Press release

Financial information as of March 31, 2016

April 29, 2016

- **Organic growth at EBITDA and Current Operating Income** levels thanks to the restart of nuclear plants in Belgium last December, the commissioning of new assets and the first impacts of the *Lean 2018* performance program, in an adverse context marked by the **decrease in prices on energy markets** for merchant activities
- **Solid generation of operational cash flow**, impacted at CFFO level by margin calls and temporary WCR elements to the extent of EUR 1.5 billion
- **Net debt further reduced**
- **2016 annual targets confirmed**
- **Implementation of the strategy towards energy transition**, with notably new developments in solar and in green mobility (fuel gas)

In EUR billion	**March 31 2016**	March 31 2015	Variation vs. 03/31/2015 gross	Variation vs. 03/31/2015 organic*	**Variation vs. 03/31/2015 organic* w/o temperature impact**
Revenues	**18.9**	22.1	-14.3%	-13.3%	**-12.3%**
EBITDA	**3.5**	3.6	-1.7%	+2.3%	**+5.0%**
Current Operating Income[1]	**2.4**	2.4	+0.4%	+5.9%	**+10.1%**
Cash Flow From Operations[2]	**1.4**	3.1	-54.9%		
Net debt	**27.0**	**-€0.7 bn vs. 12/31/2015**			

** organic variation: gross variation without scope and forex effects*

Revenues as of March 31, 2016 were EUR 18,907 million, down -14.3% on a gross basis and -13.3% on an organic basis. This decrease is notably due to the drop in commodity prices which impact exploration/production activities, commercialization activities, gas and LNG purchase/sale activities and power production activities as well as to the mild temperatures in France over the first quarter while the first quarter of 2015 had been slightly cold.

EBITDA for the period was EUR 3,503 million, down -1.7% on a gross basis and up +2.3% on an organic basis compared to the end of March 2015. **Excluding temperature impact in France, organic EBITDA growth is +5.0%.**

[1] Including share in net income of associates

[2] Cash Flow From Operations (CFFO) = Free Cash Flow before maintenance capex

EBITDA for the period has been supported by the restart of Doel 3, Tihange 2 and Doel 1 in Belgium last December, the first impacts of the *Lean 2018* performance program, the commissioning of new assets and tariff increases in infrastructures that occurred during 2015.

These positive impacts are more than compensated by an unfavorable exchange rate effect (EUR -104 million, notably on the Brazilian real), the further degradation of prices on energy markets for merchant activities and the impact from temperature being warmer than seasonal averages in France.

Organic EBITDA performance is very contrasted between segments:

- EBITDA for the international segments, North America, Latin America and Africa/Asia is lower due to unfavorable price effects, notably in Brazil where the first quarter of 2015 benefitted from very high spot prices, to non-recurrent positive impacts in 2015 and to lower performance of coal assets in Australia. These impacts have been partially compensated by higher volumes produced in Peru and the commissioning of Mayakan gas pipeline in Mexico;
- EBITDA of Benelux benefits from the positive impact of the restart of Doel 3, Tihange 2 and Doel 1 nuclear plants end 2015;
- EBITDA of segment France (customer solutions of services and energy supply, and renewable electricity production) is lower due to the unfavorable impact from temperature, the loss in market shares in gas supply to professional clients. These effects are partially mitigated by higher electricity sales volumes and by higher results for the activity heating/cooling networks in services;
- EBITDA of segment Europe excluding France and Benelux decreases slightly due to the lower performance of distribution activities in Romania, which is partially compensated by a favorable price effect on the commercialization activity in Italy;
- EBITDA of segment Infrastructures is slightly higher thanks to tariff increases in transportation and distribution activities, despite milder temperatures in the first quarter;
- EBITDA of segments Global Energy Management and Global LNG benefits from the good results of the trading activity and the positive impact of the revision of gas supply conditions in 2015, which are only partially compensated by the drop in margins in LNG activity and the supply disruption from Yemen as from April 2015;
- EBITDA of Exploration/Production activities is lower due to the continued drop in oil and gas market prices partially compensated by increased production (15,6 Mboe vs. 14 Mboe);
- EBITDA of segment Other is higher organically. This stems mainly from thermal generation activities in Europe due notably to the commissioning of the Wilhelmshaven thermal plant in Germany.

Current Operating Income[3] (COI) reached EUR 2,395 million, increasing by +0.4% on a gross basis and by +5.9% on an organic basis compared with the end of March 2015, for the same reasons as for EBITDA, as well as due to the positive impact on depreciations from impairments booked in 2015.

As of March 31, 2016, **net debt reached EUR 27.0 billion**, **down EUR -0.7 billion from year-end 2015.** This improvement can be mainly explained by the operational cash generation of the quarter, a favorable exchange rate effect (EUR 0.4 billion) and by the first impacts of the portfolio rotation program (EUR 0.4 billion with mainly the creation of a partnership with the sale of 50% in the TEN project in Chile) with investments of EUR 1.4 billion over the period.
The Cash Flow From Operations, which amounts to EUR 1.4 billion over the first quarter, reflects on the one hand the solid generation of operational cash flow, and on the other hand the unfavorable evolution of WCR by EUR -1.5 billion mainly related to temporary effects related to margin calls and financial derivative instruments.

[3] Including share in net income of associates

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At the end of March 2016, the net debt/EBITDA ratio at 2.41 is in line with the target of a ratio lower or equal to 2.5. Average cost of gross debt slightly decreases compared with end of December at 2.95%.

These results are in line with the anticipated trajectory for the year and the Group confirms its 2016 financial targets[4]:

- a **Net Recurring Income Group share between EUR 2.4 and 2.7 billion**. This target is based on an indicative EBITDA range of EUR 10.8 to 11.4 billion, excluding significant scope impacts;
- a **net debt/EBITDA ratio less than or equal to 2.5x** and an **“A” category rating**;
- a **dividend of EUR 1 per share with respect to 2016**, payable in cash.

Significant events

Execution of the strategy

- 4 projects won in solar: 140 MW and 75 MW in India, 40 MW in Peru and 23 MW in Mexico
- In France, acquisition of 100% of MAÏA EOLIS which reinforces ENGIE’s leadership position in wind
- In Panama, signing of a contract to supply LNG to AES power plant
- In the Paris region, inauguration by *Compagnie Parisienne de Chauffage Urbain* (CPCU) of the conversion of a biomass boiler plant in Saint-Ouen
- Agreement on the price revision of long-term gas supply contracts with Gazprom
- In the United States, closing of the OpTerra acquisition, which reinforces ENGIE’s offer in innovative and differentiating energy services

Prepare the future

- Signing of a memorandum of understanding with SUSI Partners to finance grid-scale energy storage projects
- Investment in StreetLight Data, an industry-leading mobility analytics company to accelerate the development of smart cities
- The first new businesses borne by ENGIE employees are ready to hit the market
- Green mobility in Europe: an investment up to EUR 100 million to promote natural gas as a fuel for trucks in Europe by 2020
- In France, joint bid of ENGIE, EDP Renewables, Caisse des Dépôts and Eiffage to ADEME’s request for proposals for a pilot floating wind farm
- Social innovation: signing of an ambitious European social agreement to support implementation of the enterprise project
- ENGIE reinforces its international investment fund for promoting access to energy, “ENGIE Rassembleurs d’Energies”, increased to EUR 50 million

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[4] These targets and indications assume average weather conditions in France, full pass through of supply costs in French regulated gas tariffs, no significant regulatory and macro-economic changes, commodity price assumptions based on market conditions as of December 31st, 2015 for the non-hedged part of the production, and average foreign exchange rates as follows for 2016: €/$: 1.10; €/BRL: 4.59.

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REVENUES BY SEGMENT

Revenues *In EUR million*	**March 31 2016**	**March 31 2015**	**Gross variation**	**Organic variation**
North America	**826**	**856**	**-3.5%**	**-9.5%**
Latin America	**934**	**1,150**	**-18.8%**	**-6.7%**
Africa / Asia	**951**	**1,059**	**-10.2%**	**-10.4%**
Benelux	**2,697**	**2,656**	**+1.5%**	**+1.2%**
France	**6,453**	**7,116**	**-9.3%**	**-9.4%**
Europe excluding France & Benelux	**2,435**	**2,647**	**-8.0%**	**-1.4%**
Infrastructures Europe	**1,016**	**994**	**+2.2%**	**+2.3%**
GEM & GNL	**2,248**	**4,109**	**-45.3%**	**-45.3%**
E&P	**468**	**557**	**-16.0%**	**-12.5%**
Other	**879**	**928**	**-5.3%**	**-5.7%**
ENGIE Group	**18,907**	**22,073**	**-14.3%**	**-13.3%**

Since January 1, 2016, the Group is organized into 24 Business Units (BUs), according to a geographic principle. The new reporting of the Group presents these BUs according to 10 segments, as presented above.

Group revenues decreased by -14.3 % on a gross basis, with EUR -34 million scope effects (EUR -170 million for scope out effects related notably to the disposal of commercialization activities in Hungary in 2015 and EUR +136 million for scope in effects related to acquisitions in services including OpTerra early 2016) and EUR -249 million due to exchange rate fluctuations, mainly on the Brazilian real. Revenues decreased by -13.3 % on an organic basis.

Revenues for **international** segments decreased on a gross and organic basis. This mainly reflects lower sales prices for electricity produced in Brazil and in the United States, despite higher sales in Peru and the commissioning of the Mayakan gas pipeline in Mexico.

In Europe, **Benelux** revenues increased by +1.5% on a gross basis, due to the restart of Doel 3, Tihange 2 and Doel 1 end of last year, whose very favorable impact is somewhat mitigated by lower sales prices for commercialization activities. In **France**, revenues are negatively impacted by mild temperatures at the start of the year and by the decrease in market shares in gas for businesses. Revenues for the segment **Europe excluding France and Benelux** also decreased due to unfavorable temperatures in Italy, lower energy sales prices in Germany and lower distribution tariffs in Romania.

Revenues for **Infrastructures** increased by +2.2%, despite mild temperatures at the start of the year. This growth reflects the annual tariffs adjustment and the development of activities for third parties for gas distribution and transmission infrastructures in France.

Revenues for the segments **Global Energy Management and LNG** on the one hand, and **exploration-production** on the other hand, decreased by -45.3% and by -16.0% on a gross basis, respectively. This decrease is mainly explained by the drop in commodity prices, notably oil and gas. In exploration-production, the decrease in revenues is partly mitigated by higher volumes produced.

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Revenues for the segment Other also decreased. This is explained by lower sales prices for electricity produced by thermal plants in Belgium, in France, in Italy and in the United Kingdom.

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The March 31, 2016 financial information presentation used during the investor conference call is available to download from the Group's website:
http://www.engie.com/en/investors/results/2016-results/

UPCOMING EVENTS

- **May 3, 2016:** Shareholders meeting
- **May 9, 2016:** Final dividend payment (EUR 0.50 per share) for fiscal year 2015.
  Ex-dividend date is May 5, 2016.
- **June 28, 2016:** Investor workshop
- **July 28, 2016:** H1 2016 results publication

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ADDITIONAL ANALYSIS

COMPARABLE BASIS ORGANIC GROWTH ANALYSIS

In EUR million	03/31/2016	03/31/2015	Gross/Organic variation
Revenues	**18,907**	**22,073**	**-14.3%**
Scope effect Exchange rate effect	-136	-170 -249	
Comparable basis	**18,771**	**21,653**	**-13.3%**

In EUR million	03/31/2016	03/31/2015	Gross/Organic variation
EBITDA	**3,503**	**3,563**	**-1.7%**
Scope effect Exchange rate effect	9	-26 -104	
Comparable basis	**3,511**	**3,433**	**+2.3%**

In EUR million	03/31/2016	03/31/2015	Gross/Organic variation
Current Operating Income including share in net income of associates	**2,395**	**2,385**	**+0.4%**
Scope effect Exchange rate effect	12	-29 -82	
Comparable basis	**2,407**	**2,273**	**+5.9%**

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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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