H1 2016 RESULTS

July 28th, 2016

AGENDA

Highlights & key H1 figures

Update on operations & strategy execution

Update on transformation plan

H1 2016 results

Conclusion

Photovoltaic power plant – Curbans, France

Wind farm – Germinon-Vélye, France

KEY MESSAGES

- **Robust H1 2016 figures**
  - EBITDA impacted by an adverse commodity price environment, but supported by organic developments and *Lean 2018* performance plan
  - Organic growth at COI level
  - Further net debt reduction on the back of a robust cash flow generation and the portfolio rotation program

- **2016 financial targets confirmed**

- **Solid momentum on the execution of the transformation plan**

KEY FIGURES AS OF JUNE 30, 2016

In €bn	June 30, 2016	June 30, 2015	Δ gross	Δ organic
REVENUES	**33.5**	38.5	-13.0%	-11.9%
EBITDA(1)	**5.7**	6.1	-7.8%	-4.1%
COI including share in net income of associates	**3.5**	3.6	-3.5%	+1.9%
NET RECURRING INCOME Group share (NRIgs)(2)	**1.5**	1.6	-6.9%	na
NET INCOME Group share	**1.2**	1.1	+11.3%	na

In €bn	June 30, 2016	June 30, 2015
CFFO(3)	**4.5**	6.0
GROSS CAPEX	**3.1**	2.9
NET DEBT	**26.0**	27.7 as of end 2015
NET DEBT/EBITDA(4)	**2.41**	2.46x as of end 2015
RATING(5)	**A- / A2**	A / A1

(1) H1 2015 EBITDA has been restated in order to exclude non-recurring contribution of share in net income of entities accounted for using equity method
(2) Net income excluding restructuring costs, MtM, impairment, disposals, other non recurring items and associated tax impact and including nuclear contribution in Belgium
(3) Cash Flow From Operations (CFFO) = Free Cash Flow before Maintenance Capex
(4) Based on last 12 months EBITDA
(5) S&P / Moody's LT ratings

H1 MATRIX: STRATEGIC FOCUS OVERVIEW

H1 2016 EBITDA
In €bn, unaudited figures

3 *Métiers*	LOW CO_2 POWER GENERATION		GLOBAL NETWORKS		CUSTOMER SOLUTIONS		
10 Segments	**RES+Thermal Contracted**	**Thermal Merchant**	**Infra-structures**	**Upstream**	**Services Retail**	Other	**TOTAL**
North America, Latin America Africa/Asia	~1.2	~0.2	0.1	-	-	-	1.5
France, Benelux, Europe excl. France & Benelux	~0.3	~0.4	0.1		1.0	-	1.8
Infrastructures Europe			1.9				1.9
GEM & LNG, E&P		-		~0.5	-		0.6
Other	-	0.1		~0.1	0.1	(0.3)	(0.1)
Total %[1]	**~1.5** *25%*	**~0.7** *12%*	**2.0** *33%*	**~0.6** *10%*	**1.2** *19%*	**(0.4)**	**5.7**

o/w ~0.7 renewables

(1) % excluding "Other"

UPDATE ON OPERATIONS IN H1

LOW CO_2 POWER GENERATION

- 500 MW of low CO_2 capacity commissioned
- 400 MW of solar tenders won
- Brazil: improved market environment
- Belgium: since January, all nuclear units are running at full capacity

GLOBAL NETWORKS

- Increased visibility on French regulated networks:
  - New 4-year framework for distribution
  - Ongoing public consultation for transmission and LNG terminals
- Portfolio de-risking: price revision of LT gas supply contracts with Gazprom
- Continuous pressure on LNG margins (supply disruptions, lower prices)

CUSTOMER SOLUTIONS

- B2C
  - Acceleration of customer acquisition in power in France
  - Good momentum in Italy and Belgium
- B2B
  - Doubling of power sales & further decrease in gas sales
  - Commercial dynamic: order in-take for installations up 14% YoY in France ; new contracts in datacenters (Germany and Austria)
- B2T
  - New contracts for traffic management (Brazil), rail systems (Senegal) and H2020 projects on energy, mobility & digital solutions (Europe)
  - Heating & cooling networks tariff increases

(1) At 100%

SOLID MOMENTUM ON TRANSFORMATION PLAN

Redesign and simplify the portfolio

- Rotation program: already 40% announced
- Coal capacity: reduction of 1/3 already achieved (-5GW)
- Focus on low CO_2 options
  - 2GW CCGT under construction
  - >2GW solar pipeline
  - Creation of ENGIE solar

Pave the way for the future

- Creation of ENGIE Tech & ENGIE Digital
- Partnerships signed (Kony, C3IoT, Fjord & IBM)
- Strategic acquisitions (Opterra, GCN)

Improve efficiency

- New leaner organization
- Round of review with all main suppliers
- Leveraging on digital solutions at an industrial level
- 2016 EBITDA target: all actions engaged
- 2018 target on savings: 60% already identified

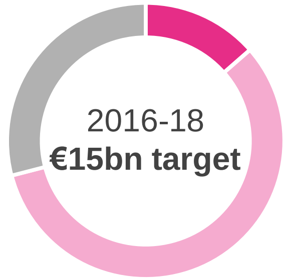
Adapt the group

- New executive committee
- 24 BUs anchored locally & focused on stakeholders
- New collaborative model fostered
- Decentralized leadership promoted

TRANSFORMATION PLAN ON TRACK

REDESIGN & SIMPLIFY THE PORTFOLIO

GROWTH CAPEX



€2.1bn invested

+~€9bn committed

Focus on core strengths

PORTFOLIO ROTATION

€1.8bn[(1)] booked

+€4bn announced

Reduce exposure to coal & merchant assets

IMPROVE AGILITY & EFFICIENCY

LEAN 2018

€0.2bn achieved

+€0.4bn identified

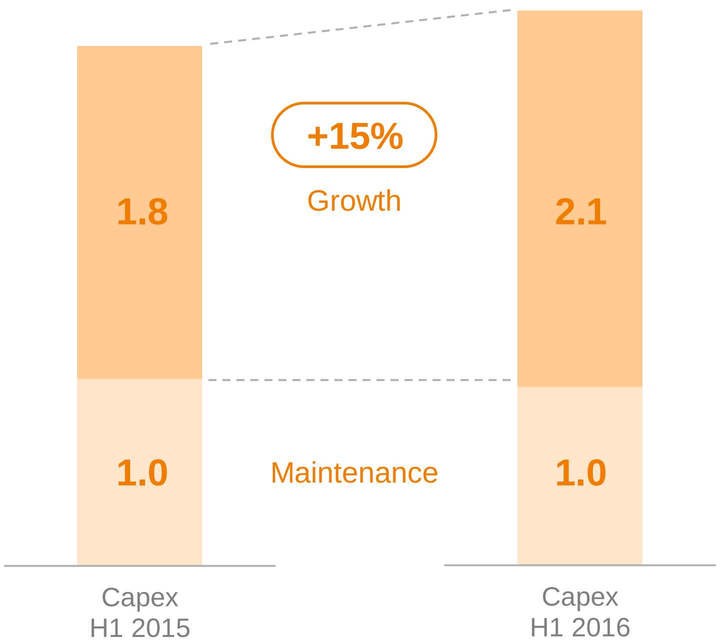
Promote internal transformation

(1) Net debt impact (cash and scope)

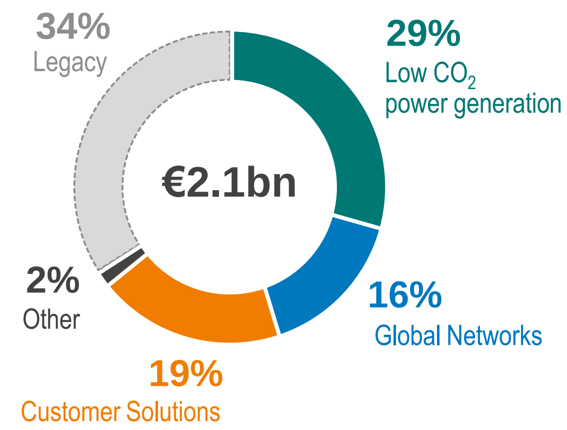
€1.4bn GROWTH CAPEX ON CORE STRENGTHS

BREAKDOWN BY NATURE

In €bn



GROWTH CAPEX BY *METIERS*

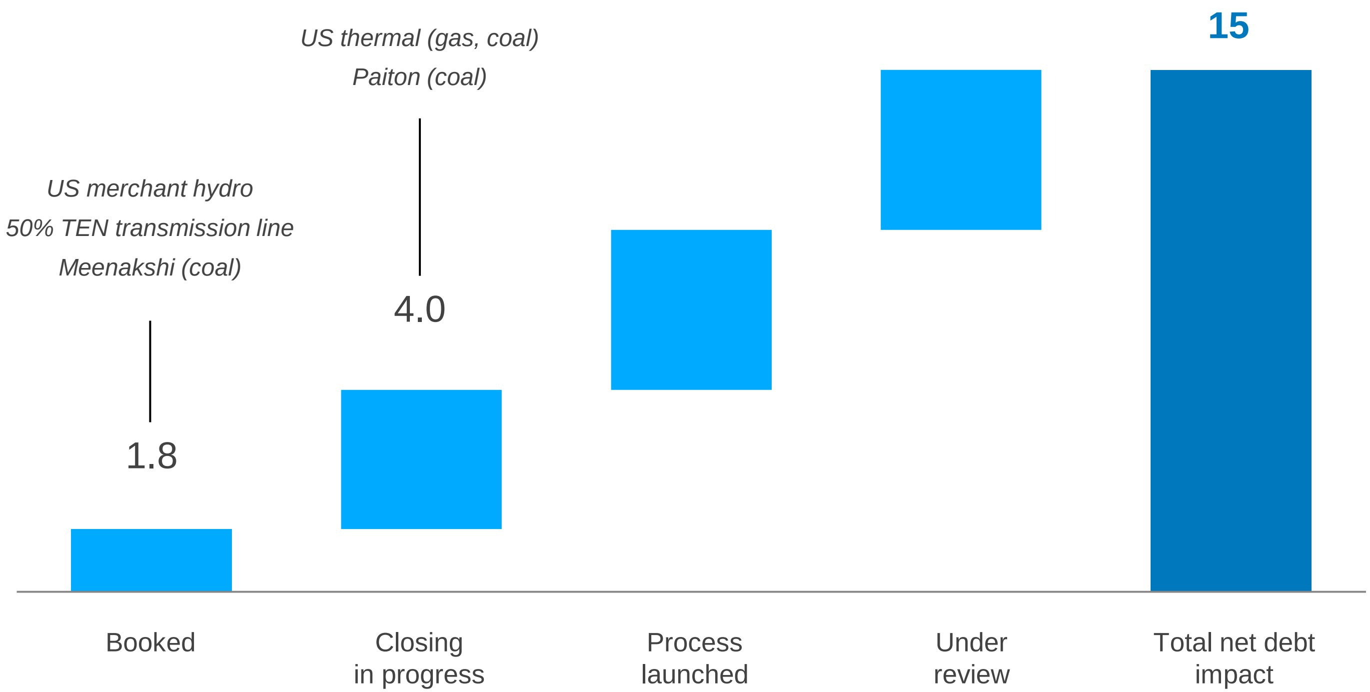


MAIN CONTRIBUTIONS	In €bn
Solairedirect	~0.2
Wind France	~0.2
Brazil	~0.1
GRTgaz	~0.2
GRDF	~0.1
OpTerra USA	~0.2
Green Charge Networks	~0.1

PORTFOLIO ROTATION PROGRAM PROGRESSING WELL

ALREADY ~40% ANNOUNCED & ~12% BOOKED

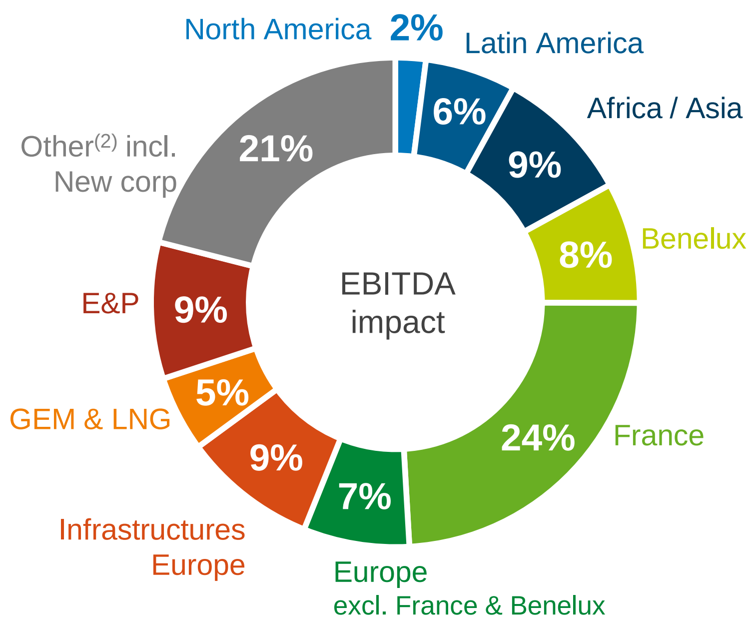
In €bn



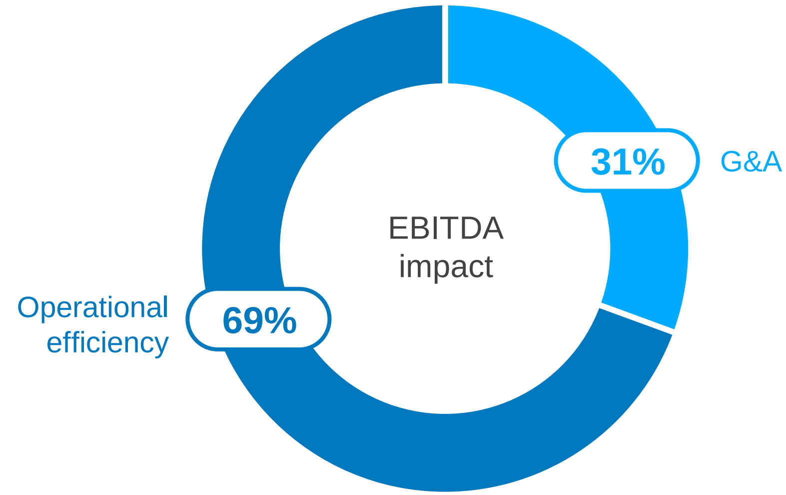
Redesigning & simplifying the portfolio

LEAN 2018: H1 CONTRIBUTION IN LINE WITH 2016 TARGET

H1 CONTRIBUTION(1) BY REPORTABLE SEGMENT



H1 CONTRIBUTION(1) BY LEVER

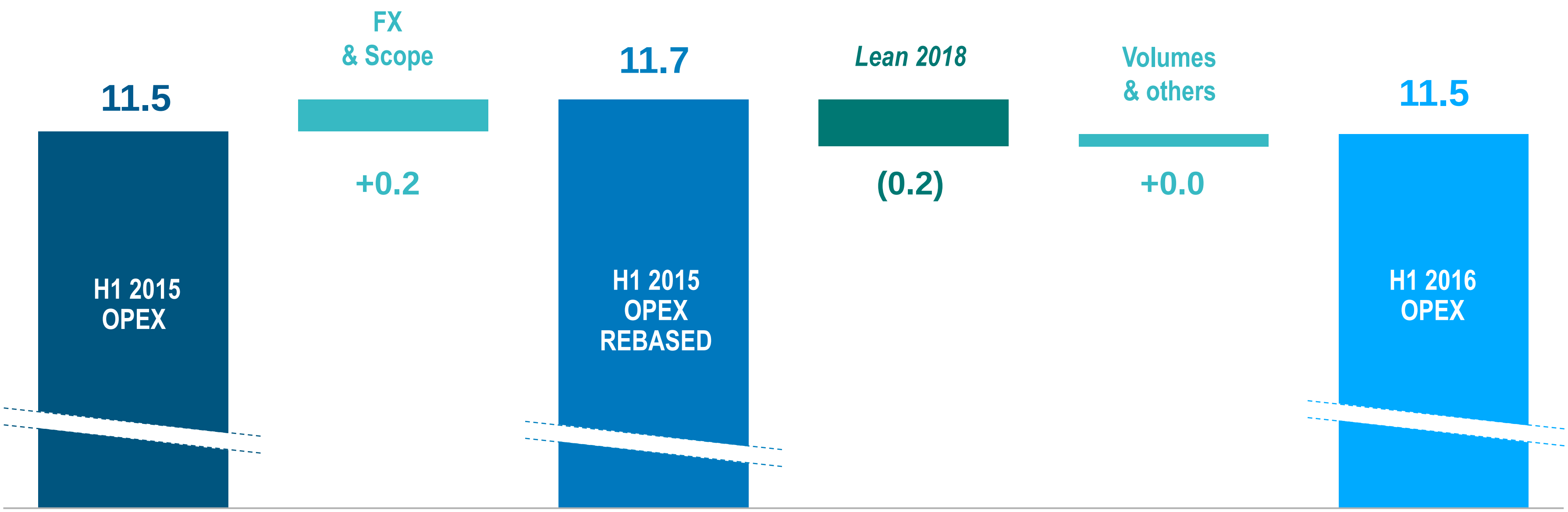


Driving internal transformation

(1) Based on gross contribution to EBITDA
(2) Segment Other includes Generation Europe, Tractebel Engineering, GTT, Other

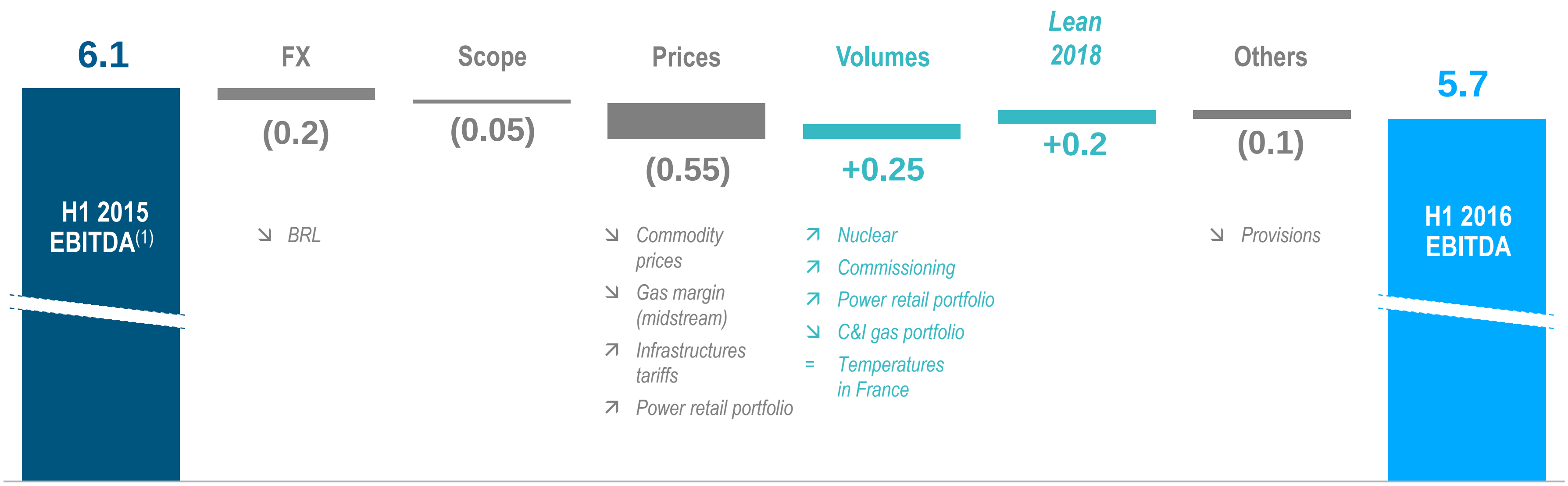
COST BASE BENEFITING FROM *LEAN 2018* SAVINGS

In €bn



H1 EBITDA IN LINE WITH FY 2016 INDICATION

By main effect
In €bn



(1) H1 2015 EBITDA has been restated in order to exclude non-recurring contribution of share in net income of entities accounted for using equity method

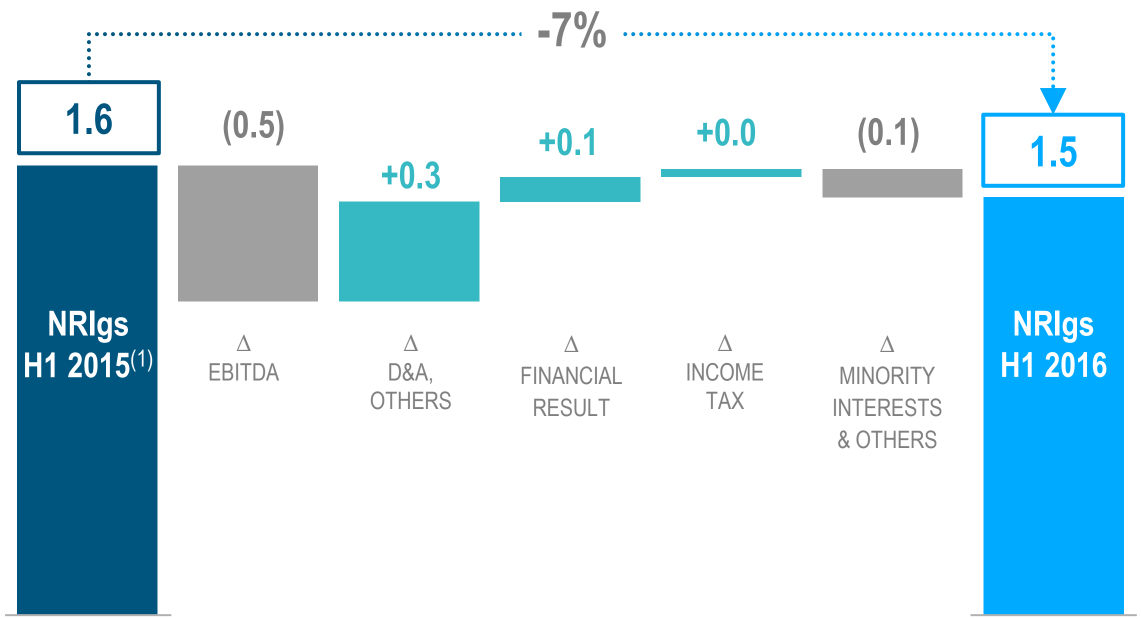
H1 EBITDA: REPORTABLE SEGMENTS WITH MAIN YOY VARIATIONS(1)

Africa / Asia -€0.06bn	Benelux +€0.25bn	GEM & LNG -€0.27bn	E&P -€0.07bn	Other -€0.08bn
↘ Availability coal plant (Australia)	↗ **Restart D3/T2**	↘ Limited spot opportunities Europe/Asia	↘ **Price**	↗ Thermal production
↘ Restructuring of a service agreement in 2015 (Middle East)	↗ Retail margin	↘ Lower gas prices	↗ Volumes (+1 mboe)	↘ 2015 provisions reversals
↗ Opex decrease	↘ Services activities	↘ Supply disruptions (Yemen)	↗ Opex decrease	↗ Opex decrease
	↗ Opex decrease	↘ **LT contracts renegotiation in 2015**		
		↗ Opex decrease		

(1) Organic variation ; Remaining 5 reportable segments yoy changes are not significant

H1 NET RECURRING INCOME IN LINE WITH 2016 GUIDANCE

In €bn

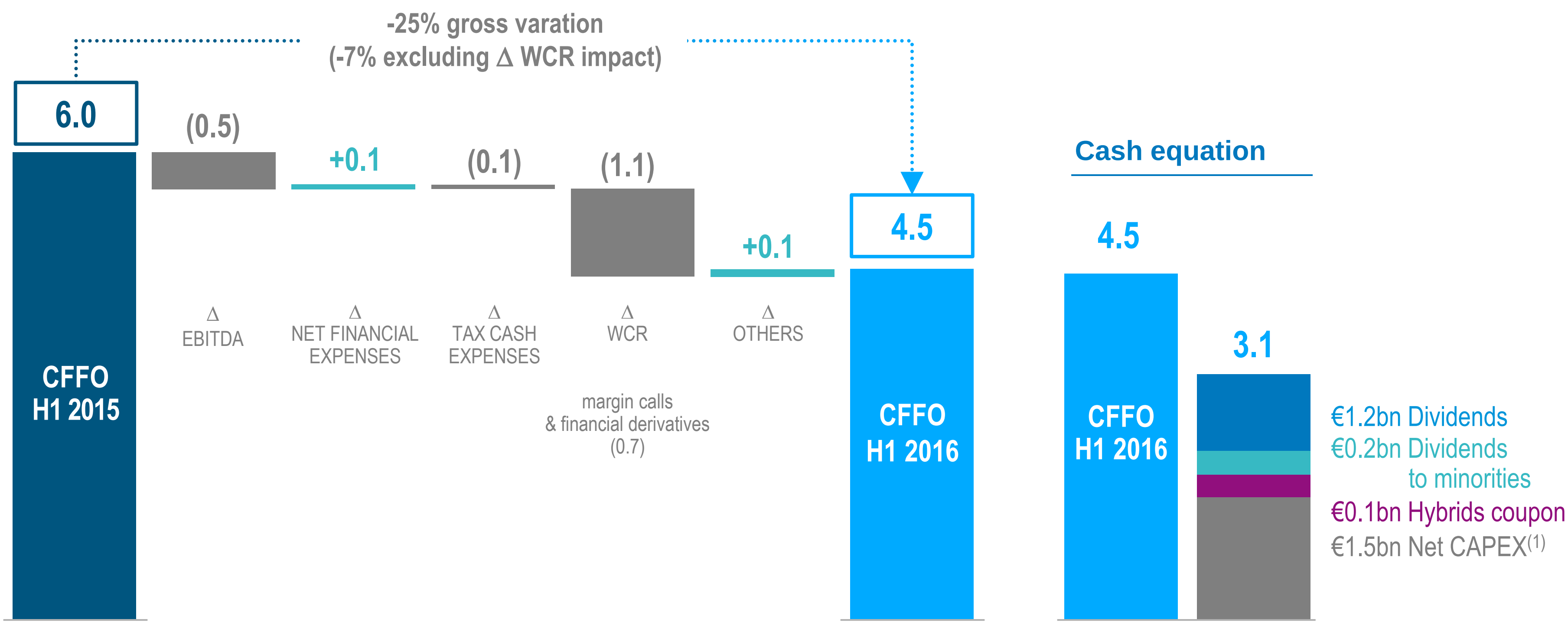


NRIgs H1 2016	**€1.5bn**
MtM below COI	+0.5
Impairments	-0.5
Others	-0.3
NIgs[(2)] H1 2016	**€1.2bn**

(1) H1 2015 NRIgs after integration of nuclear contribution (€177m) following agreement with Belgian government on November 30, 2015
(2) Net Income Group share

SOUND UNDERLYING CASH FLOW GENERATION

In €bn

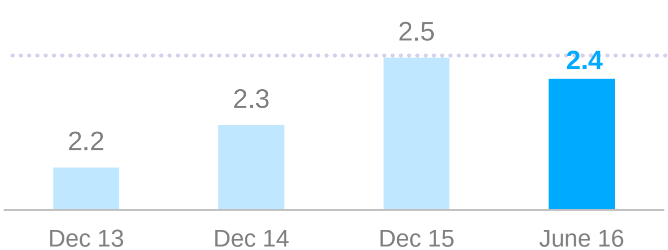


(1) Net CAPEX = gross CAPEX - disposals; (cash and net debt scope)

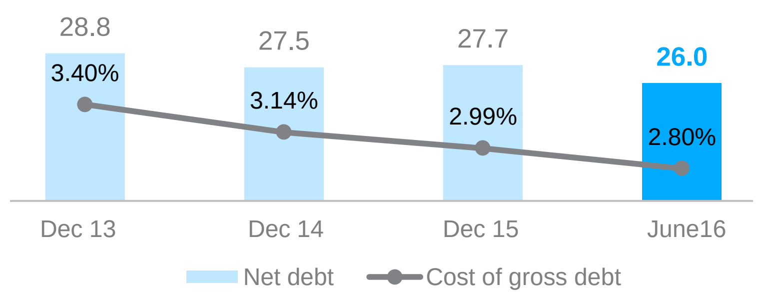
STRONG FINANCIAL STRUCTURE

- **Operational cash flow generation remains solid**
  - Year-on-year CFFO impacted by change in working capital (€-1.1bn) mainly due to margin calls and financial derivatives (€-0.7bn)
- **Net debt further reduced by €1.7bn**
  - Sound cash flow generation
  - First impact of the portfolio rotation program (€-1.8bn[1])
  - FX impact (€-0.3bn)
- **Average net debt maturity: 9.3 years**
- **Continuous decrease in average cost of gross debt**

Net debt/EBITDA ≤ 2.5x



Further decrease in net debt & cost of gross debt
in €bn



(1) Cash and scope impacts

CONCLUSION

- Robust H1 2016 figures
- FY 2016 financial targets[1] confirmed
  - NRIgs: €2.4 – 2.7 bn
    Indicative EBITDA[1] of €10.8 – 11.4bn[2]
  - Net debt/EBITDA ≤2.5x and "A" category rating
  - Dividend: €1/share, in cash
- Transformation plan well on track
- 2016 interim dividend of 0.50€/share to be paid on October 14, 2016

(1) Assuming average temperature in France, full pass through of supply costs in French regulated gas tariffs, no significant regulatory and macro economic changes, commodity prices assumptions based on market conditions as of December 31, 2015 for the non-hedged part of the production, and average foreign exchange rates as follow for 2016: €/$: 1,10 ; €/BRL: 4,59
(2) Assuming no significant scope out impact and assuming no change in the accounting treatment of the nuclear contribution in Belgium

Disclaimer

Forward-Looking statements

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FOR MORE INFORMATION ABOUT ENGIE

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FOR MORE INFORMATION ABOUT H1 2016 RESULTS, YOU WILL FIND ON http://www.engie.com/en/investors/results/2016-results/

Presentation	Appendices	Press Release	Recorded conference audiocast	**2016 First-half** Financial report	Analyst pack(1)

(1) Including power generation fleet as of June 30th, 2016