



Press release
25 February, 2016

Major step in ENGIE's transformation to reach its ambition to be leader of the world energy transition

ENGIE achieves today a major step in the implementation of its transformation plan to redesign and simplify its portfolio, by **acquiring OpTerra** in energy services and **selling 13 GW¹** of power generation assets, of which 10 GW exposed to commodity prices in the United States and two coal-fired power plants (3 GW²) located in India and Indonesia. The impact of these disposals is a net debt reduction of €5.5 billion.

"These transactions perfectly illustrate the implementation of our transformation plan, to reduce ENGIE's carbon footprint and its exposure to commodity prices and to focus on two of our priorities: developing a low CO₂ energy mix and innovative and integrated solutions for our clients. Through the acquisition of OpTerra, ENGIE thus becomes the third US leader in energy services. With the disposals in the USA, India and Indonesia, we already realize over one third of our 3-year €15 billion portfolio rotation program, while reducing by 20% our coal-fired generation installed capacity", declared Gérard Mestrallet, Chairman and Chief Executive Officer of ENGIE, and Isabelle Kocher, Deputy CEO and Chief Operating Officer.

Developing integrated solutions for our clients

The acquisition of **OpTerra Energy Services** strengthens ENGIE objective to offer new and differentiated energy services to its current and prospective customers in the United States.

Headquartered in Oakland, California, OpTerra employs 300 people and generated \$275 million revenues in 2015. With 25 regional offices across the United States, OpTerra provides a comprehensive set of energy and sustainability management services to thousands of customers. To date, OpTerra has helped customers across **multiple industries** achieve over \$2 billion in energy savings. OpTerra enhances energy performance in schools, colleges and universities, commercial and industrial firms, health care, IT, and municipal markets by integrating technology solutions that range from energy efficiency and renewables to water conservation and micro grids.

Today in the United States, ENGIE offers a variety of energy efficiency, customized demand response and renewable solutions to commercial and industrial customers, allowing them to optimize their load requirements and energy-related costs.

¹ at 100%

² Including 0.7 GW under construction



Reducing commodity price exposure

ENGIE has signed 2 definitive agreements for the sale of its interests in **10 GW³** of merchant power generation capacity located in the United States :

- 8.7 GW³ of thermal assets (8.0 GW gas-fired, 0.7 GW coal-fired) to be acquired by a joint venture formed by Dynegy and ECP, for an enterprise value of \$3.3bn
- 1.2 GW³ of pumped-storage hydro assets (First Light) and 0.2 GW of conventional hydro assets located in Massachusetts and Connecticut, to be acquired by Public Sector Pension Investment Board ("PSP Investments"), one of Canada's largest pension investment funds, for an enterprise value of \$1.2bn.

The 2 deals will result in a reduction of €4.1bn of the consolidated net debt of ENGIE.

These transactions are fully in line with the Group's ambition to reduce its exposure to merchant activities while, at the same time, reducing by 4%³ its coal-fired generation installed capacity.

They mark a key step to reposition ENGIE North America on energy transition activities. With the announcement of this sale, ENGIE is heavily reducing its merchant generation activities and exiting coal-fired generation in the US. In North America, ENGIE will retain activities related to power generation (mainly contracted), energy efficiency services (through Cofely , Ecova and now OpTerra), retail electricity, small scale LNG and LNG infrastructures, including participation in the Cameron LNG liquefaction project currently under construction.

The transactions are subject to customary closing conditions and are expected to be close in H2 2016 and H1 2016 respectively.

Reducing carbon footprint

ENGIE has also reached an agreement for the sales of its interests in Paiton and Meenakshi, two coal-fired power plants located in Indonesia and India, representing **3 GW⁴ of generation capacity**.

By reducing ENGIE's installed coal-fired generation capacity by 16%⁵, this transaction marks an important step in the reduction of its worldwide CO₂ emissions.

This will result in a reduction of €1.4 bn of the consolidated net debt of ENGIE.

ENGIE's 40.5% stake in the 2 GW⁵ **Paiton** power plant located in Indonesia will be sold to Nebras Power Q.S.C ("Nebras") and a combination of some of the existing Paiton shareholder(s). The deal is expected to close in H2 2016, subject to customary approvals and regulatory consents.

ENGIE's entire shareholding in **Meenakshi** (0.3 GW installed, 0.7 GW under-construction) located in India will be sold to India Power Corporation Limited ("IPCL"), a company listed on the NSE, India. The deal is expected to close in H1 2016 subject to customary approvals and regulatory consents.

³ at 100%

⁴ at 100%, 2.3 GW installed + 0.7 GW under construction

⁵ at 100%



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 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 154,950 people worldwide and achieved revenues of € 69.9 billion in 2015. 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 (Eurozone 120, Europe 120 and France 20).

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