



FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2018

November 7, 2018

Good morning, ladies and gentlemen, and welcome to the conference call on Engie financial information as of September 30th, 2018, organised by Engie. Along with Ms Isabelle Kocher, Chief Executive Officer of Engie, Ms Judith Hartmann, Executive Vice-President and Chief Financial Officer, and Mr Paulo Almirante, Executive Vice-President and Chief Operating Officer.

Isabelle Kocher

Good morning and thank you for being with us today. I'm very pleased to welcome you for this conference with Judith Hartmann, our CFO, and Paulo Almirante, our COO. We will present our results for the first nine months of 18.

Our financial results are good. They are, again, showing a solid organic growth, fuelled mainly by renewables and by networks. And, as already mentioned in September, during the specific call made on Nuclear, the very good performance of our Energy Management business allows us to largely compensate the significant headwinds coming from Nuclear. And thus we confirm our 18 full-year guidance with a Net Recurring Income at the low end of the range.

Our nine months numbers are in line with what we recently communicated: EBITDA showed organic growth of 5% and, even better, COI increased by approximately 8% organically. Gross variation reported is impacted by significant foreign exchange headwinds and, to a lesser extent, by scope impacts, notably the disposals we made. CFFO benefits from strong operating cash flow generation but is impacted, as expected, by a less favourable Working Capital Requirement evolution compared to 17. And Net Debt continues to be reduced.

This is a solid performance given the exceptional situation we are currently facing in Belgium with the temporary nuclear outages.

I remind you that, on a full-year basis, we indicated also that we would be slightly below the range of the EBITDA indication given in March, as we have strong upsides compensating the impact of the unplanned outages.

Our ability to compensate illustrates the strength of our vertically integrated business model and our successful repositioning.

Let me now give you an update on the operational front.

First, let's look at our operational developments over the first nine months.

In Client Solutions, B2C, we continue capturing clients in France on free-market offers in electricity, but also in gas.

In B2B Service Solutions, we have a marked competitive advantage resulting in a very high order book, which has further increased year on year.

On Renewables, specifically, we have become a significant player in this market: we are growing our renewable asset base at a fast pace. By year-end, we will have added more than 2 GW. And we have, to date, 3.5 GW currently under construction.

Finally, in Merchant, we are taking all the necessary actions to maximise the availability of our thermal generation fleet, in Europe in particular, in Q4, and Paulo Almirante will come back on this.

Looking now at the Group evolution since 2015, we have significantly reinforced our leadership positions on the activities that we decided to focus on. On this, let me just give you some salient elements. In Client Solutions, we have reached more than 24 million customers in B2C (a 7% increase compared to our position at the end of 15). And, in B2B we have expanded our footprint. This has been achieved on the back of both organic development and acquisitions. In less than three years, we have added more than 2 billion in revenue in B2B services through acquisitions.

On Networks, we have increased our regulated asset base in France by €4 billion, mainly following the new regulation of the Storage business from January 1, 18.

On the International front, we have now 2.5 billion on Network assets and we aim to further develop, as you know, possibly in Brazil.

We have accelerated in Renewables, since 15, notably in wind and solar, where we increased our installed capacities by 40% and our currently renewable pipeline now totals more than 10 GW by 2023.

And, finally, on Merchant, we have deeply restructured our business – you know that, I won't elaborate – and we are now greener, more flexible and more profitable.

And, finally, we are – financially speaking – in a better position thanks to the deleveraging achieving (€7 billion net financial debt reduction) and the fundamental evolution of our performance culture and the investment programme focused on activities enjoying higher returns.

The next slide (slide number 6) shows the divergence between Nuclear (which goes through an exceptionally bad year in 18) and the rest of the business (which is strong). On a full-year basis, you can see that 18 will be the trough, with a negative year-on-year impact of approximately €700 million at the EBITDA level. We expect this contribution to improve as soon as 2019, on the back of better availability – and significantly higher prices, also.

And I will now hand over to Paulo for a specific focus on nuclear operation status, and then Judith, you will take the financials.

Paulo Almirante

Thank you, Isabelle, and good morning, everyone.

With Judith, we gave you an update at the end of September on the technical issues and the availability forecasts for our nuclear power plants in Belgium.

Since the summer, when we found additional defects in the concrete of the secondary bunkers, we significantly reinforced both project management and engineering resources.

We are working on two fronts.

First, we carried out detailed inspection using advanced techniques and special tailor-made robots to detect the condition of the equipment – be it the concrete issues of the second generation units or the piping in Doel 1 and Doel 2. With that information, we then ran complex mathematical models to assess the actual characteristics and compare it with the original design. For example, 50 full-time-equivalent engineers are only performing modelling and analysis. This is very significant in our operations.

Second, we developed repair procedures and we have started the repairs. Our teams and subcontractors are working on a 24/7 basis, using large hydro-demolition tools, specifically made for these repairs. All these works are performed under the supervision of the Belgian Federal Agency for Nuclear Control. The Agency is informed

continuously about the progress of the repairs, and we have to respect what is called “Hold and Witness Points” introduced by the Agency throughout the repair process.

We have deployed the best resources available in the industry. Nuclear design engineers, civil engineers, experts in structures, in seismic calculations, and foundations, very specialised labs, and many other specialists. These are very complex projects, and we have several happening at the same time. I take, in fact, this opportunity to express our deep appreciation for the commitment and resilience of our employees and our suppliers on these projects. We are confident that the objectives established for each of the projects will be achieved. Nuclear safety is our top priority and, with these works, we aim at restoring compliance to the initial technical specification – which, in fact, is unique in the nuclear power industry, as we have said before to all of you.

Let me give you now an update on progress of works.

For Doel 1, the inspections are almost finalised, and the repairs are progressing in accordance with the plan. In fact, most of the inspections have been carried out and we have... what we have seen is as expected. The repairs at Doel 1 are finalised and we continue with repairs in parts of the reactor of Doel 1. But, so far, we have no news on... Or no bad news on these inspections. And, as expected, we return this reactor by mid of December.

Doel 2: the inspections are ongoing as planned.

In Doel 3, the unit is back in service since July.

At Doel 4, repair works are progressing as planned and all calculations were submitted to the Agency for approval.

At Tihange 1, we brought forward the start of the planned outages to have it back in operation in the second half of November, before the coldest winter days. The refuelling is progressing in accordance with the plan, again.

At Tihange 2 and Tihange 3, inspections of the concrete structures are progressing, and computational models are under development to assess the compliance of the structure with the original design. Repairs have also started and are progressing as planned.

So, in conclusion, besides Doel 3, which is already running since end of July, four other units – Tihange 1 in November, Doel 1, Doel 4 and Doel 2 in December – are planned to restart by the end of this year.

Moving on now to the second subject of this slide, with these recent experiences and new contexts, we have started a full review of the Group’s nuclear operations, at different levels: organisational reviews and the various internal and external interfaces, as well as an assessment of global performance. This should clarify the future options and the related organisational focus for this business.

Regarding generation capacity, we are implementing special measures to increase generation capacity in Belgium, in order to support the security of power supply for the coming winter.

On the supply side, we signed, a few weeks ago, a tolling contract to operate the 250 MW Vilvoorde gas plant, to ensure that we do produce power throughout the winter. The first week of operations, at the end of October, went well, without any major issue. Our Generation business unit identified other options for several turbojets and diesel engines that could bring up to 200 MW of additional capacities.

On the demand side, we have the ability to use our existing portfolio of approximately 200 MW to manage the supply-demand balance at any time.

Finally, we can also take more measures, if necessary, for example over-firing, which could provide up to 100 MW of capacity.

In total, we are making available 750 MW of additional capacity, in full cooperation with the Belgian authorities, and we can add another 800 MW of own generation in neighbouring countries, which in this case, is dependent on transmission capacity. This additional capacity requires several administrative processes, which are being implemented together with the Belgian authorities, to secure power supplies for the coming winter.

I now hand over to Judith for a focus on the financials.

Judith Hartmann

Thank you, Paulo, and good morning, everyone.

Let's look at the year-on-year evolution of EBITDA. The important message here: EBITDA is flat year on year, despite adverse forex and scope impacts, and is up 5% organically.

On foreign exchange, the negative impact of €230 million is mainly coming from the depreciation of the Brazilian real and the US dollar.

On scope, the negative impact of €90 million results from scope-out impacts, compensated by the contribution of last year's transactions (mainly the two hydro concessions).

Looking at reportable segments, excluding Benelux and Africa/Asia, which are impacted by one-offs, all the other segments are growing organically, with North America and Latin America posting double-digit organic growth and, of course, GEM, with a very solid year this year.

As you can see, one of the most significant drivers of our performance is our Lean 2018 cost-saving programme, which contributed roughly €200 million at the end of September, leading to a cumulative impact of €1.2 billion in less than 3 years. These savings are spread out across all of our business units, which really is a testament of our performance culture and the development of digital.

Let's now look at the main business trends in our activities.

All of our key activities are growing, and this is a strong achievement considering the significant foreign exchange headwind that I just mentioned.

In Client Solutions, nine-months reported figures, which are up 1% year on year, on a gross basis, are still impacted by the temporary margin squeeze in French Retail (B2C) business. As anticipated, the reversal of this effects starts to materialise in Q3, with a reported decrease of 7% compared to a negative 13% in the first half.

In B2B Service Solutions, we benefit from positive dynamics including the contribution from tuck-in acquisitions. The 4% reported growth is, however, impacted by losses incurred on some Oil & Gas contracts, and lower activity in Engineering. I remind you that we expect a strong Q4 in Client Solutions, mainly driven by further improvements on retail margins, the ramp-up of our tuck-in acquisitions in B2B Service Solutions, and the additional contribution of our Lean 2018 programme.

We are also working on the restructuring of loss-making activities in Oil & Gas, and this will start bearing fruit in the fourth quarter.

In Renewables and Thermal Contracted Generation, we continue to see a sustained growth level, as in H1, with 3% on a gross basis, and a much higher level on an organic basis, of +10%. This is mainly driven by an impressive performance of our Hydro activities in France and Brazil. In addition, our Solar activities are ramping up in our core countries (United States, India, France and Brazil). This is slightly offset by a tough comparison to 2017, as well as litigations in Gas activities in the Middle East.

Finally, on Merchant activities, the headwind coming from the nuclear outages and lower hedge prices is largely offset by the very strong performance in our Energy Management and Generation business. As we have already seen during the first half, the performance of our Energy Management business is strongly improving this year – even more than we had initially anticipated. This is the result of favourable market conditions, but also change in accounting for long-term contracts, process reengineering combined with a new IT system helping us to optimise the management of gas assets, and finally continuous effort on the cost-base reduction.

As already communicated, we will be significantly impacted on nuclear in Q4, with a very low availability (roughly 25%) and thus, compared to the end of H1, Merchant will of course be under pressure.

Let me now turn to our financial structure. As you can see on this page, we have significantly reduced our financial Net Debt during the first nine months, to €20.6 billion. This result is driven mainly by the sound CFFO, standing at €4.7 billion, and by the portfolio rotation programme. CFFO, although down year on year due to the

Working Capital normalisation, is benefiting from a solid operational cash flow generation. The portfolio rotation programme leads to a decrease in debt of €4.2 billion, resulting mainly from the closing of three transactions (E&P, LNG and Loy Yang B). It also includes the deconsolidation of Glow net debt for €800 million, following the held-for-sale IFRS 5 treatment as of June 2018. On this operation, we continue to be confident to find a solution and finalise the disposal.

At the same, we have invested €5.7 billion in 9 months, including 4 billion on development capex, of which 40% on Renewable projects and 25% on Client Solutions. Since the first half 2018, Net Debt, financially, is stable, and Financial Debt to EBITDA stands at 2.25 at the end of Q3 2018, remaining well below the 2.5 x target. Economic Debt to EBITDA stands at 3.8, at the of Q3 2018, in line with the end of 2017.

With that, I'm handing back to Isabelle for her conclusion.

Isabelle Kocher

Thank you, Judith. So, as you've seen, our nine-month figures are solid, with steady organic growth, and we confirm our full-year guidance at the low end of the range for Net Recurring Income (Group share). And we are now happy to take your questions.

Q&A

Goldman Sachs

Good morning. Three questions, if I may.

The first one is if you could give us a little bit more granularity on the comment in the statement that stated an impact of change of management set up for GEM. Is it a one-off? What exactly is happening here, and what kind of order of magnitude?

Secondly, if you could give us some guidance for the tax rate for the year.

And, thirdly, on the Renewables pipeline that you highlighted, the 10 GW pipeline, what's the net capacity?

Thanks.

Judith Hartmann

Alright, so I'll start with GEM. So, there's a number of very good things. Some of it, like I mentioned, is related to good conditions. We mentioned this in the first half already. We were able to capture some really good margins in the first half, when we had a cold snap in March 2018, and that really helped us to have a head start at the beginning of the year, with about a 50 million impact already, at the time. I mentioned this in the first half already. We did have a number of, on the contrary, negative effects, operationally, last year, in 2017, where there was a shortage of gas supply – you might remember this – in the south of France. And we had to secure supply. We had taken a hit of about 40 million last year, which creates, of course, a 40 million positive swing this year. We also... I did mention the... an accounting impact: last year, we took some onerous contracts, some hit at the end of the year, and obviously that is helping us this year. And then, last but not least, the optimisation really is down to... We've put in place IT systems for the teams now to be able to really manage opportunities as they arise in the market, on an hourly basis, when in the past we would only be able to look at days or months. So it's really been an operational improvement that is really helping this year. And that specifically has helped us this year on taking advantage of summer-winter spreads, specifically on long-term gas contracts, which is quite significant. So that was your question on GEM.

On the tax rate, we mentioned that this year is of course very positive. We're going to be below 24% for the total year in 2018, and it's going to normalise... should normalise again next year to roughly 30%. So what are some of the topics that are making it this positive for this year? I'd like to mention two things. One is, like we mentioned in the first half already, we were able to use tax losses in Australia. This is related to our Hazelwood restructuring,

that is ongoing. You know, we have a partner there, so we are obviously sharing the responsibility. And so we excluded this from the tax organisation – their tax consolidation, that helps us to use the positive impact that we have from the other... other businesses... to use our tax losses. That's one. And the second I would want to mention, which is really positive news for future cash flows, is DTAs that we are able to activate this year, mostly in Europe, related to an increase of prices also that we're seeing. No surprise here: you see this in the market. And I would mention three countries here: the Netherlands, Italy and Germany. And so it is a positive DTA impact this year. But, really, it's a reflection on positive cash flows that we're expecting with the increases of prices. So very good there.

And then the third question was on the pipeline. Paulo?

Paulo Almirante

OK, so, on the pipeline, we have, just to give you some figures, we have, under construction, 3.3 GW. We have a secured pipeline but not yet under construction of 4.3. And, not yet secured, another 2.7 GW of pipeline. Our model, as you probably know, is develop, build, partially sell and own, for most of the pipeline. So the capacities to be added are going through that process. Except in South America, where we normally fully consolidate, and that accounts for around 25% of the pipeline that we just described.

Goldman Sachs

Fantastic, thank you.

Société Générale

Good morning, everyone.

I'll start with question on Belgian nuclear, please. First of all, I have to check with you my understanding of the article published in *L'Echo*, I think, overnight, saying that Doel 1 and Doel 2, according to an interview of the Belgian energy minister, the inspection process was running a few days late. The article says that you do confirm your expected date of restart. But, nevertheless, I wanted to get your view about this delay. And another point in the article saying that, at the moment, the planned restart date for these two units was assuming that you would not have to change some of the parts of the pipes linking to the core vessel. Again, wanted to seek more details from you here, as well as trying to qualify or quantify the risk to restart date in case you have to change this element of the pipe. How many days will it take, how many weeks, maybe, if you have to order the pipe. I would appreciate a bit of explanation there. Then, broadly speaking on Nuclear in Belgium, I would love to hear your view about the cash side of things, most importantly on capex. Could you help us understand how much is your ongoing maintenance capex for these units? And also how much of the extension capex remains to be done compared to the initial budget that you had quoted for this extension work? And, lastly, I am intrigued by your comment in the introduction about starting a full review of nuclear operations in Belgium, to study options. Could you explain to us what the scope is for this full review? Is it just about how to make the operations more efficient? Is it about how you structure these assets as part of the Engie Group? Or are you potentially also looking at a review of ownership structure? Thank you very much.

Isabelle Kocher

Thank you. So Paulo on the last news regarding Doel 1 and 2, Judith on the cash elements (capex, in particular) and Paulo again on options you mentioned.

Paulo Almirante

OK, so I think I need to be a bit technical now to explain the Doel 1 and Doel 2 case. So, in these two reactors, we have detected some issues with two sections of pipework. Two separate sections of pipework. We call it Section A and Section B for each of the reactors. So, on Section A of Doel 1, we have identified a leak. This part is... this leak is in a straight section of this pipe. And we have removed it, we have analysed the problems. This takes a long time. We have discussed this with specialised labs, with the authorities. And, finally, we have decided to replace this part of the pipe. The replacement is approved by the FANC, and the work is finished. So this part of the pipe has been replaced and there is no further issues there.

We also inspected, in that same pipework (Section A), we also inspected the bend. And we have not detected any other issues. So, for now, we believe that Section A is fine, despite, still... Until the last minute, we need to confirm that the repair that has been carried out is fit for purpose. So there will be a final approval of this repair.

Then Section B of this same reactor, Doel 1. Section B of the pipe is being inspected. So the results of this inspection are not yet finalised. But, so far, we've inspected the straight part of this section, and the bend of this Section B, and the news are that, for the moment, nothing is of concern. But the inspections are not yet finalised.

So... And, in fact, the repair methodology has already been approved by FANC. This has been made public by FANC themselves, recently. Make sure that there is no further delays introduced by administrative processes and confirmation of some of the proposals we make. So, for Doel 1, we confirm that we expect to return to service this reactor as originally planned.

For Doel 2, the inspections will start as soon as we finish with the use of the robot that carries out this inspection in Doel 1. And so the inspections will... are due to start, in fact, by the end of this week. And, depending on the results of this inspection, that we might have to replace or not part of these sections. But it is important to note that this is exactly what we have planned by bringing Doel 1 earlier in December and Doel 2 only at the end of December. So this is as expected in the original planning. And so nothing new from that perspective. So we confirm that what is in REMIT is still our objective and, today, there is nothing that should prevent that.

Judith Hartmann

On the capex, there is... like we said, this year is of course an unusual year because we have a lot of maintenance going on. So I would split it into, you know, lifetime extension, which this year is about 250 million. It's going to be about 180 next year. And about 100 the year after, in 2020. On the related outages on second generation units that we've mentioned, with the concrete units, we've spent about 60 this year and it's going to be much less next year (roughly 20). And so, on a regular, you know, on a regular year I would say, on our maintenance capex if you look at 2020, it should be around €250 million.

Paulo Almirante

So, regarding that, I think what we want to say is that, of course, we have had a significant change of the schedule for these reactors, in terms of what we were expecting going forwards. They are out of service in a long period of time, and we are taking the opportunity to anticipate some works regarding LTOs, for example, which means that we have to assess all the circumstances in this new context and potentially revise the way we have been planning the LTOs, and the way we will continue to discuss with the authorities the JCOs that we have also referred to you before (the justified continuous operations of some of some of the reactors). Additionally, we need to revise our hedging strategy because, if there are reasons to change the planning and to introduce modifications, we will have also to change our hedging strategy accordingly. So what we are saying is that we are carrying out a full review of the way we are operating these units in these context and, as such, we need to take actions to revise all the relevant areas that have consequences after this difficult situation we are facing.

Société Générale

Can I ask a follow-up question?

Isabelle Kocher

Of course. Please go ahead.

Société Générale

Thank you. Just to clarify on the first point, so it appears that, for Doel 1, inspections on works are progressing exactly according to plan. And, for Doel 2, you will start the inspections as soon as the robot is available. As part of you planned restart at the end of December for Doel 2, does it assume that you have to change the straight part of the pipe, as for Doel 1, or does it assume that the inspection gives you the go-ahead without changing the pipe?

Paulo Almirante

So, our plan assumes that we would have to replace the straight part of the pipe.

Société Générale

As you did for Doel 1. Thank you very much. Very clear.

Isabelle Kocher

Exactly the same as for Doel 1 indeed. And that's the opportunity to highlight one point: that all these events we had in 18 regarding our nuclear tranches, they have been also the opportunity for us to considerably reinforce our resources regarding both engineering capabilities in Belgium – and we have really reinforced our capabilities in that domain, which is of course extremely important, building together the Tractebel engineering team, Electrabel teams, and other partners. And also regarding project management. These LTO projects are in fact huge, really. In the nuclear world, it is amongst the most complex things to manage. And we seized that opportunity to really reinforce, strengthen, our capabilities in this domain. And I believe that it will be... It will have a positive impact regarding the years to come.

J.P. Morgan

Yes, good morning. So we've been in detail on the Belgian nuclear. I'll change subjects.

First, talking about Glow, so the whole disposal process has been put on hold. You still deconsolidate it. You say you're confident. Could you give us some colour on that, the reason for this confidence and what is your case there? It would be of interest. I understand that the initial rejection was because local market share was 80%. Maybe it's about the definition of which market we should consider. I would be interested in understanding this specific situation.

Then, on the GEM. You already gave some colour but I wanted to understand what exactly was the change of accounting for long-term contracts. What was that referring to? Is it what you already covered by saying that, at the end of last year, you may have assumed some loss there, which may not have happened. Basically an arbitrage or a renegotiation would have brought a positive outcome instead. Just to understand exactly the mechanics.

And, really to finish up I'll try to go quickly... You do not plan to deliver on the initial EBITDA guidance: can you give us an estimate of where you're thinking you're going to land there?

And, finally, on the CCGT, we saw CO₂ prices going up materially. Not necessarily massive switching yet. Basically, in the current environment, and going forward if CO₂ price remain solid, how do you see this evolving and when will this fully benefit Engie's CCGT fleet? Thank you.

Isabelle Kocher

OK, so I will let Judith answering your questions regarding GEM and EBITDA indications. Paulo, you will answer the question regarding CCGTs.

And one word about Glow: so you effectively say the Energy Regulatory Commission in Thailand rejected the deal with GPSC so that GPSC decided to appeal this decision. So, of course, we follow that closely. Well, we have in fact a lot of options. Either this Plan A works or we have other solutions. And you have to know that, since this decision of ERC happened, we already got several marks of interest coming from very credible buyers. So I am very confident on our ability to dispose our stakes in Glow in very good conditions. And, besides, I remind you that, regarding our deleveraging, it's very advanced. Judith gave you the elements on that.

Judith Hartmann

So, on the GEM question regarding the accounting, we were quite detailed on this at the end of last year so you find all the details there. But it is what I said earlier: it is basically long-term contracts that we relooked, that we're changing to a trading accounting, which meant at the end of last year we had some onerous contracts that were booked. It was mostly related to capacity reservation topics. And so this gives us a positive impact for this year. By the way, you know, some other peers had done this change in the past also.

Then, I think you had a question on the EBITDA indication. We will be slightly below the initial indication, like we said, and it's also on the press release. We should be around 9.2 billion for this year, which will be a good story because... Which means basically flat over last year when of course we had significant headwinds that we've mentioned and it really shows on how the very positive news that we had on some of the renewable businesses and networks that we mentioned on our presentation.

Paulo Almirante

So, on the CCGTs and the CO₂ price, we've made a significant change on the way we operate the CCGTs back in 16, and we... in particular with our hedging strategy, and we are keeping around 30% of the fleet unhedged. And that has proved to be the right way to manage this fleet. It's a large fleet of about 15 GW. And we normally achieve about 60 TWh. And so we are benefitting from... Last year we benefitted from the issues with the nuclear fleet in France, if you remember, and this year with the increase in prices. CO₂ has significantly increased in price, which means that we are able to capture additional spreads in the market with the component of the capacity that is open. So I would say that we can... We are seeing very healthy spreads and we expect that for the near future as well.

Credit Suisse

Good morning, everyone.

Paulo, just coming back to you, I think you gave a number and I apologise but, like many people, I'm jumping from one conference call to another, so I may have misunderstood you, but I think you said the impact at the EBITDA level of Belgian issues is 700 million on a full-year basis. Can you please confirm that number? And it would be consistent with what you said in six months, just to check. And the second thing is, given all you said in the last 20 minutes on availability, your answer on CCGTs... a few minutes ago... Can you help us quantify maybe the positive impact in 2019? I'm not asking you for guidance for 19 but, if you can help us understand how much you think of this 700 will be offset. That's point number 1.

Point number 2 is, Judith, on Working Capital in Q4. You hinted a little bit at development, but maybe if you can develop a bit. I think my question is related to the fact that Glow will probably be sold but later. So just to get a hint on where we will be year-end for the Net Debt. Thank you very much.

Judith Hartmann

OK, so I'll take the question on nuclear also, since it's the financials. So there is a page... Vincent maybe you saw it... We said 600 million negative impact on EBITDA for the year, so versus last year it's negative 700 because it was positive 100 last year. So that's the swing. And it is about 600 million versus the guidance. So significant. Very significant, no doubt. It should, of course, improve next year. We will be at an availability rate or roughly 52% this year and that should go up to 74 next year. And that you can see in the calendar that is in the Annex, and it is the same calendar, by the way, that we have already communicated a month ago. So it should be a positive impact there, of course.

Then you had the question on Glow and Q4 Working Capital. So Glow, again, we do feel confident that it's going to go through. In reality, the cash impact... we will see it next year, though, because that's probably how long it's going to take to get it closed. And so we will... We do believe that, with that, of course, we confirm we will be at below the 2.5 x Net Debt to EBITDA that we have set out at the beginning of the year and we're confident that we can be there even with everything I've just mentioned.

Credit Suisse

Can I come back on your first answer. Thanks for clarifying and apologies again. It's just too many conference calls this morning. Just one thing: can you help us quantify the swing next year? I know we can all calculate it on our own but it would be interesting to hear what the company has to say on how much of this 600 or delta of 700 million will be probably offset next year. Through whatever, through just availability, or maybe a hint of what you believe you'll be able to achieve on power prices. Whatever you can give us.

Judith Hartmann

Yes, so, on Nuclear itself I think it's quite easy for you to calculate. You know the availability and you know the achieved prices that are also in the presentation. Of course, it's not going to be that straightforward because there is going to... Like this year, by the way, there was partial offsets in the portfolio... You know, this year, really what we're seeing some of the Nuclear pressure we're able to offset through Generation. We have mentioned it. And also through GEM, of course. That is helping in the portfolio effect. So it's not going to be one-to-one. But it's, like I said, the information is out there. When you look at our achieved prices in the Annex and the availability also that I've just mentioned, and that is in the Annex, you should be able to do a high-level calculation. And then you need to take into account, like I said, the other effects on Generation and GEM. I hope that helps.

Morgan Stanley

Good morning, everyone. Thanks for taking my questions. I have three.

One coming back from Client Solutions: you have, as part of the transformation plan, a target to increase EBITDA on this business by around 50% from 15 to 2018, which was quite ambitious. Because of the problems that you explained on B2C and some slowdown in Oil & Gas and on B2B, you are no... likely not reaching that target in 2018. How confident you are that you're going to get there in 2019 or 2020? And, if so, what do you need to do? More tuck-in acquisitions or can you get there organically?

My second question is can you give us an update on the negotiations, if any, on the gas pipeline from Petrobras in Brazil. Do you expect the injunction should be solved at some point? And when?

And, third, looking forward, when should we expect an update on your business plan? Do you still expect to give long-term guidance in February next year? And what timeframe should we look in? Three years, five years? That would be helpful to know. Thank you.

Paulo Almirante

So, for TAG, you know that we have an injunction that is preventing us to progress with the discussions. The information we have from Petrobras is that they are dealing with that in judicial system in Brazil and they keep the process ongoing. It is a very formal process to go through. And as soon as this is lifted – and they expect it to be lifted – we will restart discussions. We are now estimating between now of the first quarter of next year.

Isabelle Kocher

Regarding Client Solutions, so we issue... You have all the elements to measure that. We will be roughly at plus 30% versus end of 15, which is already in fact huge. That's right: we are below the 50% we anticipated. The main reason for that is that we have been selective regarding acquisitions. As you know, we are... Our main goal was to restart the organic growth. We were in a situation where we had a continuous organic decrease over the last period. So it was our first objective. It is done. Now we continue to believe that these Client Solutions they are extremely positive for us. It is really a room where we can make a difference. And I believe that the backlog, and all the positive commercial dynamic we have in a lot of countries now, is demonstrating that. So, yes, we will continue to push. And we will update you with our objectives over the next periods. It's a bit early to do so regarding long-term guidance. So it will be done around our full-year results, next February.

Bernstein

I have a question on the Client Solutions business, as well on the organic growth of it. Can you elaborate a little bit more on the loss-making activities that you're restructuring in Oil & Gas, and on the low activities that you mentioned in Engineering? And also, if you can, a little bit more detail on the growth in the order book you mentioned, and the acceleration in Q4.

Isabelle Kocher

Yes, a few words about that. So the contracts we mentioned regarding Oil & Gas are contracts taken for big companies in the oil and gas activity. In particular in Canada. A contract taken by Fabricom, our subsidiary in

Belgium. And this is not fully unexpected because it is a sector that suffered over certain periods. And then we have been impacted by that. So it is... I mean specific to this activity. We are currently restructuring this entity. So it is not something that could lower the pace of our growth over the coming period. This is... Again, this is a very dynamic field. We all see that the energy infrastructures are more and more decentralised. It means that the B2B players, they are screening their options to develop local production infrastructures, local storage facilities. The pace of energy savings, the potential of energy savings, is more and more seen also by big corporates as something that is strategic for them. So all the drivers are here to continue to support the growth of these solutions. For, in particular B2B clients. True also for Cities – what we call B2T in our Group (Territories). Cities but also airports, but also universities. All these big fields are also looking at the same kind of solutions to globally optimise their energy bills. And, again, coupling local energy production with massive energy savings, and then being able, at the same time, to reduce the CO₂ footprint, which is more and more something that is really very visible. And all these players they have a reputation to protect. So they are really looking at the way to be less CO₂-heavy. And, at the same time, to have a better competitiveness in fact. And it means, concretely, lower costs. So very strong drivers. It is clearly a field where, on top of that, Engie has a competitive advantage. If you compare the solutions we are able to propose to our clients versus what our peers are able to do, it is really very different. And it is probably where we have the most different capability comparing Engie with the rest of the energy sector.

Bernstein

Can you also come back to the lower activities in Engineering that had been mentioned in the press release?

Isabelle Kocher

This is a slight decrease of the pace of growth. It is very different from the situation I described for the Fabricom contracts, which are loss-making, and we are currently restructuring. Regarding Tractebel Engineering, it is a slight decrease in the pace of development. So, to be assessed further. But it is not massive.

Bank of America Merrill Lynch

Good morning. Three questions if I may.

Firstly, just rounding off on Customer Solutions: could you just remind us what you're assuming in terms of an organic growth rate for 2018 in your full-year guidance? And what would that growth have been if you'd been able to fully pass through the higher gas costs this year?

Second question: oil prices are up around 20% over the last year or so, so I'm just wondering has that triggered any requirement to renegotiate your long-term gas supply contracts, and is there any impact of that in this year's earnings?

And then, thirdly, just interested in a comment on the new Chairman of Engie. How supportive is he thus far of the direction of the Group? And how involved has he been in the setting of the strategy that you're going to present next year? Thank you.

Isabelle Kocher

Our new Chairman is of course fully involved, is Chairman of the company since last May. But it is very efficient. And no dis-alignment at all.

Judith Hartmann

On Client Solutions, your question was around organic growth for the end of the year. So it will be roughly 14% for the total year. You know, I want to come back to the question also that was asked earlier on some of the contracts we're renegotiating. I think those are very important. But, again, keep in mind that we also have – and we mentioned this in the first half already – big pressure in the first half, in the first nine months, on B2C. And what we said at the time is an increase in gas prices, an increase in certificates... on energy certificates, and that creates margin pressure because it takes some time to this to actually go through on the end prices for the customer. So, on regulated tariffs, it's happened. It's a 9% increase, which is very positive. It's once a year. And

then, on the market offers, it really goes through as you sign new contracts. So keep in mind both of those because both of them have an important impact on our capability of catching up for the fourth quarter. And so, like Isabelle said, you know we have really created a growth platform here that we are confident in and we are going to continue to focus on.

Paulo Almirante

Regarding the gas contracts, so no renegotiation is taking place specifically linked to oil prices. In fact, most of our gas contracts are now indexed to the gas prices themselves. So, of course, we keep discussing with our suppliers on a normal basis but nothing specifically related to the oil price.

Bank of America Merrill Lynch

Right, thanks. Sorry, can I just clarify: did you say Customer Solutions organic growth for the full year would be 14% and is that comparable to 1% in the nine months?

Judith Hartmann

So the 1% is the gross growth. And so that's going to be more than that: it's going to be I would way 10-ish. And an organic, which was your original question, it should be higher than that, with around 14, 15%. And, again, a strong... You know, a strong Q4 here expected. Like I mentioned, some of it is improvement in the retail margins that I've just mentioned, that we're going to go through. There is, of course, a ramp-up on tuck-in acquisitions in Services. Lean is going to have a ramp-up. And, like we mentioned, some of the renegotiations of the contracts. Those are really the four big factors and, like I said, we're quite confident about this, that it's going to happen in the fourth quarter. So we will have a good year on Client Solutions.

UBS

Hi, everyone. Thank you for taking my question.

Maybe it's a bit early but, looking into 2019, should we be worried about gas margin contraction in France?

And, second one is we are expecting a CMD early next year. Can you tell us what the CMD is likely to cover?

Thank you.

Judith Hartmann

So, on the gas margin contraction, we don't expect any significant topics coming out of that at this stage. The power margins of course... You know, power prices are going up, which is good news for us, and that's going to be quite significant for next year on the Generation business. On the Retail business, of course, there will be continued squeezing, like I mentioned, and so we're working on really relooking the cost base, quite frankly, to offset some of the pressure coming from that.

And then, on the capital markets day, of course we will give an update on the strategy. It's in all likelihood going to be, like we did recently, a 3-year outlook on, you know, what the strategy is. We will of course provide 2019 guidance and we are working to have some high-level guidance on the outer years. And, like you said, it will happen roughly at the same time as the results presentation, which is on February 28th.

UBS

Hi, thank you. Yes, I have two quick questions.

The first is on the Renewables business. I understand you will have added 2 GW of capacity this year and you also talked about your sort of wider pipeline potential going forward. But, in terms of pipeline conversion, can you just remind us how much new capacity you've converted this year, i.e. the total amount of renewable projects where you took FIDs during 2018?

And then my second question's on the UK, actually: you have, you know, quite a large presence in the UK already, and I note from this morning you're saying that growth from your new UK Retail business has helped

numbers this year, with only a year I think or so since you started that, so that's good news. But can you comment a bit more broadly on how you see the UK at the moment? Obviously quite a complicated environment right now in terms of energy policy and the wider markets. I'm just interested to understand how you think about the UK, if it's a possible expansion market for you, whether you consider further inorganic moves in the UK, of perhaps the opposite. Thank you.

Isabelle Kocher

Regarding UK, as you know, probably, our main exposure is about Client Solutions. It is one of the countries where we really developed a very important footprint. We have roughly 20,000 people in this country. So this is an activity that is not very capital-intensive – in this country. So it means that the exposure we have is in fact an exposure to macroeconomics. And so here we could be impacted by a potential – if it happens, by the way – slowdown of the growth in this country. But, you know, it's... I would say it's marginal. And the impact on us wouldn't be very, very significant. It is a country where the outsourcing tradition is very developed. It is a country where the opportunities for Client Solutions are huge. That is the reason why we reinforced ourselves. I don't know if you remember but we bought several companies over the last three years, to reinforce our presence there. We are very happy with the result, by the way, regarding the growth, regarding the margins also. It is a very good activity. So, no, really, a positive feeling about the activity itself. And an exposure for our Group regarding Brexit – I suppose that is what is behind your question – that is not very, very important.

On the Renewables, Paulo I'll let you complete.

Paulo Almirante

So, on Renewables, to date, we have added 800 MW, of which 300 acquired and 500 commissioned. We expect to commission, on Q4, another 1,200 MW. To date, we have under construction about 3,500 MW of renewable capacity.

Isabelle Kocher

Maybe a complement on the question on the UK: you also asked us what happens regarding Retail. So you've seen, effectively, that we triggered a Retail activity in the UK. In fact, this is an activity we started to support our B2T... B2T activity. When we work with a city, they are asking us to support their own strategic planning with an ability to offer to their citizens some, some options, regarding for example better reshuffling of houses, ability to consume less energy, or ability to implement rooftops. So that's typically what we are doing in the UK. And the supply of energy is an additional option. It's not where we intend to get margin, to be honest with you. It is a market that is not easy from a pure supply point of view. So it is on top of services we are able to offer. And it is very transparent. That is to say that we disclose everything, including the price at which we buy the energy if we buy it, and the margin we intend to do is on the service part. So it is a very specific positioning. And not per se but to support the B2T activities we have in this country.

UBS

Thank you, that's very helpful on the UK. I appreciate the long answer.

And, on the Renewables side, can I just check that you've given me the total capacity where you've taken FIDs this year? I'm just trying to get a sense of the rate at which you're adding new adding new Renewables projects in 2018.

Paulo Almirante

So total capacity FID for this year would be 2 GW.

UBS

OK, thank you very much.

Isabelle Kocher

Well, thank you very much for your time. We are happy to share with you these good results. I'd like to thank our teams because it is a year where we effectively suffered from very specific negative headwinds and they have been able, as you can see, to compensate that. Absolutely amazing. So thank you to all of you and have a good day.