

PRESS RELEASE

Gaz de France first quarter 2007 sales:

An 11 per cent drop due to an exceptionally warm winter

A 1.3 per cent increase on an average-climate basis

Non-audited IFRS data

Paris, May 14 2007 – For the first quarter 2007, Gaz de France Group posted €9,053 million in consolidated sales. This 11 per cent decrease on the same period in 2006 is a direct result of the extremely warm weather conditions in France and Europe this winter. In contrast, under average climate conditions sales improved by 1.3 per cent.

In France, where the winter of 2006/2007 was the warmest in fifty years, sales were impacted by 18 billion kWh in the quarter compared to a quarter with average-climate conditions and 32 billion kWh compared to the first quarter 2006 which, in contrast, was colder than normal. The impact of the weather had similar effects on sales outside France.

The highly unusual weather conditions also had an indirect impact on the market and, consequently, on both gas production and the arbitrage activities.

Notwithstanding these effects, the Group continued to consolidate its position in foreign markets, with sales outside France reaching € 3,341 million. The share of sales outside France increased by 3 points in the first quarter of 2007 versus first quarter 2006 to 37 per cent as at end March 2007.

The group reiterates the 2007 financial objective as presented at the full year 2006 results: “2007 will be a year of consolidation and the EBITDA should be in line with that of 2006.”

Quarterly Sales by Segment

In millions of euros	Q1 2006	Q1 2007	Change (%)
Energy Supply & Services			
Exploration – Production	477	407	-15
Purchase – Sale of Energy	7,918	6,928	-13
Services	629	610	-3
Infrastructures			
Transmission & Storage France	537	537	-
Distribution France	1,200	1,005	-16
Transmission & Distribution International	1,316	1,140	-13
Adjustments & Other	-1,848	-1,574	
GROUP TOTAL	10,229	9,053	-11
GROUP TOTAL under average weather conditions	9,653	9,777	+1.3

Analysis of first quarter 2007 sales

Energy Supply & Services

- Exploration-Production

Sales generated by the **Exploration-Production** business declined by 15 per cent to €407 million compared to €477 million over the same period in 2006.

This decline is due to the drop in oil and gas sales prices – particularly in Britain – and the negative impact of the euro/dollar exchange rate.

This is also due to a decrease in the group's production. Total production (including Efog¹) reached 10.5 Mboe as the end March 2007, compared to 12.3 Mboe as at end March 2006. As well as the sale of the Group's stake in KGM, this evolution also results from the reduction in volumes sold under long-term contracts (volumes limited to minimum contractual levels.)

- Purchase – Sale of Energy

Sales generated by the **Sales-Purchase of Energy** business fell by 13 per cent compared to 2007, to €6,928 million, versus €7,918 million in 2006. Under average weather conditions, sales would have increased by one per cent.

- Natural Gas Sales

Total gas sales of the Purchase – Sale of Energy segment amounted to 210 billion kWh. Under average weather conditions, sales would have been down 4 per cent.

Natural gas sales to individual customers in France reached 52 billion kWh. Under average weather conditions, natural gas sales were stable.

Sales to business clients and key accounts in France stood at 93 billion kWh at end March 2007 (10 billion kWh decrease under average weather conditions compared to the first quarter 2006). This evolution clearly illustrates the group's commercial policy to realise sales at acceptable margins. In Europe, sales on the same customer segments were stable on a quarter to quarter basis despite the slightly negative climate effect. Such sales were 35 billion kWh in the first quarter 2007, compared to 36 billion kWh for the first quarter 2006.

Lastly, short-term and other sales remained stable at 30 billion kWh.

- Electricity Sales

Electricity sales² in France increased by 27 per cent compared to the first quarter 2006 and reached 1.1 billion kWh, versus 0.9 billion kWh. In Europe, sales in the first quarter 2007 stood at 3.2 billion kWh, compared to 3.1 billion kWh in first quarter 2006.

¹ Efog has been integrated into the accounts on a proportional basis since 1 February 2007.

² Excluding hedging operations

- Services

Sales from the **Services** business came to €610 million in the first quarter 2007, versus €629 million for the same period in 2006. This change can be attributed to energy sales in connections with services being lower, due to the mild weather conditions, and the negative price effects associated with such sales. Excluding energy sales, sales grew by 2.4 per cent, chiefly driven by the works activities, which continues to be strong in France.

Infrastructures

- Transmission - Storage France

Sales from the **Transmission Storage France** business were €537 million, unchanged in comparison to the first quarter of 2006. This includes the negative impact of the decreased rate of return on transmission assets which came into effect 1 January³ 2007 but also includes the positive effect of price increases for storage access. It should be noted that weather conditions have a low impact on this business segment.

- Distribution France

The **Distribution France** segment posted sales of €1,005 million in the first quarter 2007 compared to €1,200 million in the first quarter 2006. Excluding the impact of weather conditions and of the IFRIC 12 standard⁴, sales remained stable.

- Transmission Distribution International

Sales from the **Transmission Distribution - International** business in the first quarter 2007 were down by 13 per cent to €1,140 million compared to €1,316 million in the first quarter 2006. Under average weather conditions, sales would have risen by 5 per cent.

³ See Press Release dated 20 November 2006

⁴ The implementation of the IFRIC 12 accounting standards has an impact of over €64 million on sales in first quarter 2007 (+€90 million for first quarter 2006).

Recent Events

- Strengthening of the Group's position in LNG
 - Long-term access to the American LNG market, thanks to an agreement with Cheniere.
 - A new LNG carrier commissioned in early-March 2007, Gaselys, consolidating the Group's position in the LNG industry
- Continuing the Group's development in exploration & production
 - Acquisition of stakes in ten offshore licences in the United Kingdom from CGG Veritas
- Confirmation of Cofathec's position as a benchmark player in the field of public-private partnerships
 - Cofathec has signed an 18 year public-private partnership with the Roanne Hospital Complex, for €59 million in sales, to design, build, operate and maintain energy facilities.
- Market deregulation as at 1 July 2007: Gaz de France is ready
 - Roll-out continues on the new information system, Symphonie, in connection with the market liberalisation process: as at end-April 2007, the number of clients migrated reached 5.1 million, or nearly half of its private customer portfolio
- New commercial offers in the infrastructures businesses
 - GRTgaz sets up a new balancing system operated by Powernext.
 - Gaz de France has put up over 5 billion kWh in storage capacity up for auction in the first quarter 2007.
- Gaz de France makes new appointments
 - A new organisation will enable the Group to achieve greater efficiency, responsiveness, operational responsibility and performance in a profoundly-changing environment.
 - Stéphane Brimont, previously Strategy Director of Gaz de France is appointed Chief Financial Officer of the Group, replacing Philippe Jeunet.

Financial Schedule

Shareholders Meeting:	23 May 2007
Dividend payout:	30 May 2007

Group Profile:

The Gaz de France group is a major player in the European energy market. Ranked first in the distribution of natural gas in Europe, Gaz de France employs more than 50,000 people and, in 2006, generated sales of €27.6 billion. The group boasts a portfolio of 13.8 million customers, 11.1 million of whom are based in France. Listed on the Paris Bourse in July 2005, Gaz de France entered the CAC40 and the Dow Jones Stoxx 600 indexes in September 2005.

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Forward-Looking Statement:

The objectives summarised above are based on data, assumptions and estimates deemed reasonable by Gaz de France. The said data, assumptions and estimates may evolve or be changed as a result of uncertainties due in particular to the economic, financial, competitive, regulatory or weather conditions. In addition, the materialisation of certain risks factors described in Chapter 4 of the Document de Référence filed with the Autorité des marchés financiers (“AMF”) under Number R07-046 on 27 April 2007 (hereinafter referred to as the “Document de Référence”) could have an impact on the group’s operations and its ability to achieve its objectives. In addition, achieving those objectives is dependent on the success of the commercial strategy described in Chapter 6.1.2 of the Document de Référence. Gaz de France consequently disclaims any undertaking and gives no representation as to the fact that it will achieve its objectives and does not undertake to publish or issue possible revisions or updates of such forward-looking statements or information, beyond what is required by the laws and regulations with which it must comply.