Press release
July 28th, 2017

Half-year results in line with guidance
Confirmation of annual targets

- **Solid first half 2017 results, confirmation of 2017 annual targets** on the back of an acceleration of organic growth during the second quarter.

- **Ahead of schedule on the 2016-18 transformation plan:** the progress booked on the 3 programs (73% of the portfolio rotation program target reached, 85% of the investments program secured and 90% of the « *Lean 2018* » performance program identified) already prepares the new profile of the Group, more innovative, efficient and resilient (the target to reduce merchant exposure to less than 15% of total EBITDA is already achieved[1]).

- **Continued refocusing on the Group's growth engines** which already represent 90% of its EBITDA and register over the semester an **organic growth at EBITDA level** of 5.4%[2].

- **Dynamic commercial development**, marked by an acceleration in the customer solutions activities, with namely a number of acquisitions realised as well as numerous contracts gains, will fuel the Group's future growth.

- **Further reduction in net debt** compared to end December 2016, on the back namely of the portfolio rotation program.

In EUR billion	**June 30, 2017[3]**	June 30, 2016*	Δ H1 2017/16 gross	Δ H1 2017/16 organic[4]
Revenues	**33.1**	32.6	+ 1.6%	+ 2.6%
EBITDA	**5.0**	5.0	- 0.1%	+ 4.0%
Current Operating Income[5]	**3.0**	3.2	- 4.4%	+ 2.5%
Net recurring income Group share[6] continued activities	**1.4**	1.4	+ 1.1%	+ 12.7%
Net recurring income Group share[7]	**1.5**	1.5	+ 4.2%	+ 15.5%
Net income, group share	**1.3**	1.2	+ 3.5%	na
Cash Flow From Operations[8]	**3.5**	4.7	EUR -1.1 bn	na
Net debt at June 30, 2017 *Net debt excluding internal E&P debt*	**22.7** *20.9*		EUR -2.1 bn versus 12/31/2016 *EUR -3.9 bn versus 12/31/2016*	

*** *2016 data restated following ENGIE E&P International treatment as « discontinued operations » as from May 11, 2017*

- **Confirmation of the 2017 annual targets[9], without change in the accounting of E&P:**
  - a **net recurring income Group share between EUR 2.4 and 2.6 billion**, **expected at mid-range**;
  - a **net debt/EBITDA ratio less than or equal to 2.5x** and an **« A » category rating**;
  - a **dividend of EUR 0.70 per share with respect to 2017**, paid in cash[10].

- **After taking into account the IFRS 5 treatment related to E&P,** the net recurring income, Group share target is based on an **indicative EBITDA range of EUR 9.3 to 9.9 billion**.

- **2017 interim dividend** of **EUR 0.35 per share** to be paid for fiscal year 2017 on October 13, 2017.

N.B. Footnotes are on page 6.

During the first half results presentation, Isabelle Kocher, Chief Executive Officer of ENGIE, stated: *« The first half of 2017 was marked by a strong commercial dynamic and a very good performance of our growth engines – low carbon generation (renewable and thermal contracted), infrastructures and customer solutions –, which represent today 90% of our EBITDA. These solid and encouraging results are the fruit of the commitment of our teams all over the world. They prove the progress we have made at every level in our 3-year transformation plan. They also allow us to confirm the targets set for 2017 and the Group's strategic choices to secure its future growth ».*

Analysis of financial data

Revenues of EUR 33.1 billion

Revenues increased by 1.6% on a reported basis to EUR 33.1 billion and by 2.6% on an organic basis compared with first half 2016. Adjusted for the unfavorable evolution of temperatures in France, which have been less cold this semester compared to the same period last year, the organic growth amounts to 3.0%. Organic revenue growth was driven by an increase in commodity volumes sold in the midstream gas and LNG business in Europe, an improved performance by the thermal power generation plants in Europe and Australia, the impact of new assets commissioned and price rises in Latin America, and the impact of the 2016 price revisions in the infrastructure business in France. These positive developments were partially offset by a fall in sales of natural gas to BtoC and BtoB customers in France and by a decrease in renewable energy generation in France, mainly hydro.

EBITDA of EUR 5.0 billion

EBITDA amounted to EUR 5.0 billion, globally stable (-0.1%) on a reported basis but up 4.0% on an organic basis. On this organic basis, EBITDA is driven by the positive impacts of (i) the *Lean 2018* performance program, (ii) the sustained performance of the Group's growth engines, (iii) the commissioning of new assets in Latin America and (iv) a good performance of thermal power generation activities in Europe and Australia. These positive factors were partially offset by the impact of lower renewable energy generation in France, a less favorable temperature effect in France and the shutdown of the Tihange 1 nuclear power plant in Belgium from September 2016 to May 2017. The difference between reported and organic evolution is due on the one hand to negative scope effects, mainly linked to the disposal of merchant power generation assets in the United States in June 2016 and in February 2017, and to the disposal of the Paiton power plant in Indonesia end of 2016, coupled with the recognition in EBITDA of the nuclear contribution in Belgium. On the other hand, foreign exchange rates had a positive impact, mainly due to the appreciation of the Brazilian real and the US dollar against the euro.

EBITDA for North America segment showed a strong organic growth thanks to a good performance from the US retail business coupled with cost savings.

EBITDA for Latin America segment was up sharply due to the commissioning of new assets in Mexico and Peru, price revisions in Mexico and Argentina, and an increase of the contribution in our hydroelectric power activities in Brazil.

EBITDA for Africa / Asia segment was up, driven mainly by the Fadhili power plant contract won in Saudi Arabia, improved gas distribution margins in Thailand, and a good performance from Australian assets due to electricity price increases. These factors were partially offset by lower availability of assets in Thailand and Turkey.

EBITDA for Benelux segment was down mainly due to the non-scheduled shutdown of Tihange 1 from early September 2016 to the end of May 2017, as well as a decrease in electricity sale prices compared with first half 2016. These impacts were partially offset by a good performance in gas and electricity sales activities in Belgium, coupled with cost savings driven by the *Lean 2018* program.

EBITDA for France segment declined organically due to a decrease in wind and hydro renewable energy generation and lower volumes and margins in the retail gas business. These impacts were partially offset by higher volumes sold in the retail electricity market and a good performance from the networks activities.

EBITDA for Europe excluding France and Benelux segment was up sharply on an organic basis (16%) due to an improvement in margins captured by the First Hydro power plants in the United Kingdom, favorable weather conditions in Romania and cost savings driven by the *Lean 2018* program.

EBITDA for Infrastructures Europe segment increased slightly organically, thanks to the increase in revenues driven by the positive impact of the tariffs increases in transport and distribution activities in France in 2016, partially offset by lower storage capacity sales in France.

EBITDA for Global Energy Management and Global LNG segment was down, mainly due to negative price impacts and difficult gas supply conditions in the south of France during the cold snap in January 2017. This was partially offset by the positive impact of a recent price revision to a long-term LNG supply contract.

EBITDA for the Other segment was up sharply on an organic basis driven mainly by a good performance from gas fired thermal power generation in Europe and from BtoB electricity sales in France.

Current Operating Income of EUR 3.0 billion

Current operating income[11] amounted to EUR 3.0 billion, down 4.4% on a reported basis but up 2.5% on an organic basis compared with first half 2016, for the same reasons as those given above for EBITDA. Depreciation expense for the period was higher than the previous year following the three-yearly review of dismantling obligations related to Belgian nuclear power plants at the end of 2016.

Net recurring income Group share of EUR 1.5 billion and net income Group share of EUR 1.3 billion

Net recurring income Group share amounted to EUR 1.5 billion, stable compared with first half 2016. It includes EUR 103 million of net recurring income Group share from ENGIE E&P International activities classified in "Discontinued operations".

Net recurring income Group share relating to continued operations amounted to EUR 1.4 billion for the six months ended June 30, 2017, up 1.1% compared with first half 2016, driven by an improvement in recurring financial result.

Net income Group share amounted to EUR 1.3 billion for first half 2017.

Net income Group share relating to continued operations amounted to EUR 1.3 billion for the six months ended June 30, 2017, stable compared with first half 2016. It includes the negative impacts of fair value adjustments to hedges of commodity purchases and sales, and charges to restructuring provisions, which were partially offset by the positive impacts of (i) a reduction in the cost of debt, (ii) lower impairment losses net of deferred tax than the previous year, and (iii) gains on disposals.

Net debt at EUR 22.7 billion

Net debt stood at EUR 22.7 billion at June 30, 2017, down EUR 2.1 billion since December 31, 2016, mainly due to cash flow from operations and the impacts of the portfolio rotation program, including the closing of the sale of the thermal merchant power plants portfolio in the United States and in Poland, and the disposal of interests in Opus Energy in the United Kingdom and Petronet LNG in India. These items were partially offset by the gross investments over the period and by the dividends paid to ENGIE SA shareholders and to non-controlling interests.

Cash Flow From Operations (CFFO) amounted to EUR 3.5 billion, down EUR 1.1 billion compared with the six months ended June 30, 2016. This evolution includes robust operating cash flow, but was adversely impacted by higher restructuring costs, dispute settlements and a lower change in working capital due mainly to trends in gas inventories in France as temperatures were milder than in first-half 2016.

At June 30, 2017, the net debt (excluding internal E&P debt) to EBITDA ratio came out at 2.20, in line with the target of a ratio lower than or equal to 2.5x. The average cost of gross debt reaches 2.65%, slightly down since end of December 2016.

At end June 2017, the Group posted a high level of liquidity of EUR 19.5 billion, of which EUR 11.4 billion was held in cash.

In April 2017, S&P rating agency confirmed ENGIE´s long term credit rating of A- with negative outlook. In June 2017, Moody´s rating agency confirmed ENGIE´s long term credit rating of A2 with stable outlook.

Significant progress on transformation plan

The transformation plan keeps progressing at a very sustained rhythm.

On the **portfolio rotation program** (EUR 15 billion net debt impact targeted over 2016-18), ENGIE has announced to date EUR 11 billion of disposals (i.e. 73% of total program), of which EUR 8.0 billion already accounted for at June 30, 2017. On May 11, 2017 ENGIE entered into exclusive negotiations for the sale of its 70% interests in Exploration & Production International ("EPI"); it is a major milestone in the Group´s transformation plan that contributes to significantly reduce the share of activities exposed to commodity prices in its EBITDA.

On the **investments program** (EUR 14 billion growth capex over 2016-18, excluding E&P capex), around EUR 12 billion are already committed, of which EUR 6.4 billion were invested by end of June 2017. In particular, ENGIE carried out acquisitions in customer solutions activities: Keepmoat Regeneration (UK leading provider of buildings regeneration services for local authorities) and EV Box (largest European electric vehicle charging player) in March; 100% of La Compagnie du Vent and a 30% stake in Unisun (Chinese solar photovoltaic company) in April; Icomera (Swedish company leader in onboard communication solutions for public transport) in May. In June, the Group announced the acquisition of a 40% stake in Tabreed, leader in district cooling in the Middle East (operation not yet closed).

As regards the ***Lean 2018* performance plan** (EUR 1.2 billion of savings by 2018), more than EUR 0.7 billion of net gains were already recorded at EBITDA level by June 30, 2017 (cumulated impact since the beginning of the program), which is in line with the target of a cumulated impact of EUR 0.85 billion at end 2017.

Significant events

Develop low CO_2 power generation activities

From January, 1st to June, 30th 2017:

- Construction in Indonesia of the first ENGIE geothermal power generation plant in the world;
- Fadhili independent power project awarded in Saudi Arabia;
- Announcement of the closing of asset disposals in the United States and in Asia;
- Nearly 78 MW of photovoltaic projects won in France, strengthening ENGIE´s leading position in photovoltaic solar in the country;
- Acquisition of 100% of La Compagnie du Vent;
- 338 MW solar project won in India;
- In China, 30% equity investment through capital increase in UNISUN, a solar photovoltaic (PV) company;
- ENGIE and EDPR bidding in the third offshore wind call for tenders in Dunkirk;
- Successful issuance of a second Green Bond of EUR 1.5 billion;
- Transfer to Toshiba of ENGIE's 40% stake in NuGen project in the UK;
- Mexican Ministry of Energy awards three geothermal exploration permits: a key step forward for ENGIE and Reykjavik Geothermal.

Develop global networks, mainly gas

From January, 1st to June, 30th 2017:

- SUEZ, ENGIE and CHRYSO join forces for the 1st industrial processing of liquefied biomethane issued from used waters in France;
- Signing of a financing agreement for Nord Stream 2;
- Ship-to-ship LNG bunkering service started in the port of Zeebrugge.

Since July, 1st 2017:

- On July, 18th 2017, ENGIE, Société d'Infrastructures Gazières ("SIG", held by CNP Assurances and Caisse des Dépôts) and GRTgaz have signed the acquisition of Elengy (a wholly-owned subsidiary of ENGIE operating LNG terminals) at 100% by GRTgaz (the French natural gas transmission operator, owned 75% by ENGIE and 25% by SIG).

Develop integrated solutions for its clients

From January, 1st to June, 30th 2017:

- Collaboration with Schneider Electric to digitize the energy sector;

- Acquisition of Keepmoat Regeneration, which enables ENGIE to become the leading provider of regeneration services for local authorities in the United Kingdom;
- ENGIE signed up to the capital increase of SUEZ in the context of its acquisition of GE Waters & Process Technologies, to the extent of its stake in SUEZ, namely around EUR 244 million;
- Acceleration of the installation of Natural Gas Vehicles (NGV) stations, with the opening of more than 20 new stations in France over the coming twelve months;
- Acquisition of EV-Box, the largest European electric vehicle charging player;
- 100% of the projects presented in the context of the auction of the French energy regulation Commission on photovoltaic self-consumption have been won by ENGIE;
- ENGIE has been chosen by the shipyard MV Werften for the construction of 2 XXL cruise ships;
- ENGIE and Axium secure 50-year comprehensive energy management contract with the Ohio State University in the United States;
- ENGIE launched its home energy (B2C) business in the United Kingdom;
- Acquisition of Icomera, specialist of onboard communications solutions for public transport;
- ENGIE announced the acquisition of a 40% stake in Tabreed from Mubadala and becomes worldwide leader of independent district cooling;
- ENGIE wins major contract with Transport for London.

Since July, 1st 2017:

- Carrefour and ENGIE join forces to develop biomethane in France.

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Footnotes :

[1] E&P disposal taken into account.

[2] Unaudited figure.

[3] Belgian nuclear contribution now included in EBITDA.

[4] Excluding forex and scope.

[5] Including share in net income of associates.

[6] Excluding restructuring costs, MtM, impairments, disposals, other non-recurring items, including financial and fiscal ones, and associated tax impacts

[7] Excluding restructuring costs, MtM, impairments, disposals, other non-recurring items, including financial and fiscal ones, and associated tax impacts.

[8] Cash Flow From Operations (CFFO) = *Free Cash Flow* before maintenance capex.

[9] These targets assume average weather conditions in France, full pass through of supply costs in French regulated gas tariffs, and unchanged Group accounting principles for supply and logistic gas contracts no significant regulatory and macro-economic changes, commodity price assumptions based on market conditions as of December 31st, 2016 for the non-hedged part of the production, and average foreign exchange rates as follows for 2017: €/$: 1.07; €/BRL: 3.54. These financial objectives include the impact of the Belgian nuclear contribution on EBITDA and do not consider significant impacts on disposals not yet announced as at March 2nd, 2017 (date of annual results publication).

[10] The Board of Directors has decided the payment of an interim dividend of EUR 0.35 per share for 2017, which will be paid on October 13th.

[11] Including share in net income of associates.

EBITDA BY REPORTABLE SEGMENT

EBITDA *In millions of euros*	**June 30 2017**	**June 30 2016**	**Gross variation**	**Organic variation**
North America	79	216	*- 63.6%*	*+ 26.0%*
Latin America	919	725	*+ 26.7%*	*+ 14.4%*
Africa / Asia	685	584	*+ 17.3%*	*+ 24.2%*
Benelux	242	488	*- 50.4%*	*- 37.2%*
France	828	938	*- 11.8%*	*- 13.7%*
Europe excl. France & Benelux	378	347	*+ 9.0%*	*+ 16.2%*
Infrastructures Europe	1,884	1,866	*+ 1.0%*	*+ 1.0%*
GEM & LNG	-82	-39	*- 109.3%*	*- 84.4%*
Other	96	-92	*+ 204.3%*	*+ 224.2%*
ENGIE Group	**5,028**	**5,033**	***- 0.1 %***	***+ 4.0 %***

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The presentation of H1 results and the half year financial report, including the management report, consolidated financial statements and notes, are available on our website :
http://www.engie.com/en/investors/results/results-2017/

UPCOMING EVENTS

- **October 13, 2017:** 2017 interim dividend of EUR 0.35 per share to be paid for fiscal year 2017.
  Ex-dividend date is October 11, 2017.
- **November 9, 2017:** Publication of results as of September 30, 2017, before market opening

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, 2016 (under number D.16-0195). 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 is committed to take on the major challenges of the energy revolution, towards a world more decarbonised, decentralised and digitised.
The Group aims at becoming the leader of this new energy world by focusing on three key activities for the future: low carbon generation in particular from natural gas and renewable energies, energy infrastructures and efficient solutions adapted to all its clients' needs (individuals, businesses, territories, etc.). The customers' satisfaction, innovation and digital are at the heart of ENGIE's development.
ENGIE is active in around 70 countries, employs 150,000 people worldwide and achieved revenues of €66.6 billion in 2016. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, BEL 20, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe) and non-financial indices (DJSI World, DJSI Europe and Euronext Vigeo Eiris - World 120, Eurozone 120, Europe 120, France 20, CAC 40 Governance).

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ENGIEgroup

Income statement and cash flow statement data for the six months to June 30, 2016 have been restated following the classification of ENGIE E&P International as "Discontinued operations" on May 11, 2017 (*see Note 2.1.1 "Plan to divest the exploration-production business" to the interim condensed consolidated financial statements*). A reconciliation of the reported data with the restated comparative data is presented in Note 12 "Restatement of 2016 comparative data" to the interim condensed consolidated financial statements.

SUMMARY STATEMENTS OF FINANCIAL POSITION

In €bn

ASSETS	12/31/2016	6/30/2017	LIABILITIES	12/31/2016	6/30/2017
NON CURRENT ASSETS	98.9	91.9	Equity, Group share	39.6	38.0
			Non-controlling interests	5.9	5.8
CURRENT ASSETS	59.6	54.3	TOTAL EQUITY	45.4	43.8
of which financial assets valued at fair value through profit/loss	1.4	1.7	Provisions	22.2	20.8
of which cash & equivalents	9.8	10.9	Financial debt	36.9	35.9
			Other liabilities	53.9	45.7
TOTAL ASSETS	158.5	146.2	TOTAL LIABILITIES	158.5	146.2

H1 2017 Net Debt €22.7bn = Financial debt of €35.9bn - Cash & equivalents of €10.9bn - Financial assets valued at fair value through profit/loss of €1.7bn - Assets related to financing of €0.1bn (incl. in non-current assets) - Derivative instruments hedging items included in the debt of €0.5bn

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SIMPLIFIED SUMMARY INCOME STATEMENT

In €m	H1 2016(1)	H1 2017
REVENUES	**32,574**	**33,098**
Purchases	-18,224	-18,898
Personnel costs	-5,149	-5,068
Amortization depreciation and provisions	-1,897	-1,771
Other operating incomes and expenses	-4,383	-4,496
Share in net income of entities accounted for using the equity method	253	169
CURRENT OPERATING INCOME after share in net income of entities accounted for using the equity method	**3,174**	**3,036**
MtM, impairment, restructuring, disposals and others	60	-337
INCOME FROM OPERATING ACTIVITIES	**3,234**	**2,698**
Financial result	-675	-626
of which recurring cost of net debt	-384	*-339*
of which non recurring items included in financial income/loss	-88	*-157*
of which others	-203	*-130*
Income tax	-898	-366
of which current income tax	-719	*-517*
of which deferred income tax	-180	*151*
Non-controlling interests relating to continued operations	-379	-418
Net income/(loss) relating to discontinued operations, Group share	**-44**	**-7**
NET INCOME GROUP SHARE	**1,237**	**1,281**
EBITDA	**5,033**	**5,028**

(1) H1 2016 restated for IFRS 5 (E&P accounted as discontinued operations)

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CASH FLOW STATEMENT

In €m	H1 2016[1]	H1 2017
Gross cash flow before financial loss and income tax	4,928	4,425
Income tax paid (excl. income tax paid on disposals)	-385	-555
Change in operating working capital	366	-135
Cash flow from (used in) operating activities relating to continued operations	**4,909**	**3,736**
Cash flow from (used in) operating activities relating to discontinued operations	**-116**	**259**
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**4,793**	**3,995**
Net tangible and intangible investments	-2,190	-2,286
Financial investments	-467	-1,305
Disposals and other investment flows	1,390	3,981
Cash flow from (used in) investment activities relating to continued operations	**-1,267**	**390**
Cash flow from (used in) investment activities relating to discontinued operations	**-424**	**-271**
CASH FLOW FROM (USED IN) INVESTMENT ACTIVITIES	**-1,692**	**119**
Dividends paid	-1,567	-1,622
Share buy back	1	5
Balance of reimbursement of debt/new debt	-1,488	-216
Net interests paid on financial activities	-395	-369
Capital increase/hybrid issues	1	48
Other cash flows	-475	-744
Cash flow from (used in) financial activities relating to continued operations	**-3,923**	**-2,898**
Cash flow from (used in) financial activities relating to discontinued operations	**68**	**5**
CASH FLOW FROM (USED IN) FINANCIAL ACTIVITIES	**-3,855**	**-2,892**
Impact of currency and other relating to continued operations	95	-134
Impact of currency and other relating to discontinued operations	1	37
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**9,183**	**9,825**
TOTAL CASH FLOWS FOR THE PERIOD	-657	1,124
Reclassification of cash and cash equivalents relating to discontinued operations	-	-21
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**8,526**	**10,928**

(1) H1 2016 restated for IFRS 5 (E&P accounted as discontinued operations)

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REVENUES BY GEOGRAPHIC REGION BY DESTINATION

In €m	H1 2016[1]	H1 2017	Δ 17/16
France	12,708	13,053	*+2.7%*
Belgium	5,008	5,108	*+2.0%*
SUB-TOTAL FRANCE-BELGIUM	**17,716**	**18,161**	*+2.5%*
Other EU countries	**7,501**	***7,234***	*-3.5%*
of which Italy	1,639	*1,311*	*-20.0%*
of which UK	2,079	*2,052*	*-1.3%*
of which Germany	1,086	*1,310*	*+20.6%*
of which Netherlands	1,059	*1,107*	*+4.5%*
Other European countries	**536**	***603***	*+12.5%*
SUB-TOTAL EUROPE	**25,753**	**25,999**	*+1.0%*
North America	2,191	1,907	*-13.0%*
SUB-TOTAL EUROPE & NORTH AMERICA	**27,944**	**27,906**	*-0.1%*
Asia, Middle East and Oceania	2,653	2,872	*+8.3%*
South America	1,852	2,154	*+16.3%*
Africa	125	167	*+33.6%*
TOTAL	**32,574**	**33,098**	***+1.6%***

(1) H1 2016 restated for IFRS 5 (E&P accounted as discontinued operations)

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