



2017 ANNUAL RESULTS – ANALYSTS MEETING

8 March 2017

Isabelle Kocher

Good morning to everybody. We are very happy to welcome you here at Engie headquarters. Thank you for attending this conference, either physically in this room, or by call, or by WebEx – because we have a lot of analysts connected to this room.

We are very delighted, with Judith Hartmann, our CFO, with our colleagues from the Executive Committee, to present our full-year 17 results. Full-year 17 results we are, I have to say, extremely proud of.

However, before doing so, I just would like to take a look back at where we have come from. You remember that we started two years ago a three-year plan – two years ago, in 16. And we had a very clearly defined goal in mind, that is to make Engie the champion; the champion of the new energy landscape.

The new energy landscape is being structured by two mega-trends.

The first one is the strong willingness of our clients to invest in the improvement of their energy usage.

And the second mega-trend is the strong willingness of the countries to invest in clean energy production.

And these two mega-trends they have been made possible by, as you know, technological evolution, of course, but they are triggering a massive flow of investment. And they are also reconciling the energy sector with civil society at large.

So our first conviction we would like to share with you today is that the energy sector is the place to be.

So we started two years ago. Where are we now? After two years, our three-year plan is 90% completed. So, in other words, it means that our strategic pivot is behind us. And it means also that we are now ready for growth. And that's what we will now illustrate more in detail.

Strategic pivot behind us: what does it mean? How can we define Engie today? In very simple words, first we help our clients improve their energy usage. And, second, we produce and we distribute ever cleaner energy.

In other words, we are now repositioned exactly at the core of the game. We are repositioned in the main areas of investment, of growth, and of value creation. And now we are starting to harvest the fruits of our labour. Our strategy is starting to pay off. You see that very clearly in that chart. Our new business portfolio is faster-growing. We have in our new perimeter of activity an embedded Ebitda growth of 5%. It was, I remind you, minus 9% when we started. We run a company with much less merchant risks, and we refocused on risks we can more easily manage with our expertise. We are cleaner, and we are more profitable.

So this in-depth work enabled us, of course, to reach our 17 guidance, and Judith you will explain the dynamics of each segment, the dynamics at play. In short, 17 is a good year. But, more than that, 17 is a tipping point. And we expect, then, 18 to be a solid year, with a strong Ebitda organic growth and, for the first time, a strong global Ebitda growth.

And, as a consequence, we have decided to increase our dividend policy earlier than expected, and to put our dividend at €0.75 for 18.

I said that we passed the tipping point. How did we pass this tipping point? Basically, three main effects.

First, the dilution effect of the disposal programme is, I would say, mostly behind. You see that at the top of this chart.

Second, we restructured and we stabilised our merchant activities. They are even maybe – I cannot bet on that – but expected to rebound on the future, depending of course on the evolution of power prices.

The third element – and especially – the businesses we boosted by our investment programme are performing well. And they are increasingly competitive. They grew by 2% in 16, by 5% in 17 and they are expected to grow by 6% in 18.

So you see here, very clearly, that the portfolio which has emerged is designed for future growth. We have a good visibility on our growth perspective, on our different activities, we see that, you see that on this chart. We gained momentum on all our businesses, not only because we repositioned them at the core of the game but also because we worked, and we will continue to work, I would say, obsessively, on our capabilities, on client-centricity, on engagement, on innovation, on competitiveness.

So you see that our company has profoundly changed. You see that we will have managed to absorb the impact of disposal programme on the net recurring income (Group share). (It is on the next slide, please.) So that's the bridge between the 15 net income reported and the 18 expected. But, especially, we have built a stronger portfolio. It is really a different company, which is refocused, which is deleveraged, which is strong, and which is poised for growth.

So Judith now you will review our results for 17 in further details.

Judith Hartmann

Thank you, Isabelle. We indeed have a different company in front of us than we had two years ago. The strategic repositioning is also clearly translating into our numbers. We have successfully executed the bulk of our disposal programme to date, and it is key to our strategic repositioning. We have thus reshaped our portfolio and have also strengthened our financial structure.

At the same time, we have been massively investing into our growth engines, and these investments are starting to pay off. You can see some of this already in 2017 but we are expecting an increase in 2018 and 19 of these contributions.

Thanks to Lean 2018, we have improved our competitiveness. The savings help us to fund some more of our investments. And we are creating a leaner, faster and more agile organisation.

The 2017 performance is a solid organic growth and, like Isabelle said, we have managed to fully compensate the dilution from our disposals.

Since we are recording major impacts from acquisitions and disposals, the resulting accounting is rather complex. Hence I want to be very specific with you on the different elements for you to understand the underlying performance. This complexity, by the way, will be with us for a few more quarters and I'm asking you to bear with us.

So here you have the three different ways of looking at our net income. The reported figure of 2.7 billion includes 100 million of E&P amortisation upside, in line with the indication provided in July. This is due to the IFRS 5 accounting because we're selling a major line of business. Adjusted for this effect, but including the operational results of E&P, is the result that is in line with the definition of our 2017 guidance, as we presented to you a year ago. This corresponds to 2.56 billion and, as you can see, it's at the high end of the range 2.4 to 2.6 that we had initially guided. So, in 2017, we still benefit, operationally, from E&P and you will see later that we will make up for this contribution that we're going to lose in 2018, with other businesses. So, no matter how you turn it, we

have managed to compensate the dilution from disposals. Excluding E&P, the net recurring income from continued operations, at 2.4 billion, is close to flat, but up organically.

Let's now look on the year-on-year evolution of Ebitda. The important message here: you can see the organic growth of Ebitda is above 5% and, before I go into the different drivers by business, let's quickly look at the non-organic elements.

As you know, as from 2017, the nuclear tax is booked at the Ebitda level instead of tax level. On FX, hardly any impact. And the negative scope impact of overall about 500 million comes mainly from the disposals of the US merchant assets, as well as the Paiton coal plant in Indonesia, and is partially offset by a positive scope impact of approximately €60 million.

Now let's look at the different businesses, starting with Client Solutions. Client Solutions clearly accelerated in 2017. In B2B, margins improved driven by the restructuring of the French supply business and the recovery of our Benelux Services business. In B2C, new power contracts in France – mainly green, by the way – more than offset the erosion of the market share in gas contracts, and we benefited from better power margins, notably in France, which were only partially compensated by lower gas margins and a negative year-on-year temperature effect. Finally, in B2T, we have benefited from an increase in production in cogeneration.

On the next page, you can see our Networks business, which has showed resilient performance. Negative price effects for French LNG terminals, transmission and storage activities have fully offset positive tariff effects in Latin America. Volumes were impacted by lower storage volumes marketed in France and a slightly negative temperature effect partially compensated by commissioning of new assets in Latin America.

On Generation, our primary focus, namely renewable and thermal contracted activities, showed good performance. The main driver is the positive price effect, mainly coming from Latin America, with much better spot prices in Brazil. Volumes were impacted by lower production on French and Brazil hydrogeneration because of the very poor hydrology, which created a volume effect in France and in Brazil. This was partially offset by new capabilities, capacities, coming online, mainly in Mexico, Peru, Brazil, Middle East and France.

Still on Generation, but this time on our merchant assets, we have worked on optimising existing assets in order to capture potential upside. We were affected by lower achieved prices on nuclear volumes and, in the midstream gas activity, partially compensated by higher spreads captured on our merchant generation fleet in Europe. Volumes dropped mainly due to nuclear outages in Tihange 1 and Doel 3. Volumes were also hurt by the closing of the Hazelwood coal plant in Australia in March. Nuclear outages will impact us again in 2018 but we expect a return to higher availability from 2019 onwards. These negative impacts were partially offset by the great efforts of the team on Lean. You will see that this merchant activity is stabilising in 2018.

So now let's look at Lean 2018 more specifically. Our performance plan aims, of course, at cutting expenses, which will permanently decrease our cost base. It also helps us to offset dilution from the disposal plan. And, by the end of 2017, we have exceeded our target by nearly 11%, with €950 million of savings achieved at the Ebitda level. Given this success, we are upgrading our target for 2018 by another €100 million.

Now a few words on the P&L with the path from Ebitda to net recurring income as well as a description of non-recurring elements. At the COI level, D&A and others are slightly increasing because of higher dismantling provisions for nuclear power plants in Belgium. The net recurring income (Group share) is benefiting from our efforts to reduce debt and lower the cost of debt.

The net income (Group share) of €1.4 billion results from, on the one hand, negative effects coming from impairments and restructuring costs, mostly due to the effect of the Lean 2018 programme on headquarters. On the other hand, positive effects related to capital gains mainly coming from disposals are helping this result.

Our balance sheet and financial structure shows continued strength. We have further reduced our financial and our economic debt. Financial debt now stands at €22.5 billion as of December 2017, and even €20.9 billion adjusted for the E&P inter-company debt. Financial net debt to Ebitda stands at 2.25, improving versus the end of 2016 and thus remains below the 2.5 limit we had set for ourselves. This is resulting from the sound operational cash generation at €8.3 billion from the impact of the portfolio rotation programme booked in 2017 amounting to €4.28 billion and from about €700 million impact positive on foreign exchange.

Note that, for the first time, we are also presenting the ratio of economic net debt to Ebitda, including, amongst others, operating leases, provisions for asset retirement obligations and for pensions. The cost of debt has continued to decrease as well, and stands today at 2.63. This of course reflects the favourable market environment but also the active liability management that we continuously work on to optimise our cost of debt.

Regarding financing actions, we successfully issued two green bonds in 2017 for €2.75 billion. In January 2018 we issued our first green hybrid bond, bringing the total amount of green bonds issued so far to €6.25 billion. This makes Engie the largest corporate issuer of green bonds globally. This latest green hybrid bond also sets a record with a 5.25-year coupon at 1.38%.

Of course you remember that Engie is rated in the A category by the three main rating agencies. Fitch assigned a strong investment-grade rating of A with stable outlook in October 2017, and S&P and Moody's have confirmed their A credit rating earlier in 2017.

So a good 2017. Now let's look at 2018.

We see strong dynamics for 2018 at the operational level. I will focus here on the main earnings drivers.

Client Solutions will continue to grow at a significant pace, mainly driven by a solid backlog (that is obviously already existing), efficiency gains, and the contribution from acquisitions.

Networks will benefit from the new regulation on French storage.

Renewable and Thermal Contracted generation will benefit from the full-year impact of our new Brazilian concessions, and we're also expecting better hydrology in France and in Brazil.

Finally, Merchant Generation should stabilise on an organic basis, Lean efforts and long-term contract renegotiations are compensating for lower nuclear achieved prices. Again, we should benefit from higher hedged prices as of 2019.

So this slide illustrates our positive outlook for 2018. We're planning a net recurring income (Group share) excluding E&P and LNG contributions ranging from €2.45 billion to €2.65 billion, up 8% year-on-year.

And, on the basis of the 2017 results and our confidence in 2018, we are very happy to announce that we have decided to raise the dividend to €0.75 a share.

I will now hand back to Isabelle for her conclusion.

Isabelle Kocher

Thank you, Judith. Thank you for this very clear presentation.

So we are very happy and very proud that the choice, the bet, we made two years ago, the conscious choice to be a pathfinder, and to ride the company ahead of the curve, appears to be the winning one.

Really, the strategic pivot is behind. We are now repositioned on a clear growth path and we reprofiled our Group to be in a situation to benefit from that in the future.

So we are then looking at the future with a, I would say, a healthy level of confidence and of ambition.

And now we are ready to take your questions.

Q&A

J.P. Morgan

So, before asking questions I'll give you the opportunity to comment once again on Uniper and the news we saw, the rumours in the market, which are somehow hurting Engie each time they appear.

But, to move to the question, I mean, your portfolio repositioning is now done, as you said, the investment in organic growth seems to be able to help Engie to weather the recent effects, headwinds, and that is reassuring the market. You can see the share price is almost up 4%. So my first question will be on organic growth, which seems to be exceeding market expectations there. Could you give some colour on Ebitda or net income from Tabreed, Keepmoat and Brazilian hydro? Some quantification would be helpful. That's question one.

Then, question two, as the repositioning is now mostly done, looking forward, what type of organic growth do you think that this company can sustain given the market opportunities at hand? That is one. And could you give us some colour on strategy going forward? That will be the key question of the market this year.

Another key question regarding strategy will be Suez, obviously. And will we have a CMD later this year, in order to provide some colour on this specific issue.

And I'll finish with the last one, which is regarding the government's stake and newsflow again, there may be a project to change the law in order to enable the government to lower its stake in Engie. I think that's probably something which would be welcomed by the market here. But something which could crystallise more value would be if the law was changed in order to enable a partial listing of infrastructures. Is this something which would make sense or is being discussed with the government? Thank you.

Judith Hartmann

So, very good. So you had a question on organic growth, on Ebitda and some of the drivers, and I think you saw it from the page I showed earlier that... what the big drivers are. You mentioned, of course, two of the big ones on Client Solutions being the additional results coming from Tabreed and also from Keepmoat. You know, Tabreed about 40 million, Keepmoat about 30 million additional. But, beyond that, I really want to stress that Client Solutions, like I said, benefits from a strong backlog as well as from the margin expansion that the team has been working on very successfully over the last few years.

The two concessions in Brazil are indeed a very important point also. And that will drive on the Ebitda level, I would say, close to another, you know, €80 million. So those are on the positives. Like I said earlier, we are now in a position I really feel that we can offset some of the headwinds we're seeing. You know, I look at 2017; major headwinds on hydro and some of the availability topics; we were able to offset this. And, going into 2018, yes, of course there will be some headwind, for example foreign exchange like you mentioned, but we're now well positioned to offset this kind of headwind. So we feel good confidence on 2018. And obviously that's why we're raising the dividend.

I think your first question... It was hard to hear you but I think it was about Uniper, probably innogy rumours that you mentioned. So, again, I'll let Isabelle add but she's said it many times and I've confirmed it many times also, that we are not looking at any M&A of that size. We are very happy with the portfolio that we have just created. M&A is of course part of our toolbox. We have done 40 acquisitions over the last couple of few years. A lot of them in Client Solutions. And so, you know, you've seen the type of things we've done. That's the kind of thing you can expect. And we are, like I said, very confident with the portfolio that we have created.

Isabelle Kocher

Thank you, Judith. So you asked two questions, additionally, to what Judith just answered.

First about our strategy. So we just redefined our strategy. So you have not to expect a big change in our strategy in the future. I suppose that what you have in mind is more our ability to give a more long-term view on Engie's evolution. We just triggered, internally, our 2030 Vision, to permanently reassess the trends of the market and to try to project our Group long run. So it will be our pleasure to come back during H2. The date is not yet fixed. But to share that with you and to give you medium-term goals in terms of industrial development. So be just a little bit patient. We gave, I believe, extremely detailed indications about 18 as far as growth is concerned, and Judith just completed, and we will go back with a longer view before the end of the year.

Suez: I won't surprise you, I'm afraid. So we are happy with the stake. And I would like to add that our main expectation as the first Suez shareholder, is that Suez is able to come back with something which is effectively satisfactory for the shareholders. So, of course, the management is extremely focused on that. You've seen the first decisions made and recently announced. And to rebuild a growth story will be at the core of the work of the

board over the months to come. Just also to add that we permanently reinforce the industrial cooperation we have between Engie and Suez. Recently, we signed an agreement (it was this week) to value the surfaces of some Suez fields in order to leverage that, to install renewable capacities on Suez sites. So it is something we will of course continuously reinforce.

As far as the French State is concerned... So that's not a secret: effectively, works have started to maybe change the law, and you know that, to make the French State able to diminish its stake. They would need to change the law. So it's a long way. The project is even not yet fixed. So it's not something that could happen before the end of the year or before the very last part of the year. I've just... My posture is to, of course, to prepare Engie to any scenario. Fundamentally, to increase the stake of floating would be good, I believe, for the company, good to accompany the transformation. So that's something we see without any fear.

And yes you asked an additional... This is something which is, again, not yet fixed. That's effectively an option. That could maybe help our subsidiary to be... to build partnerships at European level. And, in my view, it would be good for this activity, yes.

Société Générale

I'd like to start with guidance. You've provided good details for 18 and you've given some data, some indications, for 19 if we read through the slides, and I think this would be much welcomed by the market, by the way. And, as you expect, as you've now given clarity on the 18 guidance, I'm going to go to 19. And here, I think that there are quite a few things, actually, that you say in your presentation, and I would like to put them together. First of all, you give us some contribution from the new capex, okay, and, to cut it short, in 19 this will contribute 1.1 billion of COI on 0.55 of net earnings. Could we have the same number for 18 so that we are able to calculate the jump from 18 to 19? Then I can think of the increase in ARPU, €2, that should give you another 100, 120 million of Ebitda. And Doel 3: I believe you said you expect that it comes back. That should give us what? An extra 100 million of net earnings? So these are the positives I can identify. I guess you would have assumed in 18 average everything else (hydro volumes, etc.). Can you confirm that? And could you highlight to us maybe other incremental positives – or negatives that we need to take into account, and then we can all work out our numbers.

On the same vein, Customer Solutions – and that's my second question – was a very good provider of growth in 17. It's probably the opportunity to revisit as a target you shared with us to reach 3 billion of Ebitda, at what point, as a run rate in 18. When do you think you'll get that number in actual fact? Is it going to be a full-year 19 number? Is it going to be a full-year 20, as far as we can see today?

And, I would say, last points. First, on capital allocation, the press is saying that you are looking to sell your coal power stations in Germany. Apparently there's a process started there. That allows me to come back on this big portfolio of thermal assets in Europe. Is the idea that you would look at, you know, selling them piecemeal? You sold the UK, you're maybe selling in Germany. So are you looking for the best buyers there? Or is there still an idea of maybe trying to optimise this asset, combining it with another portfolio of another operator, and maybe hoping to get the rebound in earnings later on?

And, very last point, on energy policy in Belgium, a big year for you. Do you think there's a possibility the government would be considering changing the law and extending the operating life of the nuclear plants? Is that your preferred solution? And, in any case, whether they extend or not, they would need to incentivise new capex. Is it something you are discussing with them, giving more visibility on returns on the new capex so that, whether you need to invest to extend the life of the nuclear plants or invest in thermal capacity, you would do that having a better visibility on your returns. Thank you very much.

Judith Hartmann

So, on 2019, we're obviously not giving any specific guidance on this. You know, if I... Again, if I look at 2018, on what's the impact and what could translate into 2019, you mentioned a lot of them already, so we do believe that hydro is going to come back to a normalised status in 2018. There was a very significant impact in 2017.

For all the cities in France, you can see it has been raining, there is a lot of snow. This is going to be good news for us in 2017 and of course I don't have a reason to think anything different in 2019.

We've mentioned some of the acquisitions. It was a specific question but quite frankly you could extend the question to what's your investments bringing in and I would say, you know, additional contribution... We were talking about roughly 400 million in 2018 and another 150 or so in 2019. And so we should see good upside there.

And then Doel, yes, of course, we're hoping that this is going to stabilise. The teams are very engaged. This is a construction site that is ongoing. We should be back, you know, later this year, as you know, we've said in August, and so I feel good about that.

You asked a question about Customer Solutions, more specifically in terms of the increase we had. Of course, we said that we were going to increase the Ebitda by 50% and, excluding for... adjusting for FX that's still what we're after. You know, you will something close to this at the end of 2018. And, of course, there is some FX pressure but we're still working hard on this. And the investments that we've done are really going to kick in. In fact, most of the ones I've mentioned – Tabreed and Keepmoat – are obviously going to start to contribute at a much higher level.

You also had a question around coal plants in Germany. You know, again, you've heard me say this many times: when you do an asset rotation programme of this size, there's always going to be rumours. It's also because we're testing the market in different places. We have not made a decision to sell these assets. But we are actively testing several ideas in different places. It is, I would say, a very positive thing, though, about this entire portfolio in Generation. The team has done just an outstanding job in optimising this portfolio. And we look at this collectively very differently than we looked at this, let's say, three years ago. It is now really positioned. We see it in 2017, by the way. A very significant increase of results. And we now feel that we are positioned to capture upsides when they come in terms of spreads and electricity prices. So it has really been a complete reshaping. And what used to be pressure now has become... has been turned into an upside potential. I would really phrase it that way.

Isabelle Kocher

And, as far as... First of all, I'd like to really congratulate the teams for the work that has been done for European Generation, because you all remember, if you were already following Engie over the last years, that really they faced, they passed through, a very difficult time. And then now it is a flexible asset, really able to capture volatility and to be positive, significantly even, from a cash perspective, from an Ebitda perspective, so, really, Gen is now an asset in our company.

Belgium: Belgium is, as usual, a country... we effectively are extremely invested in. We are, for more than 100 years, the energy... the most important energy player in this country. The famous Pacte Energétique under discussion is really at the core of the political game. For the moment, in Belgium, discussions are not yet finished, at all. There are – and that's normal – different views, in particular on the way to manage the nuclear fleet. As a group, we... So, of course, we will commit with and comply with what will be decided. We believe that, from an economic point of view, it would really make sense to prolong the plants. But, nevertheless, we prepare Electrabel, our subsidiary in Belgium, to face... I mean, any scenario. In any case, Electrabel is the key industrial player in the energy sector in Belgium. That's the point. And we continue to reprofile Electrabel, to make it more and more competitive, client-centric, innovative. Electrabel is extremely active on the innovation side, in particular vis-à-vis their offers to the clients. And we have, as you know, 17,000 people in this country. So we are, anyway... In any case, we are at the core of that future. Too early to say. It's clear, and that's what I suppose you had in mind asking this question is, whatever the scenario is, it's not an option to invest on a merchant, I would say, profile. And, as UK did, for example, we – and not only Engie – would ask some frameworks that would allow us to invest in nuclear fleet if the decision to prolong is made, or in a thermal fleet, because there are scenarios to build, to replace the plants, the nuclear plants, several, so six, eight maybe, CCGTs. That's something which is under discussion. So what will be needed in this country to encourage players to reinvest is to set contracts for difference like, I would say, regulation, in order to allow us to invest.

I have to... I'd like to highlight also that that's for the power generation part. But I expect that Belgium will push, as everywhere in Europe and everywhere in the world, energy savings, energy services. In this country, as everywhere, it is a key part for energy transition. And Belgium can do much more. So we really ask a very demanding Pacte Energétique and we consider that we can help this country to be a champion, also, in this energy landscape in Europe.

JP Morgan

Coming back on Belgium, so a regulated investment framework for life extensions does make sense in Belgium and in other countries. Last time you had life extensions you had a semi sort of regulated framework where it was not a hard floor on the profitability. So what is your stance there? Would you accept such a compromise, or would you stand firm on basically having a profitability floor... and a regulated framework?

Isabelle Kocher

Well, a little bit early... Too early to say, as I said. We are not yet there. But, for everybody, what we got last time is a margin, which is... a fiscal scheme which is in proportion of margin. That is to say that we are back to something which is a normal level of tax, where we... a situation where we came from a nuclear tax, which was by far too high compared to what we... to the level of profitability we had with these assets. But that's still merchant. That's still merchant. That's back to normal as far as the fiscal scheme is concerned. But that's still merchant. What we would need for the future is something which is regulated in one sense.

JP Morgan

And following on Belgium, I think I asked a question last year, again: what is your view regarding exposure to the current fleet? I think you were talking about a potential minority stake disposal. There are also options of IPOs or something else, or of a deal with another generator, player, in Europe. Are you looking at all these different options as of today? Thank you.

Isabelle Kocher

Again, a little bit too early, since these discussions about the Pacte Energétique, etc. and then the industrial scenarios are not yet finished. But what is clear is that, if it is positive from a local anchorage point of view, to welcome some partners, at equity level, I already said that we would be ready to do so. Again, the goal is that we are seen in this country as the best asset for energy strategy and then to build the partnership would be effectively looked at from this angle.

Credit Suisse

Good morning, everyone. I just would like to talk about the bridge between 17 and 18. You give quite a lot... Just trying to make sure I really understand how you go from the current level of 17 Ebitda and net income to your guidance for 18. So, essentially, either at the Ebitda level or at the net income level, if you can do something very simple, it's probably a question to Ms Hartmann, which is scope in, scope out and anything else like organic or FX would be very, very helpful. And maybe at both levels and this is in line with what you do in slide 13, looking back. And also just to talk about the range of... in the guidance, you give 400 million between the bottom and the top of your Ebitda guidance, about 200 million for the net income. What would be... And you explained to us all the moving parts, what may go better, what may go worse... But which is, I would say, the main element you believe could actually tip you one way or another? So that would be one question if you're nice enough to consider it as one question!

And the second question is coming back on Belgium. When you say you're prepared for any scenario, looking at the debate in Belgium in the last three days, Ecolo talking about 2025 closure of nuclear plants, etc., etc., it's nothing new there but your provisions... would you say that the level of provisions you have today would make it possible for you to face an early closure of nuclear in Belgium? Thank you.

Judith Hartmann

Okay, great. So hello Vincent. So the question was first on more details on the Ebitda bridge for 2018. I think we had a page in the appendixes so foreign exchange is a pressure of 200 million on the Ebitda, scope out 450, scope in about 200 million (I've mentioned the drivers earlier already), and then, like I said, there is good results from our growth engines that get us to an indication that is mentioned in the appendixes of 93 to 97, which obviously corresponds to the net recurring income. So that would be on the bridge there.

You have asked a question on the range... recent opportunities is basically how I took your question. And, really, I would say I've mentioned most of them already. Foreign exchange is of course creating pressure here. So that is something that we're going to look out for very closely.

The nuclear fleet, the way it is built in right now, is restarting in August and obviously the teams are very committed to get to that date. We have consciously built the plan around being able to offset these kind of headwinds. And so that's what we're... It's one of the reasons, by the way, why we, you know, given the success of Lean 2018, we felt that we could add another 100 million, which is mostly related to a purchasing effort that we've started, a very significant effort, and that is really going to help us to offset some of the pressure in... as it might arise, if it does arise in 2018. So, you know, no surprise here. We feel confident on the guidance that we're giving here. The middle of the range is what we're targeting right now. And then obviously we'll keep you posted as we go along during the year.

You have asked a question on the nuclear provisions. I mean, people sometimes underestimate just how sophisticated this exercise is. When we do this, you know, there is a revision every three years, there are many external experts, including the regulator and the Belgian government, involved, so all of this is very well thought through in terms of the industrial scenarios, in terms of the interest rates that are used, and so we are confident, obviously, in the provision level as it is. The industrial scenario, like I said, was reviewed relatively recently with the regulator. And so we feel good about how it is, how it is now. We are assuming, and this is in the details of the *document de référence* or the annual report, we are assuming a partial extension only. And, like we said earlier, quite frankly, if it isn't that, then quite frankly we are happy to help the Belgian government in whatever way we can in supporting their energy needs, and obviously we have all the tools available to us, including the energy efficiency piece, and of course renewables and gas. So we're really well positioned to work on the future of energy in Belgium.

Isabelle Kocher

And you mentioned the fact that we said that we are ready to face any scenario. But that's for after 2025. And an earlier closure of the plants, in my view, is absolutely not a realistic option. You will have in mind that 60% of the power in this country is supplied by the nuclear fleet. So, even in 2025, that's really a challenge to replace that. So, before, frankly, that's not realistic.

RBC

Hi, good morning. Perhaps two questions.

The first is around the Client Solutions growth that you're aiming for by the end of 2018. Previously, when looking at this metric, you spoke about growing this in three equal measures (one-third organically, one-third through cost savings, and one-third through acquisitions). Has the make-up of that changed? And can you please just confirm that you're still on to hit the 50% target. I believe you did but just to confirm.

And the second question is on return on capital employed. With regard to your overall strategy, moving into Customer Solutions in particular, has been about looking to grow in areas with a higher return on capital employed than in other areas. So Client Solutions having a ROCE of around 11% you've mentioned previously. Given that, can you please just explain why you still maintain your 1/3 position within Suez is the right solution because the return on capital employed within Suez, I believe, is a lot lower (around below 7%). And, also on Suez, Engie is increasingly focused on energy and energy services, etc. But, given Suez' footprint in more of an environmental arena, how does that marry with your overall strategy? Thank you very much.

Judith Hartmann

So, first, on the 50% target, like I said earlier, we are going to be very close to this at the end of the year. Adjusted for foreign exchange, we will in all likelihood be there. Where's the mix... where's the growth coming from? You mentioned the three levers – acquisitions, organic and Lean – you know, we've always said it's about a third, a third, a third to get us there. I would say, when you look at... We're not going to be too far off that. Maybe a little less on acquisitions, given the organic results that we're seeing. On the acquisitions, of course, I've mentioned Tabreed and Keepmoat already – very significant. And that's already done and is going to contribute next year. The teams are really working very much on margin expansion. They have been very successful on this every year, to increase the margin, and so I'm expecting that to continue. Also, for the rest of this year, and beyond for that matter. So we'll be close. We'll be very close. And, like I said, adjusted for FX, we will be roughly around the 50%. So... Which is great. You know, it really is in line with what the customers are wanting from us and we have a lot of value to add in this segment.

On the Suez question, I think we've already answered it. I don't know if we want to say any more to this, Isabelle?

Isabelle Kocher

Just to... I won't repeat what I already said. Just to highlight the fact that our conviction is that Suez can do more. Suez can do more in terms of growth, of value creation, so that's our goal, really, to get that future growth and that future value creation.

Morgan Stanley

Good morning, everyone. Thanks for taking my questions.

I have an additional question on the Customer Solutions business because you broke it down: you expect around 300 million of growth, 200 coming from acquisitions and then 100. From what I understand, it's margin expansion, mainly in France and Benelux, which were the businesses performing well. If you can give a little bit more detail on what part of the business you see or where you see this margin expansion, and why.

Second, is what is your strategy on hybrids. If you issue... You recently issued another one: do you expect just to add on hybrids or pay back what is reaching the expiration date, which I believe is 2019?

And, third, it's more on the D&A effect, because the impairment of assets on PP&E, how that should help D&A in 2018. Thank you very much.

Isabelle Kocher

You're right: the dynamic in Customer Solutions is extremely impressive and we are a Group where Customer Solutions are more and more important. They are really at the core of the strategy, and they are the most rapid lever for growth. That's true for 17, it will be true again for 18 and it will be true in the future. So it means that the proportion of that in our company will be bigger and bigger. So drivers for growth, yes, they are M&A, and we will continue. I don't know if you are aware that we, over the last two years, we bought 43 companies, small or medium-sized, totalling more or less €2.5 billion turnover. So that's relatively significant. We by the way progressively develop an integration capability, and then we will probably continue to do that. But that's only a part of our growth levers, of course. What are... How are we progressing so fast in Customer Solutions? First of all, international expansion. Historically, this activity is mainly European and we leverage the operations we already have in Latin America, in the US, in Asia, in Africa, to progressively build Customer Solutions in these countries; countries we know very well for a long time. That's the first point. And we have the ability to project some very... I mean experienced managers coming from our Group, from our European services entities, and they are in charge to grow this business abroad. That's the first driver. The second one is that we continue to increase our added value. More and more, we take integrated solutions. That's something we regularly highlight. The best example of that, I believe, is the contract we signed in the US with the Ohio State University campus, where we manage, now for 50 years, almost everything regarding energy in the campus: cooling, heating, lighting, traffic. And we invest €1 billion over these 50 years. So that's significant. And we have something which is a concession-like contract. And, doing that, we contribute to make our margins better and better. And that's

extremely visible in the elements we shared with you today. Not only we increase the turnover but we also increase the level of margin, because the level of added value is higher and higher. So here are basically the elements we are leveraging. It's, I would say, even more rapid than I would have expected. And our assessment is that there is there a very important potential for growth for Engie.

So we are now at the end of this conference. I'd like to thank you to have attended this meeting. Have a good day.