Press release

Financial information as of September 30, 2015

November 4, 2015

- Financial results impacted by the drop in commodity prices partly offset by **performance in fast growing markets and actions on costs**
- **Strong cash generation,** underpinning dividend policy
- Good progress on the **Enterprise Project** to accelerate the Group's transformation
- **Confirmation of 2015 annual targets,** towards the low end of the range as adjusted on October 1, 2015

In bn€	**Sep 30, 2015**	Sep 30, 2014*	Variation vs 09/30/14 gross	Variation vs 09/30/14 organic**
Revenues	**53.5**	54.3	-1.5%	-4.6%
EBITDA	**8.1**	8.8	-7.5%	-10.5%
Current Operating income[1]	**4.4**	5.3	-17.2%	- 20.6%
Cash Flow From Operations[2]	**7.4**	6.9	+8.0%	NA
Net debt	**27.0**	- €0.5 bn vs 12/31/14		

pro forma 2014 figures post IFRIC 21 and change of consolidation method of Tirreno Power (IFRS 10-11)
*** organic variation: growth variation without scope and forex effects*

Revenues as of September 30, 2015 were EUR 53,467 million, down -1.5% on a gross basis and -4.6% on an organic basis. This decrease is notably due to the drop in commodity prices and the unavailability of Doel 3 and Tihange 2 nuclear plants, despite a more favorable temperature compared to 2014.

EBITDA for the period was EUR 8,100 million, down -7.5% on a gross basis and -10.5% on an organic basis compared to the end of September 2014. EBITDA for the period has also been penalized by the impact from the drop in oil and gas prices on exploration-production activities and on LNG sales, by the decrease in average realized power prices and by the unavailability of Doel 3, Tihange 2 and Doel 1 nuclear plants. These negative impacts have been partly compensated by the commissioning of new assets, performance on costs, a favorable impact from foreign exchange and the positive weather impact in France.

[1] including share in net income of associates
[2] Cash Flow from Operations (CFFO) = Free Cash Flow before maintenance capex

Organic EBITDA performance is very contrasted between the business lines:

- EBITDA for **Energy International** is increasing strongly in fast growing markets but declining in mature markets (US, UK and Australia);
- EBITDA for **Energy Europe** is decreasing sharply despite favorable weather, notably due to Doel 3, Tihange 2 and Doel 1 being offline, and to the drop in power prices;
- EBITDA for **Global Gas and LNG** is impacted by the drop in oil and gas prices on the European and Asian markets, which have largely reduced prices and arbitrage opportunities for the LNG activity, despite the positive impact from the significant increase in hydrocarbon production;
- EBITDA for **Infrastructures** grows thanks mainly to a more favorable weather;
- EBITDA for **Energy Services** is also growing thanks notably to urban networks activities**.**

Current Operating Income[3] (COI) reached EUR 4,382 million, decreasing by -17.2% on a gross basis and by -20.6% on an organic basis compared with the end of September 2014, for the same reasons as for EBITDA.

As of September 30, 2015**, net debt reached EUR 27.0 billion**, down EUR 0.5 billion from year-end 2014 despite a negative forex impact of EUR 0.3 billion; this is thanks to a solid EUR 7.4 billion Cash Flow From Operations.

At the end of September 2015, the net debt/EBITDA ratio at 2.36 is in line with the target of a ratio lower or equal to 2.5. The Group posted a high level of liquidity at EUR 17.7 billion, of which EUR 9.4 billion in cash. Early March, the Group has successfully launched a EUR 2.5 billion bond issue in four tranches at record-low coupons (notably 0% for 2 years and 1.5% for 20 years). Average cost of gross debt is stable compared with end of June at 3%.

For 2015, the Group reiterates its financial targets, as adjusted on October 1, 2015:

- Net Recurring Income Group share[4] between EUR 2.75 and 3.05 billion, at average weather and assuming no significant regulatory changes. This target is based on an estimated EBITDA between EUR 11.45 and 12.05 billion and an estimated COI between EUR 6.55 and 7.15 billion;
- a net debt/EBITDA ratio less than or equal to 2.5x and an “A” category rating;
- a 2015 dividend with a 65-75% payout[5], with a minimum of EUR 1 per share, payable in cash, of which EUR 0.50 interim was paid on October 15, 2015.

In light of the performance for the first nine months of the year, the Group expects for 2015 a Net Recurring Income Group share[4] at the low end of the range given above.

In addition, the Group has initiated its annual process for reassessment of its carrying values. As a result notably of worsening market conditions, it is foreseeable today that this process will lead to the adjustment of the carrying value of certain assets. This readjustment of book values, non cash and non recurrent, would have an impact on the 2015 net income Group share but not on the Net Recurring Income mentioned above.

[3] including share in net income of associates
[4] net income excluding restructuring costs, impairments, disposals, other non-recurring items and related tax impacts and nuclear contribution in Belgium. This target assumes average weather conditions in France, full pass through of supply costs in French regulated gas tariffs, restart of Doel 3 and Tihange 2 as of January 1st, 2016, no significant regulatory and macro-economic changes, commodity price assumptions based on market conditions as of end of December 2014 for the non-hedged part of the production, and average foreign exchange rates as follows for 2015 : €/$: 1.22, €/BRL : 3.23
[5] based on Net Recurring Income Group share

ENGIE CORPORATE HEADQUARTERS
Tour T1 – 1 place Samuel de Champlain – Faubourg de l'Arche - 92930 Paris La Défense cedex – France
engie.com
Tel + 33(0)1 44 22 00 00

Significant events of the period

The Group has continued to implement its strategy along two pillars:

To be **the benchmark energy player in fast growing markets:**

- In the **United States**, investment in AMS, a California-based startup specialized in energy storage;
- In the **United Kingdom**, signing of a first retail LNG sales contract with FLOGAS Britain;
- In **China**, signing of a strategic cooperation agreement with Chongqing Energy Investment Group;
- In **Asia-Pacific**, a new step has been reached in energy services thanks to the purchase of TSC Group Holdings through Cofely, making ENGIE the sole shareholder of TSC and reinforcing its presence in Australia and New Zealand;
- In **South Africa**, commissioning of the open cycle power plant Dedisa Peaking Power (335 MW), which, together with the open cycle plant Avon Peaking Power currently under construction, is South Africa’s first large IPP;
- In **Japan**, signing of biomass supply contract with Sumitomo and signing of a memorandum of understanding with Mitsubishi Heavy Industries to develop their collaboration in energy sector and technology.

To be **leader in the energy transition in Europe:**

- **Acquisition of Solairedirect**, making ENGIE the leader of solar in France;
- In **Belgium**, agreement in principle reached between Electrabel and the Belgian Federal Government regarding the conditions for a 10-year extension to operation of **Doel 1 and Doel 2**;
- Acquisition through Cofely Axima of group **Nexilis**, a major player in HVAC technology in southeastern France.

In October, ENGIE announced that all its new investments in power production will be in projects that emit no or little CO_2, in renewable energies and in natural gas. This economic and ecological decision to build no further coal-fired power plants, leads to stop all projects which had not yet been firmly committed.

During the third quarter, **key milestones have been achieved on the Enterprise Project**:

- Appointment of BU’s project teams to support BU’s project leaders and prepare for the effective start date on January 1, 2016;
- Progressive roll-out of the ENGIE brand;
- Continuing dialogue with the employee representative bodies.

Finally, mid-September **ENGIE has been named to** the two most prestigious **extra-financial indices**: the **Dow Jones Sustainability (DJSI) World and Europe**, established by the extra-financial rating agency RobecoSAM. The Group’s presence in these indices places ENGIE among the top 10% of sustainability-driven companies in the "Multi- and Water Utilities" sector and recognizes its ongoing efforts in the environmental, corporate and societal responsibility fields.

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ENGIE CORPORATE HEADQUARTERS
Tour T1 – 1 place Samuel de Champlain – Faubourg de l’Arche - 92930 Paris La Défense cedex – France
engie.com
Tel + 33(0)1 44 22 00 00
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CONTRIBUTIVE REVENUES BY BUSINESS LINE

2014 figures pro forma change of consolidation method of Tirreno Power (IFRS 10-11)

In millions of euros	Revenues Sep 30, 2015	Revenues Sep 30, 2014	Total change	Organic change
Energy International	**11,492**	**10,411**	**+10.4%**	**+0.3%**
Latin America	2,843	2,809	+1.2%	+6.3%
Asia Pacific	2,348	2,078	+13.0%	+1.2%
North America	3,465	2,897	+19.6%	-0.0%
UK and Turkey	2,195	2,165	+1.4%	-10.0%
South Asia, Middle East & Africa	642	462	+38.8%	+14.7%
Energy Europe	**24,947**	**25,488**	**-2.1%**	**-2.0%**
Global Gas & LNG*	**3,194**	**5,163**	**-38.1%**	**-42.3%**
Infrastructures*	**2,205**	**2,047**	**+7.7%**	**+7.7%**
Energy Services	**11,628**	**11,165**	**+4.1%**	**+0.5%**
ENGIE Group	**53,467**	**54,274**	**-1.5%**	**-4.6%**

**Total revenues, including intra-Group services, amounted to EUR 4,512 million for Global Gas & LNG business line and EUR 4,844 million for Infrastructures business line. Comments below relate to contributive revenues.*

Group revenues decreased by -1.5% on a gross basis, with EUR +70 million scope effects (EUR -318 million for disposals and EUR +388 million for acquisitions, notably the acquisitions made by Energy Services business line in 2014) and EUR +1,708 million due to exchange rate fluctuations, mainly the US dollar and – to a lesser extent – the pound sterling. Revenues decreased by -4.6% on an organic basis.

Energy International revenues, at EUR 11,492 million, show a gross increase of +10.4% and an organic increase of +0.3%. The gross variation reflects the very favorable exchange rate fluctuations (EUR +1,230 million arising mainly from the Euro depreciation against the US dollar). The organic increase reflects the growth in power sales in Brazil and in Peru and in retail markets in Australia and in the United States, offset by the impact of lower prices and volumes on power generation activities in mature markets (North America, Australia, UK).

Revenues for **Energy Europe** amounted to EUR 24,947 million, down -2.1% on a gross basis and -2.0% on an organic basis. This contraction is explained by the outage of Doel 3 and Tihange 2 since March 26, 2014 and the closure of Doel 1 since February 15, 2015, and by lower volumes and average sales prices, despite the increase of electricity sales to final customers in France (+476,000 contracts) and the positive weather impact on gas sales in France (+14.2TWh).

Global Gas & LNG revenues at September 30, 2015 came to EUR 3,194 million, down -38.1% on a gross basis versus end of September 2014 and down -42.3% on an organic basis. This significant decrease is explained by the drop in oil and gas prices on the European and Asian markets largely reducing arbitrage opportunities for the LNG activity and by the disruption in supply from Egypt since January 2015 as well as from Yemen since April. Total hydrocarbon production at the end of September 2015 is higher by +4.2 Mboe (43.5 Mboe versus 39.3 Mboe at the end of September 2014) thanks to contributions coming from fields commissioned in 2014, Juliet in the UK, Amstel in the Netherlands and Gudrun in Norway.

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Revenues for **Infrastructures** came to EUR 2,205 million, higher by +7.7% on a gross and organic basis compared to end of September 2014. This increase reflects the higher volumes distributed by GRDF due to colder weather in 2015 compared to 2014 (+21 TWh), the annual adjustment of distribution and transmission infrastructure tariffs in France, and the development of distribution and transmission activities for third parties following continued market liberalization.

Energy Services revenues increased by +4.1% on a gross basis to EUR 11,628 million thanks to the acquisitions made in 2014, while the organic variation is +0.5% and can be explained notably by higher heating sales in networks and cogenerations, as well as by the increase in climate engineering installations activities. This increase is however partly offset by the decline of maintenance activities in the oil & gas sector in the North Sea due to lower investments following the drop in oil price.

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The September 30, 2015 financial information presentation used during the investor conference call is available to download from the Group's website:
https://www.engie.com/en/investors/results/2015/

UPCOMING EVENTS

- **February 25, 2016 at 8:00** FY 2015 results publication
- **May 3, 2016** Shareholders' meeting, Paris

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Tour T1 – 1 place Samuel de Champlain – Faubourg de l'Arche - 92930 Paris La Défense cedex – France
Tel + 33(0)1 44 22 00 00
engie.com

ADDITIONAL ANALYSIS

IFRS ACCOUNTS ON A COMPARABLE BASIS

In EUR million	Sep 30, 2014 IFRS	Sep 30, 2014 IFRS pro forma*
Revenues	**54,484**	**54,274**
o/w Energy International	10,411	10,411
o/w Energy Europe	25,697	25,488
o/w Global Gaz & LNG	5,163	5,163
o/w Infrastructures	2,047	2,047
o/w Energy Services	11,165	11,165
EBITDA	**8,854**	**8,758**
COI including share in net income of associates	**5,360**	**5,291**
Net Debt (in EUR bn)	**26.8**	**26.4**

***** *pro forma IFRIC 21 and change in consolidation method of Tirreno Power (IFRS 10-11)*

ANALYSIS OF REVENUES BY GEOGRAPHICAL AREA

2014 figures pro forma change of consolidation method of Tirreno Power (IFRS 10-11)

REVENUES In EUR million	Sep 30, 2015	%	Sep 30, 2014	%	Change 2015/2014
France	20,492	38.3%	20,041	36.9%	+2.3%
Belgium	5,592	10.5%	6,467	11.9%	-13.5%
Sub-total France-Belgium	**26,084**	**48.8%**	**26,508**	**48.8%**	
Other European Union	13,916	26.0%	14,822	27.3%	-6.1%
Other European countries	1,599	3.0%	1,050	1.9%	+52.3%
North America	3,551	6.6 %	2,900	5.3%	+22.4%
Sub-total Europe + North America	**45,150**	**84.4%**	**45,280**	**83.4%**	
Asia, Middle East, Oceania	5,021	9.4%	5,443	10.0%	-7.7%
South America	3,111	5.8%	3,187	5.9%	-2.4%
Africa	185	0.3%	363	0.7%	-49.2%
Sub-total rest of the world	**8,317**	**15.6%**	**8,993**	**16.6%**	
TOTAL REVENUES	**53,467**	**100%**	**54,274**	**100%**	

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COMPARABLE BASIS ORGANIC GROWTH ANALYSIS

Pro forma 2014 figures post IFRIC 21 and change of consolidation method of Tirreno Power (IFRS 10-11)

In EUR million	09/30/2015	09/30/2014	Organic change
Revenues	**53,467**	**54,274**	
Scope effect Exchange rate effect	-388	-318 +1,708	
Comparable basis	**53,079**	**55,664**	**-4.6%**

In EUR million	09/30/2015	09/30/2014	Organic change
EBITDA	**8,100**	**8,758**	
Scope effect Exchange rate effect	-54	-91 +320	
Comparable basis	**8,046**	**8,987**	**-10.5%**

In EUR million	09/30/2015	09/30/2014	Organic change
Current Operating Income including share in net income of associates	**4,382**	**5,291**	
Scope effect Exchange rate effect	-36	-64 +249	
Comparable basis	**4,346**	**5,476**	**-20.6%**

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Important notice

The figures presented here are those customarily used and communicated to the markets by ENGIE. This message includes forward-looking information and statements. Such statements include financial projections and estimates, the assumptions on which they are based, as well as statements about projects, objectives and expectations regarding future operations, profits, or services, or future performance. Although ENGIE management believes that these forward-looking statements are reasonable, investors and ENGIE shareholders should be aware that such forward-looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of ENGIE, and may cause results and developments to differ significantly from those expressed, implied or predicted in the forward-looking statements or information. Such risks include those explained or identified in the public documents filed by ENGIE with the French Financial Markets Authority (AMF), including those listed in the "Risk Factors" section of the ENGIE (ex GDF SUEZ) reference document filed with the AMF on March 23, 2015 (under number D.15-0186). Investors and ENGIE shareholders should note that if some or all of these risks are realized they may have a significant unfavorable impact on ENGIE.

About ENGIE

ENGIE develops its businesses (power, natural gas, energy services) around a model based on responsible growth to take on the major challenges of energy's transition to a low-carbon economy: access to sustainable energy, climate-change mitigation and adaptation, security of supply and the rational use of resources. The Group provides individuals, cities and businesses with highly efficient and innovative solutions largely based on its expertise in four key sectors: renewable energy, energy efficiency, liquefied natural gas and digital technology. ENGIE employs 152,900 people worldwide and achieved revenues of €74.7 billion in 2014. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main international indices: CAC 40, BEL 20, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe, DJSI World, DJSI Europe and Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20).

Press contact:
Tel France : +33 (0)1 44 22 24 35
Tel Belgium : +32 2 510 76 70
E-Mail : engiepress@engie.com

@engie

Investors relations contact:
Tel : +33 (0)1 44 22 66 29
E-Mail : ir@engie.com

ENGIE CORPORATE HEADQUARTERS
Tour T1 – 1 place Samuel de Champlain – Faubourg de l'Arche - 92930 Paris La Défense cedex – France
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engie.com