2017 Annual Results
Market upswing and robust results

Highlights

- Rebound in orders on core business:
  - 21 new units recorded in 2017 vs. 5 in 2016
  - 4 new orders since 1st January 2018
- Entry in LNG fuel market
  - First order of nine LNG-powered container vessels
  - Numerous industrial and commercial partnerships
- Acquisition of Ascenz in Singapore

Key figures for 2017

- Consolidated Revenue of €232 million
- Tight control of operating costs
- Proposed dividend of €2.66 per share[1]

Outlook for 2018

- Consolidated revenue target: between €235 million and €250 million
- Consolidated EBITDA[2] target: between €145 million and €155 million
- Dividend target in respect of 2018: at least equal to the dividend amount paid for the past three years

Paris, 16 February 2018 - GTT (Gaztransport & Technigaz) – an engineering company specialised in the design of membrane containment systems for maritime transportation and storage of liquefied gas, hereby presents its results for 2017.

GTT Chairman & CEO Philippe Berterottière made the following statement: "*2017 was marked by a clear rebound in orders of LNG carriers and the boom in FSRUs – confirming our vision of market requirements – as well as our entry into the emerging market of LNG as a fuel.*

The growth in LNG demand recorded in 2017, in particular in Asia and in new importing countries, shows that the LNG market is continuing to grow. With the emergence of LNG as a fuel, the global LNG market should start to benefit from the consumption of LNG by merchant vessels. The first order of nine ultra-large container vessels was both significant and emblematic of our ability to meet the requirements of shipping companies in this area. The partnerships we have formed with major industry players will be crucial in ensuring the development of GTT in this new ecosystem. Beyond the benefits for GTT, the use of LNG as a fuel for merchant vessels is a major step forward to reduce polluting emissions.

[1] Subject to approval by the General Meeting of 17 May 2018.
[2] EBITDA: earnings before interest, taxes, depreciation and amortization, in accordance with IFRS.

The acquisition of Ascenz – a company specialised in "smart shipping" – will enable us to accelerate our development in services by offering new solutions.

Thus, 2017 has enabled us to demonstrate our ability to implement the strategy we have laid down: solid core business, entry into the market of LNG as a fuel, targeted external growth, and acceleration of our service activities.

Concerning our outlook for the year in progress, given our healthy order book in 2017 and for the beginning of 2018, we expect our 2018 consolidated revenue to be between €235 million and €250 million, with consolidated EBITDA between €145 million and €155 million, and the dividend maintained at the same amount for 2018."

Business activity

- **Main "vessel" business**
  With 21 ship orders in 2017, GTT recorded a significant rebound in its commercial activity compared to 2016.

  - **12 orders for LNG carriers,** including 8 from South Korean shipyards and the other 4 from the Hudong Zhonghua shipyard in China. Most of these orders are intended for natural gas liquefaction units under construction, in particular in the United States. All of the vessels will be equipped with GTT's recent technologies (NO 96 GW, NO96-L03+ and Mark III Flex),

  - **8 orders for FSRUs** announced in 2017. These orders reflect the great interest for these regasification vessels which represent a highly flexible and very economical solution, in particular for new LNG importing countries,

  - **1 FLNG order.** This order, placed in early 2017, concerns a vessel with a total capacity of 238,700 m^3, built by Samsung Heavy Industries in South Korea for the gas company ENI, and equipped with the Mark III technology.

- **LNG fuel activity**
  With the booking of its very first order concerning LNG as a fuel, GTT demonstrates its ability to meet the requirements of major merchant vessels operators.

  - **A first order of 9 container ships.** In November 2017, GTT was selected by the Chinese shipyard Hudong Zhonghua and the CMA CGM shipping company for the design of the cryogenic storage tanks of 9 LNG-powered container ships. For GTT, this order is the result of over four years' development and marks its entry into this emerging market.

  - **Major industrial and commercial partnerships to speed up the development of LNG as a fuel.**
    GTT signed several cooperation agreements with major players in the LNG fuel market in order to speed up the deployment of solutions that will benefit shipyards as well as shipping companies:
    - With the Wärtsilä Group (Finland) in the aim of exploring new market opportunities in the maritime sector, focused on LNG storage, the methods for supplying LNG fuel to engines, and related services,

- With DSEC (South Korea) to meet the requirements of customers who want to adapt LNG membrane containment systems to all types of vessels (ocean liners, container ships, bulk carriers, ro-ro ships, etc.),
- With Cosco Shipping Industries (China), notably for the construction and renovation of LNG-powered ships and small LNG carriers.

- **"Services" business**

  - **GTT now offers shipping companies a comprehensive range of services**, making it possible to reduce vessel dry-dock time, assist ship crews during operations, and optimise costs.
    - In this respect, in February 2017, GTT signed a comprehensive technical assistance contract with Teekay for the whole of its fleet (i.e. 23 ships). This contract includes assistance and servicing, as well as the operational assistance service (HEARS®),
    - In December 2017, GTT and Chevron signed a five-year global service agreement under which GTT will assist Chevron with the maintenance and operation of 10 LNG carriers. This agreement provides for on-site technical assistance during inspections, as well as maintenance, repairs, Thermal Assessment of Membrane Integrity (TAMI™) tests, GTT's assistance in training Chevron's crew members and superintendents, and access to the HEARS® hotline.

  - **In October 2017, GTT announced the signing of a service agreement with Shell** for the FLNG Prelude membrane cargo containment system. This covers engineering, inspection, maintenance and testing related to the containment system.

Order book

Since 1 January 2017, GTT's order book[3] – which comprised 96 units at the time – has changed as follows:

- 21 new orders: 12 LNG carriers, 8 FSRUs and 1 FLNG
- 28 deliveries: 24 LNG and ethane carriers, 3 FSRUs and 1 FLNG

At 31 December 2017, the order book comprised 89 units, of which:

- 71 LNG carriers[4]
- 13 FSRUs
- 2 FLNGs
- 2 onshore storage tanks
- 1 barge

Financial performance

This year, GTT is presenting consolidated financial statements for the first time. The consolidated subsidiaries are the following: Cryovision, Cryometrics, GTT Training, GTT North America and GTT SEA. All of these subsidiaries are wholly owned by GTT and fully consolidated. In order to facilitate the reading of the 2017 IFRS consolidated financial statements, the Group presents the 2016 comparatives in a proforma consolidated form.

[3] Excluding LNG fuel
[4] Including the conversion of a LNGC order in FSRU

Change in consolidated revenue in 2017

(in € thousands)	Proforma 2016	**2017**	**Change**
Revenue	237,029	**231,591**	-2.3%
Of which royalties (newbuilts)	*227,286*	***218,381***	*-3.9%*
Of which services	*9,742*	***13,211***	*+35.6%*

Consolidated revenue amounted to €231.6 million in 2017, compared to €237.0 million in 2016, representing a slight decline of 2.3% over the period.

- Revenue from royalties amounted to €218.4 million in 2017, down 3.9% compared to previous year, due to a difficult market environment in 2016 which resulted in a low level of new orders. Royalties on LNG carriers amounted to €191.5 million, while royalties on FSRUs increased by 5.4% to €22.3 million. The other royalties, which totalled €3.6 million, stemmed from FLNGs, onshore storage tanks, the barge and LNG fuel.

- Revenue from services increased sharply (+35.6%), mainly due to the increase in maintenance operations, studies undertaken, and the training delivered under the Tote agreement in the United States.

Analysis of 2017 consolidated income statement

(in € thousands, except earnings per share)	Proforma 2016	**2017**	**Change**
Revenue	237,029	231,591	-2.3%
EBITDA[5]	146,388	142,096	-2.9%
EBITDA margin (on revenue, %)	61.8%	61,4%	
Operating income (EBIT)	142,147	138,353	-2.7%
EBIT margin (on revenue, %)	60.0%	59.7%	
Net income	119,868	116,245	-3.0%
Net margin (on revenue, %)	50.6%	50.2%	
Net earnings per share[6] (in euros)	3.24	3.14	-3.1%

Net income reached €116.2 million in fiscal 2017, down 3.0% compared to the previous year. The net margin rate remains at a level comparable to that of 2016, above 50%.

The change in income compared to 2016 is mainly attributable to a provision for tax risk of €15.2 million, including penalties. Following an audit by the French tax authorities, the Group was notified of a proposed rectification in which the authorities called into question an exemption from withholding tax in respect of dividends paid to a former non-resident shareholder. Contesting the grounds for the reassessment, and not having benefited itself from this exemption, the Group intends to take all appropriate measures to preserve its rights.

Excluding this provision, the net result would amount to €131.5 million in 2017 (+ 9.7% compared to 2016) and the net margin would increase from 50.6% to 56.8% (+ 6.2 points).

In 2017, the Group continued to strictly control its operating costs. As a result, external costs were reduced by 17% and staff costs by 5%.

[5] EBITDA: earnings before interest, taxes, depreciation and amortization, in accordance with IFRS.

[6] The calculation of net earnings per share is based on the weighted average number of shares outstanding, i.e. 37,036,945 shares at 31 December 2016 and 37,052,681 shares at 31 December 2017.

In addition, a research tax credit (CIR) was recognized following claims made for the years 2009 to 2011, 2013 and 2014 for an amount of €3.8 million.

Other 2017 consolidated financial data

(in € thousands)	Proforma 2016	2017	Change
Capital expenditure (acquisitions of fixed assets)	(4,521)	(3,434)	-24.0%
Dividends paid	(99,654)	(98,592)	-1.1%
Cash position	78,209	99,890	+27.7%

At 31 December 2017, the Company's net cash position amounted to €99.9 million. To this amount can be added €3.2 million in investments classified as financial assets. Note that €10.7 million in investments sold or having reached maturity were reclassified as cash and cash equivalents.

Dividend in respect of 2017

On 16 February 2018, after approving the financial statements, the Board of Directors decided to propose the payment of a dividend of €2.66 per share for 2017, payable in cash, subject to approval by the General Meeting of Shareholders to be held on 17 May 2018. As an interim dividend of €1.33 per share was paid on 29 September 2017 (in accordance with the Board decision of 20 July 2017), the payment of the outstanding balance, i.e. €1.33 per share, will take place on 31 May 2018 (ex-dividend date for the remainder of the dividend: 29 May 2018). The proposed dividend corresponds to a payout ratio of 86% of distributable profits.

Moreover, in accordance with the indications given by the Company upon its IPO, an interim dividend should be paid out in September 2018 in respect of FY 2018.

Outlook

The Company has visibility as regards its revenues from royalties out to 2021 based on its order book at the end of 2017. In the absence of any significant order delays or cancellations, this corresponds to a revenue of €393 million for the 2018-2021 period[7] (€225 million in 2018, €124 million in 2019, €38 million in 2020 and €6 million in 2021).

On that basis, the Group:

- announces a target of €235 million to €250 million in consolidated revenue for 2018,
- announces a target of €145 million to €155 million in consolidated EBITDA[8] for 2018,
- aims to distribute a dividend amount, in respect of FY 2018, at least equal to that paid for 2015, 2016 and 2017 and, in respect of FY 2019, a dividend payout ratio of at least 80% of net income available for distribution[9].

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[7] Royalties from the main business line, i.e. excluding LNG fuel and services, in accordance with IAS 18. Under the new IFRS 15 requirements, the breakdown would be the following: €223 million in 2018, €124 million in 2019, €48 million in 2020 and €6 million in 2021, for a total of €401 million.

[8] EBITDA: earnings before interest, taxes, depreciation and amortization, in accordance with IFRS.

[9] Subject to approval by the General Meeting.

Presentation of results for 2017

Philippe Berterottière, Chairman & CEO, and Marc Haestier, CFO, will comment on GTT's annual results, and will answer questions from the financial community during a conference call in English on Monday 19 February 2018, at 8.30 a.m. Paris time.

To participate in the conference call, please dial one of the following numbers five to ten minutes before the start of the conference:

- France: + 33 1 76 77 25 06
- United Kingdom: + 44 330 336 9411
- United States: + 1 323 794 2551

Confirmation code: 9385562

This conference call will also be broadcast live on GTT's website (www.gtt.fr) in listen-only mode (webcast). The presentation document will be available on the website.

Financial agenda

- 2018 first-quarter results: 12 April 2018 (after the close of trading)
- General Meeting of Shareholders: 17 May 2018
- Payout of the remainder of the dividend (€1.33 per share) for FY 2017: 31 May 2018
- Publication of the 2018 half-year results: 26 July 2018 (after the close of trading)
- 2018 third-quarter results: 26 October 2018 (after the close of trading)

About GTT

GTT (Gaztransport & Technigaz) is an engineering company expert in containment systems with cryogenic membranes used to transport and store liquefied gas, in particular LNG (Liquefied Natural Gas). For over 50 years, GTT has been maintaining reliable relationships with all stakeholders of the gas industry (shipyards, ship-owners, gas companies, terminal operators, classification societies). The Company designs and provides technologies which combine operational efficiency and safety, to equip LNG carriers, floating terminals, and multi-gas carriers. GTT also develops solutions dedicated to land storage and to the use of LNG as fuel for vessel propulsion, as well as a full range of services.

GTT is listed on Euronext Paris, Compartment A (ISIN FR0011726835 Euronext Paris: GTT) and is notably included in the SBF 120 and MSCI Small Cap indexes.

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For further information, please consult www.gtt.fr/en and, in particular, the presentation to be uploaded online for the conference call of February 19, 2018.

NOTE
GTT's full-year IFRS financial statements have been audited, and the auditor's report will be issued before the company's registration document is filed with the AMF (scheduled for end-April 2018).

Important notice
The figures presented here are those customarily used and communicated to the markets by GTT. 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 GTT management believes that these forward-looking statements are reasonable, investors and GTT 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 GTT, 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 GTT with the French Financial Markets Authority (AMF – *Autorité des Marchés Financiers*), including those listed in the "Risk Factors" section of the GTT Registration Document (in French) registered with the AMF on April 27, 2017 under number R.17-030, and the half-yearly financial report released on July 20, 2017. Investors and GTT shareholders should note that if some or all of these risks are realised they may have a significant unfavourable impact on GTT.

Appendices (Consolidated IFRS financial statements)

Appendix 1: Consolidated balance sheet

In thousands of euros	Proforma December 31, 2016	December 31, 2017
Intangible assets	1,008	1,097
Property, plant and equipment	18,137	17,483
Non-current financial assets	5,863	3,240
Deferred tax assets	1,737	1,520
Non-current assets	**26,746**	**23,341**
Customers	78,150	101,056
Income tax assets	22,952	18,975
Other current assets	6,110	5,098
Financial current assets	7,669	-
Cash and cash equivalents	78,209	99,890
Current assets	**193,089**	**225,018**
TOTAL ASSETS	**219,835**	**248,359**

In thousands of euros	Proforma December 31, 2016	December 31, 2017
Share capital	371	371
Share premium	2,932	2,932
Common shares	-1,765	-3,728
Reserves	-644	20,585
Net income	119,868	116,245
Equity	**120,762**	**136,405**
Non-current provision	4,626	3,967
Financial liabilities - non-current part	616	244
Deferred tax liability	261	222
Non-current liabilities	**5,503**	**4,433**
Current provision	1,864	15,604
Suppliers	8,970	10,574
Income tax liabilities	6,427	6,194
Current financial liabilities	488,	379
Other current liabilities	75,820	74,771
Current liabilities	**93,569**	107,521
TOTAL EQUITY AND LIABILITIES	**219,835**	**248,359**

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Appendix 2: Consolidated income statement

In thousands of euros	Proforma 2016	2017
Revenue from operating activities	**237,029**	**231,591**
Goods purchases	-2,042	-1,830
External charges	-44,324	-36,788
Personnel expenses	-43,248	-41,162
Taxes	-4,357	-4,183
Depreciations, amortisations and provisions	-6,929	-16,807
Other operating income and expenses	6,800	7,927
Impairements of assets	-782	-394
Operating profit	**142,147**	**138,353**
Financial income	1,319	423
Profit before tax	**143,466**	**138,777**
Income tax	23,598	22,532
Net income	**119,868**	**116,245**
Basic earnings per share (in euros)	3.24	3.14
Diluted earnings per share (in euros)	3.23	3.13

In thousands of euros	Proforma 2016	2017
Net income	**119,868**	**116,245**
Items that will not be reclassified to profit or loss:		
Actuarial Gains and Losses		
- Gross amount	-271	300
- Deferred tax	40	-45
- Total amount, net of tax	-231	255
Items that may be reclassified subsequently to profit or loss:		
Conversion differences	7	-59
Other comprehensive income for the year, net of tax	**-224**	**196**
Total comprehensive income	**119,644**	**116,441**

Appendix 3: Consolidated cash flow statement

In thousands of euros	Proforma 2016	2017
Group profit for the year	**119,868**	**116,245**
Cancellation of income and expenses with no effect on cash-flow:		
Allocation (Reversal) of amortisation, depreciation, provisions and impairment	7,162	17,095
Proceeds on disposal of assets	205	273
Financial expense (income)	-1,319	-423
Taxe expense (income) for the financial year	23,598	22,532
Free shares	885	830
Cash-flow	**150,399**	**156,551**
Tax paid out in the financial year	-22,576	-18,685
Change in working capital requirement:		
- Trade and other receivables	542	-22,906
- Trade and other payables	322	1,604
- Other operational assets and liabilities	-33,702	-38
Net cash-flow generated by the business (Total I)	94,984	116,525
Investment operations		
Acquisition of non-current assets	-4,521	-3,434
Disposal of non-current assets	-	-
Financial investments	-768	-2,864
Disposal of financial assets	12,534	13,260
Treasury shares	-415	-3,005
Net cash-flow from investment operations (Total II)	6,830	3,957
Financing operations		
Dividends paid to shareholders	-99,654	-98,592
Change in FSH advances	-538	-488
Interests paid	-36	-21
Interests received	783	366
Net cash-flow from finance operations (Total III)	-99,445	-98,736
Effect of changes in currency prices (Total IV)	**309**	**-65**
Change in cash (I+II+III+IV)	**2,678**	**21,681**
Opening cash	75,531	78,209
Closing cash	78,209	99,890
Cash change	**2,677**	**21,681**

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Appendix 4: Consolidated revenues breakdown

In thousands of euros	Proforma 2016	2017
Revenues from operating activities	**237,029**	**231,591**
Royalties (newbuilt)	**227,286**	**218,381**
- LNG carriers/VLEC	201,487	191,541
- FSRU	21,024	22,262
- FLNG	2,105	2,631
- Onshore storage	1,956	1,511
- Barges	713	370
- LNG Fuel	0	66
Services	**9,742**	**13,211**

Appendix 5: 10 year order estimates

In units	Order estimates (1)
LNG carriers/VLEC	225-240
FSRU	30-40
FLNG	5-10
Onshore storage	5-10

(1) Over 2018-2027. The Company points out that the number of new orders may see large-scale variations from one quarter to another and even one year to another without the fundamentals on which its business model is based being called into question.