

PRESS RELEASE

Strong sales growth in 2006: + 21 per cent

Unaudited IFRS figures

Paris, February 14, 2007 – The Gaz de France group today reported record consolidated sales of €27,642 million in 2006, up 21 per cent compared with 2005. Under average weather conditions and comparable accounting methods, sales increased by 24 per cent versus 2005.

This growth results primarily from an overall increase in European energy prices notwithstanding the slight decrease in prices towards the end of the year. The group also benefited from an increase in volumes and from the integration of new operations.

After a colder first half of the year compared to that of the previous year, the autumn of 2006 was particularly warm. This had a negative impact on sales growth (there was a 12 billion kWh decrease between 2005 and 2006).

The sales generated by the group's international activities increased by 33 per cent to a total of €10,839m in 2006 and now account for almost 40 per cent of the group's overall sales.

In this context, the group confirmed at the board meeting held on January 23, 2007 that it would reach the targets set for 2006, namely:

- Growth in EBITDA above 20 per cent, e.g. in excess of €5 billion,
- Net income of more than €2.2 billion.

Annual sales by division/segment

In millions of euros	2005	2006	Change (%)
Energy Supply & Services			
Exploration – Production	1,139	1,659	46%
Purchase – Sale of Energy	17,265	20,481	19%
Services	1,924	2,181	13%
Infrastructures			
Transmission & Storage – France	2,124	2,227	5%
Distribution – France	3,426	3,289	-4%
Transmission & Distribution – International	2,275	3,570	57%
Adjustments & other	-5,281	-5,765	
GROUP TOTAL¹	22,872	27,642	21%
GROUP TOTAL excluding the impact of IFRIC 12 accounting interpretations	22,385	27,245	22%
GROUP TOTAL excluding the impact of IFRIC 12 accounting interpretations and with average weather conditions	22,233	27,484	24%

¹ The implementation of the accounting interpretation of IFRIC 12 has had an impact on the 2005 and 2006 sales figures (see Appendix)

Review of 2006 sales figures

Energy Supply & Services

The Energy Supply & Services division includes the Exploration – Production, Purchase – Sale of Energy, and Energy Services activities.

- Exploration – Production

Sales generated by the **Exploration – Production** segment increased by 46 per cent in 2006 to reach a total of €1,659m, up from €1,139m in 2005 (+ 52 per cent on a comparable basis²).

This increase was chiefly driven by the rise in the price of hydrocarbons (oil and natural gas products) and the 10 per cent increase in consolidated group's sold production (38 Mboe³ in 2006 compared with 34.6 Mboe in 2005).

Taking into account Gaz de France's share in the Elgin-Franklin field (adjusting for the contribution of the Efog subsidiary), the group's production reached a total of 45 Mboe³ in 2006.

- Purchase – Sale of Energy

The sales generated by the **Purchase – Sale of Energy** activity increased by 19 per cent at December 31, 2006 compared with 2005 to reach a total of €20,481m, up from €17,265m last year. This growth is principally due to the rise in energy prices following the increase in gas purchase prices.

- Natural gas sales

Aggregate sales of the Purchase – Sale of Energy segment stood at 641 billion kWh in 2006. This result reflects the unfavourable impact of weather conditions compared with the favourable impact in 2005. If meteorological conditions are averaged out, the sales generated by this segment nevertheless reveal underlying growth of 0.6 per cent.

Natural gas volumes sold to individual customers in France stood at 133 billion kWh, down 6 billion kWh compared with 2005. Restated to account for meteorological conditions, sales remain stable from one year to the next.

Sales to business customers and to key accounts stood at 279 billion kWh in France, down 25 billion kWh and down 20 billion kWh under average climate conditions. In Europe, sales stood at 119 billion kWh, up 14 billion kWh compared with 2005. These contrasting results reflect the combined impact of the company's margin policy, market deregulation and the mildness of weather conditions.

Lastly, short-term sales and sales to gas retailers increased by 10 per cent to reach a total of 110 billion kWh.

- Electricity sales

In France, actual electricity sales⁴ recorded a growth of 17 per cent to reach a total of 3.3 billion kWh in 2006.

In 2006 in the United Kingdom, driven by the sharp increase in prices on the British market, electricity sales increased by 15 per cent compared with 2005.

- Services

Sales from the **Services** activity stood at €2,181m at December 31, 2006, up from €1,924m in 2005, up 13 per cent. This increase is due to strong organic growth and the inclusion of new companies within the scope of consolidation. Sales increased by 9 per cent in 2006 on a comparable basis.

² Disposal of Gaz de France's stake in Kazakh company KGM in July 2006.

³ These figures are provisional until finalised figures are published in the book of reserves.

⁴ These figures do not include volumes sold within the framework of hedging operations.

Infrastructures

This segment comprises the management of the Transmission, Storage and Distribution infrastructures both in France and abroad.

- Transmission & Storage – France

Sales generated by the **Transmission & Storage – France** business increased by 5 per cent to reach a total of €2,227m during the year, up from €2,124m in 2005. This growth was driven by the rise in subscribed capacity on the transmission network, the increase in storage bookings and the quantities of natural gas unloaded at the LNG terminals, as well as by the increase in storage rates that came in force on April 1, 2006.

- Distribution – France

The **Distribution – France** activity sales stood at €3,289m in 2006, reflecting a 4 per cent decline compared with 2005. On a comparable weather conditions and accounting methods (IFRIC 12), sales increased by approximately 2.1 per cent.

- Transmission & Distribution – International

The 2006 sales reported by the **Transmission & Distribution – International** business enjoyed 57 per cent growth compared with 2005 and stands at €3,570m in 2006 against €2,275m in 2005. On a comparable consolidation scope⁵, sales rose by 20 per cent chiefly as a result of higher selling prices following the rise in supply costs.

Highlights of the 4th quarter of 2006 and other recent events

- New third party access rates for the natural gas transmission network in France, effective January 1, 2007.
- Launch of the extension of the Montoir-de-Bretagne LNG terminal to meet growing demand for LNG in France and Europe.
- Consolidation of gas supplies with the renewal – until 2030 – of the supply contracts between Gazprom and Gaz de France.
- Gaz de France becomes a partner in the project to build a gas pipeline between Algeria and Spain (Medgaz) and purchases natural gas transported via this pipeline from Sonatrach.
- Gaz de France awarded contract by RTE to build a state-of-the-art electrical power station in Brittany with a capacity of approximately 200 MW.
- Commissioning of Provalys and Gaz de France energyY, new additions to Gaz de France's 11 vessels fleet.
- Work continues on the planned merger between Gaz de France and Suez with the possibility of an extraordinary shareholders' meeting to approve the merger being held on June 25, 2007 (at the earliest).

⁵ Inclusion of Distrigaz Sud in Rumania on May 31, 2005 and of SPE in Belgium as of October 1, 2005 within the scope of consolidation.

Appendix
(impact of IFRIC 12 on reported 2005/2006 sales)

IFRIC 12	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	Total
2005	93	125	115	154	487
2006	92	98	88	119	397

Press Contact:

Pénélope Linage - Tel: 33-1 47 54 30 17
Email: penelope.linage@gazdefrance.com

Investor Relations Contact:

Brigitte Roeser Herlin – Tel: 33-1 47 54 77 25
Email: GDF-IR-TEAM@gazdefrance.com

Company profile:**Gaz de France**

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.

Forward-Looking Statement:

This communication contains forward-looking statements 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 R06-050 on 5 May 2006 (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.