Press release

H1 2015 results

July 29th, 2015

- **Confirmation of FY 2015 targets despite of an unfavorable environment due to the drop in commodity prices**
- **Further implementation of the development strategy with a decisive step towards solar**
- **Agreement has been reached with Belgian government on Doel 1 & 2 extension & nuclear contribution**
- **Improved operational cash generation vs H1 2014**

In bn€	**June 30, 2015**	June 30, 2014*	Δ H1 2015/14 gross	Δ H1 2015/14 organic	Δ H1 2015/14 organic w/o weather impact**
Revenues	**38.5**	39.3	-2%	-5%	-7%
EBITDA	**6.1**	6.4	-5%	-8%	-12%
Current Operating income[1]	**3.6**	4.2	-13%	-17%	-22%
Net Recurring Income, Group share[2]	**1.8**	2.0	-12%	na	na
Net Income, Group share	**1.1**	2.5	-56%	na	na
Cash Flow From Operations[3]	**6.0**	5.6	+7%	na	na
Net debt	**26.8**	- €0.7bn vs 12/31/14			

pro forma 2014 figures post IFRIC 21 and change of consolidation method of Tirreno Power (IFRS 10-11)
*** organic variation w/o weather impact: gross variation without scope, forex effects and weather impact in France*

The Group confirms its annual targets[4] for 2015:

- a **Net Recurring Income Group share[2]** between EUR 2.85 and 3.15 billion, at average weather and assuming no significant regulatory changes. This target is based on estimated EBITDA and COI[1] respectively between EUR 11.55 and 12.15 billion and EUR 6.65 and 7.25 billion;

[1] Including share in net income of associates
[2] Net income excluding restructuring costs, MtM, impairments, disposals, other non-recurring items and associated tax impacts and nuclear contribution in Belgium
[3] Cash Flow from Operations (CFFO) = Free Cash Flow before maintenance capex
[4] Targets assume average weather conditions in France, full pass through of supply costs in French regulated gas tariffs, restart of Doel 3 and Tihange 2 as of November 1st, 2015, no significant regulatory and macro-economic changes, commodity price assumptions based on market conditions as of December 31st, 2014 for the non-hedged part of the production, and average foreign exchange rates as follows for 2015 : €/$:1.22; €/BRL:3.23

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

- a **net debt/EBITDA ratio** less than or equal to 2.5x and an “A” category rating;
- a 2015 dividend with a **65-75% payout**[5], with a minimum of 1 euro per share, payable in cash. The Board of Directors has decided the payment of an interim dividend of EUR 0.50 per share for fiscal year 2015, which will be paid on October 15th, 2015.

Reporting on first half results, Gérard Mestrallet, Chairman and Chief Executive Officer of ENGIE, stated: *"The Group has recorded H1 2015 results in line with our annual objectives. In an economic climate that remains difficult for the energy sector in Europe, our Group has shown its financial robustness with increased cash flow generation and a further reduction in net debt. The results achieved on Perform 2015 and on the quick reaction plan are also in line with our objectives, proving our adaptability and agility. The period was marked by the Group's change of name, approved today at the Shareholder’s meeting. ENGIE is a simple and strong name that accompanies new challenges of decentralization, decarbonization and digitalization of the new world of energy. We have accelerated our development into renewable energy, particularly through the announcement of our acquisition of Solairedirect, which marks a decisive step into solar for ENGIE. We have also continued to develop energy services across the globe with the acquisition of IMA, making ENGIE the leading player in energy services in Chile, and we have made three significant new investments in start-ups. The agreement that has just been reached with the Belgian Federal Government on the 10-year extension of the reactors at Doel 1 and 2 and the implementation of a fair and stable system for the nuclear contribution concludes the uncertainties on this subject. The Group is actively preparing the implementation its new structure, which will be effective early 2016, and it is more committed than ever to the success of its strategy of being the benchmark energy player in fast growing markets and being leader in the energy transition in Europe."'*

Analysis of financial data

Revenues of EUR 38.5 billion

Revenues of EUR 38,520 billion are in decrease of -1.9% (gross) compared to H1 2014 and in organic decrease of -5.4%. This decrease is notably due to the drop in commodity price, the unavailability of Doel 3 and Tihange 2 nuclear plants and Doel 1 being offline, partly compensated by the US dollar appreciation against the Euro and the positive weather impact in France, the first semester of 2014 being particularly warm.

Ebitda of EUR 6.1 billion

Group Ebitda reached EUR 6,122 million decreasing both on a gross basis (-4.8%) and on an organic basis (-8.4%). As for revenues, H1 2015 Ebitda has been penalized by the impact from the drop in commodity prices, contraction in LNG activities and by the unavailability of Doel 3 and Tihange 2 nuclear plants and Doel 1 being offline, partly compensated by a favorable impact from foreign exchange, the positive impact from weather in France, the commissioning of new assets and the further performance measures taken on costs.

Ebitda for the **Energy International** business line increased by +10.3% on a gross basis and +1.4% organically to EUR 1,876 million. The organic increase reflects improved performances in Brazil, in Peru, in the Middle East and in the US and Australian retail activities. However, this favorable performance was depressed by lower results from merchant markets generation in the US, in Australia, and in the UK, as well as from LNG activities.

Ebitda for the **Energy Europe** business line, at EUR 1,124 million, decreased on a gross basis by -21.8% and organically by -19.7%. H1 2015 has been penalized by the unavailability of Doel 3 and Tihange 2 nuclear plants and by Doel 1 being offline since February 15, 2015 after reaching 40 years, by lower average sales price on electricity markets and by the unfavorable impact from lower gas prices in Asia on LNG sales. These impacts are partly

[5] Based on Net Recurring Income Group share

compensated by a favorable weather impact on gas sales in France and improvement in gas supply conditions of the Group.

Global Gas & LNG business line reported an Ebitda of EUR 781 million, decreased organically by -32.4% reflecting the drop in oil and gas price on European and Asian markets and a lower LNG activity due, in particular, to supply disruption from Yemen since April 2015. For Exploration-Production, the unfavorable price impact has been largely compensated by total hydrocarbon production being higher by 4.0 Mboe (29.0 Mboe at end of June 2015 versus 25.0 Mboe at end of June 2014) thanks to contributions coming from fields commissioned in 2014, Juliet in the UK (January), Amstel in the Netherlands (February) and Gudrun in Norway (April).

Ebitda for **Infrastructures** business line came to EUR 1,867 million reflecting an organic increase of +4.8% compared to June 2014, mainly due to colder weather conditions compared to last year (+20.5 TWh) and higher tariffs, partly compensated by lower volumes and ancillary services revenues related to JTS (Joint Transport Storage) services and lower gas purchase and sale activities to maintain technical storage performance.

Energy Services business line Ebitda amounted to EUR 571 million, increased by +6.8% on a gross basis notably due to acquisitions made in H2 2014 (Lend Lease FM in the United Kingdom, Ecova in the United States, Keppel FM in Singapore and Lahmeyer) and increasing organically by +0.4%.

In addition all business lines contributed to the solid progress of *Perform 2015* performance plan and of the “Quick Reaction Plan”. At the end of June 2015, results achieved on *Perform 2015* represent more than 50% of the annual target, while for the “Quick Reaction Plan” the annual target of EUR 250 million is almost reached at 50% despite a start towards the end of Q1 2015.

Net Recurring Income of EUR 1.8 billion and Net Income of EUR 1.1 billion

Net Recurring Income Group share, at EUR 1.8 billion, is in decrease by EUR 0.2 billion compared to end of June 2014. Decrease in current operating income after share in net income of entities accounted for using the equity method is significantly mitigated by lower recurring tax expenses and by lower contribution from non-controlling interests.

Net Income Group share, at EUR 1.1 billion, is in decrease by EUR 1.4 billion compared to end of June 2014 which was positively impacted by EUR 0.5 billion reevaluation gains. On the contrary, H1 2015 is penalized by EUR 0.7 billion impairments being split mainly between Global Gas & LNG and Energy International business lines.

Net debt at EUR 26.8 billion

At the end of June 2015, **net debt reached EUR 26.8 billion**, further reduced by EUR 0.7 billion from year-end 2014, despite a negative forex impact (depreciation of the euro mainly versus USD and GBP) of EUR 0.6 billion, thanks to a solid Cash Flow from Operations (EUR 6.0 billion) and after payment of the final dividend to ENGIE shareholders (EUR 1.2 billion).

Net debt /Ebitda ratio is stable at 2.3x still well below the target ≤ 2.5x.

Early March, ENGIE successfully launched a EUR 2.5 billion bond issue in four tranches at record-low coupons (notably 0% for 2 years and 1.5% for 20 years). The Group’s average cost of gross debt thus continues to decrease at 3.00%.

At the end of June 2015, the Group posted a high level of liquidity of EUR 18.6 billion, of which EUR 10.4 billion was held in cash.

In April 2015, S&P rating agency confirmed the A rating of GDF SUEZ with a stable outlook. In June 2015, Moody's rating agency confirmed the long term A1 rating of GDF SUEZ and revised the outlook from stable to negative.

Significant events of the period

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

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

- In **South Africa**, 100 MW Kathu solar project was announced preferred bidder and the 94 MW West Coast One wind farm reaches commercial operation;
- In **Abu Dhabi**, ENGIE and SUEZ ENVIRONNEMENT signed a solar-power seawater desalination research contract;
- In **Tunisia**, ENGIE signed a cooperation agreement with the Tunisian Company of Electricity and Gas (STEG) to develop cooperation between the two groups;
- In **China**, ENGIE signed an agreement with Sichuan Energy Investment Distributed Energy Systems (SCEI DES) to create a joint venture for the development of distributed energy projects in the Sichuan province and signed a contract with Beijing Enterprises Group to supply LNG to Beijing City and to expand cooperation between both groups;
- In the **Philippines**, ENGIE and Cyberzone Properties Inc. announced the development of a district cooling system in Manila;
- In **Turkey**, the Turkish Parliament approved the construction of the 4 GW Sinop nuclear power plant project;
- In **Algeria**, ENGIE announced a new natural gas discovery in the Illizi Basin located in southeast Algeria;
- ENGIE and NOVATEK signed a long term LNG supply contract, according to which ENGIE will receive 1 million tons per annum from the Yamal LNG project, over a 23-year period starting 2018, to fulfill the needs of its clients anywhere in the world;
- In **Indonesia**, ENGIE, eni and Saka Energi signed two sale and purchase agreements for the Jangkrik project with PT Pertamina, under which Pertamina will purchase 1.4 million tons per annum of LNG starting 2017;
- Signature of four Memorandums of Understanding and Cooperation to promote energy development in **Mexico** with Pemex, CFE and CENAGAS;
- Signature of a partnership agreement on LNG with the **Japanese power production company, Kansai Electric**;
- ENGIE, through its subsidiary Cofely, has completed the purchase of **IMA Chile**, a leading provider of industrial services (maintenance and solutions) to major customers in mining, energy generation and industry.

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

- In France, at Montoir-de-Bretagne (Loire-Atlantique), ENGIE recorded its **1000th liquefied natural gas (LNG) truck loading** in Europe;
- Through its corporate venture capital subsidiary ENGIE New Ventures, ENGIE made three new investments: in the capital of **Tendril** to speed up the development of Energy Services Management (ESM) solutions in Europe, in **Redbird**, an expert in the analysis of technical data collected by drones and in **KiWi Power,** a leading UK demand response aggregator;
- In **France**, LNGeneration signed with Lactalis an 18-month contract for the supply of liquefied natural gas;
- On April 21, the **Magritte** Group called for more convergence and integration in European energy policy in order to guarantee a more efficient climate protection, security of supply at European scale and fair energy prices.
- On June 30, ENGIE has announced the acquisition of a 95% stake in **Solairedirect**, a global leader of competitive solar.

Early April, ENGIE introduced its **new enterprise project** to speed up implementation of its growth strategy. This enterprise project is based on the creation of 24 operational entities (Business Units – BU) according to a region-centered approach within a single country or a group of countries. More decentralized, these entities will help shorten response time and be more efficient.

In addition to this geographical approach, the planned organization will study the constitution of five strong “Métiers” lines tasked with operating the Group’s entities as a network and implementing its overall strategy within their spheres of influences: gas chain; centralized production of renewable and thermal electricity; decentralized solutions for cities and regions; solutions for businesses; and solutions for individuals and professionals.

Today, the Shareholder’s Meeting, decided to modify the corporate name of the company and to adopt the new corporate name **ENGIE**. The ticker of the company becomes « ENGI » as of July 31st 2015, in accordance with the notice published by Euronext.

****

UPCOMING EVENTS

- **October 15, 2015** Payment of an interim dividend (EUR 0.50 per share) for fiscal year 2015. Ex-dividend date is October 13, 2015

- **November 5, 2015** Publication of results as of September 30, 2015

The presentation of H1 2015 results and the first-half financial report, including the activity report, consolidated financial statements and notes, are available on our website:
https://www.gdfsuez.com/en/investors/results/2015/

ENGIE has just launched an Investor Relations app that can be downloaded on Google Play or in the Apple Store (iPad / iPhone).

FOR MORE INFORMATION ABOUT H1 2015 RESULTS, YOU WILL FIND ON
http://www.gdfsuez.com/en/investors/results/results-2015

Presentation	Appendices	Press Release	Recorded conference audiocast	2015 First-half Financial report	Analyst pack

Important notice

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

About ENGIE

ENGIE develops its businesses (power, natural gas, energy services) around a model based on responsible growth to take up today's major energy and environmental challenges: meeting energy needs, ensuring the security of supply, fighting against climate change and maximizing the use of resources. The Group provides highly efficient and innovative solutions to individuals, cities and businesses by relying on diversified gas-supply sources, flexible and low-emission power generation as well as unique expertise in four key sectors: independent power production, liquefied natural gas, renewable energy and energy efficiency services. ENGIE employs 152,900 people worldwide and achieved revenues of EUR 74.7 billion in 2014. The Group is listed on the Paris, Brussels and Luxembourg stock exchanges (GSZ until 30 july 2015 included, ENGI from 31 july 2015)and is represented in the main international indices: CAC 40, BEL 20, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe, ASPI Eurozone, Euronext Vigeo Eurozone 120, Vigeo World 120, Vigeo Europe 120 and Vigeo France 20.

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

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

Comparative H1 2014 figures have been restated following application of IFRIC 21 and change of consolidation method of Tirreno Power (IFRS 10-11)

SUMMARY STATEMENTS OF FINANCIAL POSITION

In €bn

ASSETS	12/31/14(1)	6/30/15
NON CURRENT ASSETS	110.0	112.2
CURRENT ASSETS	55.3	48.9
of which financial assets valued at fair value through profit/loss	1.5	1.1
of which cash & equivalents	8.5	10.0
TOTAL ASSETS	165.3	161.1

LIABILITIES	12/31/14(1)	6/30/15
Equity, group share	49.5	50.6
Non-controlling interests	6.4	6.5
TOTAL EQUITY	56.0	57.1
Provisions	18.5	18.2
Financial debt	38.3	38.9
Other liabilities	52.5	46.9
TOTAL LIABILITIES	165.3	161.1

H1 2015 Net Debt €26.8bn = Financial debt of €38.9bn – Cash & equivalents of €10.0bn – Financial assets valued at fair value through profit/loss of €-1.1bn – Assets related to financing of €0.1bn (incl. in non-current assets) –

Derivative instruments hedging items included in the debt of €0.9bn

(1) The comparative figures as of December 31st, 2014 were restated post IFRIC 21

SUMMARY INCOME STATEMENT

In €m	H1 2014(1)	H1 2015
REVENUES	**39,284**	**38,520**
Purchases	-24,120	-22,852
Personnel costs	-4,812	-5,172
Amortization depreciation and provisions	-2,080	-2,431
Other operating incomes and expenses	-4,364	-4,709
Share in net income of entities accounted for using the equity method	265	258
CURRENT OPERATING INCOME after share in net income of entities accounted for using the equity method	**4,174**	**3,614**
MtM, impairment, restructuring, disposals and others	904	-400
INCOME FROM OPERATING ACTIVITIES	**5,078**	**3,214**
Financial result	-919	*-889*
of which recurring cost of net debt	-486	*-420*
of which non recurring items included in financial income / loss	-214	*-195*
of which others	-219	*-274*
Income tax	-1,221	*-990*
of which current income tax	-1,019	*-782*
of which deferred income tax	-202	*-208*
Non-controlling interests	-430	-224
NET INCOME GROUP SHARE	**2,508**	**1,111**
EBITDA	**6,430**	**6,122**

(1) The comparative figures as of June 30th, 2014 were restated post IFRIC 21

CASH FLOW STATEMENT

In €m	H1 2014(1)	H1 2015
Gross cash flow before financial loss and income tax	6,183	5,901
Income tax paid (excl. income tax paid on disposals)	-666	-710
Change in operating working capital	601	1,177
CASH FLOW FROM OPERATING ACTIVITIES	**6,117**	**6,367**
Net tangible and intangible investments	-2,474	-2,707
Financial investments	-570	-354
Disposals and other investment flows	1,107	740
CASH FLOW FROM INVESTMENT ACTIVITIES	**-1,936**	**-2,321**
Dividends paid	-2,023	-1,544
Share buy back	137	1
Balance of reimbursement of debt / new debt	-596	-249
Net interests paid on financial activities	-593	-438
Capital increase / hybrid issues	2,014	11
Other cash flows	-523	-443
CASH FLOW FROM FINANCIAL ACTIVITIES	**-1,585**	**-2,662**
Impact of currency and other	80	53
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**8,706**	**8,546**
TOTAL CASH FLOWS FOR THE PERIOD	2,676	1,436
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**11,382**	**9,982**

(1) The comparative figures as of June 30th, 2014 were restated post IFRIC 21

REVENUES BY GEOGRAPHIC REGION BY DESTINATION

In €m	H1 2014(1)	H1 2015	Δ 15/14
France	15,305	*15,202*	*-0.7%*
Belgium	5,604	*5,086*	*-9.2%*
SUB-TOTAL FRANCE-BELGIUM	**20,909**	**20,289**	*-3.0%*
Other EU countries	**10,049**	***9,317***	*-7.3%*
of which Italy	2,412	*2,144*	*-11.1%*
of which UK	2,354	*2,354*	-
of which Germany	1,445	*1,489*	*+3.1%*
of which Netherlands	1,951	*1,670*	*-14.4%*
Other European countries	**683**	***1,160***	*+69.7%*
SUB-TOTAL EUROPE	**31,641**	**30,765**	*-2.8%*
North America	1,831	*2,286*	*+24.8%*
SUB-TOTAL EUROPE & NORTH AMERICA	**33,472**	**33,052**	*-1.3%*
Asia, Middle-East and Oceania	3,584	*3,178*	*-11.3%*
South America	2,121	*2,160*	*+1.9%*
Africa	107	*131*	*+22.2%*
TOTAL	**39,284**	**38,520**	***-1.9%***

(1) The comparative figures as of June 30th, 2014 were restated post IFRIC 21