# 2015 FIRST-HALF FINANCIAL REPORT

**GAZTRANSPORT & TECHNIGAZ**

A joint stock limited liability company (*Société Anonyme*) with a Board of Directors and share capital of €**370,783,57**

Registered Office: 1 Route de Versailles – 78470 Saint-Rémy-lès-Chevreuse, France

Versailles Trade Register (R.C.S.) No.662 001 403

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**STATEMENT OF THE PERSON RESPONSIBLE**

"I certify that, to the best of my knowledge, the condensed financial statements for the 2015 First half year have been prepared in accordance with the applicable accounting standards (IFRS), and give a true and fair view of the assets and liabilities, the financial position and results of the company, and that the half-year management report attached provides a fair view of the main events of the first six months of the year, their impact on the condensed financial statements, the significant transactions with related parties, and a description of the main risks and uncertainties for the next six months of this fiscal year."

July 21, 2015

Philippe Berterottière, Chairman and Chief Executive Officer

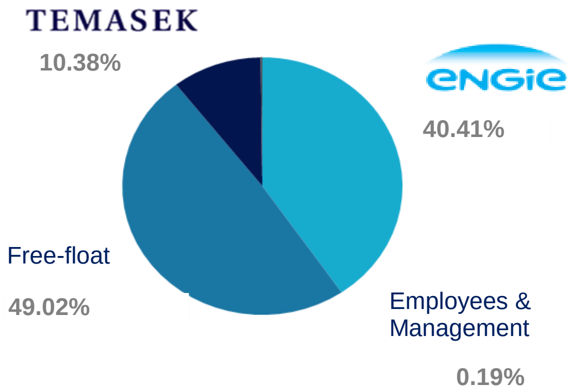
**FIRST HALF MANAGEMENT REPORT**

## KEY BUSINESS HIGHLIGHTS FOR THE FIRST HALF

### 1/ Sale of residual Hellman & Friedman holding in GTT

On January 27, 2015 H&F Luxembourg 1 S.à.r.l., an affiliate of Hellman & Friedman, completed the sale of its remaining holding in the share capital of GTT in a private placement to institutional investors.
Hellman & Friedman acquired its stake in GTT in 2008 and became a shareholder alongside Total S.A. and GDF Suez S.A. In February 2014, GTT completed its successful initial public offering ("IPO") on the Paris Euronext Regulated Market.

Following the disposal, GTT's capital structure is the following:




### 2/ High order intake

Since December 31, 2014, the GTT order book had changed, with:

- 15 LNGCs delivered
- 31 new orders:
  - 28 orders for LNGCs
  - 2 orders for FSRUs
  - 1 order for a bunker barge via GTT's North American affiliate, GTT North America
- 1 cancellation of 2 LNGCs

At June 30, 2015, the GTT order book comprised 128 orders, as follows:

- 113 LNGCs and ethane carriers
- 8 FSRUs
- 3 FLNGs
- 3 onshore storages
- 1 bunker barge

30 of the 31 orders received in 2015 were for GTT's newest "low boil-off" NO 96 GW and Mark III Flex systems. This commercial success clearly demonstrates the contribution that GTT has made in modernizing and optimizing the operational costs of the global LNGC fleet.

During the first half of 2015, GTT's sales activity saw a number of highlights:

- 25 orders for LNGCs from South Korean shipbuilder Daewoo Shipbuilding & Marine Engineering. All these ships will be equipped with the latest NO 96 GW membrane technology that reduces the boil-off rate of LNG cargoes.
  Note that of these 25 orders for LNGCs, five are for icebreaker LNGCs for the Yamal project, used to ship LNG in extreme Arctic conditions. This takes the worldwide number of orders for icebreaker LNGCs to 15. All will be equipped with GTT technology.
- An order for GTT North America from shipbuilder Conrad for an LNG bunker barge, the first of its kind built for the North American marine market. The barge, whose design was entirely developed by GTT, will be built using Mark III Flex cargo containment technology and will be equipped with the innovative $REACH_4$ bunker mast design, also developed by GTT, which guarantees easy, safe transfer of LNG fuel to the client vessel.
- Two orders for FSRUs from South Korean shipbuilder Hyundai Heavy Industries, demonstrating the market interest in this type of regasification vessel, which presents flexibility to the countries wishing to import LNG.
- Two orders for LNGCs from South Korean shipbuilder Hyundai Samho Heavy Industries.
- One order for an LNGC from the Japanese shipbuilder Imabari, confirming the shipbuilder's return to GTT technologies, after two orders placed in 2014.

3/ New technological developments and new services

During the first half of 2015, the company announced:

- it had signed two cooperation agreements with a view to industrializing its latest Mark V technology. One was signed with Samsung Heavy Industries. The agreement includes the building by the shipbuilder of a mock-up dedicated to final developments and related tests. The other agreement was signed with Hyundai Heavy Industries. This agreement includes the development and qualification of an innovative welding robot for the primary stainless steel and secondary invar membranes. The robot will optimize the welding process and cut construction time.
  These two partnerships should facilitate marketing for this technology in 2015.
  These agreements illustrate the high quality of GTT partnerships with shipbuilders and the great trust they place in GTT-developed technology.
- an expanded training offer following the deployment of new functions in the simulator dedicated to the handling of LNG cargo operations. The course is provided by GTT subsidiary GTT Training Ltd, established in 2014. The simulator provides both in-depth training for LNG expert officers and familiarization for newcomers to the field.

## 4/ Combined Shareholders Meeting

GTT's annual combined shareholders meeting took place on May 19, chaired by Philippe Berterottière, Chairman and Chief Executive Officer at Domaine de Saint-Paul, Saint-Rémy-lès-Chevreuse.
All resolutions put to the shareholders meeting were adopted.
The shareholders approved the financial statements for the 2014 financial year and voted a dividend of €2.66 per share, it being stipulated that an interim dividend of €1.50 per share had already been paid on September 29, 2014.
The shareholders meeting appointed two new directors: Ms Michèle Azalbert and Mr Christian Germa, a non-executive director who takes over from Mr Jean-Luc Gourgeon for a four-year term. The shareholders also reappointed Mr Jacques Blanchard as a director for a further four-year term and ratified the co-opting of Mr Olivier Jacquier to the Board. His directorship terminates after the 2016 annual shareholders meeting.

## 5/ Creation of a subsidiary in Singapore

In April 2015 a fourth, wholly-owned GTT subsidiary, GAZTRANSPORT & TECHNIGAZ - GTT SEA PTE. LTD was incorporated. The Singapore-based subsidiary will facilitate sales prospecting in Asia-Pacific and Japan.

## 6/ Participation in exhibitions and seminar sponsorships

Since the start of the year, GTT's ties with its clients and partners have been strengthened, principally through its participation in a number of seminars and exhibitions where the company was able to present its latest technological innovations and related services.

- The company took part in two exhibitions: Euromaritime, held in Paris in February 2015, and Nor-Shipping, in June 2015 in Oslo. These two trade shows are among the most important European events for marine professionals, where GTT was able, in particular, to showcase the most recent developments for small and mid-scale LNGCs and its service offer for the "LNG as a fuel" chain.
- The company also organized several special meetings with its partners, including a one-day seminar in Athens in May, attended by classification societies and leading players in the Greek shipping industry.

All these exhibitions and sponsored forums contribute to maintaining high-quality relationships with GTT's partners.

## 7/ Investments

The company continued work on extending its offices and laboratory premises at Saint-Rémy-lès-Chevreuse. The total amount of the non-recurring investment is expected to be around €4.4 million. The work should be completed by the end of 2015.

## ACTIVITY AND FINANCIAL RESULTS OF SUBSIDIARIES

Cryovision, a GTT subsidiary established in 2012, is currently offering a thermal camera monitoring system to carry out Thermal Assessment of Membrane Integrity (“TAMI”). Cryovision personnel have also carried out their first installation of SloShield™, the real-time solution for monitoring liquid motion (sloshing) inside a vessel’s tanks.

Cryovision saw sustained activity in the first half of 2015, with 12 ships inspected for a total of 44 tanks.

As of the end of June 2015, Cryovision generated revenues amounting to €2,465,000, and net income of €743,000. Its balance sheet total amounted to €3,319,000 (rounded, non-audited French GAAP figures).

GTT North America, a GTT subsidiary established in 2013, signed an order from shipbuilder Conrad for an LNG bunker barge (see **Key business highlights for the first half**, above). For this order, the GTT SA design office carries out the detailed design studies.

GTT North America also signed studies contracts, most notably for modification programmes on a number of vessels currently in service to enhance their operational flexibility and improve their management of boil-off, and for the feasibility of converting conventional vessels into Floating Storage Regasification Units (FSRUs).

As of the end of June 2015, GTT North America generated non-group revenues of US$782,000, for a net loss of US$77,000. Its total balance sheet amounted to US$1,166,000 (rounded, US GAAP non-audited figures).

GTT Training Ltd generated non-group revenues of £33,000, and net income of £52,000. Its total balance sheet amounted to £467,000 (rounded, figures prepared to current UK accounting standards UK accounts).

## ANALYSIS OF COMPREHENSIVE INCOME FOR THE FIRST HALF OF 2015

*Condensed income statement*

| (In thousands of euros) | June 30, 2015 | June 30, 2014 | Variation |
|---|---|---|---|
| **Revenues from operating activities** | **104,928** | **114,947** | **-8.7%** |
| Costs of sales | (1,244) | (1,009) | **23.4%** |
| External charges | (20,112) | (15,909) | **26.4%** |
| Personnel expenses | (20,939) | (25,670) | **-18.4%** |
| Taxes | (1,790) | (3,517) | **-49.1%** |
| Depreciation, amortisation and provisions | 673 | (364) | **nm** |
| Other operating income and expense | 3,048 | 2,610 | **16.8%** |
| **Operating income (EBIT)** | **64,564** | **71,088** | **-9.2%** |
| **EBIT margin on revenues (%)** | **61.5%** | **61.8%** | **-0.3 pt** |
| Net financial income | 492 | 794 | **-38.0%** |
| **Net income before tax** | **65,056** | **71,882** | **-9.5%** |
| | | | |
| Income tax | (10,827) | (12,987) | **-16.6%** |
| **Net income** | **54,229** | **58,895** | **-7.9%** |
| **Net margin on revenues (%)** | **51.7%** | **51.2%** | **+0.5 pt** |
| Basic earnings per share (euros) | 1.46 | 1.59 | **-8.2%** |
| | | | |
| Calculated indicator | | | |
| **EBITDA** | **65,974** | **72,819** | **-9.4%** |
| **EBIDTA margin on revenues (%)** | **62.9%** | **63.4%** | **-0.5 pt** |

Net margin on revenues rose from 51.2% to 51.7% between June 30, 2014 and June 30, 2015.

The EBITDA margin on revenues fell from 63.4% at in the first half of June 2014 to 62.9% in the first half of June 2015.

This very slight decline in the EBITDA margin can be primarily explained by a fall in revenues. Note that net operating expenses excluding amortisation and depreciation were down 7.5% over the period.

The increase in the net margin on revenues can be largely attributed to the 16.6% fall in income tax over the same period (and primarily the dividend distribution tax paid, and deferred tax).

**Breakdown of changes in revenues ("Revenue from operating activities" in the income statement)**

| (In thousands of euros) | June 30, 2015 | June 30, 2014 |
|---|---|---|
| Total revenue | **104,928** | **114,947** |
| *Annual growth (%)* | -8.7% | 20.1% |
| | | |
| *From royalties* | **96,394** | **110,162** |
| *LNG/Ethane carriers* | 84,500 | 92,169 |
| *FSRU* | 6,905 | 12,967 |
| *FLNG* | 4,430 | 3,954 |
| *Onshore storages* | 344 | 1,072 |
| *Barges* | 215 | - |
| ***From services*** | **8,534** | **4,785** |

Revenues fell from €114,947,000 at June 30, 2014 to €104,928,000 at June 30, 2015, a drop of 8.7% over the period. The fall is chiefly due to a decline in royalty revenue, down 12.5% which can be explained by a high comparison level and time lag in shipbuilding milestones. The very substantial increase in revenue from other services, up 78.4%, is worth noting, however.

Revenues from LNGCs and ethane carriers came to €84,500,000, amounting to 80.5% of revenues in the six months to June 30, 2015 (compared with 80.2% at June 30, 2014). The percentage fell by 8.3% between June 30, 2014 and June 30, 2015. At June 30, 2014, 41.1% of these revenues had been generated by vessels ordered in 2011 and 37.7% came from vessels ordered in 2012. At June 30, 2015, 18.4% of these revenues derived from vessels ordered in 2012 and 58.4% from vessels ordered in 2013. In addition, at June 30, 2015, 51.7% of these revenues derived from vessels whose delivery is scheduled for 2015 and 26.1% from vessels scheduled for delivery in the first half of 2016.

Revenues relating to orders for FSRUs (Floating Storage and Regasification Units) declined by 46.8% between June 30, 2014 and June 30, 2015: the number of orders generating revenues at June 30, 2014 and at June 30, 2015 was 9 and 5 orders respectively. At June 30, 2015, 81.7% of these revenues derived from orders scheduled for delivery in 2015. There are 8 current orders in the order book, 3 of which are not yet generating revenue flows.

Revenues from FLNGs (Floating LNG facilities) rose 12.0% between June 30, 2014 and June 30, 2015 due mainly to progress on three platforms currently under construction.

At June 30, 2015, revenues from other services had achieved substantial growth of 78.4% relative to June 30, 2014. It amounts to 8.1% of total company revenues. The revenues mainly derived from upstream studies (which could subsequently give rise to an order for a vessel), maintenance of ships in operation, and supplier approvals.

**Composition of GTT operating income**

External expenses

| (In thousands of euros) | June 30, 2015 | June 30, 2014 |
|---|---|---|
| Tests and studies | 10,298 | 6,376 |
| Leasing, maintenance & insurance | 2,530 | 2,330 |
| External Staff | 138 | 405 |
| Fees | 2,381 | 1,849 |
| Transport, travel and reception expenses | 3,674 | 3,953 |
| Postal and telecommunication charges | 110 | 86 |
| Other | 981 | 910 |
| **Total** | **20,112** | **15,909** |
| **% of revenues of operating activities** | **19.2%** | **13.8%** |

GTT's external expenses rose from €15,909,000 at June 30, 2014 to €20,112,000 at June 30, 2015.

The 26.4% increase in external expenses over the period can mainly be explained by the change in the "Tests and Studies" line item. The cost of studies and outsourcing rose 61.5%. The increase was mainly generated by outsourced studies carried out as part of our development work (including R&D and industrialization). Outsourcing costs were up 24.5% relative to 2014 due to the large number of orders received since 2014.

External expenses accounted for 13.8% of company revenues at June 30, 2014 and 19.2% at June 30, 2015.

Personnel expenses

| (In thousands of euros) | June 30, 2015 | June 30, 2014 |
|---|---|---|
| Wages and salaries | 10,864 | 11,845 |
| Social security costs | 6,239 | 8,937 |
| Share-based payments | 847 | 1,371 |
| Profit-sharing and incentives scheme | 2,989 | 3,517 |
| **Personnel expenses** | **20,939** | **25,670** |
| **% of revenues from operating activities** | **20.0%** | **22.3%** |

Personnel expenses fell from €25,670,000 at June 30, 2014 to €20,939,000 at June 30, 2015, a drop of 18.4% over the period. This was due (i) to the reduced impact of the company Management share-based performance plan (IFRS) and (ii) to a reduction in profit sharing and incentives due to the fall in company profits over the period under consideration and the signing of a new 3-year incentive plan.

In parallel, the size of the company workforce was virtually unchanged: 379 employees on average at June 30, 2014 compared with an average 382 at June 30, 2015.

Amortisation and provisions

| (In thousands of euros) | June 30, 2015 | June 30, 2014 |
| --- | --- | --- |
| Amortisation of fixed assets | 1,410 | 1,731 |
| Provisions | 299 | 233 |
| Reversal of amortisation | - | (68) |
| Reversal of provisions | (2,382) | (1,532) |
| **Provisions (Release) of amortisation** | **(673)** | **364** |

Amortisation and provisions correspond to releases in the period reported on. These amounted to an amortisation provision of €364,000 at June 30, 2014 to a release of €673,000 at June 30, 2015. The change was mainly due to an increased reversal of risk provisions between end-June 2014 and end-June 2015 as a direct result of the number of vessels inspected over the period. The amount of amortisation on fixed assets declined slightly over the period, as recent investment in connection with construction work is depreciated over 20 years.

Other operating income and expenses

| (In thousands of euros) | June 30, 2015 | June 30, 2014 |
| --- | --- | --- |
| Research tax credit | 2,184 | 2,075 |
| Competitiveness and employment tax credit | 107 | 110 |
| Other operating income / expense | 757 | 425 |
| **Other operating income and expenses** | **3,048** | **2,610** |

Other income and expenses consists primarily of research tax credits, the amount estimated by the company at June 30, June 30, 2014 amounted to €2,075,000 compared with €2,184,000 at June 30, 2015. These amounts are estimated based on projects that are considered eligible according to research tax credit criteria and past recorded amounts.

Change in operating income (EBIT) and EBITDA

| (In thousands of euros) | June 30, 2015 | June 30, 2014 |
| --- | --- | --- |
| Operating income (EBIT) | **64,564** | **71,088** |
| *EBIT margin on revenues (%)* | *61.5%* | *61.8%* |
| EBITDA | **65,974** | **72,819** |
| *EBITDA margin on revenues (%)* | *62.9%* | *63.4%* |

GTT EBIT fell from €71,088,000 at June 30, 2014 to €64,564,000 at June 30, 2015. The change can be attributed (i) to lower revenues (down 8.7% relative to June 30, 2014); (ii) by higher external expenses (up 26% relative to June 30, 2014); and (iii) by the fall in personnel expenses (down 18% relative to June 30, 2014).

The change in EBITDA is in line with the change in EBIT over the same period, falling from €72,819,000 at June 30, 2014 to €65,974,000 at June 30, 2015.

The EBIT and EBITDA margins on revenues declined slightly over the period, at 61.5% and 62.9% respectively.

**Breakdown of GTT net income and earnings per share**

| | June 30, 2015 | June 30, 2014 |
|---|---|---|
| Net income in euros | 54,229,113 | 58,895,229 |
| Weighted average number of shares in issuance | 37,064,628 | 37,078,357 |
| Number of shares on a fully diluted basis | 37,334,102 | 37,334,102 |
| **Basic earnings per share in euros** | **1.46** | **1.59** |
| **Diluted earnings per share in euros** | **1.45** | **1.58** |

Company net income fell from €58,895,000 at June 30, 2014 to €54,229,000 at June 30, 2015 based on the information presented in the above table.

Earnings per share at end-June 2014 was calculated on the basis of a share capital of 37,078,357 shares to date, following a capital increase reserved for employees that led to the creation of 49,557 new shares on April 11, 2014. At end-2015, earnings per share was calculated on the basis of a share capital of 37,064.628 shares, not counting the 13,729 treasury shares.

On this basis, basic earnings per share went from €1.59 to €1.46 during the period.

Diluted earnings per share is calculated taking into account free shares awarded by the company in February 2014. Diluted earnings per share went from €1.58 to €1.45 at end-June 2015.

## GTT BALANCE SHEET ANALYSIS

**Non-current assets**

| (In thousands of euros) | June 30, 2015 | December 31, 2014 |
|---|---|---|
| Intangible assets | 238 | 298 |
| Property, plant and equipment | 16,591 | 14,598 |
| Non-current financial assets | 28,363 | 12,936 |
| Deferred tax assets | - | 85 |
| **Non-current assets** | **45,192** | **27,917** |

The increase in non-current assets between December 31, 2014 and June 30, 2015 was due (i) mainly to the increase in non-current financial assets over the period, which increased from €12,936,000 at December 31, 2014 to €28,363,000 at June 30, 2015 and (ii) to the increase in tangible assets, which grew from €14,598,000 at December 31, 2014 to €16,591,000 at June 30, 2015.

The change in non-current financial assets mainly corresponds to new cash investments amounting to €10 million and to a restating of current and non-current financial assets amounting to €5 million.

### Current assets

| (In thousands of euros) | June 30, 2015 | December 31, 2014 |
|---|---|---|
| Trade and other receivables | 81,161 | 75,203 |
| Other current assets | 28,283 | 31,270 |
| Cash and cash equivalents | 52,422 | 64,705 |
| **Current assets** | **161,866** | **171,178** |

Current assets decreased between December 31, 2014 and June 30, 2015, from €171,178,000 to €161,866,000.

The change was mainly due (i) to the decline in cash as a result of a payment in May 2015 for the balance of the dividend for 2014 (€43 million) and new cash investments recognized in Financial assets for €10 million, and (ii) to a lesser degree to the decline in Other current assets, which did not offset the increase in Trade and other receivables.

### Equity

| (In thousands of euros) | June 30, 2015 | December 31, 2014 |
|---|---|---|
| Share capital | 371 | 371 |
| Share premium | 2,932 | 2,932 |
| Reserves | 29,862 | (42,965) |
| Profit for the period | 54,229 | 115,356 |
| Other comprehensive income | 1,048 | 80 |
| **Total Equity** | **88,442** | **75,774** |

The increase in equity between December 31, 2014 (€75,774,000) and June 30, 2015 (€88,442,000) was mainly due to the dividend distribution rate of 80% of 2014 net income, which generated a balance of €29,862,000 in the Reserves account at end-June.

### Non-current liabilities

| (In thousands of euros) | June 30, 2015 | December 31, 2014 |
|---|---|---|
| Non-current provisions | 3,388 | 5,742 |
| Non-current financial liabilities | 1,391 | 1,620 |
| Deferred tax liabilities | 376 | - |
| Other non-current liabilities | - | 201 |
| **Non-current liabilities** | **5,155** | **7,563** |

Provisions at June 30, 2015 consist:

- mainly of the provision for risk related to possible damages arising from the use of the Mark III technology. This amounted to €4.3 million at end 2014. This provision was released as a function of the number of vessels inspected, for an amount of €2.3 million during the period, and stands at €2 million as of June 30, 2015.
- of provisions designed to cover potential risks in disputes between GTT and former employees as well as a lawsuit by a legal expert intervening in the context of actions taken by a third party with a repair shipyard. These provisions amount to €1.4 million at June 30, 2015.

Other non-current liabilities are made up of the balance of advances from the Hydrocarbon Support Fund not yet expired. The decline is linked to reclassification in current financial liabilities expiring in 12 months.

### Current liabilities

| (In thousands of euros) | June 30, 2015 | December 31, 2014 |
|---|---|---|
| Current provisions | - | - |
| Trade payables | 12,813 | 14,744 |
| Current financial liabilities | 554 | 609 |
| Other current liabilities | 100,094 | 100,405 |
| **Current liabilities** | **113,461** | **115,758** |

This balance sheet item fell from €115,758,000 at December 31, 2014 to €113,461,000 at June 30, 2015. The change is mainly due to the decrease in trade payables, which fell from €14,744,000 to €12,813,000 over the period.

## Outlook

Subject to changes that may affect the markets in which GTT operates, the company can confirm its targets, namely:

In 2015:

- Revenues roughly equivalent to 2014, of close to 227 million euros, as postponed revenues linked to shipbuilding milestones should be recovered in the second half.
- A net margin of circa 50%,
- A dividend payout ratio of at least 80% of the net income available for distribution.

In 2016:

- a revenue growth of at least 10% vs 2015, which represents more than 250 million euros.

The company considers that its order book at June 30, 2015 corresponds to revenues of around €210 million in 2015, €249 million in 2016, €187 million in 2017, €123 million in 2018, €25 million in 2019 and €4 million in 2020.

The Group maintains its attractive payout policy to shareholders and will pay an interim dividend for 2015 on September 30, 2015 of €1.30 per share (ex-dividend date September 28, 2015).

## Third party transactions

During the first half of 2015, no third-party transactions likely to have a material impact on the company's financial situation or results took place during the period. Similarly, no changes were made to previously agreed third-party transactions likely to have a material impact on the company's financial situation or results during the period.

Details of the amounts of third party transactions can be found in Note 14 to the condensed half-yearly financial statements.

## RISK FACTORS

The Group's activities are exposed to certain macroeconomic and sector-specific, operational, market, industrial, environmental and legal risk factors. The main risk factors to which the Group could be exposed are described in detail in the *Risk Factors* section in the 2014 Registration Document (in French) filed with the AMF on April 27, 2015, number R.15.022.

## HALF-YEAR CONDENSED FINANCIAL STATEMENTS

### BALANCE SHEET

| In thousands of euros | Notes | June 30, 2015 | December 31, 2014 |
|---|---|---|---|
| Intangible assets | | 238 | 298 |
| Property, plant and equipment | 5 | 16,591 | 14,598 |
| Non-current financial assets | 6 | 28,363 | 12,936 |
| Deferred tax assets | 12.4 | - | 85 |
| **Non-current assets** | | **45,192** | **27,917** |
| Trade and other receivables | 7.1 | 81,161 | 75,203 |
| Other current assets | 7.1 | 28,283 | 31,270 |
| Cash and cash equivalents | 8 | 52,422 | 64,705 |
| **Current assets** | | **161,866** | **171,178** |
| **TOTAL ASSETS** | | **207,058** | **199,095** |

| In thousands of euros | Notes | June 30, 2015 | December 31, 2014 |
|---|---|---|---|
| Share capital | 9.1 | 371 | 371 |
| Share premium | | 2,932 | 2,932 |
| Reserves | | 29,862 | (42,965) |
| Profit for the period | | 54,229 | 115,356 |
| Other comprehensive income | | 1,048 | 80 |
| **Total equity** | | **88,442** | **75,774** |
| Non-current provision | 11.2 | 3,388 | 5,742 |
| Other non-current financial liabilities | | 1,391 | 1,620 |
| Deferred tax liabilities | 12.4 | 376 | - |
| Other non-current liabilities | | - | 201 |
| **Non-current liabilities** | | **5,155** | **7,563** |
| Current provision | | - | - |
| Trade and other payables | 7.2 | 12,813 | 14,744 |
| Current financial liabilities | | 554 | 609 |
| Other current liabilities | 7.2 | 100,094 | 100,405 |
| **Current liabilities** | | **113,461** | **115,758** |
| **TOTAL EQUITY AND LIABILITIES** | | **207,058** | **199,095** |

## INCOME STATEMENT

| In thousands of euros | Notes | June 30, 2015 | June 30, 2014 |
|---|---|---|---|
| **Revenue from operating activities** | | **104 928** | **114 947** |
| Cost of sales | | (1,244) | (1,009) |
| External expenses | 4.2 | (20,112) | (15,909) |
| Personnel expenses | 4.1 | (20,939) | (25,670) |
| Taxes | | (1,790) | (3,517) |
| Depreciation, amortisation, and provisions | 4.3 | 673 | (364) |
| Other current operating income and expenses | 4.4 | 3,048 | 2,610 |
| **Current operating income** | | **64,564** | **71,088** |
| Other non-current income and expenses | | - | - |
| **Operating profit** | | **64,564** | **71,088** |
| Net financial income | | 492 | 794 |
| **Profit before tax** | | **65,056** | **71,882** |
| Income tax | 12.2 | (10,827) | (12,987) |
| **Net profit** | | **54,229** | **58,895** |
| Basic earnings per share (euros) | 10 | 1.46 | 1.59 |
| Diluted earnings per share (euros) | 10 | 1.45 | 1.58 |

| In thousands of euros | Notes | June 30,2015 | June 30,2014 |
|---|---|---|---|
| **Net profit** | | **54,229** | **58,895** |
| **Items not recycled to profit or loss** | | | |
| Actuarial gains and losses | | | |
| Gross amount | | 490 | 235 |
| Deferred tax | | (73) | (35) |
| **Total amount, net of tax** | | **417** | **200** |
| **Items to be recycled to profit or loss** | | | |
| Fair value changes on equity investments | | | |
| Gross amount | | 743 | 235 |
| Deferred tax | | (111) | (35) |
| **Total amount, net of tax** | | **631** | **200** |
| **Other comprehensive income for the period, net of tax** | | **1,048** | **400** |
| **Total comprehensive income** | | **55,277** | **59,295** |
| Basic comprehensive income per share (euros) | 10 | 1.49 | 1.60 |
| Diluted comprehensive income per share (euros) | 10 | 1.48 | 1.59 |

## CASH FLOW STATEMENT

| (In thousands of euros) | Notes | June 30, 2015 | December 31, 2014 | June 30, 2014 |
|---|---|---|---|---|
| **Profit for the period** | | **54,229** | **115,356** | **58,895** |
| | | | | |
| **Income and expenses with no cash effect resulting from operating activities:** | | | | |
| Depreciation, amortisation, and provisions | | (759) | (253) | 364 |
| - Capital gains on disposals | | - | - | - |
| Income tax | 12.2 | 10,827 | 24,936 | 12,987 |
| Share-based payments | 9.3 | 847 | 3,042 | 1,371 |
| Other income and expenses | | (104) | 43 | 44 |
| **Internally generated funds from operations** | | **65,040** | **143,123** | **73,661** |
| Income tax paid | 12.1 | (10,550) | (22,911) | (11,328) |
| | | | | |
| Changes in working capital: | | | | |
| - (Increase)/decrease in trade and other receivables | 7.1 | (5,959) | 2,755 | 5,196 |
| - (Increase)/decrease in trade and other payables | 7.2 | (1,931) | (1,012) | (5,488) |
| - (Increase)/decrease in other assets and liabilities | | (2,193) | (8,631) | (15,425) |
| **Cash flow from operating activities (Total I)** | | **44,408** | **113,325** | **46,616** |
| | | | | |
| ***Investing activities*** | | | | |
| Acquisition of property, plant and equipment | | (3,803) | (7,245) | (2,370) |
| Disposal of property, plant and equipment | 5 | 82 | 292 | 69 |
| Financial investments | 6 | (10,007) | (3,854) | - |
| Disposal of financial investments | 6 | 345 | 4,932 | 4,000 |
| Treasury shares | | - | (337) | - |
| Change in other financial assets | | | | 273 |
| **Cash flow from investing activities (Total II)** | | **(13,381)** | **(6,211)** | **1,972** |
| | | | | |
| ***Financing activities*** | | | | |
| Dividends paid to owners of the company | | (43,000) | (130,948) | (75,330) |
| Capital increase | | - | 1,824 | 1,824 |
| Change in Hydrocarbon Support Fund cash advances | | (311) | (464) | (464) |
| Interest paid | | - | - | - |
| Changes in bank overdrafts | | - | - | - |
| **Cash flow from financing activities (Total III)** | | **(43,310)** | **(129,588)** | **(73,970)** |
| | | | | |
| ***Net increase/(decrease) in cash and cash equivalents (I+II+III)*** | | **(12,283)** | **(22,475)** | **(25,382)** |
| | | | | |
| Cash and cash equivalents at the start of the year | 8 | 64,705 | 87,180 | 87,180 |
| Cash and cash equivalents at the end of the year | 8 | 52,422 | 64,705 | 61,798 |
| Impact of changes in exchange rates | | - | - | - |
| **Net increase/(decrease) in cash and cash equivalents** | | **(12,283)** | **(22,475)** | **(25,382)** |

## STATEMENT OF CHANGES IN EQUITY

| In thousands of euros | Number of shares | Share Capital | Reserves | Net result | Total equity |
|---|---|---|---|---|---|
| **As at December 31, 2013** | **37,028,800** | **370** | **(33,511)** | **119,898** | **86,757** |
| **Profit for the period** | | **-** | **-** | **58,895** | **58,895** |
| **Other comprehensive income** | | **-** | **-** | **400** | **400** |
| **Total comprehensive income** | **-** | **-** | **-** | **59,295** | **59,295** |
| Allocation of previous period profit | - | - | 119,898 | (119,898) | - |
| Capital increase | 49,557 | 1 | 1,823 | - | 1,823 |
| Share-based payments | - | - | 1,371 | - | 1,371 |
| Balance of dividends paid | - | - | (75,330) | - | (75,330) |
| **As at June 30, 2014** | **37,078,357** | **371** | **14,251** | **59,295** | **73,916** |
| **Profit for the period** | | **-** | **-** | **56,461** | **56 461** |
| **Other comprehensive income** | | **-** | **-** | **(320)** | **(320)** |
| **Total comprehensive income** | **-** | **-** | **-** | **56,141** | **56 141** |
| Allocation of previous period profit | - | - | - | - | - |
| Capital increase | | | | - | - |
| Treasury shares | (6 980) | - | (337) | - | (337) |
| Share-based payments | - | - | 1,671 | - | 1 671 |
| Balance of dividends paid | - | - | (55,618) | - | (55 618) |
| **As at December 31, 2014** | **37,071,377** | **371** | **(40,032)** | **115,436** | **75,774** |
| **Profit for the period** | | **-** | **-** | **54,229** | **54,229** |
| **Other comprehensive income** | | **-** | **-** | **1,048** | **1,048** |
| **Total comprehensive income** | **-** | **-** | **-** | **55,277** | **55,277** |
| Allocation of previous period profit | - | - | 115,436 | (115,436) | - |
| Treasury shares | (6 749) | - | (456) | - | (456) |
| Share-based payments | - | - | 847 | - | 847 |
| Balance of dividends paid | - | - | (43,000) | - | (43,000) |
| **As at June 30, 2015** | **37,064,628** | **371** | **32,794** | **55,277** | **88,442** |

## Note 1. GENERAL PRESENTATION

Gaztransport et Technigaz-GTT (the "company" or "GTT") is a joint stock limited liability company (*société anonyme*) under French law, whose registered office is domiciled in France, at 1 route de Versailles, 78470 Saint-Rémy-lès-Chevreuse.

The company is specialized in the production of services related to the construction of storage facilities for transporting liquefied natural gas (LNG). It offers engineering services, technical assistance and patent licenses for the construction of LNG tanks installed mainly on LNG carriers.

The company is based in France and operates mainly with shipyards in Asia.

Due to the immaterial level of activity of its subsidiaries CRYOVISION, established on February 2, 2012, GTT North America, established in September 2013, GTT Training Limited, established in June 2014, and GAZTRANSPORT & TECHNIGAZ - GTT SEA PTE. LTD established in April 2015, the company has not prepared consolidated financial statements for the period.

As at June 30, 2015, the sales revenues of SAS CRYOVISION amounted to €2,465,000, with its net profit amounting to €743,000 and its total Balance Sheet to €3,319,000 (figures extracted from SAS CRYOVISION financial statements as at June 30, 2015, prepared in accordance with French accounting standards and not audited). As of June 30, 2015, the non-Group sales revenues of GTT North America amounted to US$782,000, and the company posted a loss US$77,000, and its total Balance Sheet amounted to US$1,166,000 (figures extracted from GTT North America US GAAP accounts, and not audited). GTT Training Ltd generated non-Group sales revenues of £33,000, net profit of £52,000, and its total balance sheet amounted to £467,000 (figures extracted from accounts prepared to current UK accounting standards and not audited). GTT's GAZTRANSPORT & TECHNIGAZ - GTT SEA PTE. LTD subsidiary was established on 30 April 2015, and no transactions have been effected to date.

These financial statements are presented for the period beginning on January 1 and ending June 30, 2015.

## Note 2. ACCOUNTING POLICIES

### 2.1. Basis of preparation of the financial statements

The condensed interim financial statements for all the periods have been prepared in accordance with the IFRS international accounting standards in force at June 30, 2015.

These standards are available on the website of the European Commission at: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The condensed half-year interim financial statements for the six months to June 30, 2015, as presented, have been prepared in compliance with IAS 34 "Interim Financial Reporting".

These interim financial statements do not include all the information required by IFRS for the preparation of financial statements and should therefore be read in conjunction with the IFRS financial statements established for the year ended December 31, 2014.

The financial statements are presented in thousands of euros, rounded to the nearest thousand euros, unless otherwise indicated.

The condensed financial statements are prepared in accordance with the same accounting principles and methods applied in the preparation of the company's IFRS financial statements for the year ended December 31, 2014 (as described in Note 2 the company's IFRS financial statements for the year ended December 31, 2014), with the exception of the following standards and amendments which are applicable from January 1, 2015:

| No. of standard | Name |
|---|---|
| IFRIC 21 | Taxes |
| Annual improvements 2011-2013 | IFRS 1 - IFRS 3 - IFRS 13 - IFRS 40 |

The application of these standards and amendments has not had a significant effect on these IFRS financial statements.

### 2.2. Use of judgements and estimates

In preparing these interim financial statements in accordance with IFRS, management has made judgments, estimates and assumptions that affect the book value of assets and liabilities, income and expenses, and the information mentioned in the notes.

Some financial accounting information has required significant estimates to be made: mainly deferred tax assets, provisions for risk, and retirement benefit plans.

### 2.3. Significant events of the period

In April 2015, the company set up a fourth, wholly-owned subsidiary, GAZTRANSPORT & TECHNIGAZ - GTT SEA PTE. LTD. The Singapore-based entity will facilitate sales prospecting in Asia-Pacific and Japan.

## Note 3. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the balance sheet date.

## Note 4. OPERATING INCOME

### 4.1. Personnel expenses

The amount of personnel expenses for the period is detailed below:

| In thousands of euros | June 2015 | June 2014 |
|---|---|---|
| Wages and salaries | 10,864 | 11,845 |
| Social security costs | 6,239 | 8,937 |
| Share-based payments (1) | 847 | 1,371 |
| Profit-sharing and incentive scheme | 2,989 | 3,517 |
| **Personnel expenses** | **20,939** | **25,670** |

(1) The method used to calculate share-based payments is set out in note 9.3.

### 4.2. External charges

| In thousands of euros | June 2015 | June 2014 |
|---|---|---|
| Tests and studies | 10,298 | 6,376 |
| Leasing, maintenance & insurance | 2,530 | 2,330 |
| External staff | 138 | 405 |
| Fees | 2,381 | 1,849 |
| Transport, travel & reception expenses | 3,674 | 3,953 |
| Postal & telecommunication expenses | 110 | 86 |
| Other | 981 | 910 |
| **Total** | **20,112** | **15,909** |

### 4.3. Amortisation and provisions

| In thousands of euros | June 2015 | June 2014 |
|---|---|---|
| Amortisation | 1,410 | 1,731 |
| Provisions | 299 | 233 |
| Reversal of amortisation | - | (68) |
| Reversal of provisions | (2,382) | (1,532) |
| **Amortisation and provisions (Reversal)** | **(673)** | **364** |

Allocations and reversals of provisions mainly concern litigation and risks to current assets.

### 4.4. Other current operating income and expenses

| In thousands of euros | June 2015 | June 2014 |
|---|---|---|
| Research tax credit | 2,184 | 2,075 |
| Employment and competitiveness tax credit (CICE) | 107 | 110 |
| Other | 757 | 425 |
| **Other operating income and expenses** | **3,048** | **2,610** |

"Other operating income" mainly derives from the Research tax credit (€2,184,000) and other operating income amounting to €310,000, corresponding to a Hydrocarbon Support Fund cash advance due in 2015.

## INFORMATION RELATING TO THE BALANCE SHEET

### Note 5. PROPERTY, PLANT AND EQUIPMENT

| In thousands of euros | Land and Buildings | Technical Installations | Leased assets | Other | Total |
|---|---|---|---|---|---|
| **Gross book value as at 31.12.2013** | **3,757** | **27,008** | **3,593** | **4,723** | **39,081** |
| Acquisitions | 1,273 | 1,984 | - | 3,756 | 7,014 |
| Disposals | - | 73 | - | 668 | 741 |
| **Gross book value as at 31.12.2014** | **5,030** | **28,920** | **3,593** | **7,812** | **45,355** |
| Acquisitions | 2 | 1,312 | - | 1,922 | 3,237 |
| Disposals | - | 45 | - | 37 | 82 |
| **Gross book value as at 30.06.2015** | **5,032** | **30,187** | **3,593** | **9,697** | **48,509** |
| | | | | | |
| **Accumulated depreciation as at 31.12.2013** | **549** | **22,405** | **1,976** | **3,521** | **28,450** |
| Depreciation | 86 | 1,880 | 180 | 447 | 2,593 |
| Reversal | - | 68 | - | 219 | 287 |
| **Accumulated depreciation as at 31.12.2014** | **635** | **24,217** | **2,156** | **3,750** | **30,757** |
| Depreciation | 74 | 867 | 90 | 211 | 1,242 |
| Reversal | - | 44 | - | 37 | 81 |
| **Accumulated depreciation as at 30.06.2015** | **708** | **25,040** | **2,245** | **3,924** | **31,918** |
| | | | | | |
| **Net book value as at 31.12.2013** | **3,208** | **4,604** | **1,617** | **1,202** | **10,631** |
| **Net book value as at 31.12.2014** | **4,396** | **4,703** | **1,437** | **4,062** | **14,598** |
| **Net book value as at 30.06.2015** | **4,324** | **5,147** | **1,347** | **5,773** | **16,591** |

In the absence of any external debt linked to the building of fixed assets, no interest costs are capitalized in compliance with IAS 23 - Borrowing costs.

Assets acquired under finance leases correspond to the building used since 2003 as the company headquarters, as described in note 2.8 to the financial statements for the Financial Year ended December 31, 2014.

With regard to the building used since 2003 as the company headquarters, its historical acquisition cost under the first-time application of IFRS, was determined using the transfer price paid by GTT in January 2003 to the previous tenant in order to obtain the rights and obligations relative to the leasing contract for this building, increased by the outstanding capital component of the lease at the date of the lease transfer, to be amortised over the remaining term of the lease contract. GTT became the owner of this building at the end of contractual lease period in December 2005

## Note 6. NON-CURRENT FINANCIAL ASSETS

| In thousands of euros | Loans and receivables | Held-to-maturity financial assets | Available-for-sale financial assets | Financial assets at fair value through profit or loss | Total |
|---|---|---|---|---|---|
| **Values as at 31.12.2013** | **1,064** | **-** | **17,531** | **297** | **18,891** |
| Acquisitions | 335 | - | 3,519 | - | **3,854** |
| Disposals | 932 | - | 4,000 | - | **4,932** |
| Other variations | - | - | (4,580) | (297) | **(4,877)** |
| **Values as at 31.12.2014** | **466** | **-** | **12,470** | **-** | **12,936** |
| Acquisitions | 1 | - | - | 10,006 | **10,007** |
| Disposals | 33 | - | 312 | - | **345** |
| Other variations | - | - | (8,757) | 14,523 | **5,766** |
| **Values as at 30.06.2015** | **434** | **-** | **3,400** | **24,529** | **28,363** |

The decrease in “Loans and receivables” in 2015 corresponds to the repayment of loans to employees.

The decrease in “Available for sale financial assets” corresponds to the sale of UCITS collective investment units as part of the liquidity contract (note 9.4) prior to their investment in GTT shares. The other variations correspond to an increase of €743,000 in the fair value of equity interests (Level 3) and of €9,500,000 to the reclassification of cash placements as “Financial assets at fair value through profit or loss”.

The increase in “Financial assets at fair value through profit or loss” corresponds to three new cash investments made during the period. The other variations correspond to a reclassification of a current asset (€5,000,000) and a reclassification of “Available for sale financial assets” (€9,500,000). Cash investments are stated at their fair value (Level 2).

## Note 7. WORKING CAPITAL

### 7.1. Trade receivables and other current assets

| Gross book value | June 2015 | December 2014 | Change 2015/2014 |
|---|---|---|---|
| **Trade and other receivables** | **81,260** | **75,301** | **5,959** |
| Trade and other operating receivables | - | - | - |
| Tax and social security receivables | 26,109 | 23,308 | 2,802 |
| Other receivables | - | 5,728 | (5,728) |
| Prepaid expenses | 2,174 | 2,234 | (60) |
| **Total other current assets** | **28,283** | **31,270** | **(2,987)** |
| **Total** | **109,543** | **106,571** | **2,972** |

| Depreciation | June 2015 | December 2014 | Change 2015/2014 |
|---|---|---|---|
| **Trade and other receivables** | **98** | **98** | **-** |
| Trade and other operating receivables | - | - | - |
| Tax and social security receivables | - | - | - |
| Other receivables | - | - | - |
| Prepaid expenses | - | - | - |
| **Total other current assets** | **-** | **-** | **-** |
| **Total** | **98** | **98** | **-** |

| Net book value | June 2015 | December 2014 | Change 2015/2014 |
|---|---|---|---|
| **Trade and other receivables** | **81,161** | **75,203** | **5,959** |
| Trade and other operating receivables | - | - | - |
| Tax and social security receivables | 26,109 | 23,308 | 2,802 |
| Other receivables | - | 5,728 | (5,728) |
| Prepaid expenses | 2,174 | 2,234 | (60) |
| **Total other current assets** | **28,283** | **31,270** | **(2,987)** |
| **Total** | **109,445** | **106,473** | **2,972** |

The book value of trade receivables corresponds to a reasonable approximation of their fair value.

### 7.2. Trade payables and other current liabilities

| In thousands of euros | June 2015 | December 2014 | Change 2015/2014 |
|---|---|---|---|
| **Trade and other payables** | **12,813** | **14,744** | **(1,931)** |
| Tax and social security payables | 17,646 | 26,292 | (8,646) |
| Other debt | 2,397 | 833 | 1,564 |
| Prepaid income | 80,051 | 73,280 | 6,771 |
| **Total other current liabilities** | **100,094** | **100,405** | **(311)** |
| **Total** | **112,907** | **115,149** | **(2,242)** |

## Note 8. CASH AND CASH EQUIVALENTS

| In thousands of euros | June 2015 | December 2014 |
|---|---|---|
| Short-term investments | 39,939 | 35,884 |
| Cash and cash equivalent | 12,483 | 28,821 |
| **Cash in balance sheet** | **52,422** | **64,705** |
| Bank overdrafts and equivalent | - | - |
| **Total cash and cash equivalent** | **52,422** | **64,705** |

Short-term investments mainly comprise term accounts and medium-term notes (MTN), stated at fair value (Level 2) and meeting the criteria for classification as cash equivalents.

## Note 9. SHARE CAPITAL

### 9.1. Share capital

As at June 30, 2015, the share capital comprised 37,078,357 shares with a nominal value of €0.01.

### 9.2. Dividends

The shareholders meeting held on May 19, 2015 approved the payment of an ordinary dividend of €2.66 per share for the year ended December 31, 2014 payable in cash. As an interim dividend was paid on September 29, 2014, the balance of €42,999,737.24 was paid on May 28, 2015.

### 9.3. Share-based payments

**Allocation of free shares**

| Allocation date (1) | Plan | Acquisition period | Minimum conservation period | Number of shares allocated originally | Fair value on the allocation date | Expired shares | Shares allocated at the end of the acquisition period | Existing shares as at June 30, 2015 |
|---|---|---|---|---|---|---|---|---|
| February 10, 2014 | No. 1 | 2 years | 2 years | 5,745 | €46 | n/a | n/a | 5,745 |
| February 10, 2014 | No.2 | 2 to 4 years | 2 years | 250,000 | €24 | n/a | n/a | 250,000 |

*(1) The allocation date corresponds to the date on which the Board of Directors approved these allocation plans.*

For these two plans, the Board of Directors drew up the following acquisition conditions:

- Plan No. 1: 100% of the share allocation is contingent on the employees' presence at the end of the acquisition period.
- Plan No.2: 100% of the shares to be allocated on condition of:
    - The employees being present at the end of the acquisition period
    - Fulfilment of performance criteria during the period preceding the acquisition period. These criteria are:
        - GTT stock performance,
        - The net margin ratio (net income/revenues)
        - GTT stock performance compared to the Stoxx 600 Oil & Gas index (Price).

**Calculation of the cost for the period**

In application of the IFRS 2, a cost representing the benefit allowed to the beneficiaries of the plans is recorded in "Personnel expenses" (operating income) (note 4.1).

For share-based plans benefiting all employees, the unit value is based on the share price when the plan is allocated and takes changes in headcount into account.

For share-based plans allocated to executive committee members, the unit value is based on the share price when the plan is allocated, weighted by a reasonable estimate as to how far the share allocation criteria have been fulfilled.

The cost is determined multiplying these unit values by the estimated number of shares to be allocated. It is spread over the rights acquisition period following the date of the decision by the Board of Directors on each plan, and according to the probability of performance criteria fulfilment.

For the period running from January 1 to June 30, 2015, the recorded cost of the share-based plans amounted to €846,600. As at June 30, 2014, the amount stood at €914,800.

### 9.4. Treasury shares

The company entered into a liquidity contract on November 10, 2014. Under IAS 32, the cost of shares purchased for use as treasury shares is deducted from the share capital. Treasury shares owned by the entity are omitted when calculating earnings per share. As at June 30, 2015, the company held 13,729 treasury shares.

## Note 10. EARNINGS PER SHARE

| In thousands of euros | June 2015 | June 2014 |
|---|---|---|
| Net earnings in euros | 54,229,113 | 58,895,229 |
| Weighted average number of shares outstanding (excluding treasury shares) | 37,064,628 | 37,078,357 |
| - Plan No.1 | 5,745 | 5,745 |
| - Plan No.2 | 250,000 | 250,000 |
| Number of shares on a diluted basis | 37,320,373 | 37,334,102 |
| **Basic net earnings per share in euros** | **1.46** | **1.59** |
| **Diluted net earnings per share in euros** | **1.45** | **1.58** |

Net earnings per share as at June 30, 2015 was calculated on the basis of a share capital comprising 37,064,628 shares, omitting all treasury shares.

To date, the company has allocated 255,745 free shares which have been included in the calculation of diluted net earnings per share.

## Note 11. PROVISIONS

### 11.1. Defined benefit pension plan commitments

Provisions for employee pensions are as follows:

| In thousands of euros | June 2015 | December 2014 |
|---|---|---|
| Closing balance of commitments | (1,408) | (1,629) |
| Fair value closing value of commitments | 1,431 | 1,428 |
| Financial hedge | 23 | (201) |
| Cost of unrecognized past service | - | - |
| Other | - | - |
| **Provisions and (prepaid expenses)** | **(23)** | **201** |

The change in the value of commitments and in the fair value of assets with respect to retirement allowances is as follows:

| In thousands of euros | June 2015 | December 2014 |
|---|---|---|
| Opening balance of net retirement commitments | (201) | 297 |
| Normal cost | (271) | (182) |
| Interest income (expense) | 5 | (14) |
| Cost of past service | - | - |
| Actuarial losses and (gains) | 498 | (291) |
| Asset refund claims | (9) | (12) |
| **Closing balance of net retirement commitments** | **23** | **(201)** |

### 11.2. Other provisions

| In thousands of euros | Litigation provision | Current | Non-current |
|---|---|---|---|
| **Values as at 31.12.2013** | **9,289** | **-** | **9,289** |
| Provisions | 132 | - | 132 |
| Reversals | (3,679) | - | (3,679) |
| Reversals not used | - | - | - |
| **Values as at 31.12.2014** | **5,742** | **-** | **5,742** |
| Provisions | 28 | - | 28 |
| Reversals | (2,382) | - | (2,382) |
| Reversals not used | - | - | - |
| **Values as at 30.06.2015** | **3,388** | **-** | **3,388** |

Litigation provisions chiefly comprise a litigation provision initially booked in 2009 for €15 million, in anticipation of costs that might be incurred due to possible damage caused by LNG movement on primary LNGC membranes built using Mark III insulation system technology.

It is based on the probable rate of damage to the fleet of ships equipped with the Mark III insulation system which will be inspected up until 2015, and an average cost of repair that GTT may incur.

At end-2014, the provision stood at €4.3 million. A reversal of €2.3 million was booked during the first half, taking the provision to €2 million as at June 30, 2015.

Since the 2011 financial year, because the provision has not been used, it has been reversed annually, prorated on the number of ships inspected, and this will continue until end-2015.

The other provisions are intended to cover potential risks in disputes between GTT and former employees, as well as a claim made by a legal expert involved in an action brought by a third party against a repair shipyard.

## Note 12. INCOME TAX

### 12.1. Breakdown of income tax

| In thousands of euros | June 2015 | June 2014 |
|---|---|---|
| Current tax | (9,260) | (9,068) |
| Deferred tax | (277) | (1,659) |
| **Income tax on profit** | **(9,537)** | **(10,727)** |
| Distribution tax | (1,290) | (2,260) |
| **Total income tax** | **(10,827)** | **(12,987)** |

The distribution tax is a tax on the dividends paid during the first half of 2015, amounting to 3% of the total amount distributed.

### 12.2. Reconciliation of income tax expense

| | June 2015 | June 2014 |
|---|---|---|
| Net profit | 54,229 | 58,895 |
| Tax | 10,827 | 12,987 |
| **Profit before tax** | **65,056** | **71,882** |
| Standard rate | 15,00% | 15,00% |
| **Theoretical tax expense** | **9,758** | **10,782** |
| Permanent differences | 193 | 103 |
| Tax consolidation | (370) | (116) |
| Increase of 3.3% | 283 | 269 |
| Previously unrecognized deferred tax asset | - | - |
| Dividend distribution tax | 1,290 | 2,260 |
| Use of previously unrecognized deferred tax assets | - | - |
| Research tax credit | (327) | (311) |
| Reversal of lapsed investment provision | - | - |
| Tax adjustment | - | - |
| Tax credit | - | - |
| Tax assets unrecognized during the period | - | - |
| **Total tax** | **10,827** | **12,987** |

### 12.3. Duties and taxes

According to the revised application of IFRIC 21, the land tax and the *Contribution sociale de solidarité* should be fully recognized as at January 1 of the year in which they are paid.

### 12.4. Deferred tax assets and liabilities

| In thousands of euros | June 2015 | December 2014 |
|---|---|---|
| **Deferred tax assets** | | |
| On deficits | - | - |
| On other temporary differences | 409 | 810 |
| On buildings acquired via financial lease | 175 | 162 |
| On retirement commitments | - | 30 |
| On fair value of short-term investments | 54 | 5 |
| **Sub-total of deferred tax assets** | **638** | **1 007** |
| | | |
| **Deferred tax liabilities** | | |
| On regulated provisions | (219) | (315) |
| On tax | (20) | - |
| On hedging assets | (3) | - |
| On discounting of advances from Hydrocarbon Support Fund | (14) | (19) |
| On buildings acquired via financial lease | (377) | (377) |
| On revaluation of non-consolidated investments | (322) | (210) |
| On revaluation of short-term investments | (59) | - |
| **Sub-total of deferred tax liabilities** | **(1,014)** | **(922)** |
| **Deferred tax Assets/(Liabilities)** | **(376)** | **85** |

## Note 13. SEGMENT INFORMATION

The company is active in only one operating segment within the meaning of IFRS 8 – Operating Segments.

- Information on products and services

The company's activities are closely related, and involve the production of services related to the construction of storage facilities for transporting liquefied natural gas (LNG). At present, there is no "Principal Operating Decision Maker" who would receive specific reports on several types of products and services

- Information on geographical areas

Clients are mainly located in Asia. It is currently not considered relevant to make a distinction between countries in the region.

Assets and liabilities are located in France.

## Note 14. TRANSACTIONS WITH RELATED PARTIES

### 14.1. Transactions with related parties

GTT accounts are fully consolidated in the consolidated financial statements established by GDF SUEZ.

Transactions with these shareholder companies are as follows:

| | GDF SUEZ | December 2014 |
|---|---|---|
| Payables | - | **-** |
| Receivables | - | **-** |
| External personnel (Expensed) | - | **-** |
| Fees and expenses (Income) | 73 | **73** |
| Outsourced tests and studies (Expensed) | - | **-** |

| | GDF SUEZ | June 2015 |
|---|---|---|
| Payables | - | **-** |
| Receivables | - | **-** |
| External personnel (Expensed) | - | **-** |
| Social Security (Income) | 4 | **4** |
| Outsourced tests and studies (Expensed) | 52 | **52** |

Transactions with subsidiaries were as follows:

| | CRYOVISION | GTT NA | GTT TRAINING | December 2014 |
|---|---|---|---|---|
| Payables | - | 12 | 219 | **231** |
| Receivables | 66 | 173 | 3 | **242** |
| Financial current accounts | 181 | 19 | 158 | **358** |
| Loans | - | - | 314 | **314** |
| Leasing (Income) | 8 | - | - | **8** |
| Seconded personnel (Income) | 315 | 246 | - | **561** |
| Outsourced tests and studies (Expensed) | - | 1,150 | 219 | **1,369** |

| | CRYOVISION | GTT NA | GTT TRAINING | June 2015 |
|---|---|---|---|---|
| Payables | - | (502) | 435 | **(67)** |
| Receivables | 150 | 716 | 2 | **868** |
| Financial current accounts | 551 | 21 | 158 | **730** |
| Loans | - | - | 314 | **314** |
| Leasing (Income) | 4 | - | - | **4** |
| Seconded personnel (Income) | 221 | 221 | - | **442** |
| Outsourced tests and studies (Expensed) | 4 | 1,146 | 457 | **1,607** |

### 14.2. Remuneration of Executive Directors

| | June 2015 | June 2014 |
| --- | --- | --- |
| Wages and bonuses | 485 | 611 |
| Share-based payments (IFRS 2) | - | 3,000 |
| Charges related to share-based payments (IFRS 2) | - | 900 |
| Other long-term benefits | 65 | 83 |

The remuneration shown above is the remuneration of Mr Philippe BERTEROTTIERE, Chairman and CEO of the company.

The global remuneration allocated to the Directors as attendance fees amounted to €150,000 as at June 30, 2015. The figure was €135,000 as at June 30, 2014.

*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and it is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the group's half-yearly management report.*
*This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.*

**Statutory auditor's review report on the half-yearly financial information**

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code ("*Code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying condensed half-yearly financial statements under IFRS as adopted by the European Union, for the period from January 1 to June 30, 2015;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly financial statements under IFRS as adopted by the European Union are the responsibility of the board of directors. Our role is to express an opinion on these financial statements based on our review.

**1. Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRS as adopted by the European Union applicable to interim financial information.

**2. Specific verification**

We have also verified the information presented in the half-yearly management report on the condensed half-yearly financial statements under IFRS as adopted by the European Union subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly financial statements under IFRS as adopted by the European Union.

Paris-La Défense, July 21, 2015

The statutory auditor
ERNST & YOUNG Audit
*French original signed by*

Philippe Hontarrède