Press release
May 5, 2017

Financial information as of March 31, 2017

- First quarter 2017 **in line with the Group's expected trajectory** given timing impacts of a number of drivers
- **First quarter 2017 has been driven by a sustained performance of Group's growth engines** (around 5% on a gross basis at the Current Operating Income level) and by a temporary lower hydro, nuclear and hydrocarbon power production.
- **Full year guidance confirmed**
- **Solid cash generation** and net debt further decreased mainly due to the effects of the **portfolio rotation program**
- Further progress in the Group's transformation and important operational successes

In bn€	March 31 2017	March 31 2016	Variation vs. 03/31/16 gross	Variation vs. 03/31/16 organic[1]
Revenues	**19.5**	18.9	+3.2%	+3.1%
EBITDA	**3.3**	3.5	-5.9%	-3.6%
Current Operating income[2]	**2.2**	2.4	-8.5%	-4.6%
Cash Flow From Operations[3]	**2.5**	1.4	EUR +1.1 bn	
Net debt	**20.4**	EUR –4.4 bn vs. 31/12/2016		

Revenues as of March 31, 2017 were EUR 19,513 million, up +3.2% on a gross basis and +3.1% on an organic basis. This growth is notably due to the increase of gas purchase/sale activities, to the commissioning of new assets in Latin America (Mexico and Peru) and to tariffs revisions for gas infrastructures. It is also driven by the performance of thermal gas generation activities in Europe as well as by a slightly favorable temperature impact, temperatures in France being less warm over the first three months of 2017 compared to the same period last year. This increase is also due to favorable price effects that did not impact the margins.

EBITDA for the period was EUR 3,297 million, down -5.9% on a gross basis and -3.6% on an organic basis, impacted by unfavorable scope effects as well as by a decrease of hydro production in France, by hydrocarbon production and by the shutdown of the Tihange 1 nuclear power plant since September 2016.

[1] Excluding scope and forex effects
[2] Including share in net income of associates
[3] Cash Flow From Operations (CFFO) = Free Cash Flow before maintenance capex

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These effects are partially compensated by the sustained performance of the Group's growth engines, by the activities of thermal gas generation activities in Europe and by a favorable foreign exchange effect.

Organic EBITDA performance is very contrasted between segments:

- **EBITDA for the North America segment** decreases due to lower performance of power generation activities compensated by a better performance of commercialisation activities as well as costs savings;
- **EBITDA for the Latin America segment** is sharply up thanks to the commissioning of new assets in Mexico and Peru, to tariffs revisions in Mexico and in Argentina and to improved performance of hydro power plants in Brazil;
- **EBITDA for the segment Africa/Asia** is up thanks to the good performance of assets in Australia due to the increase in power prices, to the commissioning of the AzZour North power plant in the Middle East, partly compensated by lower availability of assets in Thailand;
- **EBITDA for the segment Benelux** is sharply down, mainly due to the shut down of the Tihange 1 power plant since September 2016 and to lower power sales prices compared to the first quarter of 2016. These effects are partly compensated by the good performance of gas and power commercialisation activities in Belgium;
- **EBITDA for the segment France** is down due to lower power generation from renewables, mainly hydro, as well as to lower volumes and gas commercialisation margins for B2C customers. These effects are partially compensated by higher power commercialisation volumes for the B2C segment and by improved performance of services activities for B2B clients and of network activities;
- **EBITDA for the segment Europe excluding France and Benelux** is up due to improved margins captured on First Hydro power plants in the United Kingdom as well as to favorable weather conditions in Romania;
- **EBITDA for the segment Infrastructures Europe** increases thanks to higher revenues related to the positive impact from tariffs increases for Transportation and Distribution activities in the course of 2016, partly compensated by lower volumes and prices achieved at Storengy;
- **EBITDA for the segment GEM & LNG** is sharply down compared to end of March 2016, mainly due to negative price effects and to difficult gas sourcing conditions in the South of France in January 2017 during the cold snap;
- **EBITDA for the segment Exploration & Production** is down due to hydrocarbon production decreasing by -2.2 Mboe (13.4 Mboe at end March 2017 versus 15.6 Mboe at end March 2016) related namely to the shutdown for modernization of the Njørd platform in Norway and to natural fields depletion in the Netherlands and in Germany. This decrease in volumes is partly compensated by the increase in prices;
- **EBITDA for the segment Other** is sharply up compared to the end of March 2016, mainly due to the good performance of thermal gas generation activities in Europe and of power commercialization activities to professional clients in France.

Current Operating Income reached EUR 2,192 million, down -8.5% on a gross basis and -4.6% on an organic basis compared to the end of March 2016, for the same reasons as for EBITDA, depreciation remaining stable compared to the first quarter 2016.

As of March 31, 2017, net debt reached EUR 20.4 billion, down EUR -4.4 billion from year-end 2016, mainly due to the effects of the **portfolio rotation program** (EUR 3.4 billion) namely with the closing of the sale of thermal merchant activities in the United States in February 2017, which reduced net debt by EUR 3.1 billion.

The cash flow from operations (CFFO) stands at EUR 2.5 billion over the first quarter of 2017, increasing by 1.1 billion Euros compared to the end of March 2016. This year-on-year evolution reflects, on the one hand, a solid operational cash flow generation and, on the other hand, a favorable evolution of WCR variation of 1.5 billion Euros (mainly linked to margin calls and financial instruments derivatives), sharply improved regarding the situation at the end of March 2016.

At end March 2017, the **net debt/EBITDA ratio** at 1.95x is well below the target of ≤2.5x. The Group's average cost of gross debt slightly decreased compared to end December at 2.74%.

The Group confirms its 2017 financial targets[4]:

- **Net Recurring Income Group share** between EUR 2.4 and 2.6 billion. This target is based on estimated EBITDA between EUR 10.77 and 11.3 billion;
- a **net debt/EBITDA ratio** less than or equal to 2.5x and an "A" category rating;
- a **dividend of EUR 0.7/share**, in cash, for fiscal year 2017.

Significant events

Develop low CO_2 activities

- *From 1st of January to 31st of March 2017:*
- Construction in Indonesia of the first geothermal power generation plant in the world;
- Fadhili independent power project awarded in Saudi Arabia;
- Announcemnt of the closing of asset disposals in the United States and in Asia;
- ENGIE won nearly 78 MW of photovoltaic projects in France, strengthening its leading position in solar in the country;

- *As from 1st of April 2017:*
- Acquisition of 100% of La Compagnie du Vent in France;
- 338 MWp solar project won in India;
- ENGIE steps in solar activity in China through a 30% equity investment in UNISUN, a solar photovoltaic company;
- ENGIE and EDPR bidding in the third offshore wind call for tenders in Dunkirk in France;
- Successful issuance of a second Green Bond of 1.5 billion Euros;
- Decision to transfer its 40% stake in NuGen project in the UK to Toshiba.

Develop infrastructures, mainly gas

- *From 1st of January to 31st of March 2017:*
- Planned acquisition of 100% of Elengy by GRTgaz;
- SUEZ, ENGIE and CHRYSO join forces for the 1st industrial processing of liquified biomethane issued from used waters in France;

[4] These targets and indications 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 already announced.

- *As from 1st of April 2017:*
- Signing of financing agreements for Nord Stream 2.

Develop integrated solutions for clients

- *From 1st of January to 31st of March 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;
- ENGIE will sign up to the capital increase of SUEZ in the context of its acquisition of GE Water & Processes Technologies, to the extent of its stake in SUEZ, that is about 240 million Euros;
- 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 energy regulation Commission on photovoltaic self-consumption have been won by ENGIE;

- *As from 1st of April 2017:*
- The shipyard MV Werften chose ENGIE 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 US.

ENGIE **continues its transformation**, adapting its headquarters organization. After the implementation as of January 1, 2016 of an organization which led to the reinforcement of the geographical Business Units, ENGIE pursues its decentralization so as to become more agile and closer to its customers. The missions and location of the Group's headquarters would be streamlined. This project could lead to the net job cut of 504 filled positions, including 312 in France, 116 in Belgium and 76 in the United Kingdom.

The Group's transformation plan is very well advanced today on its three programs.

On the **portfolio rotation program** (EUR 15 billion net debt impact targeted over 2016-18), the Group has announced to date **EUR 8.1 billion of disposals**[5] (i.e. 54% of total program), of which EUR **7.6 billion already finalized**.

On the **investments program** (EUR 16 billion growth capex over 2016-18), **EUR 5.5 billion**[5] are already invested, at end March 2017.

As regards "Lean 2018" **performance plan**, at end March 2017, **EUR 0.6 billion**[5] of net gains at Ebitda were achieved. More than 80% actions are already identified to reach the target of EUR 1.2 billion savings at the end of 2018.

[5] Cumulated impact from January 1, 2016 to March 31, 2017

REVENUES BY REPORTABLE SEGMENT

Revenues *In EUR million*	**March 31 2017**	**March 31 2016**	**Gross variation**	**Organic variation**
North America	**745**	**826**	**–9.8%**	**–0.9%**
Latin America	**1,166**	**934**	**+24.9%**	**+10.6%**
Africa / Asia	**944**	**951**	**–0.8%**	**–2.6%**
Benelux	**2,624**	**2,697**	**–2.7%**	**–2.7%**
France	**5,196**	**6,453**	**–19.5%**	**–0.3%**
Europe excluding France &	**2,439**	**2,435**	**+0.2%**	**+2.3%**
Infrastructures Europe	**1,124**	**1,016**	**+10.6%**	**+10.7%**
GEM & GNL	**2,704**	**2,248**	**+20.3%**	**+19.1%**
E&P	**407**	**468**	**–13.1%**	**–14.6%**
Other	**2,163**	**879**	**146%**	**+8.8%**
ENGIE Group	**19,513**	**18,907**	**+3.2%**	**+3.1%**

Revenues as of March 31, 2017 increase by +3.2% on a gross basis with –82 million Euros of perimeter effects (–147 million of scope out effects namely due to the sale of hydro and thermal power generation activities in the United States in June 2016 and February 2017, respectively and +65 million Euros of scope in effects and +98 million Euros of foreign exchange, mainly due to the Brazlian Real and the Dollar, partly compensated by the Pound Sterling. On an organic basis, revenues increase by +3.1%.

Revenues for the North America segment is down on a gross and organic basis due to lower performance of the generation activity partly compensated by an improved performance in retail and services activities.

Revenues for the Latin America segment is sharply up on a gross and organic basis, thanks to the impact of tariffs revisions in Mexico and in Argentina as well as to the commissioning of new assets in Mexico (the gas pipeline of Los Ramones and the cogeneration of Panuco in October 2016) and in Peru (Nodo Energetico and Chilca Plus thermal plants in October and December 2016, respectively).

Revenues for the segment Africa/Asia is slightly down due to lower availability of assets in Thailand and in Turkey related to planned maintenance, partly compensated by higher power sales in Australia following the increase of market prices.

Revenues for the segment Benelux is slightly down. This decrease is mainly explained by the impact of lower commodity prices.

Revenues for the segment France is slightly down on an organic basis due to lower power generation from renewables, mainly hydro. It should be noted that the gross revenues decrease of -19.5% is explained by the change in classification of gas and power commercialization activities from the segment France (*Entreprises et Collectivités*, E&C) into the segment Other as from January 1, 2017.

Revenues for the segment Europe excluding France and Benelux increase due to favorable weather conditions on gas distribution activities in Romania as well as by positive price effects on commercialization activities and on power generation (First Hydro) in the United Kingdom.

Revenues for the segment Infrastructures Europe increases by +10.6% on an organic basis. This growth mainly relates to the development of distribution and transport activities for third parties and to the favorable effect of tariff increases.

Revenues for the segment Global Energy Management and Global LNG increases. This evolution mainly relates to higher volumes of commodities sold in Europe compared to last year.

Revenues for the segment Exploration & Production is down due to lower hydrocarbon production with, mainly, the shutdown for modernization of the Njørd platform in Norway and to natural fields depletion in the Netherlands and in Germany. This decrease in volumes is partly compensated by the increase in prices.

The organic growth of **revenues for the segment Other** is mainly explained by the performance of thermal gas generation activities in France and in Europe, which benefitted in the 1st quarter 2017 from higher prices end 2016. The non-organic effects come namely from the internal transfer of gas and power commercialization activities dedicated to professionals in France (Entreprises et Collectivités, E&C), as from January 1, 2017, which activity was until now located within segment France.

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The March 31, 2017 financial information presentation used during the investor conference call is available from the Group's website:

http://www.engie.com/en/investors/results/results-2017/

UPCOMING EVENTS

- **May 12, 2017:** Shareholders meeting
- **May 18, 2017:** Final dividend payment[6] (EUR 0.50 per share) for fiscal year 2016. Ex-dividend date is May 16, 2017.
- **June 20, 2017:** Investor workshop dedicated to "Customer Solutions" in London
- **July 28, 2017:** H1 2017 results publication

[6] Dividend submitted to shareholders' approval at the General Assembly on May 12, 2017

ADDITIONAL ANALYSIS

COMPARABLE BASIS ORGANIC GROWTH ANALYSIS

In EUR million	03/31/2017	03/31/2016	Gross/Organic variation
Revenues	**19,513**	**18,907**	**+3.2%**
Scope effect Exchange rate effect	–65	–147 +98	
Comparable basis	**19,448**	**18,858**	**+3.1%**

In EUR million	03/31/2017	03/31/2016	Gross/Organic variation
EBITDA	**3,297**	**3,503**	**–5.9%**
Scope effect Exchange rate effect	–8	–157 +68	
Comparable basis	**3,289**	**3,414**	**–3.6%**

In EUR million	03/31/2017	03/31/2016	Gross/Organic variation
Current Operating Income including share in net income of associates	**2,192**	**2,395**	**-8.5%**
Scope effect Exchange rate effect	–4	–153 +50	
Comparable basis	**2,188**	**2,292**	**-4.6%**

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, 2017 (under number D.17-0220). 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 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 153,090 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 international indices: CAC 40 (and CAC 40 Governance), BEL 20, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe, DJSI World, DJSI Europe and Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20).

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