

Ordinary General Meeting of 24 April 2012
Speech by Chairman, Mr. Gérald FRÈRE

Ladies and Gentlemen,

The economy that had experienced a marked recovery in 2010 faced a serious financial crisis over the course of the summer 2011.

The budgetary imbalance of most Western countries worsened and public debt reached levels that gave the markets cause for concern: 121% of GDP in Italy, 100% in the United States, 96% in Belgium, and 87% in France.

Countries with the greatest exposure were obliged to adopt radical economic policies; the debt crisis then began to spread to the real economy due to the tightening of banking credit and cuts in public spending.

Moreover, at an international level, the past year was impacted by several negative events: natural disasters in Japan, pressure on oil prices due to the Iranian crisis or slowdown in China's growth.

Thus it is far from surprising that this climate of uncertainty led to a further decline in the stock market indexes. In these circumstances, the share prices of our shareholdings showed contrasting results and high volatility:

PERNOD RICARD demonstrated its resilience in the face of economic cycles, continuing to increase its turnover and marketing expenditures, while holding its margins steady. The group was able to reduce its debt through good cash-flow management, and to improve its maturities substantially thanks to several bond issues.

TOTAL has been able to withstand the crisis and maintain its stability throughout the financial year thanks to a generally favourable environment for the oil industry. Supported by a solid financial structure and dynamic management of its asset portfolio, the group succeeded in launching new projects without putting a strain on its capacity to pay out dividends. The share price is at the moment being affected by an incident in the North Sea. The gas leak appears to be under control at this point, since the platform is once again accessible to TOTAL's intervention team.

LAFARGE continued to suffer from a difficult economic context in the industrialised countries, combined with the slowdown in its activities in certain emerging countries such as Egypt. In the face of uncertainties regarding the construction industry recovery, the group continued its reorganisation in 2011 and implemented a significant divestment program for an amount of EUR 2.2 billion. A new round of cost cutting and debt reduction is planned for 2012.

GDF SUEZ confirmed its position as the leading global utility company through the acquisition of 70% of **INTERNATIONAL POWER** in February 2011, which benefits from significant growth in emerging countries. In this regard, I am pleased to be able to announce today that the recent offer launched to acquire the remaining 30% of **INTERNATIONAL POWER** was very well received by its Board of Directors and the markets. However, the implications of the accident at Fukushima and the regulatory consequences resulting from European public sector deficits have been felt by all public utilities and the sector index fell by 25%.

In the past financial year, GBL acquired a further 25.6% stake in **IMERYS** and exclusive control over this asset. Despite a difficult economic situation, the company nevertheless saw its net current income increase by more than 20%. Unfortunately, this is not reflected in its stock price yet.

The operating performance of **SUEZ ENVIRONNEMENT** held up well in 2011, but its share price was penalized by difficulties on a site in Australia, by the company's exit from the CAC 40 index and an unfavourable competitive environment.

Finally, GBL's development in Private Equity has continued to move forward, with new investments made by **ERGON CAPITAL PARTNERS III** in De Boeck (Belgium) and Benito (Spain).

GBL focuses its strategy on investment in companies with a high potential for development within their markets, under the leadership of talented managers, while maintaining a dynamic of asset rotation that makes it possible to create value for its shareholders.

In this context, after having followed since 2006 the remarkable growth in **ARKEMA**'s net income under the leadership of Thierry Le Hénaff and his team, on 14 March 2012 GBL disposed of its entire stake, which represented, 10%, of the group. Moreover, on 15 March 2012, GBL reduced by 2.3% its holdings in **PERNOD RICARD**, bringing its stake down to 7.5%. Our group remains fully engaged over the long term in the development of **PERNOD RICARD** and this operation is not likely to affect our representation on the Board.

These two disposals amounted to a total value of EUR 930 million. They have made it possible to generate a consolidated capital gain of around EUR 460 million, to strengthen the group's balance sheet and to improve its strategic flexibility in order to be able to take advantage of new opportunities.

In light of the solidity and predictability of the cash earnings in 2011: EUR 522 million, the Board of Directors will propose this year a new increase of the gross dividend per share by 2.4% to EUR 2.60 per share.

Ladies and gentlemen,

Thank you for your attention.

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