SUEZ Environnement Company and the GDF SUEZ merger. Pursuant to this agreement, SUEZ and SUEZ Environnement Company agreed to continue their cooperation mainly in the areas of strategy, accounting matters, internal control, audit and risk management, finance, tax policy, IT services and communication, it being specified that all of the rights and obligations of SUEZ arising under the agreement shall be transferred to the company created pursuant to the merger and known as GDF SUEZ.

Moreover, SUEZ Environnement Company and SUEZ reaffirmed their adherence to the "Corporate Charter" of the SUEZ Group and their commitment to continue to apply the charters and agreements signed within the group. Subject to legislative and regulatory provisions, the employees of SUEZ Environnement Company and its subsidiaries shall be eligible to future grants of stock options and free shares, as well as future employee shareholding plans at GDF SUEZ.

Finally, SUEZ Environnement Company and SUEZ agreed that SUEZ Environnement Company shall continue to benefit from the centralized services provided by GDF SUEZ and notably, the GDF SUEZ centers of expertise.

The services provided pursuant to the cooperation and pooled functions contract shall be subject to invoicing between SUEZ Environnement Company and GDF SUEZ at standard market terms and conditions on an arm's length basis. The cooperation and pooled functions contract shall be terminated early, and automatically by law, should GDF SUEZ lose control of SUEZ Environnement Company, subject to, if applicable, to transition periods to be determined between the parties on a case-by-case basis.

At its June 4, 2008 meeting the SUEZ Board of Directors expressly authorised this contract which was approved by the SUEZ Shareholders' Meeting of July 16, 2008 after having taken due note of the statutory auditors' special report.

Terms and conditions

In 2008, SUEZ Environnement Company paid €8.38 million to GDF SUEZ in respect of this contract. Furthermore, the strike price of the 1,081,720 GDF SUEZ share subscription options granted to SUEZ Environnement was adjusted to €32.74. Finally, in November 2008, 357,034 free shares were granted to SUEZ Environnement for a unit value (weighted average) of €28.50.

1.3. With SUEZ Finance (which has become GDF SUEZ Finance), SUEZ Environnement Company and SUEZ Environnement

Director concerned

Mr. Gérard Mestrallet

Nature and purpose

In connection with the spin-off of the SUEZ Environment Division ("Spin-off"), SUEZ, SUEZ Finance (which has become GDF SUEZ Finance), SUEZ Environnement Company and SUEZ Environnement entered into a financing framework agreement on June 5, 2008 setting the main terms and conditions of future financing of the SUEZ Environnement Company group for 2008-2010. Financing shall be provided by GDF SUEZ Finance (formerly SUEZ Finance) or any other entity of the SUEZ Group and may be granted to any entity of the SUEZ Environnement Company group, SUEZ Environnement Company or SUEZ Environnement agreeing to act as guarantor in the event where financing is granted to one of their subsidiaries. The total overall financing granted shall be limited to the total amount of SUEZ Environnement Company group financing requirements, as agreed to annually between SUEZ and SUEZ Environnement Company. Loans shall be granted at standard market terms and conditions on an arm's length basis, depending on the term of the loan.

Throughout the term of the framework agreement, and subject to certain exceptions, SUEZ Environnement Company and SUEZ Environnement undertook not to sell any or all of their assets without the prior approval of the SUEZ Group, or to pledge as collateral any of their assets for financing requirements.

SUEZ Group's undertaking shall cease and the SUEZ Group shall be able to request the repayment of all financing granted in the event of a change in control of the Environnement Company group, evidenced by (i) the loss of control of SUEZ Environnement Company by SUEZ, (ii) the loss of control of SUEZ Environnement by SUEZ Environnement Company within the meaning of Article L.233-3 of the French Commercial Code, or (iii) the decision by SUEZ to no longer fully consolidate (within the meaning set forth under the IFRS) SUEZ Environnement Company and SUEZ Environnement.

At its June 4, 2008 meeting the SUEZ Board of Directors expressly authorised this agreement which was approved by the SUEZ Shareholders' Meeting of July 16, 2008 after having taken due note of the statutory auditors' special report.

Terms and conditions

In connection with this financing agreement, GDF SUEZ Finance S.A. granted loans to the SUEZ Environnement Company group of an overall amount of €1.26 billion as well as current account advances amounting to €802.7 million as of December 31, 2008. Net financial income generated since the signature of the agreements totaled €39.7 million as of December 31, 2008.

1.4. With SUEZ Environnement

Director concerned

Mr. Gérard Mestrallet

a) Nature and purpose: brand licensing agreement

In connection with the spin-off of the SUEZ Environment Division ("Spin-off"), and as part of the GDF SUEZ merger, SUEZ and SUEZ Environnement entered into a brand licensing agreement pursuant to which SUEZ granted to SUEZ Environnement, for a period of five years as from the date of completion of the merger between Gaz de France and SUEZ (tacitly renewable), the right to use, on a non-exclusive basis and for no consideration, the "SUEZ" brand in its corporate name as well as in certain brand names.

The agreement provides that SUEZ shall have a right of inspection in respect of the communication and promotional sales actions planned by SUEZ Environnement. SUEZ shall have the right to terminate the trade name licensing agreement should SUEZ cease to own a shareholding interest of more than 5% in the share capital of SUEZ Environnement and should SUEZ Environnement be subject to an unfriendly takeover.

At its June 4, 2008 meeting, the SUEZ Board of Directors expressly authorised this agreement which was approved by the SUEZ Shareholders' Meeting of July 16, 2008 after having taken due note of the statutory auditors' special report.

b) Nature and purpose: economic transfer in favor of SUEZ Environnement of the rights and obligations related to the shareholding interest held by SUEZ in the Argentine companies Aguas Argentinas and Aguas Provinciales de Santa Fe

In connection with the spin-off of the SUEZ Environment Division ("Spin-off"), and subject to the condition precedent of the completion of the merger between GDF SUEZ, SUEZ and SUEZ Environnement entered into an agreement with respect to the economic transfer, in favor of SUEZ Environnement, of the rights and obligations related to the shareholding interests held by SUEZ in the Argentine companies Aguas Argentinas and Aguas Provinciales de Santa Fe, relating thereto to arising there from (the "Argentine Rights"). SUEZ and SUEZ Environnement have agreed, in particular, that:

- SUEZ transfers to SUEZ Environnement the advantages of:

  i. The economic rights related to owning shares in the Argentine companies, in respect of any amounts that SUEZ would receive as part of current or future procedures, etc. ;

  ii. Non-monetary rights related to owning shares in the Argentine companies;

- Costs, court-awarded damages and any other damages of an economic nature (excluding trade name and/or corporate image damages) which could arise from the ownership of shares in the Argentine companies (the "Argentine Risks") shall be borne by:

  i. SUEZ for the residual amount of the provision for corresponding contingencies recorded in the SUEZ accounts (€63.3 million as of December 31, 2007) and;

  ii. SUEZ Environnement for the portion in excess of this amount;

- SUEZ shall pay to SUEZ Environnement the amount of any provision reversal, and, if applicable, the remaining balance of such provision as of the date of extinguishment of the Argentine Risks or as the end of the agreement;

- SUEZ shall transfer to SUEZ Environnement the ownership of the shares in the Argentine companies upon the first request of the latter.

At its June 4, 2008 meeting the SUEZ Board of Directors expressly authorised this agreement which was approved by the SUEZ Shareholders' Meeting of July 16, 2008 after having taken due note of the statutory auditors' special report.

2. Agreements and commitments previously authorised by the GDF SUEZ Board of Directors during the second half of 2008

2.1 With Groupe Bruxelles Lambert, Caisse des Dépôts et Consignations, CNP Assurances, Sofina, Areva and SUEZ Environnement Company

Directors concerned

Mr. Gérard Mestrallet, Mr. Jean-François Cirelli, Mr. Albert Frère, Mr. Edmond Alphandery, Mr. Etienne Davignon, Mr. Paul Desmarais Jr., Mr. Thierry de Rudder and Ms. Anne Lauvergeon

Nature and purpose

Following the signature of the above-mentioned shareholders' agreement on June 5, 2008, it was decided to amend this agreement.

Pursuant to the terms of this agreement, the decision-making bodies of SUEZ Environnement and SUEZ Environnement Company should be set up in the same way and decisions concerning the subsidiaries controlled by SUEZ Environnement Company should, if such decisions are made at the company level, be submitted to the Board of Directors, having been previously discussed and approved by the Board of Directors of SUEZ Environnement Company.

In an aim to simplify the operating structure of the SUEZ Environnement Company group, the parties to the shareholders' agreement have agreed , via an amendment, to cancel the obligation to set up the decision-making bodies currently in place at SUEZ Environnement Company within SUEZ Environnement, it being understood that SUEZ Environnement Company shall ensure that decisions involving the controlled subsidiaries be effectively implemented by the concerned subsidiaries in accordance with the decision made by the board of directors.

At its October 22, 2008 meeting, your Board of Directors expressly approved the amendment to the SUEZ Environnement Company shareholders' agreement, which became effective on December 18, 2008.

2.2 Retirement benefits schemes for executive directors

Directors concerned

Mr. Gérard Mestrallet, Mr. Jean-François Cirelli

Nature and purpose

Considering the major differences between the retirement benefits schemes of Mr. Gérard Mestrallet at SUEZ and Mr. Jean-François Cirelli at GDF, it was decided to maintain, temporarily, the retirement plans currently in force. It should be noted that Mr. Gérard Mestrallet benefits from the collective retirement plans set up at SUEZ whereas Mr. Jean- François Cirelli is affiliated with the legally defined plan set up for executives who are members of the national retirement plan for the electricity and gas industries.

At its November 12, 2008, your Board of Directors expressly approved the proposals of the Compensation Committee regarding the continuation of the current retirement plans of the Chairman and Chief Executive Officer and the Vice-Chairman and President. The Compensation Committee was given the task of analyzing the setting up of a new supplementary collective retirement plan for the senior executives of the GDF SUEZ Group within a year.

Terms and conditions

This renewal has been effective since November 12, 2008.

2.3 With SUEZ Environnement

Director concerned

Mr. Gérard Mestrallet

Nature and purpose

On October 28, 2008, as part of the spin-off of SUEZ Environnement Company and the inter-company reorganization which accompanies it, SUEZ Environnement Holding BE, a wholly-owned subsidiary of SUEZ Environnement Company, purchased 11,487,152 Gas Natural shares from Hisusa, a subsidiary held at 51% by SUEZ Environnement.

In a letter dated November 18, 2008, SUEZ Environnement undertook to sell these shares to GDF SUEZ or any other entity of the group. In connection therewith, SUEZ Environnement granted a call option to GDF SUEZ to buy the 11,487,152 Gas Natural shares.

This call option may be exercised between November 21, 2008 and November 20, 2009. The purchase price of the Gas Natural shares shall be calculated based on the average price of the Gas Natural share on the Madrid Stock Exchange during the twenty trading sessions preceding the date on which GDF SUEZ requests to buy these shares. No premium was paid to SUEZ Environnement with respect to the setting up of this call option.

This agreement was expressly authorised by your Board of Directors on November 12, 2008.

Terms and conditions

As of December 31, 2008, the option has not yet been exercised.

AGREEMENTS AND COMMITMENTS APPROVED IN PREVIOUS YEARS AND HAVING CONTINUING EFFECT DURING THE YEAR

Moreover, in accordance with the French Commercial Code (*Code de commerce*), we have been informed that the performance of the following agreements and commitments, approved in previous fiscal years, continued during the year.

1. Agreements and commitments approved in previous years by the Gaz de France Shareholders' Meeting and having continuing effect during the year

1.1 With the French State

Nature and purpose

Tripartite agreement regarding the implementation of the Offer Reserved for Employees signed on September 7, 2005 as described in the Prospectus (*Note d'Opération*) approved by the AMF, the French securities regulator, on June 22, 2005.

Terms and conditions

With respect to fiscal year 2008, the consequences of this agreement are the following:

- No payment was made to the French State (last payment due in 2007).
- Payment of commissions by Gaz de France to Société Générale in an amount of €92,000.
- The debt owed by employees to Gaz de France, (€14.7 million), was repaid in full. The debt is therefore extinguished as of December 31, 2008.

2. Agreements and commitments approved in previous years by the SUEZ Shareholders' Meeting and having continuing effect during the year

2.1. With Electrabel

a) Nature and purpose: sale by SUEZ of SUEZ Tractebel to Electrabel

On July 19, 2007, SUEZ entered into a share purchase agreement with Electrabel whereby it agreed to sell all of its SUEZ Tractebel shares to Electrabel, and the transfer of ownership to the shares took place on July 24, 2007. The SUEZ Board of Directors, at its July 4, 2007 meeting, expressly approved the sale transaction as well as the agreement and authorised Mr. Gérard Mestrallet, Chairman and Chief Executive Officer of SUEZ, to sign the agreement.

Terms and conditions

The agreement included vendor warranties to cover liabilities for a maximum amount of €1.5 billion and for a maximum period ending March 31, 2013. No warranties were triggered in 2008.

Moreover, the selling price also provided for a price adjustment which could be revised upwards or downwards, that would be linked to the selling price of a possible transfer of Distrigaz shares outside the SUEZ Group. Under a sale agreement signed on May 29, 2008, SUEZ Tractebel sold its entire stake in Distrigaz on October 30, 2008. As a result, Electrabel, pursuant to the price adjustment clause paid €975.7 million to GDF SUEZ in December 2008.

b) Nature and purpose: membership in the G.I.E. SUEZ Alliance (which has become G.I.E. GDF SUEZ Alliance)

Electrabel expressed its wish to become a member of the GIE SUEZ-Alliance, an Economic Interest Group (or "EIG") (which has become GIE GDF SUEZ Alliance) simultaneous with SUEZ Tractebel's withdrawal from the EIG.

As a new member, Electrabel is a party to the corporate documents of the GIE SUEZ Alliance and benefits from an unlimited guarantee granted by SUEZ in accordance with Article 2 of the internal agreement.

In its meeting of July 4, 2007, the SUEZ Board of Directors expressly approved Electrabel as a party to the GIE SUEZ Alliance corporate documents (which has become GIE GDF SUEZ Alliance), to which SUEZ is a party and the granting by SUEZ of the above-mentioned guarantee. As such, Electrabel's membership in the GIE SUEZ-Alliance (which has become GIE GDF SUEZ Alliance) has been effective since August 28, 2007.

Terms and conditions

This agreement had no impact on fiscal year 2008.

2.2. With CALYON

Nature and purpose

In connection with the public offer by SUEZ to buy back the remaining Electrabel listed shares and the proposed sale of SUEZ Tractebel to Electrabel, SUEZ management entrusted CALYON to perform an advisory and consulting engagement.

This agreement was expressly approved by your Board of Directors at their March 7, 2007 meeting.

Terms and conditions

Payment of CALYON's compensation was subordinated to the performance of two transactions. As a result of their successful completion, in 2008 CALYON was paid a commission of €1,000,000, excluding taxes, which had been provided for as of December 31, 2007.

2.3. With Toulouse & Associés (which became Leonardo France in November 2006)

Nature and purpose

As part of the engagement to carry out a study regarding its development strategy within the scope of the planned opening of the electricity and gas markets in Europe, that was approved by the SUEZ Board of Directors at its meeting on January 19, 2005 and entrusted to Toulouse & Associés beginning in February 2005, SUEZ signed a consulting agreement with Toulouse & Associés relating to a merger with or a partial business alliance with Gaz de France as well as the terms and conditions of a defense strategy in the event of a hostile takeover bid for SUEZ.

This agreement was authorised by the SUEZ Board of Directors at its November 22, 2006 meeting, when Jean Peyrelevade was both a SUEZ Board member and also a Partner of Toulouse & Associés.

The engagement was expected to last until December 31, 2007, and could be extended by successive periods of 6 months. As consideration for these services, Toulouse & Associés would receive compensation in the event of:

- A merger between SUEZ and Gaz de France,
- A takeover of Gaz de France by SUEZ and reciprocally,
- A takeover of SUEZ, following a hostile takeover bid resulting in the implementation of defense mechanisms by SUEZ.

Terms and conditions

The agreement terminated on September 30, 2008. In consideration for its work, in connection with the merger between SUEZ and Gaz de France, Leonardo France received a fixed commission of €2.5 million, excluding tax, and a variable commission calculated based on the price of the SUEZ share capped at €38 per share. In 2008, Leonardo France received total compensation of €5.5 million, excluding tax.

2.4. With GDF SUEZ Group companies which are members of the G.I.E. SUEZ Alliance

Nature and purpose

In its meeting on July 4, 2001, your Board of Directors authorised the creation of a special-purpose financing vehicle, the G.I.E. SUEZ Alliance, and the membership of SUEZ in this Economic Interest Group (E.I.G.).

During this same meeting, your Board of Directors approved the guarantee granted by SUEZ for the benefit of the other members of the E.I.G. that are subsidiaries of SUEZ. Consequently, GDF SUEZ, in its capacity as parent company of the Group, will be the ultimate guarantor for any debt incurred by the members and exceeding their share.

Terms and conditions

These agreements had no impact on fiscal year 2008.

2.5. With GDF SUEZ Group companies that are not members of the G.I.E. SUEZ Alliance (which has become G.I.E. GDF SUEZ Alliance)

Nature and purpose

In its meeting on March 9, 2005, the SUEZ Board of Directors expressly authorised the extension of the G.I.E. SUEZ Alliance (which has become G.I.E. GDF SUEZ Alliance) activities to the most significant subsidiaries of SUEZ that are not members of the G.I.E. SUEZ Alliance, in order to facilitate their financings.

In its capacity as parent company of the Group, your Company shall be the ultimate guarantor with respect to these subsidiaries for any debt incurred that exceeds the pro rata share of the member company acting as guarantor.

Terms and conditions

This agreement had no impact on fiscal year 2008.

2.6. With FirstMark Communication France

Nature and purpose

In its meeting on April 26, 2002, the SUEZ Board of Directors authorised the contribution by SUEZ of FirstMark Communication France to Neuf Telecom (formerly LD Com), corresponding to a value of €210 million.

This contribution includes certain direct commitments in favor of Neuf Telecom and a guarantee for all of the obligations of three of your Company's subsidiaries that were merged with SUEZ Communication during fiscal year 2004. Only warranties relating to tax matters still exist.

Terms and conditions

This agreement had no impact on fiscal year 2008.

2.7. With Ondeo Nalco

Nature and purpose

As part of the sale by Ondeo Nalco of its corporate headquarters, followed by the signature of a 25-year lease agreement, which is renewable, the SUEZ Board of Directors, in its meeting on November 20, 2002, authorised SUEZ to issue a guarantee with respect to all of Ondeo Nalco's obligations. In its meeting of August 26, 2003, the Board of Directors voted to maintain this guarantee after the sale of Ondeo Nalco.

The guarantee is unlimited for the term of the leasehold obligations (including renewals) and obligations relating to other agreements. This guarantee is irrevocable and unconditional.

Ondeo Nalco is counter-guaranteeing SUEZ and both companies are signatories to a "Participation Agreement", within the scope of this transaction, the corresponding agreements had been previously authorised.

Terms and conditions

This guarantee had no impact on fiscal year 2008.

2.8. With Elyo (which has become GDF SUEZ Energie Services)

Nature and purpose

The SUEZ Board of Directors, in its meetig on July 4, 2001, authorised the performance guarantee granted in favor of SUEZ Energie Services (formerly Elyo), relating to the construction and operation of a household waste incineration plant in Rillieux-la-Pape (Rhône). This agreement shall terminate on June 30, 2019.

Terms and conditions

This agreement had no impact on fiscal year 2008.

2.9. With Cofixel

Nature and purpose

The SUEZ Board of Directors, in its meeting of July 4, 2001, authorised the sale of Ineo, Entrepose and Delattre-Levivier to Cofixel (the French holding company of the Fabricom group). During this same meeting, the SUEZ Board of Directors also authorised a certain number of other guarantees, for an overall amount limited to €40 million and relating to all the companies sold.

Terms and conditions

This agreement had no impact on fiscal year 2008.

2.10. With SUEZ Environnement

Nature and purpose

SUEZ has a counter-guarantee from Sita for the guarantees provided by your Company to the Hong Kong authorities as part of the acquisition by Sita of Browning-Ferries Industries' international activities. This undertaking does not mention any amount or term.

Furthermore, SUEZ granted a guarantee in connection with the call for tenders regarding the Nent landfill. This guarantee is still in force.

Terms and conditions

These agreements had no impact on fiscal year 2008.

2.11. With Crédit Agricole S.A.

Nature and purpose

SUEZ granted vendor warranties to Crédit Agricole S.A. as part of the sale of a majority controlling interest in Banque IndoSUEZ. The maximum amount that may be drawn down in respect of the seller's warranty amounts to €361 million as of December 31, 2008.

Terms and conditions

In respect of these vendor warranties, GDF SUEZ recorded a provision for contingencies amounting to €33 million during fiscal year 2008.

2.12. With Findim

Nature and purpose

The joint and several guarantees given to the buyer of ISM S.A. for all payments owed by Findim concerning the trigerring of the warranties granted as part of the sale of ISM S.A., i.e. vendor warranties capped at 25% of the sale price, or €40.4 million. These joint and several guarantee expired during fiscal year 2008.

The joint and several guarantee covering all of Findim's undertakings with respect to the sale of Banque La Hénin expired during fiscal year 2008.

Terms and conditions

These agreements had no impact on fiscal year 2008.

Neuilly-sur-Seine and Paris - La Défense, April 1, 2009

The Statutory Auditors

Deloitte & Associés		ERNST & YOUNG et Autres		Mazars	
Jean-Paul Picard	Pascal Pincemin	Christian Mouillon	Nicole Maurin	Philippe Castagnac	Thierry Blanchetier

INDEPENDENT EXPERT'S REPORT ON THE PROPOSED SHARE CAPITAL INCREASE IN FAVOR OF ANY ENTITIES WHOSE SOLE PURPOSE IS TO SUBSCRIBE, HOLD AND DISPOSE OF GDF SUEZ SHARES OR OTHER FINANCIAL INSTRUMENTS WITHIN THE SCOPE OF THE IMPLEMENTATION OF ONE OF THE MULTIPLE FORMULAS OF THE GROUP'S INTERNATIONAL EMPLOYEE SHAREHOLDING PLAN

To the Shareholders,

In my capacity as independent expert, I hereby present you with my report on the share capital increase reserved for any entities whose sole purpose is to subscribe, hold and dispose of GDF SUEZ shares or other financial instruments within the scope of the implementation of one of the multiple formulas of the GDF SUEZ Group's international employee shareholding plan.

For ease of reference in this document, the term "Special Purpose Entity" refers to the company for which the reserved share issue is carried out; it is specified that this may be any entity whose sole purpose is to subscribe, hold and dispose of GDF SUEZ shares or other financial instruments within the scope of the implementation of one of the multiple formulas of the GDF SUEZ Group's international employee shareholding plan.

The aim of this transaction, if the Board of Directors decides on its implementation, is to enable non-French employees of your Group who wish to participate in the leveraged employee savings plan to benefit, through the Special Purpose Entity, from the same terms and conditions as employees of French companies under the Group Savings Plan when subscribing for new GDF SUEZ shares.

In accordance with legal provisions governing Group Savings Plans, French employees will be able to subscribe for GDF SUEZ shares via an employee mutual fund (FCPE) at a price which is up to 20% lower than the average opening price of the shares on NYSE Euronext Paris during the 20 trading sessions prior to the date of the decision of the Board of Directors or the Chairman to issue shares reserved for French employees, pursuant to the seventeenth resolution of the Shareholders' Meeting of July 16, 2008.

The share capital increase reserved indirectly for employees of non-French subsidiaries would enable them to subscribe for GDF SUEZ shares under the following terms and conditions:

- the share capital may be increased, on one or more occasions, by a maximum nominal amount of €20 million within an 18-month period;
- the subscription price of the new shares will be exactly the same as that offered to French employees, i.e., up to 20% lower than the average opening share price during the 20 trading sessions prior to the date of the decision to issue shares reserved for French and non-French employees.

This report is based on a review of the terms and conditions of the share capital increase reserved for the Special Purpose Entity. It does not cover the detailed terms and conditions under which this Special Purpose Entity is, or will in future be, organized in order to offer employees of non-French subsidiaries economic conditions as similar as possible to those offered to employees of French Group companies, with the same subscription price.

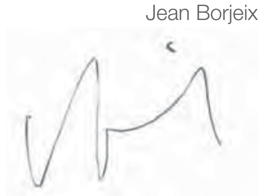
Based on the various documents provided, and further to the analysis of the transaction submitted for your approval, I confirm that the subscription price offered to non-French employees of your Group, through the Special Purpose Entity, is identical to that offered to French employees.

I would remind you that in order to preserve this equality of subscription terms and conditions, share capital increases reserved for employees of non-French subsidiaries must be carried out at the same time as those reserved for employees of French companies.

It is consequently your responsibility to assess the subscription terms and conditions offered to the Special Purpose Entity and approve or reject the resolution regarding this transaction proposed by your Board of Directors.

Paris, March 4, 2009

Jean Borjeix



STATUTORY AUDITORS' REPORTS ON THE RESOLUTIONS OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 4, 2009

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

As statutory auditors of your Company, we hereby report on the various transactions, on which you are called upon to vote.

1. Report on the proposed increase in capital with cancellation of preferential subscription rights for all entities whose sole object is to subscribe to, hold and sell GDF SUEZ shares or other marketable securities in order to implement one of the Group's many international employee savings schemes (13th resolution)

In accordance with Articles L. 225-135 and seq. of the French Commercial Code (Code de Commerce) we hereby report on the proposed empowerment of the Board of Directors to decide on an increase in capital, in one or more times, for a maximum nominal amount of €20 million through the issuance of a maximum number of 20 million shares with a par value of €1 each, with cancellation of preferential subscription rights, reserved for all entities whose sole object is to subscribe to, hold and sell GDF SUEZ shares or other marketable securities in order to implement one of the Group's many international employee savings schemes, a transaction on which you are called upon to vote.

Your Board of Directors, on the basis of its report, proposes that it be empowered, for a period of 18 months, to decide on one or more increases in capital and to cancel your preferential subscription right. If necessary, it will determine the final issue terms and conditions of this transaction.

It is the responsibility of your Board of Directors to prepare a report, in accordance with Articles R. 225-113 and R. 225-114 of the French Commercial Code (Code de Commerce). Our responsibility is to report on the fairness of the financial information taken from the financial statements, on the proposed cancellation of the preferential subscription rights and on other specific information in respect of the issue contained in this report.

We have performed the procedures which we considered necessary in accordance with professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in verifying the contents of the Board of Directors' report relating to this transaction and the methods used for determining the issue price.

Subject to a subsequent examination of the terms and conditions of the proposed issuances, we have nothing to report on the methods used for determining the issue price provided in the Board of Directors' report.

As the share issue price, under which the issuance will be performed, has not yet been determined, we cannot report on the final terms and conditions of the transaction and consequently on the proposed cancellation of preferential subscription rights.

In accordance with Article R. 225-116 of French Commercial Code (Code de Commerce), we will issue an additional report when your Board of Directors exercises its empowerment.

2. Report on the stock options or share purchase programs reserved for directors and employees of the Company and certain affiliated groups or companies (14th resolution)

In accordance with Articles L. 225-177 and R.225-144 of the French Commercial Code (Code de Commerce), we hereby report on the stock options or share purchase programs reserved for directors and employees of the Company and certain affiliated groups or companies as defined in Article L. 225-180 of the French Commercial Code (Code de Commerce).

The total number of options granted may not give right to the subscription or purchase of shares representing over 0.5% of the Company's share capital as of the date of the Board of Directors' decision. Said number of shares will be deducted from the total number of shares that may be granted to certain employees and/or officers pursuant to the fifteenth resolution (authorization to award free shares), which is limited to 0.5% of the share capital. The Board of Directors is empowered for a period of 18 months. The exercise price for new shares and the purchase price for existing shares will be set, without any discount, in accordance with the provisions of Articles L.225-177 and L.225-179 of the French Commercial Code.

It is the responsibility of the Board of Directors to prepare a report on the reasons for the stock options or share purchase programs and the proposed terms and conditions for determining the subscription or purchase price. Our responsibility is to report on the proposed methods for determining the subscription or purchase price.

We have performed the procedures which we considered necessary in accordance with professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. Those standards require that we perform the necessary procedures to verify that the methods proposed for determining the subscription and/or purchase price are disclosed in the Board of Directors' report, are in accordance with legal requirements, and are sufficiently clear to the shareholders and do not appear obviously inappropriate.

We have no comment to make on the methods proposed.

3. Report on the proposed allocation of free existing shares to employees and directors of the Company and Group companies (15th resolution)

In accordance with article L.225-197-1 of the French Commercial Code (Code de commerce), we hereby report on the proposed allocation of free existing shares to employees and directors of the Company and Group companies as defined in Article L. 225-197-2 of the French Commercial Code (Code de Commerce).

Your Board of Directors proposes that it be authorized to allocate free existing shares for a period of 18 months. The total number of free existing shares allocated shall represent no more than:

- (i) 0.5% of the share capital and will be deducted from the total number of shares that may be granted pursuant to the fourteenth resolution (which proposes to authorise the board of directors to offer stock options or a share purchase plan with a cap of 0.5% of the share capital), and
- (ii) 0.2% of the share capital for all the employees and corporate officers of Group companies as defined in Article L. 225-197-2 of the French Commercial Code (Code de Commerce)

It is the responsibility of your board of directors to prepare a report on the proposed operation. Our role is to report on the information provided to you on the proposed operation.

We have performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted mainly in verifying that the proposed methods described in the board of directors' report comply with the legal provisions governing such operations.

We have nothing to report on the information provided in the board of directors' report relating to the proposed allocation of free existing shares.

Neuilly-sur-Seine and Paris-La-Défense, April 1, 2009

The Statutory Auditors

Deloitte & Associés		ERNST & YOUNG et Autres		Mazars	
Jean-Paul Picard	Pascal Pincemin	Christian Mouillon	Nicole Maurin	Philippe Castagnac	Thierry Blanchetier

INFORMATION RELATING TO THE COMPANY'S MANAGEMENT REPORT

This Reference Document includes all items of the management report that are required by legal and regulatory provisions.

The following table presents items from GDF SUEZ Management Report at December 31, 2008:

Legislative or regulatory reference	Items required	Chapter of Reference Document
I – ACTIVITY		
L. 232-1 of the French Commercial Code	Company's situation over the past fiscal year	Chapter 9 Management report Chapter 20.1 Consolidated Financial Statements Chapter 20.2 Notes to the Consolidated Financial Statements
	Foreseeable evolution and future outlook	Chapter 9.8 Outlook for 2009
	Important events that have occurred between the balance sheet date and the date on which the management report was drawn up	Chapter 20.2 Note 29 Subsequent events
	Research and development activities	Chapter 11 Innovation, research and development, patents and license policy Chapter 20.2 Note 10.2 Research and development costs
R. 225-102 § 1 of the French Commercial Code	Activities of the Company and its subsidiaries over the past fiscal year	Chapter 6.1 Main activities
L. 233-6, § 2 of the French Commercial Code	Activities and revenues of the Company and its subsidiaries by business area	Chapter 9.1 Revenue and Trends Earnings Chapter 9.2 Business Trends
L. 225-100 § 3 (1st sentence) and § 5 of the French Commercial Code L.225-100-2 §1 of the French Commercial Code	Information relating to business trends, results and financial situation of the Company and the Group (particularly debt situation)	Chapter 9 Management report Chapter 10.3.1 Debt structure
L. 225-100 § 4 and 6 of the French Commercial Code L.225-100-2 § 2 and 4 of the French Commercial Code	Description of main risks and uncertainties and indication of the use of financial instruments for the Company and the Group	Chapter 4 Risk factors Chapter 20.2 note 15 of the consolidated financial statements
II – FINANCIAL INFORMATION		
L. 233-13 of the French Commercial Code	Breakdown and changes in shareholding structure. Names of controlled companies with a stake in the Company's treasury stock and proportion of capital held	Chapter 18 Main shareholders N/A
L. 232-6 of the French Commercial Code	Changes in the presentation of corporate financial statements and in evaluation methods used	Chapter 20.2 note 1 Chapter 20.5 note A
L. 233-6, §1 of the French Commercial Code	Main changes in group structure occurring over the fiscal year in companies having their head office in France	Chapter 20.2 note 2
R. 225-102, §2 of the French Commercial Code	Table showing Company's results for each of the last five fiscal years	Chapter 3 Chapter 20.1 Key figures

Legislative or regulatory reference	Items required	Chapter of Reference Document
L. 225-211 Of the French Commercial Code	Purchase and sale by the Company of its own shares	Chapter 21.1.3 Treasury stock Chapter 20.2 Note 16 Equity
L. 225-102 §1 L. 225-180 Of the French Commercial Code	Employees' stake in share capital	Chapter 18.1 Breakdown of share capital at December 31, 2008
L. 225-102 § 2 Of the French Commercial Code	Shares acquired by employees in a transaction	N/A
L. 225-100, § 7 Of the French Commercial Code	Table summarizing current authorizations granted by the General Shareholders' Meeting in terms of capital increases	Chapter 21.1.1 Authorized unissued capital
R.228-90 and R. 228-91 of the French Commercial Code	Any adjustments for securities giving access to capital in the event of share buybacks or financial transactions	N/A
III – LEGAL AND FISCAL INFORMATION		
Article 243-2 of the French General Tax Code	Amount of dividends distributed for the previous three fiscal years	Chapter 20.6 Dividend Distribution Policy
L. 464-2 I § 5 Of the French Commercial Code	Injunctions or financial sanctions for anti-trust practices	Chapter 20.7 Legal and Arbitration Proceedings. Chapter 20.2 note 28 of the Consolidated Financial Statements
L.225-100-3 of the French Commercial Code	Information liable to have an impact in the event of a tender offer	Chapter 14.1 Information concerning the administrative bodies Chapter 15.1.1 Compensation of corporate officers Chapter 18 Main shareholders Chapter 19.1 Relations with the French State and with the CNIEG Chapter 21.1.1 Authorized unissued capital Chapter 21.2.6 Provisions restricting the change of control of the company
R.225-104 of the French Commercial Code	Company information	Chapter 17 Employees Chapter 6.6.4 Company information
IV - INFORMATION RELATING TO CORPORATE OFFICERS		
L. 225-102-1 Of the French Commercial Code	List of all terms of office and functions carried out in any company by each corporate officer over the fiscal year	Chapter 14 Information concerning the administrative bodies
L. 225-102-1 Of the French Commercial Code	Compensation and benefits of any kind paid to each corporate officer by the Company, the companies that it controls and its holding company over the fiscal year	Chapter 15 Compensation and benefits Chapter 15.1.1 Compensation of corporate officers
L. 225-185 § 4 of the French Commercial Code	In the event of a granting of stock-options, details of information according to which the Board of Directors has taken the decision: • either to forbid directors from exercising their options before leaving office, • or to oblige them to hold all or part of the shares resulting from options already exercised until they leave office	Chapter 15 Compensation and benefits
L.621-18-2 of the French Monetary and Financial Code Article 223-26 of AMF's General Regulations	Information on directors and related persons' transactions relating to Company shares.	Chapter 15.3 Summary of transactions declared by the managers and corporate officers during fiscal year 2008

Legislative or regulatory reference	Items required	Chapter of Reference Document
L. 225-197-1, II § 4 of the French Commercial Code	In the event of a granting of bonus shares, details of information according to which the Board of Directors has taken the decision: • Either to either forbid directors from selling the shares that they have been freely granted, • or to set the number of said shares which they are obliged to hold until they leave office.	Chapter 15.2 Information on stock options and bonus shares known as Performance Shares
V – ENVIRONMENTAL AND COMPANY INFORMATION		
L.225-102-1 § 5 and R.225-105 of the French Commercial Code	Environmental information	Chapter 4.4 Industrial Safety at the heart of GDF SUEZ's activity Chapter 6.6.2 Environmental information Chapter 8.2 Environmental issues related to real-estate holdings
L. 225-102-2 of the French Commercial Code	Specific information for companies operating at least one site classified as Seveso "high threshold":	Chapter 4.4.3 The Group operates several industrial facilities in Europe classified as Seveso sites ("high threshold") Chapter 6.6.2 Environmental information
L.225-102-1 § 4 and R 225-104 of the French Commercial Code	Group information	Chapter 6.6.4 Company information Chapter 17 Employees

CONCORDANCE WITH THE COMPANY'S ANNUAL FINANCIAL REPORT

This Reference Document includes all items of the financial report, as mentioned in Articles L. 451-1-2 of the French Monetary and Financial Code and as required by Article 222-3 of the AMF's general regulations.

The following table summarizes items on the financial report:

Items required	Chapter of Reference Document
Parent Company Financial Statements	Chapter 20.5 Parent Company Financial Statements
Group Consolidated Financial Statements	Chapter 20.1 Consolidated Financial statements and 20.2 Notes to the Consolidated financial statements
Management report	See specific concordance table above
Declaration of the Parties Responsible for the Annual Financial Report	Chapter 1.2 Declaration of The Parties Responsible For The Reference Document Including The Annual Financial Report
Statutory Auditors' Report on the Parent Company Financial Statements	Chapter 20.5 Statutory Auditors' Report on the Parent Company Financial Statements
Statutory Auditors' report on the Consolidated Financial Statements	Chapter 20.3 Verification of yearly flnancial Historical data
Statutory Auditors' fees	Chapter 16.3 Committees of the Board of Directors
Report of the Chairman of the Board of Directors on the terms and conditions governing the preparation and organization of the work performed by the Board of Directors, the internal control procedures implemented by the Company	Appendix: Terms and conditions governing the preparation and organization of the work performed by the Board of Directors Appendix: Report on Internal Control procedures implemented by the Company
Statutory Auditors' Report, prepared in accordance with article L. 225-235 of the French commercial Code (Code de Commerce), on the report prepared by the Chairman of the Board of Directors of GDF SUEZ	Appendix

TABLE OF GAS, ELECTRICITY AND OTHER ENERGY UNITS OF MEASUREMENT

UNITS OF CONVERSION

1 kWh	0.09m³ of natural gas (i.e. 1 m³ of gas = 11 kWh)
1 GWh	91,000 m³ of natural gas
1 TWh or 1 billion kWh	91 million m³
1 billion m³ of gas	6.2 million barrels of oil equivalent (Mboe)

The units of conversion mentioned above are routinely used in the natural gas industry. In this document they are given solely for information purposes.

UNITS OF MEASUREMENT

A	Ampere
boe	Barrel of oil equivalent
lp	Low pressure (< 0.1 bar)
LV	Low voltage (230 et 400 V)
G	Giga (1 billion)
Gm³	Giga m3 (1 billion cubic meters)
GJ	Gigajoule (1 billion joules)
GW	Gigawatt (1 billion watts)
GWh	Gigawatt-hour (1 million kilowatt-hours)
HV	High voltage (36 to 220 KV)
hp	High pressure (> 15 bars)
J	Joule
K	Kilo (thousand)
kV	Kilovolt (thousand volts)
kVA	Kilovolt ampere (thousand volt amperes)
kW	Kilowatt (thousand watts)
kWh	Kilowatt-hour (thousand watt hours): production of 1 kW of electrical power at full capacity over one hour
m	Meter
m²	Square meter
m³	Cubic meter
M	Mega (million)
Mboe	Million boe
MP	Medium pressure (0.1 to 15 bars)
MV	Medium voltage (1 to 30 kV)
MVA	Megavolt ampere (1 million ampere volts)
MW	Megawatt (1 million watts)
MWP	Peak megawatt (unit of measurement for the power of solar photovoltaic installations)
MWe	Megawatt of electricity
MWh	Megawatt-hour (thousand kilowatt-hours)
MWth	Megawatt (thermal)
t/h	Ton per hour
T	Tera (thousand billion)
TWh	Terawatt-hour (1 billion kilowatt-hours)
EHT	Extra-high tension (380 kV)
V	Volt
W	Watt
Wh	Watt-hour

ACRONYMS

ADR	American Depositary Receipt
NEA	Nuclear Energy Agency (OECD agency)
AGA	American Gas Association
IEA	International Energy Agency
IAEA	International Atomic Energy Agency
AMF (Autorité des Marchés Financiers)	French Financial Markets Authority
APE (Agence des Participations de l'Etat)	Government shareholding agency
ASPEA (Association Suisse pour l'Energie Atomique)	Swiss Atomic Energy Association
ATR (Accès de tiers au réseau)	Third-party network access
ATRD (Accès de tiers au réseau de distribution)	Third-party distribution network access
ATRR (Accès de tiers au réseau régulé)	Third-party regulated network access
ATS (Accès des tiers au stockage)	Third-party access to storage
BAR (Base d'actifs régulés)	Regulated asset base
B to B (business to business)	Business customers
B to C (business to customer)	Individual customers
BU (Business unit)	Business unit
Call	Call option
Capex (Capital expenditure)	Capital investment expenditure
CCS	CO2 capture and storage
CCS ready	Installation adapted for future CCS
CEE (Certificat d'économie d'énergie)	Energy saving certificate
CEN	European Committee for Standardization
CNC (Commission des Normes Comptables)	Accounting standards commission
CNR	Compagnie Nationale du Rhône
CNRS	National Center for Scientific Research
CO2	Carbon dioxide
COSO	Committee of Sponsoring Organizations of the Treadway Commission (not-for-profit committee responsible for the establishment in 1992 of a standard definition of internal control and a framework for evaluating its efficiency)
CRCP (Compte de régularisation des charges et produits)	Reconciliation account
CRE	French energy regulatory commission.
SSC	Shared Service Center
SD	Sustainable Development
DPS (Droit préférentiel de souscription)	Pre-emptive subscription right
EBITDA	Earnings before interest, taxes, depreciation and amortization
EBIT	Earnings before interest and taxes
EDF	Electricité de France (French electricity supplier)
EEX	European Energy Exchange (German energy exchange)
EGT	E.ON Gas Transport
E&P	Exploration-production of hydrocarbons
EMTN	Euro Medium Term Notes
RE	Renewable Energy
ENGVA	European Natural Gas Vehicle Association
EPIC	Etablissement public à caractère industriel et commercial (Public industrial and commercial establishment)

EPWR	European Pressurized Water Reactor
CFOA	Cash flow from operating activities
EURIBOR	European Interbank Offered Rate
FM	Facility Management - overall management of the support services of a company by specialist third-party service providers
FNCCR (Fédération nationale des collectivités concédantes et des régies)	National federation of concession granting and state-controlled municipalities
B Gas or L Gaz	Gas with low calorific value
H Gas	Gas with high calorific value
Depleted reserve	Depleted hydrocarbon reserve
EIG	Economic Interest Group
NG	Natural Gas
CNG	Compressed Natural Gas
LNG	Liquefied Natural Gas
NGV	Natural Gas for Vehicles
LPG	Liquefied Petroleum Gas
Greenfield	New plant construction
GSM	Global System for Mobile communication
HVAC	Heating, Ventilation, Air-conditioning
ICS (Informations commercialement sensibles)	Commercially sensitive information
IEG (Industries électriques et gazières)	Electricity and gas industries
IFA (Institut Français des Administrateurs)	French Institute of Directors
IFP (Institut Français du Pétrole)	French petroleum institute
IFRS	International Financial Reporting Standards - Accounting standards issued by the IASB (International Accounting Standards Board)
FC	Full consolidation
PC	Proportional consolidation
IPP (Producteur indépendant d'électricité)	Independent Power Producer
IRP (Instances représentatives du personnel)	personnel-representative authorities
IT	Information Technology
LIBOR	London Interbank Offered Rate
NOx	Nitrogen oxides
Nymex	New York Mercantile Exchange
OECD	Organization for Economic Co-operation and Development
NGO	Non-Governmental Organization
OTC	Over The Counter
OPA (Offre publique d'achat)	Tender offer
OPE (Offre publique d'échange)	Share exchange offer
OPEC	Organization of the Petroleum Exporting Countries
Opex	Operating expenses
GEP	Gas exchange point
PCI (Pouvoir calorifique inférieur)	Lower calorific value
PCS (Pouvoir calorifique supérieur)	Higher calorific value
PIBOR	Paris Interbank Offered Rate
SME	Small and Medium-sized Enterprises

PPA	Power Purchase Agreement, often long-term
PPP	Public-Private Partnership
Put	Put option
ISP	Investment Services Providers
PWR	Pressurized Water Reactor
R&D	Research and Development
GOI	Gross Operating Income
RECS	Renewable Energy Certificate System
ROE	Return On Equity
ROCE	Return On Capital Employed
FNR	Fast Neutron Reactor
RPI	Retail Price Index
CSR	Corporate Social Responsibility
RTE (Réseau de Transport d'Electricité)	French electricity transmission network (wholly-owned subsidiary of EDF)
SAP	Systems, Applications, Products in data processing
SEQEN	European System for Tradable Emission Quotas
SHEM	Société Hydroélectrique du Midi
IS	Information System
SO2	Sulfur dioxide
SRV	Shuttle Regasification Vehicle
STMFC	Société du Terminal Méthanier de Fos-Cavaou
TGV (Unité à cycle combiné « turbine à gaz/turbine à vapeur »)	Combined gas/steam turbine generating plant
THT	Tetrahydrothiophene (synthetic odorant for natural gas)
TMO (Taux mensuel obligataire)	Monthly bond yield
TOP	Take or pay
TP (Titre participatif)	Irredeemable and non-voting securities
TPI (Titre au porteur identifiable)	Identifiable bearer security
IRR	Internal Rate of Return
SSR	Special Solidarity Rate
TSR	Total Shareholder Return
TTF	Title Transfer Facility (Virtual gas exchange in the Netherlands)
EU	European Union
VAR	Value At Risk
VPP	Virtual Power Plant

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GLOSSARY

Administered tariffs	Tariffs of sale to non-eligible and eligible clients who have not exercised their eligibility.
American Depositary Receipt	Registered certificates issued by a US bank in exchange for the deposit of a certain number of foreign shares in its accounts by a foreign company that wishes to be listed in the United States. The bank manages the flow of dividends and the shareholder register for the issuer. ADRs are classified by level (1 to 4) according to the level of information required by the Securities and Exchange Commission, with level 3 corresponding to a complete listing.
Arbitrage	Operation consisting in the benefiting from the discrepancies in price between energy markets through the simultaneous sale and purchase of two contracts.
Autorité des Marchés Financiers French Financial Markets Authority	French institution in charge of seeing to the correct application of the rules that govern the French stock exchange (admission rules, functioning of the market and participants, follow-up of the information disclosed to the market, etc.). The AMF was created after the merger between the Commission des Operations de Bourse (COB) and the Conseil des Marchés Financiers (CMF). Its American, Swiss and Belgian equivalents are the SEC, the COPA and the CBFA respectively.
B Gas	Gas distributed in Northern Europe, in particular from the Netherlands. It is distinguished by its high nitrogen content and low heating value.
Balancing area	An assembly comprising entry, delivery points and a trading point of gas in which the consignor must achieve a balance.
Bar	Unit of measurement of the pressure of fluids, in particular natural gas. (1 bar = 105 Pascals)
Barrel	Unit of measurement of crude oil volume equivalent to approximately 159 liters, commonly used in the oil industry.
Benchmark	A very good level of performance achieved by players in a sector, which is used by less-performing players as a target to achieve, in an effort to bring their own performance up to the level of the benchmark. Benchmarks are often used as efficiency ratios: margin on sales, profitability, sales turnover compared with capital employed, etc.
Berth	A running lengthways excavation carried out under water, generally by dragging, to lay an underwater pipe.
Biogas	All gases, such as methane and carbon dioxide, resulting from the fermentation of organic waste in a depleted air environment such as landfills and wastewater treatment plants. This fermentation is the result of a natural or controlled bacterial activity. Biogas, therefore falls under the category of renewable energies. It can also be used in cogeneration, either on its own or mixed with natural gas. The conversion of biogas contributes to reducing the greenhouse effect and saves on other energy sources.
Biomass	Mass of non-fossil organic matter of biological origin. Part of these stocks may be used as an energy source.
Biomass fuel or biofuel	Fuel produced from biological materials.
Butane (C_4H_{10})	Liquefied petroleum gas (LPG) sold in cylinders. It has a liquefaction temperature of 0°/10°C at ordinary pressure conditions.
CAC40	Cotation Assistée en Continu. The reference index of the Paris stock exchange, calculated on a sample of 40 securities chosen from the largest capitalizations. The GDF SUEZ share is part of the CAC40.
Calorie	The quantity of heat needed to raise the temperature of 1 g of water by 1°C under normal atmospheric pressure.
Carbon dioxide	Colorless, odorless, non-toxic gas that is heavier than air of which it is one of the normal components. It is produced by certain natural processes, but can also result from the complete combustion of the carbon contained in fossil fuels.
Certified emission reductions (CER)	Certificate issued to industries that have invested in developing countries to reduce greenhouse gas emissions there. CERs cannot be directly exchanged, but can be used instead of CO_2 quotas, with one CER equal to one quota.
Chartering	A contract whereby a ship owner (the owner) undertakes to make a vessel available to a third-party (the charterer) in exchange for the payment of a sum (the freight charge). There are several kinds of charters: • demise charter: the vessel is delivered without any crew, fuel or provisions; • voyage charter: the owner undertakes to transfer a cargo from one port to another at an agreed price; • time charter: the owner provides the charterer with the vessel for a specific period (that may be as long as 20 years) together with the crew, in return for a monthly fee linked to the tonnage

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Circular economy	Also known as industrial ecology, a circular economy takes its inspiration from the dynamics of ecosystems to offer optimized energy and material flows, thereby reducing the waste of natural resources at production sites, activity zones or employment pools. The principle is to reuse raw material or energy used in the process of manufacturing finished products, as a resource for another industry located nearby. This approach is the opposite of what is called the linear economy, which uses up resources and discards waste without controlling the flows and discharges that are produced.
City gas	Gas that used to be distributed as coal gas. It has been replaced by natural gas
Cogeneration	A technique that uses a single fuel, which may be natural gas, to simultaneously produce thermal energy (steam or overheated water or a mixture of air and combustion products) and electricity.
Combined cycle plant	A power plant comprising a gas turbine generator whose exhaust gases power a steam boiler. The steam produced in the boiler drives a turbo-generator.
Combined production plant	A thermal power plant in which the steam produced in the boilers is transmitted to turbo-generators to produce electricity. The heat may be extracted at a certain points of the turbine and/or from the turbine exhaust as low-pressure heat and used to power industrial processes or district heating.
Commercial paper	Negotiable debt securities issued by a company on the money market for maturities ranging from 10 days to 1 year. In practice, the average maturity of commercial paper is very short, between 1 and 3 months. The commercial paper is the main facial instrument in the US, which enables companies to take out short-term loans directly from other companies without going through a bank, by obtaining terms that are similar to the money market.
***Commission de Régulation de l'Electricité et du Gaz* – CREG (Belgium) Belgian Gas and Electricity Regulation Commission**	Independent body that advises public authorities on the organization and functioning of the deregulated electricity and gas markets. It also monitors and supervises the enforcement of related laws and regulations. A General Council, composed of federal and regional representatives, worker, employee and employer representatives, environmental associations as well as producers, distributors and consumers, supervises the functioning of this body. The Commission took over the duties of the Electricity and Gas Supervision Committee with respect to the regulated part of the market.
***Commission de Régulation de l'Energie* - French Energy Regulation Commission (France)**	The Commission de Régulation de l'Energie is an independent administrative authority. It was created by the law of February 10, 2000 to regulate electricity and its jurisdiction was extended to the gas sector with the law of January 3, 2003. Its main mission is to ensure the transparent and non-discriminatory effective implementation of access to electricity and gas infrastructures. It has regulatory powers since the law of December 7, 2006. More generally, its role is to oversee the proper functioning of the deregulated gas and electricity markets.
Compression station	Industrial facility that compresses natural gas to optimize the flow of fluids in the pipes.
Conduit	Pipelines or pipes that transport natural gas. They may be made from copper, steel, cast iron or polyethylene.
Connection	Action that physically connects a user to the network.
Connection structures	all the structures that connect a consumption site or distribution network to the transmission network. Connection structures are made up of one or more distribution lines and one or more substations.
Conventional gas	Natural gas found in a normal reservoir made up of porous and permeable rock. It may be present, either in the gaseous phase or dissolved in crude oil where it is technically exploited by traditional production resources.
COSO 1 **COSO 2**	**COSO 1** proposes an Internal Control management framework. Internal control is a process implemented by the Board of Directors, executives and employees of an organization, to provide reasonable assurance about the achievement of the following goals: execution and optimization of operations; reliability of financial data; compliance with applicable laws and regulations **COSO 2** proposes an Enterprise Risk Management Framework. Enterprise Risk Management is a process implemented by the Board of Directors, executives and employees of an organization, and used for strategy and common to the entire company and designed to: • identify potential events that could affect the organization; • control risks to keep them within the limits of the organization's risk appetite (see below); • provide reasonable assurance as to the achievement of the organization's targets. COSO 2 includes some components of COSO 1 with the third point and completes it on the concept of risk management. COSO 2 is based on a risk-oriented vision of the company.
Cryogenic	Relating to very low temperatures (- 100 °C and below).
Cushion gas	Quantity of gas stored in underground that cannot be fully retrieved after it has been injected.

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Degree-days	A measure, in degrees Celsius, of the difference between the mean daily temperature and a base temperature of 16.5 degrees Celsius. The colder it is, the higher the number of degree-days.
Deposit	Set of porous rocks containing hydrocarbons.
Desalination	A process used to reduce the salt concentration of sea water in order to make it fit for human or animal consumption as well as for other uses, in particular, industrial uses.
Development (of a gas or oil field)	All the operations and actions carried out to exploit gas or oil deposits.
Disclosure of thresholds	Thresholds for buying or selling shares in a company's capital or voting rights defined in its articles of association beyond which the acquirer must disclose the exact number of shares that he holds and his intentions, if necessary.
Distribution	Distribution networks are groups of structures mainly consisting of medium or low-pressure pipes. They route natural gas to consumers who are not directly connected to the main network or to a regional transmission network.
Distribution line	Transmission structure that provides the link between the transmission network and one or more substations and is exclusively or mainly intended for the supply to a client or distribution network. The distribution line is part of the network.
Distribution network	Network for distributing natural gas (at medium or low pressure) within a specified region or company.
Downstream	Activities consisting in the transportation, distribution and storage of natural gas and related services.
Earnings before interest, taxes, depreciation and amortization (EBITDA)	This is the amount of the funds that the company generates from its operating cycle before deducting related financing costs. It corresponds to operating income before depreciation, amortization and provisions, plus the share in the current income equity affiliates and net financial income not related to net debt.
Electricity and Gas industries	All the companies that produce, transport or distribute electricity or gas in France and which meet the requirements of the nationalization Law of 8 April 1946. The EGI branch includes all companies with employees that fall under the EGI employee status.
Eligible client	Consumer of electricity or gas authorized to approach one or more electricity or gas suppliers of their choice to supply one of their sites.
EMTN	When the company plans several bond issues in the medium term, it can putout an "umbrella" prospectus to cover all of them: the EMTN issue (Euro Medium Term Notes). This type of documentation allows the company to tap the market very rapidly, when it needs to or when the market is attractive.
Energy efficiency	In physics or mechanics, energy efficiency is calculated by relating the work provided to the quantity of energy required for this. It is comprised between 0 and 100%.
Energy trading	Energy buying and selling on energy exchanges.
Energy trading	Trading of physical or financial contracts on the short-term energy markets (over-the-counter markets and stock exchanges).
Environmental, Management and Audit System (EMAS)	A certificate based on ISO 14001 certification and a published environmental statement certified by European auditors accredited by the European Commission.
Equity security	An equity security is a negotiable investment security that is half-way between the share and the bond: it is like a bond because it distributes a coupon and does not give the holder voting rights, and it is like a share because it is not redeemable, in principle. It has the tax system of bonds.
EURIBOR	The European money-market rate corresponding to the arithmetic mean of offered rates on the European banking market for a given maturity (between 1 and 12 months). It is published by the European Central Bank based on daily quotes provided by 64 European banks.
European Committee for Standardization (CEN)	An organization made up of the standardization institutes of the European Community (EEC) and the European Free Trade Association (EFTA).
European Pressurized Water Reactor (EPR)	European concept for a third-generation nuclear plant.
Excavation	An area dug out to bury pipes below ground level.
Exploration	All the methods implemented to discover new hydrocarbon deposits.
Facility management	All the outsourced service and utility management services that accompany the supply of energy to an industrial client. These services concern the management of the client's environment: guard services, waste and hygiene, control and maintenance of technical equipment, delegated management for works, management of safety equipment, telephone and receptions services, etc.
Fuel cell	New process for producing electricity and heat with a very high electrical efficiency and a reduced environmental impact (no sound nuisance and emission of gaseous pollutants such as carbon monoxide, nitrogen oxide, soot and other particles). The heart of the process is the direct conversion of the chemical energy of the fuel into electrical energy. The production of heat may be used in cogeneration with an overall efficiency that can have a Low Heating Value of at least 80%.

Gas cap	Upper part of the reservoir rock of a gas deposit. The gas extracted during oil production is sometimes reinjected to increase the rate of hydrocarbons recovered.
Gas exchange point (GEP)	Virtual hub attached to a balancing zone where a consignor can sell gas to another consignor.
Gas flare	An arrangement for evacuating and burning surplus gases that cannot be used.
Gas hub	Point of entry (Connection point of a gas transmission network supplied from different sources). It enables operators to physically exchange gas between these sources and end users.
Gas line	A conduit that conveys fuel gas.
Gas pipeline	A pipeline that conveys fuel gas at high pressure and over long distances. Gas pipelines may be connected to international networks.
Gas storage tank	Systems above-ground or close to the ground that are used to store gaseous or liquid fuel gases.
Gas to liquid (GTL)	Technology used to transform natural gas or gas from coking plants into a synthetic liquid fuel that does not contain any sulfur, paraffin and aromatic compounds.
Gas turbine	Thermodynamic equipment within which high-temperature and pressurized combustion gases power a turbine connected to a compressor which increases the pressure of the combustion air. Mechanical or electrical energy is thus produced.
Green electricity	Certified electricity produced from renewable energies.
Greenhouse Gas	Atmospheric gas that contributes to the retention of solar heat. Industries, cars, heating systems, animal breeding, etc. produce gases, some of which have heightened the greenhouse effect. The greenhouse gas build-up produced by human activity is one of the causes of the global warming and its consequences on the ecosystem.
H gas	Gas distributed in the rest of the country, from Lacq, the North Sea, the former USSR, Algeria, etc. (H means "high heating value'").
High heating value	Quantity of heat released by the complete combustion of one unit of fuel, assuming that the water vapor created is condensed and the heat recovered.
IAS (International Accounting Standards)	Set of accounting standards drawn up by the IASB until 2002.
IASB (International Accounting Standards Board)	Private body founded in 1973 by the institutes of accounts of nine countries. Its main targets were to establish international-level generally accepted accounting standards, promote their use and more generally, to work to harmonize accounting practices and the presentation of financial statements at an international level. It made up of 14 independent members.
Identifiable bearer securities	System defined in the articles of association of a listed company that allows the approved account holders to know all or part of bearer shareholders at a given time. This list of shareholders is sent to the issuer. Identifiable bearer securities enable all issuers of securities to know the identity of bearer shareholders by querying Euroclear.
IFRS (International Financial Reporting Standards)	Set of accounting standards drawn up by the IASB since 2002.
Independent Board Member	Corporate governance codes recommend that Boards of Directors and Supervisory Boards have some independent board members to ensure the independence of the Boards with respect to the Company's managers. According to the latest recommendations in the United States, half (for companies with dispersed capital) or at least one-third of the members of the Board must be independent directors.
Independent Power Producer (IPP)	An electricity production company independent of public sector control. IPPs are ranked solely by the projects developed outside the country of origin.
Independent producer	A company whose main activity is to produce electric power with the sole intention of selling it to a distributor or to consumers, via a third party.
Investment Service Provider (ISP)	A provider of investment service whose main role is to transmit and process stock exchange orders (modern-day equivalent of stock brokers).
ISO (International Organization for Standardization)	Organization that defines reference systems (industrial standards used as benchmarks)
ISO 14001	An international standard that verifies a company's organizational procedures and methods, as well as the effective implementation of environmental policy and objectives.
ISO 9001	An international standard establishing quality criteria for work procedures. It applies to product design, control of the production and the manufacturing process as well as the quality control of the end product.
Leachates	Water containing organic or mineral pollutants that has been in contact with landfill waste.
LIBOR (London Interbank Offered Rate)	The money-market rate observed in London, which corresponds to the arithmetic mean of offered rates on the London banking market for a given maturity (between 1 and 12 months) and given currency (euro, pound sterling, U.S. dollar, etc.).

Liquefied natural gas (LNG)	Natural gas put into the liquid phase by lowering its temperature to –162°C, which makes it possible to reduce its volume by at least 600.
Liquefied petroleum gas (LPG)	Light hydrocarbons that are gaseous under normal temperature and pressure conditions and maintained in a liquid state by raising the pressure or lowering the temperature.
Load-matching	Term referring to the discrepancy between the actual conditions of gas consumption by a customer and those corresponding to standard purchases over the year of their average daily consumption. Hedging the variations of (daily, weekly or seasonal) consumption is generally assured by underground storage, to which customers and their suppliers may have access, either directly (in countries where a third party access to the facilities - regulated or negotiated - has been planned for) or in the guise of a load-matching service (case of the United States).
Low heating value	Quantity of heat released by the complete combustion of one unit of fuel, assuming that the water vapor created is not condensed and the heat not recovered.
Low-pressure gas tanks	General term describing hydraulic and dry gasholders.
Marketability	Stage at which the production of a gas field can enter the commercial operation phase.
Marketer	Business consisting in the sale of gas and other energy to third parties (end-client, distributor, etc.).
Mercaptans (thiols)	Family of organic sulfur compounds that give off a pungent smell that persists even when there is a low concentration in the air. They are used to give an odor to natural gas.
Methane (CH_4)	Colorless and inflammable gas. It has a density of 0.555 and is naturally released in decaying organic materials. It is the main component of natural gas.
Methane tanker	A ship that transports liquefied natural gas (LNG) cooled to –163 °C in its holds.
Methane tanker terminal	Industrial facility that receives, unloads, stores, regasifies LNG and sends natural gas in the gaseous state to the transmission network. Harbor facility with additional facilities, intended to receive ships that transport liquefied natural gas (LNG).
Methane tanker terminal access contract	Contract between the LNG terminal operator and a shipper, defining the conditions of acceptance, regasification of LNG cargos delivered and emission of natural gas on a tanker terminal.
Monthly bond rate (TMO)	Monthly bond yield calculated on the basis of the gross yield to maturity, by issuance before fees, on fixed-rate bonds with maturities of 7 years and over issued on the French market in a given month. It is published by Ixis CIB.
National Balancing Point (NBP)	Virtual exchange for the purchase and sale of natural gas in the United Kingdom. It is the price and delivery point for the IPE's (International Petroleum Exchange) spot market.
Natural Gas for Vehicles	Composed of 100% natural gas, NGV emits less CO2, nitrogen dioxides and harmful particles than cars running on petrol. It is also economical to use.
Natural gas for vehicles (NGV)	Composed of 100% natural gas, NGV is mainly used in urban transports and waste treatment vehicles.
Natural gas liquefaction	Transformation of natural gas from the gaseous form to liquid form to be transported by ship or stored.
Negotiated third party network access	The network access terms are negotiated between network managers and market players (eligible client, producer, etc.) on a case-by-case basis.
Net income Group share	Consolidated net income less the share of profits to minority shareholders, i.e. shareholders of fully consolidated Group subsidiaries that are not wholly owned by the Group.
Non-eligible client	Client who cannot choose their supplier on the energy market. Up till 1 July 2007 in France, this concerned all private consumers of electricity and natural gas.
Offshore	Oil or gas drilling in the sea, from a platform.
Parent rock	Sediment containing organic matter from which significant quantities of oil and gas are derived.
Pascal (Pa)	Uniform pressure which acts on flat surface of 1 m^2 and exerts a total force of 1 Newton on this surface.
PIBOR or TIOP (Paris Interbank Offered Rate)	The money-market rate which corresponds to the arithmetic mean of offered rates on the Paris banking market for a given maturity (between 1 and 12 months). It was replaced by EURIBOR on January, 1, 2009.
Preferential subscription rights	Right attached to each existing share that allows its owner to subscribe to the issue of new shares. The existing shareholder therefore has a priority right to subscribe to the capital increase, which may be sold throughout the operation. This is a monetary right that it used to fit the issue price to the market value of the share.

Pressure	There are two types of pressure depending on the type of the distribution network serving the distribution lines: LP – low pressure – lower than or equal to 50 mbars, that directly feeds the gas-fired equipment, MP- Medium pressure. MPA – medium pressure A – of 50 to 400 mbar, is practically no longer used. MPB – medium B – 400 mbar to 4 bars, requires the fitting of pressure adjustment devices before being distributed into dwellings (pressure controllers), gas circulates at high pressure in the transmission network. In France, the network has generally been calculated for the maximum service pressure of approximately 70 bars (with the exception of certain sections where the maximum pressure has been raised to 80 bars). For major international transmissions, the maximum service pressures are generally between 60 and 100 bars
Pressure reducing valve	A device that reduces the pressure of gas to a given value and keeps it within the prescribed limits. A pressure reducing valve is usually fitted with a safety switch and can act as a gas cutoff valve. A pressure controller intended for individual installation is placed at the meter entrance. A pressure controller intended for a collective building installation is placed at the mouth of the building conduit. A pressure controller used to heat a boiler room is built into the air multiplier unit.
Pressure regulating station	Location (outdoor, in a room or enclosure below ground level) that is specifically assigned to the pressure regulating unit.
Pressure-reducing unit	Assembly of devices, parts and pipes the main function of which is to reduce the pressure in a gas from a variable upstream pressure to a downstream pressure regulated at a reference value.
Pressurized gas tanks	Stationary or mobile tanks that can be filled with a pressurized fuel gas. They are either cylindrical with a spherical bottom, are often placed horizontally, or spherical.
Probable reserves	Estimation of the hydrocarbon quantities that can be extracted in the future, based on existing deposits and with a probability of at least 50% according to geological and technical data. Extraction must meet economic criteria that take into account future price changes, the appreciation of hydrocarbons and exchange rates.
Producer	A natural person or legal entity that produces natural gas and/or electricity.
Production (of a gas or oil field)	Commercial operation of a hydrocarbon deposit.
Prospecting license	Authorization to carry out all the work necessary to find deposits. These licenses are usually exclusive, i.e. only the licensee is authorized to carry out prospecting on the area attributed.
Proved developed reserves	Reserves that can be produced from existing facilities.
Proved reserves	Estimates of crude oil, natural and liquid gas quantities based on geological and technical data with the reasonable assurance that these quantities will be extracted in coming years from existing deposits or under certain economic and operational conditions, namely the prices and costs on the date of the estimate.
Proved undeveloped reserves	Reserves that require the drilling of new wells on virgin surfaces or significant additional investments from existing facilities, such as a compression unit.
Public-private partnership (PPP)	A contractual arrangement adapted to each local situation whereby the public sector authority assigns certain missions to a private operator and specifies objectives. The public sector partner defines the service objectives of the private operator all the while retaining ownership of the infrastructure and regulatory control. Local authorities are increasingly resorting to PPP agreements in managing water services.
Quality index	Expresses the energy savings resulting from the simultaneous production of electricity and heating, compared with a separate production of electricity using a TGV unit (performance of 55%) and heat using a traditional boiler (performance of 90%).
Reference document	Document submitted for registration with the French market regulator, Autorité des Marchés Financiers (AMF) and updated each year. It contains all the legal, economic and accounting information required to provide a true picture of the company's position. It is available on demand and may be downloaded in the Documentation section of the web site, www.gdfsuez.com.
Regional network	All the high-pressure and large-diameter structures that link the interconnection points with neighboring transmission grids, storage facilities and methane tanker terminals. These structures are connected to regional networks as well as certain industrial consumers.
Regulated market	Market in which local authorities are not responsible for drinking and sanitation water services. Private companies are therefore given licenses or franchises to provide such services, in which case they become owners of the facilities. Utility rates are fixed by a regulating agency. This is the basis on which the U.S. regulated public utilities market operates.
Regulated tariffs	Tariffs defined by the public authorities upon a proposal by the energy regulation committee (CRE).
Regulated third party network access	In this case, it is the French regulatory authority that proposes the network access tariffs. Access terms are transparent and non-discriminatory for users.

Renewable energy	Energy naturally renewed or regenerated at the scale of a human life. The renewable nature of an energy source depends on the speed at which the source is regenerated as well as the speed with which it is used up. Renewable energies are derived from natural, regular or constant phenomena created by celestial bodies. They are mainly derived from: • the sun (radiation, water cycle, wind, photosynthesis); • heat from the interior of the Earth (geothermy); • the Earth's rotation in relation to the Earth-Moon system (tidal energy).
Reserves (of a deposit)	Volume of oil or gas trapped in a rock.
Reservoir rock	Volume of rocks with vacuums, pores or cracks that are interconnected and in which fluids can circulate.
Resources	Quantities of discovered hydrocarbons for which there is a technical, economic or commercial risk that does not fully guarantee the extraction of these quantities. Equivalent to technical reserves
Rich (or humid) gas	Natural gas with hydrocarbons that are heavier than methane, in such quantities that they can be extracted commercially or must eliminated to make the gas usable as fuel or for transportation through the gas pipeline.
Rights in kind of licensors	The "Rights in kind of licensor" budget item is a specific item for companies that are utility operators. It is the counterparty of the concession fixed assets posted as assets in the balance sheet. Its valuation expresses the operator's obligation at the end of the contract, to give to the licensor, at no cost, the fixed assets assigned to the licensed utilities, in such a way that at the end of a given contract, the value of the "Rights in kind of licensor" budget item is equal to the carrying amount of fixed assets that are to be returned to the licensor.
Safety switch	A device that switches off automatically to turn off the gas flow. It may be set off by a pressure drop, a pressure surge or a flow rate that is higher than a predetermined value.
Safety valve	A valve that closes automatically in a pressure regulating station when necessary to ensure safety.
Sarbanes-Oxley	In the Unites States, the Sarbanes Oxley Act is aimed at reinforcing the responsibility of company executives with respect to Internal Control and external disclosure and to carry out a far-reaching review of the operating and oversight rules of the accounting profession
Security of supply	Guarantee of having energy in the desired quantity and quality and under given economic conditions, at all times.
SEQEN	European System for Tradable Emission Quotas, born of a 2003 European directive and in force since January 1, 2005 for the CO_2 emissions of some industrial sectors.
Spin-off	A demerger consisting in the separation of the branches of a group into distinct companies. The shares of the newly created company are distributed to shareholders in exchange for shares of the original group)
Spot market	A market of short-term buying and selling of energy (for the day or up to three years).
Storage	Facility that allows natural gas to be stored in the summer when consumption is at its lowest and to take natural gas out of storage in winter when consumption is higher. Gas storage is an industrial facility, mainly underground, that enables natural gas suppliers to have a natural gas reserve.
Storage access contract	Contract binding the storage operator and a consignor for a service consisting in access to natural gas storage facilities for one or more storage groups.
Storage centre	Formerly known as a "controlled landfill" site, a waste storage facility that requires authorization. The technical facilities depend on the type of waste handled (household waste, ordinary industrial waste, special industrial waste or inert waste). There are many regulatory operating constraints aimed at controlling the impacts of this treatment process on human beings and the environment.
Storage site	All the structures, facilities and systems, mainly made up of underground structures such as cavities in saline layers or porous rocks in the aquifer, wells, pipes, compression facilities, treatment facilities, measurement facilities, pressure regulators, transmission systems, IT systems, etc.
Supplier	A legal entity, holding a permit for the gas sector, or registered with the public authorities for the electricity sector, who supplies at least one end consumer electricity or gas, either from energy that it has produced or from energy that it has bought (trader).
Take-or-pay	Long-term contract where the producer guarantees the supply of gas to an operator and the operator guarantees payment, regardless of whether or not the gas has been delivered.
Tax credit	Offset mechanism created by certain countries to avoid the double taxation of dividends (with respect to corporate tax and the investor's income), which consists in neutralizing the effect of corporate tax at the investor's level. In the US, tax credit has been cancelled and replaced by a 40% reduction on the amount of dividends taken into account to calculate taxable income.
Third party network access	Recognized right of each user (eligible client, distributor, and producer) to access transmission or distribution systems in exchange for payment of access rights.

Title Transfer Facility (TTF)	Virtual trading point for natural gas in the Netherlands, set up by Gasunie in 2003. It is almost identical to the National Balancing Point (NBP) in the United Kingdom and allows gas to be traded within the Dutch network.
Total shareholder return (TSR)	Rate of return of a share over a given period that includes dividends received and the capital gains made
Trader	A supplier of gas or electricity who buys the power from another supplier in order to sell them to end users or other traders.
Traditional thermal power plant	Facility in which the chemical energy contained in solid, liquid, or gaseous fossil fuel is transformed exclusively into electrical energy using boilers and steam turbines.
Transmission	Transmission networks are groups of structures consisting of high-pressure pipes. They convey the natural gas to industrial consumers who are directly connected and to distribution networks.
Transmission grid	Network that delivers energy at high pressure (> 60 bars) to distribution networks located downstream of the grid.
Transport capacity	The highest permissible continuous loading of the transmission equipment with respect to the stability of its operating parameters and voltage drop.
Treasury shares	Shares that a company owns in the company after buying them, for example, in support of stock options.
Treasury shares	Shares of a company owned by subsidiaries controlled by the company. They do not carry voting rights.
Trunk lines	All the high-pressure and large-diameter structures for transmitting natural gas that link the interconnection points with neighboring transmission grids, storage facilities and methane tanker terminals. These structures are connected to regional networks as well as certain industrial consumers and distribution networks.
Underground storage	Use of porous geological formations, natural or artificial cavities (saline or aquifer) to store liquid or gaseous hydrocarbons.
Upstream	Hydrocarbon exploration and production
Useful gas	Gas available in an underground storage and likely to be tapped.
Value at risk (VAR)	An investor's maximum potential loss on the value of an asset or a portfolio of financial assets and liabilities, based on the investment timeframe and a confidence interval. It is calculated on the basis of historical data or deduced from normal statistical laws.
Well	Excavation made in the ground or underground to exploit a deposit.
Well head	All the connections, valves, pipes, manometers, thermometers, etc. installed at the production well top.
Wobbe index	Quotient of the higher heating value or lower heating value by the square root of the density of gas in relation to air.

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A Public Limited Company with a share capital of €2,193,643,820
Corporate headquarters: 16-26, rue du Docteur Lancereaux
75008 Paris France
Tel.: +33 (0)1 57 04 00 00
Paris Register of Commerce: 542 107 651 RCS PARIS
VAT FR 13 542 107 651

gdfsuez.com

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