



First Half 2016 results
Revenues up 11.4% and net margin at 51.8%

Key figures for 2016 first half

- Order book of 107 units
- Revenues up 11.4% at 117 million euros
- Net margin of 51.8%
- Interim dividend of 1.33 euros per share

Highlights

- 2 new orders
- 13 deliveries
- Growth in industrial partnerships

Outlook

- Lower-than-expected growth in 2016 revenues due to the time lag in the construction milestones of some vessels
- Net margin and dividend outlook confirmed

Paris – July 21, 2016. Gaztransport & Technigaz (GTT), an engineering company specialised in the design of membrane containment systems for the maritime transportation and storage of liquefied gas, today announced its financial results for the first half of 2016.

Summary income statement for the first half of 2016

(in thousands of euros, except for EPS)	H1 2015	H1 2016	Change
Revenue from operating activities	104,928	116,880	+11.4%
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA ¹)	65,974	73,746	+11.8%
EBITDA margin (on revenues, %)	62.9%	63.1%	
Operating income (EBIT)	64,564	72,123	+11.7%
EBIT margin (on revenues, %)	61.5%	61.7%	
Profit for the period	54,229	60,514	+11.6%
Net margin (on revenues, %)	51.7%	51.8%	
Net earnings per share ² (EPS, in euros)	1.46	1.63	+11.6%

Philippe Berterottière, Chairman and Chief Executive Officer of GTT, commented: *"Despite current turmoil in the LNG field, we have a solid order book, growing revenues and a high net margin.*

From a commercial standpoint, we received two LNG carrier orders during the first half of the year from long-term partners: the construction shipyard Hyundai Heavy Industries and the ship-owner SK Shipping. Beyond these two orders, we continue to grow our available services with simulation software for LNG operations. Regarding adjacent markets, we have also signed two major partnership contracts with membrane system outfitters in order to organise the LNG fuel supply chain. In this context, and still aiming at contributing to the development of LNG fuel, we also opened a Shanghai office in June.

From a financial standpoint, given the time lag in the construction milestones of some vessels and the current level of new orders, we now anticipate that a portion of the expected revenues will be carried over from 2016 to subsequent years. However, our cost management and the flexibility of our model will enable us to attain, for the 2016 financial year, a net margin in line with our objectives."

¹ EBITDA corresponds to EBIT (earnings before interest and taxes) plus the depreciation and amortisation on assets under IFRS.

² For the first half of 2016, net earnings per share were calculated based on the weighted average number of shares outstanding (excluding treasury shares), i.e. 37,046,601 shares.



Activity update

- **"Vessels" business activities**
 - o **LNG carriers:** In early June, GTT received an order from the Korean shipyard Hyundai Heavy Industries (HHI) to equip two new LNG carriers with the Mark III Flex technology. The ships will be built for the Korean ship-owner SK Shipping. Delivery is expected to take place in 2019.
 - o **FLNG³:** In May, the first floating LNG liquefaction and storage unit (FLNG) was delivered by the DSME shipyard to the Malaysian company Petronas. Equipped with the NO96 membrane, this FLNG will eventually have the capacity to produce 1.2 million metric tonnes per year and store 177,000 m³ of LNG on-board. To date, GTT's technologies have been selected to outfit the only three FLNGs ordered worldwide.

- **Subsidiary activities**
 - o GTT Training Ltd received its first orders for its simulation software for LNG cargo operations, G-Sim, from L-3 Communication/Chevron and Teekay Shipping. G-Sim offers practical training and provides a complete simulation of all on-board systems used in the management and handling of LNG cargo and the proper maintenance of the ship.
 - o GTT North America and GTT Training signed their first contract with the American company TOTE (ship-owner of the LNG bunker barge currently under construction) for the training of the crews on the barge and its tugboat.
 - o Cryovision experienced sustained activity for the first half of 2016 with TAMI inspections completed on 17 tanks, acoustic emissions tests completed on 12 tanks, and two installations of Sloshield, the management solution for liquid movement in tanks.

- **Development of industrial partnerships to accelerate the development of the LNG fuel chain**
 - o During the first half of 2016, GTT signed technical assistance and licence agreements with two new outfitters (subcontractor installers): AG&P in the Philippines and Endel in France. These partnerships make it possible to offer companies in the LNG logistics chain appropriate solutions that meet their specific needs, while benefiting from reduced delivery times and costs.

Order book

Since January 1, 2016, the GTT order book, which then comprised 118 units, has changed with:

- 13 deliveries:
 - o 11 LNG carriers
 - o 1 FSRU⁴
 - o 1 FLNG
- 2 new orders: 2 LNG carriers

At June 30, 2016, the order book stood at 107 units:

- 96 LNG and ethane carriers
- 6 FSRUs
- 2 FLNGs
- 2 onshore storage tanks
- 1 LNG bunker barge

³ Floating Liquefied Natural Gas vessel: LNG liquefaction unit

⁴ Floating Storage and Regasification Unit



Change in revenues for the first half of 2016

(in thousands of euros)	H1 2015	H1 2016	Change
Revenue from operating activities	104,928	116,880	+11.4%
From royalties	96,394	111,093	+15.2%
From services	8,534	5,787	-32.2%

Revenue stood at 116.9 million euros at June 30, 2016, compared to 104.9 million euros at June 30, 2015, i.e. an increase of 11.4% over the period.

- Revenues from royalties for the first half of 2016 amounted to 111.1 million euros, a strong increase (+15.2%) over the first half of 2015. Royalties from LNG/ethane carriers increased by 19.5% to 101.0 million euros and FSRU royalties increased by 25.5% to 8.7 million euros. The other royalties of 1.5 million euros stemmed from FLNGs, onshore tanks and the barge.
- The 32% decrease in revenue related to services is primarily due to a decrease in engineering studies, in comparison with a particularly dynamic first half of 2015.

Income statement analysis

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) reached 73.7 million euros in the first half of 2016, up 11.8% on the year-earlier period. This change is explained by revenues having increased by 11.4% in comparison to the first half of 2015 and operating expenses showing more moderate growth (3.3% compared to the first half of 2015).

The EBITDA margin on revenues rose from 62.9% in the first half of 2015 to 63.1% in the first half of 2016.

2016 First-half operating income came to 72.1 million euros, compared with 64.6 million euros in the first half of 2015, a rise of 11.7%.

Profit for the period increased from 54.2 million euros in the first half of 2015 to 60.5 million euros in the first half of 2016, with a stable net margin (from 51.7% to 51.8%).

Other financial data

(in thousands of euros)	H1 2015	H1 2016
Investment spending (fixed asset acquisitions)	(3,803)	(1,300)
Dividends paid	(43,000)	(50,385)
Cash and cash equivalents	52,422	59,590

At June 30, 2016, the Company had a positive cash and cash equivalent position amounting to 59.6 million euros. To this amount may be added financial assets amounting to 19.9 million euros.



Outlook

Based on the revenue from royalties recorded for the first half of the year and the value of the current order book, and in the absence of any significant postponements or cancellations in orders, the cumulative revenue for the 2016-2020 period would amount to 636 million euros (229 million euros in 2016⁵, 213 million euros in 2017, 155 million euros in 2018, 35 million euros in 2019 and 4 million euros in 2020).

Accordingly, given the time lag observed in shipbuilding milestones and the current level of new orders, the Company now estimates at around 240 million euros the revenue for the 2016 financial year⁶.

The other two objectives remain unchanged:

- A 2016 net margin above 50%⁷,
- A dividend amount, for 2016⁸ and 2017, at least equivalent to that paid with respect to 2015.

Interim dividend payment

On July 21, 2016, the GTT Board of Directors decided the payment of an interim dividend of 1.33 euros per share for the 2016 financial year. This interim dividend will be paid in cash according to the following schedule:

- September 28, 2016: ex-dividend date;
- September 30, 2016: payment date.

Presentation of 2016 first-half results

Philippe Berterottière, Chairman and CEO, Julien Burdeau, COO, along with Cécile Arson, CFO, will comment on GTT's results and answer questions from the financial community during a conference call in English on Friday, July 22, 2016 at 8:30 am CEST.

To participate in the conference call, you may call any of the following numbers approximately 5-10 minutes prior to the scheduled start time:

- France: +33 (0) 1 76 77 22 30
- United Kingdom: +44 (0) 20 3427 1907
- USA: + 1212 444 0896

Confirmation code: **1499663**

The conference call will also be available via a simultaneous, listen-only webcast on GTT's website (www.gtt.fr). The presentation document will be available on the website.

Financial calendar

- Payment on September 30, 2016 of an interim dividend of 1.33 euros per share for the 2016 financial year
- Release of 2016 Q3 revenues on October 12, 2016 (after market close)
- 2017 Shareholders' Meeting: May 18, 2017

⁵ Of which 111.0 million euros recognised for the first half of 2016

⁶ In the absence of any significant new postponements or cancellations of orders

⁷ Excluding the effect of potential acquisitions

⁸ 2016 dividend to be submitted for approval by the Shareholders' Meeting of May 18, 2017



About GTT

GTT (Gaztransport & Technigaz) is the originator of the concept of cryogenic membrane containment systems used in the shipbuilding industry for the transport and storage of liquefied gas, particularly LNG (Liquefied Natural Gas). For over 50 years, GTT has designed and offered to its customers technologies which allow them to optimise storage space and reduce the construction and operating costs of ships or tanks equipped with these systems. The liquefied gas market includes several types of vessels: LNG carriers, FRSUs, (floating LNG storage and regasification units), FLNGs (floating LNG production storage and offloading units), as well as multigas carriers (particularly ethane and LPG). The company also provides solutions for onshore storage and the utilisation of LNG as fuel for the propulsion of vessels (bunkering), as well as a wide range of high value-added services intended for all those involved in the liquefied gas supply chain. Find more information at www.gtt.fr.

GTT is listed in Compartment A of Euronext Paris (ISIN FR0011726835, Ticker GTT) and forms part of the SBF 120 and MSCI Small Cap indices, among others.

Media Contact: press@gtt.fr / +33 (0)1 30 23 42 24 - +33 (0)1 30 23 20 41

Investor Relations Contact: information-financiere@gtt.fr / + 33 (0)1 30 23 42 26 - +33 (0)1 30 23 20 87

For further information, please see www.gtt.fr, especially the presentation posted online at the time of the July 22, 2016 conference call.

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), including those listed in the "Risk Factors" section of the GTT base document (in French) registered with the AMF on 27 April 2016 under number R.16-028, and the half-yearly financial report released on 21 July 2016. 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 (financial statements, IFRS)

Appendix 1: Balance sheet

In thousands of euros	June 30, 2016	December 31, 2015
Intangible assets	691	763
Property, plant and equipment	17,315	17,789
Non-current financial assets	15,290	15,445
Deferred tax assets	389	282
Non-current assets	33,685	34,279
Trade and other receivables	85,168	83,254
Other current assets	26,476	31,024
Financial current assets	7,775	12,688
Cash and cash equivalents	59,590	73,444
Current assets	179,010	200,410
TOTAL ASSETS	212,695	234,690

In thousands of euros	June 30, 2016	December 31, 2015
Share capital	371	371
Share premium	2,932	2,932
Reserves	47,729	(21,520)
Net income	60,514	117,257
Other items of comprehensive income	(505)	1,675
Total equity	111,041	100,714
Non-current provision	3,761	3,198
Financial liabilities - non-current part	861	1,091
Other non-current liabilities	620	91
Non-current liabilities	5,242	4,381
Trade and other payables	8,700	11,187
Current financial liabilities	524	561
Other current liabilities	87,188	117,847
Current liabilities	96,412	129,594
TOTAL EQUITY AND LIABILITIES	212,695	234,690

Appendix 2: Income statement

In thousands of euros	June 30, 2016	June 30, 2015
Revenue from operating activities	116,880	104,928
Costs of sales	(1,414)	(1,244)
External charges	(20,702)	(20,112)
Personnel expenses	(21,019)	(20,939)
Taxes	(2,391)	(1,790)
Depreciations, amortisations and provisions	(2,946)	673
Other operating income and expense	3,714	3,048
Current operating income	72,123	64,564
Other non-current income and expenses	-	-
Operating profit	72,123	64,564
Financial income	360	492
Profit before tax	72,482	65,056
Income tax	(11,969)	(10,827)
Net income	60,514	54,229
Basic earnings per share in euros	1.63	1.46
Diluted earnings per share in euros	1.63	1.45
In thousands of euros	June 30, 2016	June 30, 2015
Net income	60,514	54,229
Items that will not be reclassified to profit or loss:		
Actuarial gains and losses		
Gross amount	(306)	490
Deferred tax	46	(73)
Total amount, net of tax	(260)	417
Items to may be reclassified subsequently to profit or loss:		
Fair value changes on equity investments		
Gross amount	(245)	743
Deferred tax	-	(111)
Total amount, net of tax	(245)	631
Other comprehensive income for the period	(505)	1,048
Total comprehensive income	60,009	55,277
Basic comprehensive income per share (in euros)	1.62	1.49
Diluted comprehensive income per share (in euros)	1.61	1.48

Appendix 3: Cash flow statement

(In thousands of euros)	June 30, 2016	June 30, 2015
Company profit for the period	60,514	54,229
Removal of income and expenses with no cash impact:		
Depreciations, amortisations and provisions	454	(759)
Tax expense (income) for the financial period	11,969	10,827
Share-based payments	(1,563)	847
Other income and expenses	(462)	(104)
Cash Flow	70,911	65,040
Income tax paid	(11,956)	(10,550)
Change in working capital:		
- Trade and other receivables	(1,915)	(5,959)
- Trade and other payables	(2,487)	(1,931)
- Other operating assets and liabilities	(26,112)	(2,193)
Net cash-flow generated by the business (Total I)	28,441	44,408
Investment operations		
Acquisition of non-current assets	(1,300)	(3,803)
Disposal of non-current assets	249	82
Financial investments	-	(10,007)
Disposal of financial assets	5,457	345
Reclassification of assets in progress	90	-
Treasury shares	3,880	-
Change in other fixed financial assets	-	-
Net cash-flow from investment operations (Total II)	8,375	(13,381)
Financing operations		
Dividends paid to shareholders	(50,385)	(43,000)
Change in Hydrocarbon Support Fund advances	(286)	(311)
Net cash-flow from finance operations (Total III)	(50,670)	(43,310)
Change in cash (I+II+III)	(13,854)	(12,283)
Opening cash	73,444	64,705
Closing cash	59,590	52,422
Cash change	(13,854)	(12,283)



Appendix 4: Breakdown of Revenues

(in thousands of euros)	H1 2016	H1 2015	Change
Revenue from operating activities	116,880	104,928	+11.4%
From royalties	111,093	96,394	+15.2%
<i>LNG carriers/Ethane carriers</i>	100,954	84,500	+19.5%
<i>FSRUs</i>	8,667	6,905	+25.5%
<i>FLNGs</i>	1,070	4,430	-75.9%
<i>Onshore storages</i>	164	344	-52.4%
<i>Barges</i>	239	215	+11.0%
From services	5,787	8,534	-32.2%