2017 Half-year financial report

GAZTRANSPORT & TECHNIGAZ

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

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

Versailles Trade and Companies Register No. 662 001 403 Versailles

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STATEMENT OF THE PERSON RESPONSIBLE

"I certify that, to the best of my knowledge, the condensed financial statements for the 2017 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 financial year."

July 20, 2017

Philippe Berterottière, Chairman and CEO

FIRST HALF MANAGEMENT REPORT

KEY BUSINESS HIGHLIGHTS FOR THE FIRST HALF

1/ Changes in the order book

Since January 1, 2017, the GTT order book has changed, with:

- 21 deliveries:
  - 18 LNG/Ethane carriers
  - 2 FSRUs[1]
  - 1 FLNG[2]
- 13 orders received:
  - 8 LNG carriers
  - 4 FSRUs
  - 1 FLNG

At June 30, 2017, the order book stood at 88 units:

- 73 LNG/Ethane carriers
- 10 FSRUs
- 2 FLNGs
- 2 onshore storage tanks
- 1 LNG bunker barge

2/ First Half 2017 activity

- **"Vessel" business**

  During the first half of 2017, GTT's business activity was marked by numerous successes:

  - Eight orders for LNG carriers, including four from two South Korean shipyards (Hyundai Heavy Industries and Daewoo Shipbuilding & Marine Engineering) and four others from Chinese shipyard Hudong Zhonghua. These vessels will be equipped with recent GTT technologies (NO 96 GW, NO96-L03+ and Mark III Flex).

  - Four orders for the design of FSRU tanks to be built by the South Korean naval shipyards (Hyundai Heavy Industries, Samsung Heavy Industries and Daewoo Shipbuilding & Marine Engineering). These orders demonstrate the very high interest in these regasification vessels, which is a very quick and flexible solution, particularly for the new LNG importing countries.

  - One FLNG order. This vessel, with a total capacity of 238,700 m3, will be built in the Samsung Heavy Industries shipyard in South Korea on behalf of the gas company ENI and

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1 Floating Storage and Regasification Unit: Floating LNG storage and regasification unit

2 Floating Liquefied Natural Gas vessel: LNG liquefaction unit

will be equipped with Mark III technology. Following the recent delivery of the two first FLNGs, including Prelude, the largest floating structure ever built, this new order demonstrates that GTT's technologies represent the ideal solution for offshore LNG production units.

- **"Services" business**

    - GTT henceforth offers an overall services offering for ship-owners that reduces vessel dry-dock time, assists crews during operations and optimises costs. Accordingly, in February 2017, GTT signed a comprehensive technical support contract with Teekay for its entire fleet (i.e. 23 vessels), which incorporates support and intervention services, as well as the HEARS advisory and optimisation service. GTT pursues its efforts in developing new innovative services.

- **Technologies**

    - During the Gastech Exhibition & Conference in early April 2017, GTT launched its new technology dedicated to LPG transportation: GTT MARSTM. This technology is derived from GTT’s proven membrane systems.

    - During this event, GTT also presented a gravity based subsea storage solution. Dubbed GBS (for "Gravity Based System"), this bunkering station consists of a concrete chamber and a membrane containment tank designed by GTT. It sits on the seabed and can be installed in a port or isolated area and requires no additional infrastructure. This reduces installation costs while limiting the environmental impact.

3/ Combined Shareholders Meeting

GTT’s combined shareholders meeting took place on May 18, 2017, chaired by Philippe Berterottière, Chairman and Chief Executive Officer, at Domaine de Saint-Paul, Saint-Rémy-lès-Chevreuse.
All resolutions submitted to the vote of the Shareholders’ Meeting were adopted, with the exception of the sixteenth resolution regarding the authorisation to be granted to the Board of Directors to perform one or several capital increases reserved for employees, which the Board of Directors of GTT had recommended that shareholders reject.
The shareholders notably approved the financial statements for the 2016 financial year and voted a dividend of 2.66 euros per share, it being stipulated that an interim dividend of 1.33 euros per share had already been paid on September 30, 2016.
The Shareholders’ Meeting also ratified the co-option of Cécile Prévieu to the Board of Directors, renewed the term of office of Andrew Jamieson, appointed Didier Holleaux and Ana Busto as directors and Benoît Mignard as observer.
In addition, the Shareholders' Meeting issued a favourable opinion regarding the components of compensation, for the 2016 financial year, for Philippe Berterottière, Chairman and Chief Executive Officer, and Julien Burdeau, Chief Operating Officer. It also approved the report on the principles and criteria used for the determination, distribution and allocation of the fixed, variable and exceptional components comprising the compensation of executive officers.
Finally, the Shareholders' Meeting appointed the firm Cailliau Dedouit et Associés as co-Statutory Auditors for a period of six years.

SUBSIDIARY ACTIVITIES

Cryovision, a GTT subsidiary created in 2012, offers innovative services to ship-owners and vessel operators. Cryovision markets Non-Destructive Testing of GTT cryogenic membrane containment systems, in particular using thermal cameras (TAMI) and the Acoustic Emission method. Cryovision also installs embedded systems aboard LNG carriers: SloShield, a monitoring system for the sloshing of liquids and LNG Advisor, a management and optimisation tool for evaporation.

During the first half of 2017, Cryovision experienced robust business activity with TAMI inspections performed on 39 tanks and acoustic emissions tests on 26 tanks. Cryovision also installed 2 SloShield systems and one LNG Advisor system during the first half of 2017.

GTT North America, an American GTT subsidiary created in 2013, continued its business development on the American continent. During the first half of the year, it signed several contracts involving feasibility studies for an innovative LNG production platform (FLNG) on behalf of a large gas company, as well as engineering studies for the modification of regasification vessels (FSRU) for their redeployment on new markets.
GTT North America also signed, along with GTT Training, several training contracts (US Coast Guard, gas companies, etc.).
Finally, at the beginning of the half-year, the membrane tank of the first US LNG bunker barge was successfully completed by the CONRAD shipyard for the ship-owner TOTE. The barge crew underwent a training programme developed with GTT Training, the only one approved by the US Coast Guard to date.

GTT Training Ltd, a subsidiary created in 2014, received three new orders for its simulation software for cargo operations (G-Sim), including a first order for its new LNG fuel module. This module was designed for training crews in LNG bunkering operations.

Training activity was also strong, with training sessions provided in Houston, in partnership with GTT North America. GTT Training endeavours to work closely with operators in order to offer training that meets their specific needs.

Cryometrics, a wholly owned GTT subsidiary created in November 2015, markets services that help to improve the performance and operational flexibility of LNG carriers.

LNG Advisor ensures the transmission in real time, at sea and on land, of reliable data relating to the energy performance of the vessel. Two vessels are currently equipped with LNG Advisor.

SloShield, available since 2014, makes it possible to monitor sloshing activity inside tanks in real time.

GTT South East Asia (GTT SEA), a GTT subsidiary established in Singapore in 2015, performs business development activities on behalf of GTT in the Asia-Pacific region.

GTT's presence in Singapore facilitates better collaboration with regional players, particularly in key countries such as Singapore, Indonesia, the Philippines and Malaysia, where LNG bunkering markets and small-scale LNG chains are promising, and where demand for regasification terminals is strong.

ANALYSIS OF RESULTS FOR THE FIRST HALF OF 2017

Condensed income statement

(in thousands of euros)	H1 2017	H1 2016	Change
Revenues from operating activities	**111,346**	**116,880**	**-4.7%**
Costs of sales	(935)	(1,414)	-33.8%
External expenses	(18,534)	(20,702)	-10.5%
Personnel expenses	(20,638)	(21,019)	-1.8%
Taxes	(2,252)	(2,391)	-5.8%
Depreciations, amortisations and provisions	(1,415)	(2,946)	-52.0%
Other operating income and expenses	5,440	3,714	+46.5%
Operating income (EBIT(1))	**73,013**	**72,123**	**+1.2%**
EBIT margin on revenues from operating activities (%)	**65.6%**	**61.7%**	
Financial income	231	360	-35.6%
Profit before tax	**73,244**	**72,482**	**+1.1%**
Income tax	(12,018)	(11,969)	+0.4%
Net income	**61,226**	**60,514**	**+1.2%**
Net margin on revenues from operating activities (%)	**55.0%**	**51.8%**	
Basic earnings per share (in euros)	1.65	1.63	+1.4%
EBITDA(2)	**74,614**	**73,746**	**+1.2%**
EBITDA margin on revenues from operating activities (%)	**67.0%**	**63.1%**	

(1) EBIT means "Earnings Before Interests and Taxes".
(2) EBITDA corresponds to EBIT plus depreciation on fixed assets under IFRS.

Net income for the first half of 2017 shows a slight increase of 1.2% in comparison to the first half of the previous year.

The net margin on revenues is up at 55.0% at June 30, 2017, versus 51.8% at June 30, 2016.

This margin is growing despite the slowdown in business, for two main reasons:

- the control of operating expenses in particular for the subcontracting, personnel and fees items;
- income from a Research tax credit (CIR) granted in respect of disputed claims for the 2009 to 2011 and 2013 financial years amounting to 2.776 million euros.

Breakdown and change in revenues ("Revenue from operating activities" in the income statement)

(in thousands of euros)	H1 2017	H1 2016	Change
Revenues	**111,346**	**116,880**	**-4.7%**
From royalties	103,451	111,093	-6.9%
LNG/Ethane carriers	*89,589*	*100,954*	*-11.3%*
FSRU	*12,788*	*8,667*	*+47.6%*
FLNG	*989*	*1,070*	*-7.6%*
Onshore storage	*-*	*164*	*ns*
Barges	*85*	*239*	*-64.5%*
From services	7,895	5,787	+36.4%

Revenues, which had experienced strong growth during the preceding financial years, slowed from 116,880 thousand euros during the first half of 2016 to 111,346 thousand euros during the first half of 2017.

Revenues from LNG and ethane carriers, which represent 80% of overall revenues for the company (at 89,589 thousand euros), were impacted by the low number of orders recorded by the shipyards during the 2016 financial year.

The slowdown in the principal activity was nevertheless partially offset by the strong growth in revenues from services.

Revenues from FSRU orders (Floating Storage and Regasification Units) accordingly rose by 47.6% between June 30, 2016 and June 30, 2017. This increase is mainly the result of the four orders recorded during H1 2017 (nine orders generated revenues versus five orders during H1 2016).

Revenue from FLNG (floating LNG) orders was relatively stable over the period and totalled 989 thousand euros versus 1,070 thousand euros in 2016. It should be noted that the order for one FLNG in June 2017 generated very little in revenues during the course of the first half of 2017.

At June 30, 2017, revenues from services had increased by 36.4% compared to June 30, 2016, from 5,787 thousand euros to 7,895 thousand euros. It amounted to 7% of total Company revenues on that date. This increase is primarily due to the study activities and, to a lesser extent, the operations on vessels in service.

Composition of GTT operating income

External expenses

(in thousands of euros)	H1 2017	H1 2016	Change
Tests and studies	7,143	8,660	-17.5%
Leasing, maintenance & insurance	2,729	2,651	+2.9%
External staff	257	77	+232.7%
Fees	3,119	3,624	-13.9%
Transport, travel and reception expenses	3,965	4,360	-9.1%
Postal & telecommunication charges	94	116	-18.7%
Others	1,227	1,213	+1.1%
TOTAL	**18,534**	**20,702**	**-10.5%**
% of revenues from operating activities	**16.6%**	**17.7%**	

The Company's external expenses decreased by 10.5%, falling from 20,702 thousand euros at June 30, 2016 to 18,534 thousand euros at June 30, 2017. This change is primarily due to the reduction in the test and studies item of 1,517 thousand euros due to the reduction in the use of subcontracting, as well as the fees item for 505 thousand euros.

External expenses accounted for 17.7% of Company revenues from operating activities at June 30, 2016 and 16.6% at June 30, 2017.

Personnel expenses

(in thousands of euros)	H1 2017	H1 2016	Change
Wages and salaries	11,081	11,242	-1.4%
Social security costs	6,029	6,309	-4.4%
Share-based payments	440	502	-12.3%
Profit-sharing and incentives scheme	3,088	2,966	+4.1%
Personnel expenses	**20,638**	**21,019**	**-1.8%**
% of revenues from operating activities	**18.5%**	**18.0%**	

Personnel expenses decreased in relation to the previous year (-1.8%). The workforce was reduced: an average of 357 persons over the first half of 2017 versus 387 on average in the first half of 2016.

Salaries and social security costs decreased from 17,551 thousand euros at the end of June 2016 to 17,110 thousand euros at the end of June 2017, i.e. a 2.5% decrease.

The profit-sharing and incentives scheme item showed a slight increase at June 30, 2017 due to the increase in net income.

Depreciation, amortisation and provisions

(in thousands of euros)	H1 2017	H1 2016	Change
Allocations for depreciation of fixed assets	1,601	1,624	-1.4%
Provisions	1,136	1,996	-43.1%
Reversal on amortisation	-	-	
Reversal of provisions	(1,323)	(673)	+96.4%
Amortisation and provisions (reversal)	**1,415**	**2,946**	**-52.0%**

Net depreciation, amortisation and provisions correspond to expenses over the period examined: they decreased from 2,946 thousand euros at June 30, 2016 to 1,415 thousand euros at June 30, 2017.

The recorded change is mainly due to (i) provisions for bad debt at June 30, 2016 and to (ii) the partial reversal of the contract loss provision at June 30, 2017.

The amount of the allocations for depreciation of fixed assets remained stable.

Other operating income and expenses

(in thousands of euros)	H1 2017	H1 2016	Change
Research tax credit (CIR)	5,183	3,380	+53.4%
Competitiveness and employment tax credit (CICE)	-	61	ns
Investment subsidies	257	273	-5.8%
Other operating income and expenses	**5,440**	**3,714**	**46.5%**

Other operating income and expenses consist mostly of the research tax credit, whose amount recognised at the end of period consists of an estimate, to which is added the remainder from the previous year. Estimates are made of projects considered eligible according to the criteria of the research tax credit and historically recorded amounts. The significant change is due mainly to the reimbursement granted for the disputed claims for the 2009 to 2011 and 2013 financial years amounting to 2,776 thousand euros.
It should be noted that the CICE was reclassified as a deduction from personnel expenses at June 30, 2017.

Change in operating income (EBIT) and EBITDA

(in thousands of euros)	H1 2017	H1 2016	Change
Operating income (EBIT)	**73,013**	**72,123**	**+1.2%**
EBIT margin on revenues from operating activities (%)	*65.6%*	*61.7%*	*+6.3%*
EBITDA	**74,614**	**73,746**	**+1.2%**
EBITDA margin on revenues from operating activities (%)	*67.0%*	*63.1%*	*+6.2%*

The Company’s EBIT rose from 72,123 thousand euros at June 30, 2016 to 73,013 thousand euros at June 30, 2017, i.e. +1.2%. The change in EBITDA of +1.2% is in line with the change in EBIT over the same period, increasing from 73,746 thousand euros at June 30, 2016 to 74,614 thousand euros at June 30, 2017.

The EBIT and EBITDA margins on revenues from operating activities are up over the period, at 65.6% and 67.0% respectively.

Breakdown of net income and earnings per share

	H1 2017	H1 2016	Change
Net income in euros	61,225,780	60,513,583	+1.2%
Weighted average number of shares in issuance	37,051,563	37,046,601	-
Number of diluted shares	37,153,473	37,171,601	-
Basic earnings per share in euros	**1.65**	**1.63**	**+1.4%**
Diluted net earnings per share in euros	**1.65**	**1.63**	**+1.1%**

Company net income rose from 60,514 thousand euros at June 30, 2016 to 61,226 thousand euros at June 30, 2017 based on the information presented in the above table.

Earnings per share at June 30, 2017 were calculated based on share capital consisting of 37,051,563 shares corresponding to the weighted average number of outstanding ordinary shares (excluding treasury shares) during the period.

On this basis, basic earnings per share went from 1.63 euro to 1.65 euro during the period.

Diluted earnings per share is calculated by taking into account the allocations of free shares decided by the Company. Diluted earnings per share went from 1.63 euro at end-June 2016 to 1.65 euro at end-June 2017.

GTT BALANCE SHEET ANALYSIS

Non-current assets

(in thousands of euros)	June 30, 2017	December 31, 2016	Change
Intangible assets	536	610	-12.2%
Property, plant and equipment	17,319	17,575	-1.5%
Non-current financial assets	8,335	7,937	+5.0%
Deferred tax assets	860	739	+16.4%
Non-current assets	**27,050**	**26,863**	**+0.7%**

The slight change in non-current assets between December 31, 2016 and June 30, 2017 is primarily due to the increase in non-current financial assets over the period, increasing from 7,937 thousand euros at December 31, 2016 to 8,335 thousand euros at June 30, 2017, and is explained by the revaluation of the non-consolidated securities.

Current assets

(in thousands of euros)	June 30, 2017	December 31, 2016	Change
Customers	73,682	81,530	-9.6%
Other current assets	28,099	30,357	-7.4%
Financial current assets	7,680	7,669	+0.1%
Cash and cash equivalents	77,325	74,355	+4.0%
Current assets	**186,786**	**193,911**	**-3.7%**

Current assets decreased between December 31, 2016 and June 30, 2017, from 193,911 thousand euros to 186,786 thousand euros.

This change is mainly the result of the decrease in trade and other receivables at June 30, 2017 and in particular the decrease in invoices to be prepared at June 30, 2017.

Total Equity

(in thousands of euros)	June 30, 2017	December 31, 2016	Change
Share capital	371	371	-
Share premium	2,932	2,932	-
Reserves	67,826	(1,714)	ns
Net income	61,226	119,745	-48.9%
Other items of comprehensive income	1,072	(1,130)	ns
Total Equity	**133,427**	**120,204**	**+11.0%**

The change in equity between December 31, 2016 (120,204 thousand euros) and June 30, 2017 (133,427 thousand euros) is mainly the result of the H1 2017 results being offset by the payment of the balance of the 2016 dividend.

Non-current liabilities

(in thousands of euros)	June 30, 2017	December 31, 2016	Change
Non-current provision	3,803	4,044	-6.0%
Financial liabilities - non-current part	378	626	-39.5%
Other non-current financial liabilities	511	582	-12.3%
Non-current liabilities	**4,692**	**5,252**	**-10.7%**

Provisions at June 30, 2017 consist of:

- a provision corresponding to a risk on a construction project of 2.4 million euros;
- provisions designed to cover potential risks in disputes between GTT and former employees and a lawsuit by a legal expert intervening in the context of actions taken by a third party with respect to a repair shipyard, as well as other risks. These provisions amounted to 1.4 million euros at June 30, 2017.

Non-current financial liabilities comprise the balance of advances from the Hydrocarbon Support Fund, which are not yet due. The decline is linked to reclassification in current financial liabilities expiring in the 12 coming months.

Current liabilities

(in thousands of euros)	June 30, 2017	December 31, 2016	Change
Current provisions	1,209	1,864	-35.2%
Suppliers	8,176	9,320	-12.3%
Current liabilities	497	488	+2.0%
Other current liabilities	65,835	83,647	-21.3%
Current liabilities	**75,717**	**95,318**	**-20.6%**

This balance sheet item fell from 95,318 thousand euros at December 31, 2016 to 75,717 thousand euros at June 30, 2017. This decline is mainly due to the decrease in other current non-financial liabilities associated with (i) a drop in prepaid income given the time lag between invoicing and the recording of revenues based on the progress in the construction of vessels ordered that are equipped with our technologies, and (ii) a decrease in tax payables.

In addition, trade payables decreased from 9,320 thousand euros at December 31, 2016 to 8,176 thousand euros at June 30, 2017, particularly due to the decline in external expenses.

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 2017-2021 period would amount to 529 million euros (223 million euros in 2017[3], 208 million euros in 2018, 80 million euros in 2019, 15 million euros in 2020 and 3 million euros in 2021).

Subject to any significant order postponements or cancellations, the Company confirms its objectives for the 2017 financial year, namely:

- 2017 revenues of 225-240 million euros. This objective is supported by the H1 level of orders;
- a net margin above 50%[4];
- a 2017 dividend amount at least equivalent to that paid in 2015 and 2016 and, in the following two years, a payout ratio of at least 80% of net income available for distribution[5].

INTERIM DIVIDEND PAYMENT

The Board of Directors of July 20, 2017 decided the distribution of an interim dividend of 1.33 euros per share for the 2017 financial year, to be paid in cash according to the following schedule:

- September 27, 2017: Ex-dividend date
- September 29, 2017: Payment date

THIRD PARTY TRANSACTIONS

During the first half of 2017, no third-party transactions likely to have a material impact on the Company's financial situation or results took place. 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 risks factors the Group may encounter are detailed in the "Risk factors" section of the Registration Document 2016, filed with the AMF on April 27, 2017 under number R.17-030. There were no significant changes in these risk factors during the first half of 2017.

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[3] Of which 103.5 million euros recognised for the first half of 2017

[4] Excluding potential acquisitions effect and at constant scope

[5] Subject to approval by the Shareholders' Meeting

HALF-YEAR CONDENSED FINANCIAL STATEMENTS

BALANCE SHEET

(in thousands of euros)	Notes	June 30, 2017	December 31, 2016
Intangible assets		536	610
Property, plant and equipment	5	17,319	17,575
Non-current financial assets	6.2	8,335	7,937
Deferred tax assets	12.4	860	739
Non-current assets		**27,050**	**26,863**
Customers	7.1	73,682	81,530
Other current assets	7.1	28,099	30,357
Financial current assets	6.1	7,680	7,669
Cash and cash equivalents	8	77,325	74,355
Current assets		**186,786**	**193,911**
TOTAL ASSETS		**213,836**	**220,774**

(in thousands of euros)	Notes	June 30, 2017	December 31, 2016
Share capital	9.1	371	371
Share premium		2,932	2,932
Reserves		67,826	(1,714)
Net income		61,226	119,745
Other items of comprehensive income		1,072	(1,130)
Total Equity		**133,427**	**120,204**
Non-current provision	11.2	3,803	4,044
Financial liabilities - non-current part		378	626
Other non-current financial liabilities	11.1	511	582
Non-current liabilities		**4,692**	**5,252**
Current provisions	11.2	1,209	1,864
Suppliers	7.2	8,176	9,320
Current liabilities		497	488
Other current liabilities	7.2	65,835	83,647
Current liabilities		**75,717**	**95,318**
TOTAL EQUITY AND LIABILITIES		**213,836**	**220,774**

INCOME STATEMENT

(in thousands of euros)	Notes	June 30, 2017	June 30, 2016
Revenues from operating activities		**111.346**	**116.881**
Costs of sales		(935)	(1.414)
External expenses	4.2	(18.534)	(20.702)
Personnel expenses	4.1	(20.638)	(21.019)
Taxes		(2.252)	(2.391)
Depreciations, amortisations and provisions	4.3	(1.415)	(2.946)
Other operating income and expenses	4.4	5.440	3.714
Operating profit		**73.013**	**72.123**
Financial income		231	360
Profit before tax		**73.244**	72.482
Income tax	12.2	(12.018)	(11.969)
Net income		**61.226**	**60.514**

(in thousands of euros)	Notes	June 30, 2017	June 30, 2016
Net income		**61.226**	**60.514**
Items that will not be reclassified to profit or loss			
Actuarial gains and losses			
Gross amount	11.1	346	(306)
Deferred tax		(52)	46
Total amount, net of tax		**294**	**(260)**
Items that may be reclassified subsequently to profit or loss			
Fair value changes on equity investments			
Gross amount	6	596	(245)
Deferred tax		181	0
Total amount, net of tax		**777**	**(244)**
Other comprehensive income for the year, net of tax		**1.072**	**(505)**
Total comprehensive income		**62.298**	**60.009**
Basic comprehensive income per share (in euros)		1.68	1.62
Diluted comprehensive income per share (in euros)		1.68	1.61

CASH FLOW STATEMENT

(in thousands of euros)	Notes	June 30, 2017	December 31, 2016	June 30, 2016
Company profit for the year		**61,226**	**119,745**	**60,514**
Cancellation of income and expenses with no effect on cash-flow:				
Allocation (Reversal) of amortisation, depreciation, provisions and impairment		705	6,027	454
Proceeds on disposal of assets		62	200	
Tax expense (income) for the financial year	12.1	12,018	23,793	11,969
Free shares	4.1	440	885	(1,563)
Other income and expenses		225	(41)	(462)
Cash-flow		**74,676**	**150,608**	**70,911**
Tax paid out in the financial year		(12,012)	(24,135)	(11,956)
Change in working capital requirement:				
- inventories and works in progress		-	-	
- Trade and other receivables	7.1	7,848	1,724	(1,915)
- Trade and other payables	7.2	(1,144)	(1,867)	(2,487)
- Other operating assets and liabilities		(15,551)	(33,533)	(26,112)
Net cash-flow generated by the business (Total I)		**53,816**	**92,796**	**28,441**
Investment operations				
Acquisition of non-current assets		(1,332)	(3,151)	(1,211)
Disposal of non-current assets		-	-	249
Financial investments	6	(1,026)	(775)	-
Disposal of financial assets	6	1,262	12,648	5,457
Treasury shares		(224)	(414)	3,880
Change in other fixed financial assets				
Net cash-flow from investment operations (Total II)		**(1,319)**	**8,308**	**8,375**
Financing operations				
Dividends paid to shareholders	9.2	(49,291)	(99,654)	(50,385)
Capital increase		-	-	-
Change in FSH advances		(237)	(539)	(286)
Interest paid		-	-	-
Change in bank lending		-	-	-
Net cash-flow from finance operations (Total III)		**(49,528)**	**(100,193)**	**(50,670)**
Change in cash (I+II+III)		**2,969**	**911**	**(13,854)**
Opening cash	8	74,355	73,444	73,444
Closing cash	8	77,325	74,355	59,590
Effect of changes in currency prices		-	-	
Cash change		**2,969**	**911**	**(13,854)**

STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Share capital	Share premium	Reserves	Net income	Total Equity
As at December 31, 2015	**371**	**2,932**	**(21,521)**	**118,932**	**100,714**
Profit for the period				**60.514**	**60,514**
Other items of comprehensive income				**(505)**	**(505)**
Total comprehensive income				**60.009**	**60,009**
Allocation of the profit from the previous financial period			118,932	(118,932)	-
Treasury shares			4,081		4,081
Share-based payments			(3,378)		(3,378)
Distribution of dividends			(50,385)		(50,385)
At June 30, 2016	**371**	**2,932**	**47,730**	**60,009**	**111,041**
Profit for the period				**119,745**	**119,745**
Actuarial gains and losses				(271)	(271)
Change in the fair value of available-for-sale assets				(916)	(916)
Taxes related to other items of comprehensive income				57	57
Other items of comprehensive income	**-**	**-**	**-**	**(1,130)**	**(1,130)**
Total comprehensive income	**-**	**-**	**-**	**118,615**	**118,615**
Allocation of the profit from the previous financial period			118,932	(118,932)	-
Treasury shares			(356)		(356)
Share-based payments			885		885
Distribution of dividends			(99,654)		(99,654)
As at December 31, 2016	**371**	**2,932**	**(1,714)**	**118,615**	**120,204**
Profit for the period				**61,226**	**61,226**
Actuarial gains and losses				346	346
Change in the fair value of available-for-sale assets				596	596
Taxes related to other items of comprehensive income				129	129
Other items of comprehensive income				**1.072**	**1,072**
Total comprehensive income				**62,298**	**62,298**
Allocation of the profit from the previous financial period			118,615	(118,615)	-
Treasury shares			(224)		(224)
Share-based payments			440		440
Distribution of dividends			(49,291)		(49,291)
At June 30, 2017	**371**	**2,932**	**67,826**	**62,298**	**133,427**

NOTES TO THE FINANCIAL STATEMENTS

Note 1. GENERAL PRESENTATION

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

The Company is specialised in providing 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 carrier tanks installed mainly on LNG carriers.

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

The Company's consolidated financial statements presented do not include its subsidiaries Cryovision, created on February 2, 2012, GTT North America, formed in September 2013, GTT Training Ltd, created in June 2014, GAZTRANSPORT & TECHNIGAZ - GTT SEA PTE. LTD, created in April 2015 and Cryometrics, created in November 2015, due to the low level of business activities of these companies over the period covered by these financial statements.

These financial statements are presented for the period beginning on January 1 and ending on June 30, 2017.

Note 2. ACCOUNTING RULES AND METHODS

2.1. Basis of preparation of the financial statements

The financial statements for all periods presented have been prepared in accordance with the International Financial Reporting Standard (IFRS) as adopted by the European Union and in force at June 30, 2017.

These standards are available on the website of European Commission: 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, 2017, 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. These notes should therefore be read in conjunction with the GTT financial statements established for the year ended December 31, 2016.

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

The condensed financial statements were prepared in accordance with the accounting principles and methods used by the Company for the financial statements for the 2016 financial year (set out in note 2 of the IFRS financial statements at December 31, 2016) with the exception of the following standards and amendments to the standards applicable as of January 1, 2017.

The Group has elected not to apply early the standards, interpretations and amendments that are not yet mandatory.

Standard no.	Name
IFRS 15	Revenues from operating activities from contracts with customers

The Company is currently studying the implementation of the new IFRS 15 and 16 standards and their impact on the financial statements. The Company will provide information about the expected impact of these standards on publication of the 2017 annual financial statements.

The Group does not apply standards, amendments and interpretations published by the IASB but not yet adopted by the European Union.

Standard no.	Name
IFRS 9	Financial instruments: classification and measurement
IFRS 16	Leases
Amendments to IFRS 2	Classification and measurement of share-based payment transactions
Amendments to IFRS 4	Interactions between IFRS 4 and IFRS 9
Amendments to IFRS 15	Clarifications
Amendments to IAS 40	Regarding clarification of events that show a change in use
Annual improvement cycle 2014-2016	IFRS 1 - IFRS 12 - IAS 28

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.

Certain financial accounting information has required significant estimations to be made: mainly deferred tax assets, provisions for risks and retirement benefit plans.

Note 3. EVENTS AFTER THE REPORTING PERIOD

None

Note 4. OPERATING INCOME

4.1. Personnel expenses

The amount of personnel expenses breaks down as follows:

(in thousands of euros)	H1 2017	H1 2016
Wages and salaries	11,081	11,242
Social security costs	6,029	6,309
Share-based payments(1)	440	502
Profit-sharing and incentives scheme	3,088	2,966
Personnel expenses	**20,638**	**21,019**

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

4.2. External expenses

(in thousands of euros)	H1 2017	H1 2016
Tests and studies	7,143	8,660
Leasing, maintenance & insurance	2,729	2,651
External staff	257	77
Fees	3,119	3,624
Transport, travel and reception expenses	3,965	4,360
Postal & telecommunication charges	94	116
Others	1,227	1,213
External expenses	**18,534**	**20,702**

4.3. Depreciation, amortisation and provisions

(in thousands of euros)	H1 2017	H1 2016
Allocations for depreciation of fixed assets	1,601	1,624
Provisions	1,136	1,996
Reversal of provisions	(1,323)	(673)
Amortisation and provisions (reversal)	**1,415**	**2,946**

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

4.4. Other operating income and expenses

(in thousands of euros)	H1 2017	H1 2016
Research tax credit	5,183	3,380
Competitiveness and employment tax credit (CICE)	-	61
Others	257	273
Other operating income and expenses	**5,440**	**3,714**

"Other operating income and expenses" mainly comprises the Research Tax Credit (5,183 thousand euros) and other operating income amounting to 249 thousand euros, corresponding to a Hydrocarbon Support Fund cash advance due in 2017.

INFORMATION RELATING TO THE BALANCE SHEET

Note 5. PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)	Land and buildings	Technical installations	Leased assets	Others	TOTAL
Gross value as at December 31, 2015	**10,035**	**32,340**	**3,593**	**4,565**	**50,533**
Acquisitions	60	2,516	-	232	2,807
Disposals	4	534	-	241	779
Gross value as at December 31, 2016	**10,091**	**34,322**	**3,593**	**4,556**	**52,562**
Acquisitions	-	1,050	-	150	1,200
Disposals	15	-	-	29	45
Gross value as at June 30, 2017	**10,076**	**35,372**	**3,593**	**4,677**	**53,717**
Accumulated depreciation as at December 31, 2015	**818**	**25,925**	**2,335**	**3,665**	**32,744**
Allocation	396	1,835	180	451	2,861
Reversal	-	395		224	619
Accumulated depreciation as at December 31, 2016	**1,214**	**27,364**	**2,515**	**3,893**	**34,986**
Allocation	199	987	90	166	1,442
Reversal				29	29
Accumulated depreciation as at June 30, 2017	**1,413**	**28,351**	**2,604**	**4,029**	**36,398**
Net value as at December 31, 2015	**9,217**	**6,415**	**1,258**	**900**	**17,789**
Net value as at December 31, 2016	**8,877**	**6,958**	**1,078**	**663**	**17,576**
Net value as at June 30, 2017	**8,663**	**7,021**	**988**	**647**	**17,319**

In the absence of any external debt linked to the building of fixed assets, no interest costs are capitalised 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, 2016.

For the first time application of IFRS, the historical cost of the building 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 of this building, increased by the outstanding capital element 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. CURRENT AND NON-CURRENT FINANCIAL ASSETS

6.1 Financial current assets

Current financial assets consist of term deposits. Their balances (7,680 thousands euros as at June 30, 2017) varied by the amount of interest accrued over the first half of 2017.

6.2 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 December 31, 2015	**413**	**-**	**2,952**	**12,082**	**15,445**
Acquisitions	29		746		**775**
Disposals	143		5	7,000	**7,148**
Other variations	(4)		(918)	(214)	**(1,136)**
Values as at December 31, 2016	**295**	**-**	**2,775**	**4,868**	**7,937**
Acquisitions	0		1,025		**1,026**
Disposals	15		1,247		**1,262**
Other variations			596	38	**634**
Values as at June 30, 2017	**281**	**-**	**3,149**	**4,906**	**8,335**

The decline in "Loans and receivables" during H1 2017 corresponds to the repayment of the loans granted to employees.

The increases and decreases in “available-for-sale assets” correspond to UCITS sales and purchases under a liquidity contract (note 9.4). Other variations correspond for 596 thousand euros to changes in the fair value of equity investments of non-consolidated entities (Level 3).

Other variations in "financial assets at fair value through profit or loss" correspond to changes in accrued interest.

7.1. Trade receivables and other current assets

Gross book value (in thousands of euros)	**June-17**	**Dec-16**	**Change**
Trade and other receivables	76,848	**84,253**	**-7,405**
Trade and other operating receivables	-	-	-
Tax and social security receivables	24,524	26,581	-2,057
Other receivables	2,290	2,022	+268
Prepaid expenses	1,285	1,753	-468
Total other current assets	**28,099**	**30,357**	**-2,258**
TOTAL	**104,947**	**114,609**	**-9,662**

Depreciation (in thousands of euros)	**June-17**	**Dec-16**	**Change**
Trade and other receivables	3,167	**2,722**	**+445**
Trade and other operating receivables	-	-	-
Tax and social security receivables	-	-	-
Other receivables	-	-	-
Prepaid expenses	-	-	-
Total other current assets	**-**	**-**	**-**
TOTAL	**3,167**	**2,722**	**+445**

Net book value (in thousands of euros)	**June-17**	**Dec-16**	**Change**
Trade and other receivables	**73,682**	**81,530**	**-7,848**
Trade and other operating receivables		-	-
Tax and social security receivables	24,524	26,581	-2,057
Other receivables	2,290	2,022	+268
Prepaid expenses	1,285	1,753	-468
Total other current assets	**28,099**	**30,357**	**-2,258**
TOTAL	**101,781**	**111,887**	**-10,106**

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

An additional provision for impairment was recognised for 445 thousand euros at June 30, 2017.

7.2. Trade payables and other current liabilities

(in thousands of euros)	**June-17**	**Dec-16**	**Change**
Trade and other payables	8,176	**9,320**	**(1,144)**
Tax and social security payables	17,658	25,364	(7,706)
Other debts	0	3,571	(3,571)
Deferred income	48,177	54,712	(6,535)
Other current liabilities	**65,835**	**83,647**	**(17,812)**
TOTAL	**74,011**	**92,966**	**(18,955)**

Note 8. CASH AND CASH EQUIVALENTS

(in thousands of euros)	**June-17**	**Dec-16**
Marketable securities	15,149	28,613
Cash and cash equivalent	62,176	45,743
Cash in balance sheet	**77,325**	**74,355**
Bank overdrafts and equivalent	-	-
Net cash position	**77,325**	**74,355**

Marketable securities 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. Total Equity

9.1. Share capital

As at June 30, 2017, the share capital comprised 37,078,357 shares with a nominal value of 0.01 euros.

9.2. Dividends

The Shareholders' Meeting held on May 18, 2017 approved the payment of an ordinary dividend of 2.66 euros per share for the year ended December 31, 2016 payable in cash.

As an interim dividend was paid on September 30, 2016 in the amount of 49,269,269 euros, the balance of 49,290,538 euros was paid on May 31, 2017.

9.3. Share-based payments

Allocation of free shares (AFS)

Date of allocation (1)	Plan no.	Vesting period	Minimum lock-up period	Shares originally allocated	Fair value of share on the date of allocation	Expired shares	Shares allocated at the end of the vesting period	Existing shares as at June 30, 2017
February 10, 2014	1	2 years	2 years	5,745	€46	945	4,800	-
February 10, 2014	2	2 to 4 years	2 years	250,000	€24	83,333	119,792	46,875
May 18, 2016	3	2 years	2 years	16,000	€10	-	-	16,000
May 18, 2016	4	3 years	1 year	15,150	€21	2,900	-	12,250
May 18, 2016	5	3 years	-	5,625	€23	840	-	4,785
February 23, 2017	6	1 year	2 years	7,800	€20	-	-	7,800
February 23, 2017	7	3 years	1 year	14,200	€28	-	-	14,200

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

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

- AFS plans no. 1 and no. 5: 100% of the share allocation is contingent on the employees being present at the end of the vesting period;

- AFS plans no. 2, no. 3 and no. 6: 100% of the share allocation is contingent on:
    - the employees being present at the end of the vesting period,
    - fulfilment of performance criteria during the financial year prior to the end of the vesting period. These criteria concern:
        - GTT stock performance,
        - the net margin ratio (net income/revenues),
        - GTT stock performance compared to the Stoxx 600 Oil & Gas index (Price);

- AFS plans no. 4 and no. 7: 100% of the share allocation is contingent on:
    - the employees being present at the end of the vesting period,
    - fulfilment of performance criteria during the financial year prior to the end of the vesting period. These criteria concern:
        - GTT stock performance compared to the Stoxx 600 Oil & Gas index (Price),
        - Company performance in terms of services and diversification,
        - the net margin ratio (net income/revenues).

Calculating the charge for the period

Pursuant to IFRS 2, an expense representative of the benefit granted to beneficiaries of these plans is recorded under "Personnel expenses" (Operating income) (Note 4.1).

For free share plans open to all employees, the unit value is based on the share price on the allocation date and takes into account the change in the beneficiary headcount.

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 the reasonable estimation of attaining the share allocation criteria.

The expense is calculated by multiplying these unit values by the estimated number of shares to be allocated. It is spread over the rights vesting 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 from January 1 to June 30, 2017, the expense recognised for the free share allocation plans was 440 thousand euros. It amounted to 502 thousand euros at June 30, 2016.

9.4. Treasury shares

The Company entered into a liquidity contract on November 10, 2014. In accordance with IAS 32, the buyback of treasury shares is deducted from equity. Treasury shares held by the entity are not taken into account when calculating earnings per share. As at June 30, 2017, the Company holds 18,217 treasury shares.

Note 10. EARNINGS PER SHARE

	June-17	June-16
Net income in euros	61,225,780	60,513,583
Average number of shares outstanding (excluding treasury shares)	37,051,563	37,046,601
- AFS plan no. 2	46,875	125,000
- AFS plan no. 3	16,000	-
- AFS plan no. 4	12,250	-
- AFS plan no. 5	4,785	-
- AFS plan no. 6	7,800	
- AFS plan no. 7	14,200	
Number of diluted shares	37,153,473	37,171,601
Basic net earnings per share in euros	**1.65**	**1.63**
Diluted net earnings per share in euros	**1.65**	**1.63**

Net earnings per share as at June 30, 2017 was calculated on the basis of a share capital comprising 37,051,563 shares, excluding treasury shares.

To date, the Company has allocated 101,910 free shares, which have been included in the calculation of diluted net earnings per share.

Note 11. PROVISIONS

11.1. Commitments under defined benefit plans

Provisions for retirement benefit plans are as follows:

(in thousands of euros)	June-17	Dec-16
Closing balance of the value of the commitments	1,983	2,046
Closing balance of the fair value of the assets	(1,472)	(1,464)
Financial plan assets	-	-
Cost of unrecognised past services	-	-
Others	-	-
PROVISIONS AND PREPAID EXPENSES	**511**	**582**

The change in the value of the commitments and the fair value of the retirement plan assets is as follows:

(in thousands of euros)	June-17	Dec-16
Opening balance of the commitment value	582	91
Normal cost	266	207
Interest expense	9	9
Cost of past services		-
Actuarial (gains) and losses	(346)	271
Services paid	-	5
CLOSING BALANCE OF THE VALUE OF THE COMMITMENTS	**511**	**582**

11.2. Other provisions

(in thousands of euros)	Provisions for litigation	Current	Non current
Values as at December 31, 2015	**3,198**	**-**	**3,198**
Allocation	3,532	1,864	1,668
Reversal	(822)	-	(822)
Reversal of provisions not used	-	-	-
Values as at December 31, 2016	**5,908**	**1,864**	**4,044**
Allocation	426	336	90
Reversal	(1,323)	(991)	(331)
Reversal of provisions not used		-	-
Values as at June 30, 2017	**5,011**	**1,209**	**3,803**

Non-current provisions are intended to cover the risks of litigation between GTT and former employees and former shipyards for 3,555 thousand euros, and other risks for 248 thousand euros.

Current provisions correspond to a contract loss in the amount of 1,208 thousand euros.

In addition, the Company notes that on January 29, 2016 it received notification from the Korea Fair Trade Commission of the opening of an investigation into a possible abuse by the Company of its dominant position due to its commercial practices in South Korea. At this early stage, it is not possible to estimate either the length of the enquiry or its potential outcome. GTT believes that its commercial practices comply with South-Korean competition law. No provisions were recognised in the statements of H1 2017.

Note 12. INCOME TAX

12.1. Analysis of income tax

(in thousands of euros)	**H1 2017**	**H1 2016**
Current tax	(10,534)	(10,444)
Deferred tax	(6)	(13)
Income tax on profit	**(10,540)**	**(10,457)**
Distribution tax	(1,479)	(1,512)
Total income tax	**(12,018)**	**(11,969)**

The distribution tax is a tax on the dividends paid during the first half of 2017, amounting to 3% of the total amount distributed.

12.2. Reconciliation of income tax charge

(in thousands of euros)	**H1 2017**	**H1 2016**
Net income	61,226	60,514
Income tax charge	12,018	11,969
Result before tax	**73,243**	**72,482**
Actual tax rate		
Ordinary tax rate	15.00%	15.00%
Theoretical tax burden	**10,986**	**10,872**
Permanent differences	240	(193)
Tax consolidation	(229)	(25)
3.3% tax supplement	319	310
Tax on dividends	1,479	1,512
Research tax credit	(777)	(507)
TOTAL INCOME TAX	**12,018**	**11,969**

12.3. Taxes and fees

In accordance with the application of IFRIC 21, property tax and the social solidarity contribution are recorded in full on January 1 of their year of payment.

12.4. Deferred tax assets and liabilities

(in thousands of euros)	**June 30, 2017**	**Dec 31, 2016**
Deferred tax assets		
On IFRIC 21	27	-
On other temporary difference	944	1,136
Buildings acquired via financial lease		216
On retirement obligation	77	87
On revaluation of short-term investments	11	3
Deferred tax liabilities		
On regulated provisions	-	(93)
On IFRIC 21	-	
On retirement plan assets		
Effect of discounting advances from Hydrocarbons Support Fund	(5)	(7)
Buildings acquired via financial lease	(148)	(377)
On revaluation of non-consolidated investments	(44)	(226)
On revaluation of short-term investments		
DEFERRED TAX ASSETS/(LIABILITIES)	**860**	**739**

Note 13. SEGMENT INFORMATION

The Company has only one operating segment as defined in 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). Currently, there is no “principal operating decision maker” who receives specific reporting with several types of products and services.

(in thousands of euros)	H1 2017	H1 2016	Change
Revenues	**111,346**	**116,880**	**-4.7%**
From royalties	103,451	111,093	-6.9%
LNG/Ethane carriers	*89,589*	*100,954*	*-11.3%*
FSRU	*12,788*	*8,667*	*+47.6%*
FLNG	*989*	*1,070*	*-7.6%*
Onshore storage	-	*164*	*ns*
Barges	*85*	*239*	*-64.5%*
From services	7,895	5,787	+36.4%

- Information on geographical areas

Almost all customers are 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. RELATED-PARTY TRANSACTIONS

14.1. Transactions with related parties

The GTT financial statements are consolidated according to the full consolidation method in the consolidated financial statements prepared by ENGIE.

Transactions with shareholder companies are detailed below:

ENGIE

(in thousands of euros)	June 30, 2017	December 31, 2016
Suppliers	417	237
Customers	45	187

(in thousands of euros)	H1 2017	H1 2016
Training (Income)	-	-
Studies (Income)	9	79
Maintenance of premises (expenses)	526	-
Supplies and Travel (Expenses)	141	-
Seconded personnel (Expenses)	158	-
Outsourced tests and studies (Expenses)	25	-

Transactions with French subsidiaries are as follows:

CRYOVISION

(in thousands of euros)	June 30, 2017	December 31, 2016
Suppliers	-	167
Customers	136	108
Current accounts	1,725	1,505
Loans	-	-

(in thousands of euros)	H1 2017	H1 2016
Rent (Income)	6	4
Personnel procurement (Income)	214	144
Miscellaneous Rebilling (Income)	-	16
Equipment (Fixed assets)	-	-
Services (Expenses)	-	114

Cryometrics

(in thousands of euros)	June 30, 2017	December 31, 2016
Suppliers	429	-
Customers	2,301	2,301
Current accounts	13	13
Loans	-	-

(in thousands of euros)	H1 2017	H1 2016
Rent (Income)	-	
Personnel procurement (Income)	-	
Miscellaneous Rebilling (Income)	358	23
Equipment (Fixed assets)	-	
Outsourced tests and studies (Expenses)	-	

Transactions with foreign subsidiaries are as follows:

GTT North America

(in thousands of euros)	**June 30, 2017**	**December 31, 2016**
Suppliers	1,759	693
Customers	335	1,717
Financial current accounts	1,122	23
Loans	-	

(in thousands of euros)	**H1 2017**	**H1 2016**
Rent (Income)	-	
Personnel procurement (Income)	234	222
Miscellaneous Rebilling (Income)	196	
Services (Expenses)	1,065	1,276

GTT Training

(in thousands of euros)	**June 30, 2017**	**December 31, 2016**
Suppliers	96	129
Customers	22	1
Current accounts	158	158
Loans	185	185

(in thousands of euros)	**H1 2017**	**H1 2016**
Financial revenue	2	3
Miscellaneous Rebilling (Income)	21	
Services (Expenses)	17	213

GTT South East Asia

	June 30, 2017	**December 31, 2016**
Suppliers	146	82
Customers	11	11
Current accounts	200	-
Loans	-	

(in thousands of euros)	**H1 2017**	**H1 2016**
Rent (Income)	-	-
Personnel procurement (Income)	75	71
Services (Expenses)	276	234

14.2. Compensation of Executive Directors

(in thousands of euros)	**June-17**	**June-16**
Wages and bonuses	739	668
Payments in shares (IFRS 2)	203	-
Expenses for payments in shares (IFRS 2)	-	-
Other long-term benefits	98	88

Note 15. Off-balance sheet commitments

The Company has agreements for credit lines totalling 50 million euros contracted in 2016 with three banking institutions.

STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

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.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings 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 of Gaztransport & Technigaz, for the period from January 1 to June 30, 2017;

- the verification of the information presented in the half-yearly management report.

These condensed half-yearly financial statements 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 mainly 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 consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – the standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information provided in the half-yearly management report in respect of the condensed half-yearly financial statements subject to our review.

We have no matters to report on the fair presentation and consistency of this information with the condensed half-yearly financial statements.

Paris & Paris-La Défense, July 20, 2017

The Statutory Auditors
French original signed by
ERNST & YOUNG Audit
Aymeric de La Morandière

Cailliau Dedouit et Associés
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