2018 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

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 2018 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 Group, 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 26, 2018

Philippe Berterottière, Chairman and CEO

FIRST HALF MANAGEMENT REPORT

KEY BUSINESS HIGHLIGHTS FOR THE FIRST HALF

1/ Changes in activity

Since January 1, 2018, the GTT order book has changed, with:

- 25 deliveries:
  - 24 LNG/Ethane carriers
  - 1 FSRUs[1]
- 20 orders received:
  - 18 LNG carriers
  - 2 FSRUs[1]

In addition, as part of its LNG fuel activity, GTT received, in the first half of 2018, an order to equip a bunker ship, in addition to the 9 container carriers signed in 2017

At June 30, 2018, the order, book excluding LNG fuelled ships, stood at 94 units:

- 66 LNG carriers
- 13 FSRUs[1]
- 2 FLNGs
- 2 onshore storage tanks
- 1 LNG bunker barge

- **Main "vessel" business**

- 18 LNG carrier orders, from the main south-Korean shipyards. These vessels are most often intended for liquefaction projects in construction, in particular in the USA. They will all be equipped with recent GTT technologies (NO 96 GW, Mark III Flex and Mark III Flex+).

- 2 orders for the design of FSRU[1] tanks that will be built by South Korean shipyards. The pace of these orders is consistent with the Group's forecasts. The new LNG importer countries continue to favour these regasification vessels that are a flexible and economical solution.

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

- **LNG fuel activity**

    - 1 order for a bunker vessel with a capacity of 18,600 m^3. It will be built in China and equipped with the Mark III Flex technology. The purpose of this vessel will be to supply LNG fuel for 9 giant container carriers, that are themselves equipped with GTT membrane tanks.

    - 2 FEED (Front End Engineering Design). GTT was mandated by two large companies to conduct preliminary engineering studies on new GBS (Gravity Based System) terminal projects. The first project, signed with a European EPC (Engineering, Procurement and Construction) company, concerns a large LNG liquefication project including several concrete chambers with liquefied gas membrane containment tanks. The second project, carried out by an Asian partner to supply energy to an island, concerns a smaller metallic GBS chamber.

    - In July 2018, GTT also recorded one order to build LNG tanks for the first LNG powered cruiser ice-breaker. This is a new step in the development of the LNG fuel business.

- **A new TALA (Technical Assistance and License Agreement)**

    - In April 2018, GTT signed a Technical Assistance and License Agreement (TALA) with a company based in Singapore, to design and build FSRU for average-size LNG carriers and Gravifloat platforms using membrane containment systems by GTT.

<u>2/ Combined Shareholders' Meeting</u>

GTT's Combined Shareholders' Meeting took place on May 17, 2018, chaired by Philippe Berterottière, Chairman and Chief Executive Officer, at Domaine de Saint-Paul, Saint-Rémy-lès-Chevreuse.
All resolutions by subject to the vote of the Shareholders' Meeting were adopted.
The shareholders notably approved the financial statements for the 2017 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 29, 2017.
The Shareholders' Meeting also renewed the term of Mr Philippe Berterottière and appointed Mr Bruno Chabas as directors.
The Meeting moreover approved the Chairman and Chief Executive Officer's and Chief Operating Officer's compensation in respect 2017. 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.

Lastly, the Meeting authorised the Board of Directors to carry out free share awards, of shares existing or to be allocated, for Company employees or corporate officers or some of them, limited to 1% of the capital.

SUBSIDIARIES' 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 2018, Cryovision experienced robust business activity with TAMI inspections performed on 40 tanks and acoustic emissions tests on 22 tanks.

GTT North America, an American GTT subsidiary created in 2013, continued its business development on the American continent. In the first half of the year it signed several contracts for feasibility studies for converting LNG carriers into re-gasification vessels (FSRU), as well as for engineering studies for the modification of existing FSRU for their re deployment in new markets. GTT North America also, with GTT Training, commercialised several training contracts .
In addition, GTT NA carried out several cold tests for the first American LNG bunker.

GTT Training Ltd, a subsidiary created in 2014, received three new orders for its simulation software (G-Sim), including an order for LNG cargo operations for FSRU and an order to train teams in LNG bunker operation.
The training offering continues its developpment with the introduction of courses on the operation of new LNG export terminals.

Cryometrics, a 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. Four vessels are currently equipped with LNG Advisor.
Sloshield, available since 2014, makes it possible to monitor the sloshing activity inside tanks on LNG carriers or FSRU. Four units are now equipped with Sloshield.

GTT South East Asia (GTT SEA), a GTT subsidiary established in Singapore in 2015, performs commercial development activities on behalf of the Group 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. A new licensing agreement with the Singapore naval construction group was signed at the start of 2018 for this purpose.

ASCENZ: January 31, 2018, the company GTT SA finalised the acquisition of the Ascenz Group. The Group is based in Singapore and is specialised in the design of operational reporting systems and systems to optimise vessel performance. Ascenz's services are designed for ship-owners, enabling them to make significant savings in fuel and meet the requirements of environmental standards.

ANALYSIS OF THE CONSOLIDATED RESULTS FOR THE FIRST HALF OF 2018

Condensed income statement

(in thousands of euros)	H1 2018	Proforma H1 2017	Change
Revenues from operating activities	**127,245**	**113,745**	**11.9%**
Costs of sales	(1,321)	(741)	78.2%
External expenses	(18,193)	(17,914)	1.6%
Personnel expenses	(23,732)	(21,471)	10.5%
Taxes	(2,460)	(2,262)	8.8%
Depreciation, amortisations and provisions	(1,511)	(1,398)	8.1%
Other operating income and expenses	2,380	5,443	-56.3%
Operating income (EBIT)	**82,407**	**75,402**	**9.3%**
EBIT margin on revenue (%)	**64.8%**	**66.3%**	
Financial income	131	219	-40.3%
Profit before tax	**82,537**	**75,620**	**9.1%**
Income tax	(6,812)	(12,534)	-45.6%
Net income	**75,725**	**63,087**	**20.0%**
Net margin on revenue (%)	**59.5%**	**55.5%**	
Basic earnings per share (in euros)	2.04	1.70	20.1%
Calculated indicator			
EBITDA	**84,152**	**77,348**	**8.8%**
EBITDA margin on revenue (%)	**66.1%**	**68.0%**	

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) reached 84.2 million euros during the first half of 2018, up 8.8% compared to the first half of 2017. The EBITDA margin on revenues went from 68.0% in the first half of 2017 to 66.1% in the first half of 2018, mainly due to the decrease in the research tax credit (CIR); the Group had in fact benefited in the first half of 2017 from a non-recurring CIR profit for claims on prior years.

Operating income totalled 82.4 million euros for the first half of 2018 versus 75.4 million euros for the first half of 2017, equivalent to a 9.3% increase.

Net income increased from 63.1 million euros for the first half of 2017 to 75.7 million euros for the first half of 2018 and the net margin grew from 55.5% to 59.5%.

The growth in the net income is explained:

- by good control of operating expenses in a context of increasing activity, in particular concerning items for sub-contracting, transport and fees;
- as well as by a one-time decrease in income tax following the favourable outcome of the claim filed by GTT S.A. for the cancellation of the 3% tax on dividends.

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

(in thousands of euros)	**H1 2018**	**Proforma H1 2017**	**Change**
Revenue	**127,245**	**113,745**	**11.9%**
Annual growth (%)	11.9%		
Of which vessels under construction	***120,433***	***107,384***	***12.2%***
LNG carriers/VLEC	*104,939*	*93,384*	*12.4%*
FSRU	*14,254*	*10,340*	*37.8%*
FLNG	*1,001*	*2,398*	*-58.3%*
Onshore storage	*0*	*1,189*	*ns*
Barges	*239*	*73*	*227.2%*
Vessels fuelled by LNG	*0*	*0*	*ns*
From services	***6,812***	***6,361***	***7.1%***
Vessels in operation	*4,399*	*3,979*	*10.5%*
Accreditation	*870*	*1,179*	*-26.2%*
Studies	*1,198*	*1,080*	*11.0%*
Training	*182*	*77*	*136.4%*
Other	*163*	*46*	*254.3%*

Revenues went from 113,745 thousand euros in the first half of 2017 to 127,245 thousand euros in the first half of 2018, an increase of 11.9% over the period. This increase comes mainly from the 12.2% increase in revenues relating to vessels under construction.

LNG carriers, which represent 82.5% of the Group's total revenues (at 104,939 thousand euros), was generated mainly on orders recorded by the naval shipyards over the 2014 and 2015 financial years.

Revenues from FSRU orders (Floating Storage and Regasification Units) rose by 37.9% between June 30, 2017 and June 30, 2018. This increase comes mainly from the orders recorded in 2015 and 2017.

Revenues from FLNG (floating LNG) orders totalled 1,001 thousand euros versus 2,398 thousand euros in 2017.

At June 30, 2018, revenues from services had increased from 6,361 thousand euros compared to June 30, 2017, to 6,812 thousand euros. It amounted to 5.4% of the Group's revenues on that date. This growth comes mainly from activities of vessels in service and engineering studies.

Composition of GTT operating income

External expenses

(in thousands of euros)	H1 2018	Proforma H1 2017	Change
Tests and studies	6,304	6,046	4.3%
Leasing, maintenance & insurance	2,901	2,848	1.9%
External staff	-17	80	-121.3%
Fees	2,684	2,766	-2.9%
Transport, travel and reception expenses	3,990	4,489	-11.1%
Postal & telecommunication charges	116	135	-14.2%
Other	2,215	1,552	42.7%
EXTERNAL EXPENSES	**18,193**	**17,914**	**1.6%**
% of revenues from operating activities	**14.3%**	**15.7%**	

The Group's external expenses are relatively stable (+1.6%) going from 17,914 thousand euros at June 30, 2017 to 18,193 thousand euros at June 30, 2018. This change comes mainly (i) from the increase in the tests and studies item connected with the increase in revenue, (ii) from the control of travel costs, and (iii) the increase in patents expenses.

Personnel expenses

(in thousands of euros)	H1 2018	Proforma H1 2017	Change
Wages and salaries	13,439	12,241	9.8%
Social security costs	6,197	5,639	9.9%
Share-based payments	174	440	-60.5%
Profit-sharing and incentives scheme	3,922	3,151	24.5%
PERSONNEL EXPENSES	**23,732**	**21,471**	**10.5%**
% of revenues from operating activities	**18.6%**	**18.9%**	**-1.2%**

Personnel expenses increase over the past year, due to (i) the integration of Ascenz, (ii) the increase in profit sharing scheme.

Depreciation, amortisation and provisions

(in thousands of euros)	H1 2018	Proforma H1 2017	Change
Allocations for depreciation of fixed assets	1,600	1,675	-4.4%
Provisions (reversals)	(234)	(548)	-57.2%
Impairment following value tests	145	271	-46.5%
AMORTISATION AND PROVISIONS (REVERSAL)	**1,511**	**1,398**	**8.1%**

Net depreciation, amortisation and provisions correspond to expenses over the period examined: they increased from 1,398 thousand euros at June 30, 2017 to 1,511 thousand euros at June 30, 2018.

The change observed is mainly linked to changes of provisions for losses on termination.

Other operating income and expenses

(in thousands of euros)	**H1 2018**	**Proforma H1 2017**	**Change**
Research tax credit	2,183	5,192	-58.0%
Other operating income/expense	197	251	-21.5%
OTHER OPERATING INCOME AND EXPENSES	**2,380**	**5,443**	**-56.3%**

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 2017 reimbursement granted for the claims for the 2009 to 2011 and 2013 financial years amounting to 2,776 thousand euros.

Change in operating income (EBIT) and EBITDA

(in thousands of euros)	**H1 2018**	**Proforma H1 2017**	**Change**
EBITDA	84,152	77,348	8.8%
EBITDA margin (%) – EBITDA as a ratio of revenue	66.1%	68.0%	-1.9 point
Operating income (EBIT)	82,407	75,402	9.3%
EBIT margin (%) – EBIT or operating income as a ratio of revenue	64.8%	66.3%	-1.5 point

The Group's EBIT increased from 75,402 thousand euros at June 30, 2017 to 82,407 thousand euros at June 30, 2018, an increase of +9.3%. The change in EBITDA of +8.8% is in line with the change in EBIT over the same period, increasing from 77,348 thousand euros at June 30, 2017 to 84,152 thousand euros at June 30, 2018.

The EBIT and EBITDA margins on revenues from operating activities are slightly down over the period, at 64.8% and 66.1% respectively. This change is explained by a decrease of research tax credit, as the Group benefited in 2017 from a non recurring income following claims in respect of the previous financial years.

Breakdown of net income and earnings per share

	H1 2018	Proforma H1 2017	Change
Net income in euros	75,724,821	63,086,700	20.0%
Average number of shares outstanding (excluding treasury shares)	37,035,724	37,051,563	0.0%
Number of diluted shares	37,076,054	37,153,473	-0.2%
BASIC EARNINGS PER SHARE (IN EUROS)	**2.04**	**1.70**	20.1%
DILUTED EARNINGS PER SHARE (IN EUROS)	**2.04**	**1.70**	**20.3%**

The Group's net income increased from 63,087 thousand euros at June 30, 2017 to 75,725 thousand euros at June 30, 2018, taking into account the information presented in the above tables.

Net earnings per share at June 30, 2018 were calculated on the basis of a share capital comprising 37,035,724 shares corresponding to the weighted average number of shares outstanding over the period.

On this basis, basic earnings per share increased from 1.70 euro to 2.04 euro during the period.

Diluted earnings per share are calculated by taking into account the allocations of free shares decided by the Group. Diluted earnings per share went from 1.70 euros at end-June 2017 to 2.04 euros at end-June 2018.

GTT Balance sheet analysis

Non-current assets

(in thousands of euros)	June 30, 2018	Proforma December 31, 2017	Change
Intangible assets	2,151	1,097	96.1%
Goodwill	9,627	-	ns
Property, plant and equipment	17,345	17,483	-0.8%
Non-current financial assets	3,239	3,240	-0.0%
Deferred tax assets	2,139	1,784	19.9%
NON-CURRENT ASSETS	**34,501**	**23,605**	**46.2%**

The change in non-current assets between December 31, 2017 and June 30, 2018 results mainly from the increase in intangible assets following the consolidation of the assets of the new subsidiaries and by the recognition of a goodwill entered on the new shares acquired for an amount of 9,627 thousand euros.

Current assets

(in thousands of euros)	June 30, 2018	Proforma December 31, 2017	Change
Inventories	6,852	6,682	2.6%
Customers	102,951	110,461	-6.8%
Current tax receivable	29,145	18,975	53.6%
Other current assets	6,968	5,098	36.7%
Financial current assets	11	-	
Total cash and cash equivalent	125,273	99,890	25.4%
CURRENT ASSETS	**271,200**	**241,105**	**12.5%**

Current assets increased between December 31, 2017 and June 30, 2018, from 241,105 thousand euros to 271,200 thousand euros.

This change results mainly from the increase in cash, tax receivables and other current assets partly offset by the decrease in trade receivables at June 30, 2018.

Total equity

(in thousands of euros)	June 30, 2018	Proforma December 31, 2017	Change
Share capital	371	371	0.0%
Share premium	2,932	2,932	0.0%
Treasury shares	(1,389)	(3,728)	-62.7%
Reserves	83,968	11,301	628.9%
Revenue	75,725	124,034	-38.8%
Total equity - Group share	161,607	134,910	19.8%
Total equity - share attributable to non-controlling interests	(153)	-	Ns
Total equity	**161,454**	**134,910**	**19.7%**

The change in equity between December 31, 2017 (134,910 thousand euros) and June 30, 2018 (161,454 thousand euros) is mainly explained by the income for the first half of 2018 offset by the payment of the balance of the 2017 dividend.

Non-current liabilities

(in thousands of euros)	June 30, 2018	Proforma December 31, 2017	Change
Non-current provisions	4,148	3,967	4.6%
Financial liabilities - non-current part	2,172	244	790.1%
Deferred tax liabilities	216	222	-2.7%
NON-CURRENT LIABILITIES	**6,536**	**4,433**	**47.4%**

Provisions at June 30, 2018 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 1.2 million euros at June 30, 2018.
- A provision for severance benefit of 0.6 million euros.

Non-current financial liabilities mainly comprise the balance of advances from the Hydrocarbon Support Fund, bank borrowings and a debt recognized in the context of the acquisition of Ascenz, in respect of the purchase of the 25% still owned by the minority shareholders.

Current liabilities

(in thousands of euros)	June 30, 2018	Proforma December 31, 2017	Change
Current provisions	15,249	15,604	-2.3%
Suppliers	9,324	10,574	-11.8%
Current tax debts	6,848	6,194	10.6%
Current financial liabilities	762	379	101.1%
Other current non-financial liabilities	105,528	92,617	13.9%
CURRENT LIABILITIES	**137,711**	**125,367**	**9.8%**

Current liabilities increased from 125,367 thousand euros at December 31, 2017 to 137,711 thousand euros at June 30, 2018. This is mainly due to the increase in prepaid income accounted in current non financial liabilities, given the time lag between the recording of revenues and invoicing based on the progress in the construction of vessels.

OUTLOOK

The Group has visibility as regards its revenues from royalties up to 2022 based on its order book at the end of June 2018. In the absence of any significant order delays or cancellations, this corresponds to a revenue of 554 million[2] euros for the 2018-2022[3] period (228 million euros[2] in 2018, 201 million euros in 2019, 102 million euros in 2020, 22 million euros in 2021 and 1 million euros in 2022).

Based on these items, the Group confirms its objectives for the year 2018, i.e.:

- 2018 consolidated revenues of 235 to 250 million euros;
- 2018 consolidated EBITDA for 2018[4] within a range of 145 to 155 million euros;
- a 2018 dividend[5] amount at least equivalent to the ones paid in 2015, 2016 and 2017 and, for 2019, a minimum payout rate of at least 80% of distributable net income.

INTERIM DIVIDEND PAYMENT

The Board of Directors of July 26, 2018 decided the distribution of an interim dividend of 1.33 euros per share for the 2018 financial year, to be paid in cash according to the following schedule:

September 26, 2018: Ex-dividend date;

September 28, 2018: Payment date.

2 Of which 120 million euros recognised for the first half of 2018.

3 Royalties from the main business line, i.e. excluding LNG fuel and services in accordance with IFRS 15.

4 EBITDA: earnings before interest, taxes, depreciation and amortisation.

5 Subject to approval by the Shareholders' Meeting.

Third party transactions

During the first half of 2018, no third-party transactions likely to have a material impact on the Group's financial position or results took place. Similarly, no changes were made in third-party transactions likely to have a material impact on the Group's financial position or results during the period.

Details of the amounts of third party transactions can be found in Note 16 to the condensed half-yearly financial statements.

RISK FACTORS

The Group’s activities are exposed to certain macroeconomic and sector-specific, operational, market, industrial, environmental and legal risk factors. The main risk factors that the Group could be confronted by are detailed in the "Risk factors" section of the 2017 Registration Document, filed with the AMF on April 25, 2018. There were no significant changes in these risk factors during the first half of 2018.

HALF-YEAR CONDENSED FINANCIAL STATEMENTS

BALANCE SHEET

In thousands of euros	Notes	June 30, 2018	Proforma December 31, 2017
Intangible assets		2,151	1,097
Goodwill		9,627	-
Property, plant and equipment	6	17,345	17,483
Non-current financial assets	7.2	3,239	3,240
Deferred tax assets	17.6	2,139	1,784
Non-current assets		**34,501**	**23,605**
Inventories		6,852	6,682
Customers	8.1	102,951	110,461
Current tax receivable		29,145	18,975
Other current assets	8.1	6,968	5,098
Financial current assets	??	11	-
Total cash and cash equivalent	9	125,273	99,890
Current assets		**271,200**	**241,105**
TOTAL ASSETS		**305,701**	**264,710**

In thousands of euros	Notes	June 30, 2018	Proforma December 31, 2017
Share capital	10.1	371	371
Share premium		2,932	2,932
Treasury shares		(1,389)	(3,728)
Reserves		83,968	11,301
Net income		75,725	124,034
Total equity - Group share		**161,607**	**134,910**
Total equity - share attributable to non-controlling interests		(153)	-
Total equity		**161,454**	**134,910**
Non-current provisions	16	4,148	3,967
Financial liabilities - non-current part		2,172	244
Deferred tax liabilities	17.6	216	222
Non-current liabilities		**6,536**	**4,433**
Current provisions	16	15,249	15,604
Suppliers	8.2	9,324	10,574
Current tax debts		6,848	6,194
Current financial liabilities		762	379
Other current liabilities	8.2	105,528	92,617
Current liabilities		**137,711**	**125,367**
TOTAL EQUITY AND LIABILITIES		**305,701**	**264,710**

INCOME STATEMENT

In thousands of euros	Notes	H1 2018	Proforma H1 2017
Revenue from operating activities		**127,245**	**113,745**
Costs of sales		(1,321)	(741)
External expenses	4.2	(18,193)	(17,914)
Personnel expenses	4.1	(23,732)	(21,471)
Taxes		(2,460)	(2,262)
Depreciations, amortisations and provisions	4.3	(1,366)	(1,127)
Other operating income and expenses	4.4	2,380	5,443
Impairment following value tests		(145)	(271.0)
Operating profit		**82,407**	**75,402**
Financial income		131	219
Profit before tax		**82,537**	**75,620**
Income tax	17.5	(6,812)	(12,534)
Net income		**75,725**	**63,087**
Basic earnings per share (in euros)	11	2.04	1.70
Diluted earnings per share (in euros)	11	2.04	1.70
Average number of shares		37,035,724	37,051,563
Number of diluted shares		37,076,054	37,153,473

In thousands of euros	Notes	H1 2018	Proforma H1 2017
Net income		**75,725**	**63,087**
Items that will not be reclassified to profit or loss			
Actuarial Gains and Losses			
Gross amount	15.1	70	347
Deferred tax		(10)	(52)
Total amount, net of tax		**60**	**295**
Items that may be reclassified subsequently to profit or loss			
Conversion differences		105	(37)
Other comprehensive income for the year, net of tax		**165**	**258**
INCOME STATEMENT		**75,889**	**63,344**

CASH FLOW STATEMENT

(in thousands of euros)	**H1 2018**	**Proforma H1 2017**
Company profit for the year	**75,725**	**63,087**
Removal of income and expenses with no cash impact		
Allocation (Reversal) of amortisation, depreciation, provisions and impairment	1,610	1,475
Proceeds on disposal of assets		
Financial expense (income)	(131)	(219)
Tax expense (income) for the financial year	6,812	12,534
Free shares	172	440
Cash-flow	**84,189**	**77,317**
Tax paid out in the financial year	(16,722)	(13,727)
Change in working capital requirement:		
-inventories and works in progress	75	(76)
-Trade and other receivables	8,177	(125)
-Trade and other payables	(2,009)	(844)
-Other operating assets and liabilities	11,431	(9,958)
Net cash-flow generated by the business (Total I)	**85,142**	**52,586**
Investment operations		
Acquisition of non-current assets	(1,380)	(1,532)
Disposal of non-current assets		
Control acquired on subsidiaries net of cash and cash equivalents acquired	(8,929)	-
Financial investments	(2,853)	(1,200)
Disposal of financial assets	2,842	1,245
Treasury shares	10	(222)
Net cash-flow from investment operations (Total II)	**(10,310)**	**(1,708)**
Financing operations		
Dividends paid to shareholders	(49,270)	(49,291)
Repayment of financial liabilities	(224)	(239)
Increase of financial liabilities	28	-
Interest paid	(26)	(23)
Interest received	68	227
Change in bank lending	(261)	-
Net cash-flow from finance operations (Total III)	**(49,686)**	**(49,326)**
Effect of changes in currency prices (IV)	237	(48)
Change in cash (I+II+III+IV)	***25,382***	***1,504***
Opening cash	99,890	78,209
Closing cash	125,273	79,712
Cash change	**25,383**	**1,504**

STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Share capital	Share premium	Treasury shares	Reserves	Revenue	Conver-sion differences	Equity Group Share	Minority interests	Total equity
As at December 31, 2016	**371**	**2,932**	**(1,765)**	**(649)**	**119,868**	**6**	**120,762**	**-**	**120,762**
IFRS 15 impact at opening				(9,284)			(9,284)	-	(9,284)
At January 1, 2017	**371**	**2,932**	**(1,765)**	**(9,933)**	**119,868**	**6**	**111,478**	**-**	**111,478**
Profit for the period	**-**	**-**	**-**	**-**	**124,034**		**124,034**	**-**	**124,034**
Other items of comprehensive income	**-**	**-**	**-**	**255**	**-**	**(59)**	**196**	**-**	**196**
Allocation of the profit from the previous financial period	**-**	**-**	**-**	119,868	(119,868)	-	-	-	-
(Purchases)/sales of treasury shares	-	-	(3,212)	176	-	-	(3,036)	-	(3,036)
Delivery of treasury shares to the beneficiaries	-	-	1,249	(1,249)	-	-	-	-	-
Share-based payments	**-**	**-**	**-**	830	-	-	830	-	830
Distribution of dividends	-	-	-	(98,592)	**-**	-	(98,592)	-	(98,592)
As at December 31, 2017	**371**	**2,932**	**(3,728)**	**11,355**	**124,034**	**(53)**	**134,910**	**-**	**134,910**
Profit for the period					**75,725**		**75,725**	**-**	**75,725**
Other items of comprehensive income	**-**	**-**	**-**	**60**	**-**	**105**	**165**	**-**	**165**
Allocation of the profit from the previous financial period	**-**	**-**	**-**	124,034	(124,034)	-	-	(153)	(153)
(Purchases)/sales of treasury shares	-	-	(56)	56	-	-	-	-	-
Delivery of treasury shares to the beneficiaries	-	-	2,395	(2,395)	-	-	-	-	-
Share-based payments	**-**	**-**	**-**	78	-	-	78	-	78
Distribution of dividends	-	-	-	(49,270)	**-**	-	(49,270)	-	(49,270)
At June 30, 2018	**371**	**2,932**	**(1,389)**	**83,917**	**75,725**	**51**	**161,608**	**(153)**	**161,455**

NOTES TO THE FINANCIAL STATEMENTS

Note 1. GENERAL INFORMATION

Gaztransport et Technigaz - GTT is a Group whose mother company, Gaztransport et Technigaz SA, is a société anonyme (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.

It is an engineering Group expert in containment systems with cryogenic membranes used to transport and store liquefied gas, in particular 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 Group operates mainly with shipyards in Asia.

The Group presents its consolidated financial statements since December 31, 2017. These include the financial statements of the parent company as well as those of its subsidiaries: Cryovision offering maintenance services for vessels equipped with GTT membranes, Cryometrics specialised in embedded systems, GTT training in charge of training activities of the Group and GTT North America, GTT South East Asia responsible for commercial development over their respective geographic areas and Ascenz Group specialised in designing operational reporting and optimisation systems for vessel performance.

These financial statements are presented for the period beginning on January 1 and ending on June 30, 2018.

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 IAS 34 “Interim Financial Information”.

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

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, 2017.

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

The summarised financial statements are prepared in accordance with the accounting principles and methods applied by the Group in the financial statements of the 2017 financial year (described in Note 2 to the IFRS financial statements at December 31, 2017), completed with:

Financial liabilities at fair value in the income statement

These represent the liabilities held for transaction purposes that are liabilities that are destined for short-term uses. They are valued at fair value and the changes in fair value are recognised in the income statement.

Business combination
The transferred consideration (acquisition cost) is valued at the fair value of the assets delivered, equity issued and liabilities incurred at the transaction date. The identifiable assets and liabilities of the acquired company are valued at their fair at the acquisition date. The expenses directly attributable to the taking of control are recognised in "other operating expenses".
Any surplus in the transferred consideration on the group's share of the net fair value of identifiable assets and liabilities of the acquired company leads to a recognition of goodwill.

For each controlling interest acquired involving a stake of less than 100%, the non-acquired fraction of interest (investments not giving control) is valued:
• either at its fair value: in this case, goodwill is recognised for the share of investments not giving control (full goodwill method);
• or at its share of the identifiable net asset of the acquired entity: in this case, only goodwill for the share acquired is recognised (partial goodwill method).
The option chosen for one transaction does not pre-define the choice that can be made for subsequent transactions

In the case of an acquisition in stages, the previously held investment is subject to revaluation at fair value at the date control is taken. The difference between the fair value and the net book value of that investment is directly entered in income.
The amounts recognised at the acquisition date lead to an adjustment, on condition that it originates in the facts and circumstances prior to the acquisition date and newly brought to the knowledge of the acquirer. Beyond the valuation period (of a maximum duration of 12 months after the date of taking control of the acquired entity), the goodwill cannot be subject to any adjustment; the subsequent acquisition of non-controlling interests does not lead to the recognition of additional goodwill.
In addition, earn-outs are included in the consideration transferred at fair value at the acquisition date and regardless of their probability of occurrence. During the valuation period, later adjustments are reflected in goodwill when they are related to facts and circumstances existing at the time of the acquisition; when absent, and beyond that period, earn-out adjustments are recognised directly in income, unless the earn-outs had an equity instrument as consideration. In this last case, the earn-out is not revalued at a later time.

The following amendments and standards are applicable since January 1, 2018:

IFRS 15 – Revenue recognition: Application of IFRS 15 became mandatory as from January 1, 2018. The Group has chosen to apply IFRS 15 according to the full retrospective application method. Consequently, the comparative 2017 financial year presented in the 2018 financial statements was restated in accordance with IFRS 15, and the impact of the transition was reflected in the opening equity on January 1, 2017. This restatement will make it possible to compare the financial data from the 2018 financial year (established in accordance with IFRS 15) with the data from the 2017 comparative financial year.

Analysis of the provisions of IFRS 15 results in adopting the following accounting treatment:

- GTT provides a unique overall service corresponding to technology transfer under license to ship-yards in the context of construction of the tanks for a single vessel or a series of vessels;

- the royalties invoiced with respect to a series of vessels in the context of a firm order placed by a ship-yard for the construction of tanks will be recorded prorata temporis as revenue from operating activities for the duration of the construction of each vessel (between the steel cutting date and the delivery date of each vessel). The amount of revenue from operating activities allocated to each vessel in the series will be identical;

- costs incurred by GTT during the studies phase prior to the steel cutting date for the first vessel in the series will be recorded on the asset side as work in progress. This work in progress will be recorded prorata temporis as an expense for the duration of construction of each vessel (between the steel cutting date and the delivery date of each vessel). The amount of work in progress allocated to each vessel will be identical;

- the costs incurred by GTT after the steel cutting date of the first vessel in the series (including technical assistance costs associated with making engineers and technicians available) shall be recorded as expenses when they are incurred;

- in order to take account of the options enabling a ship-yard to build additional tanks for the same series for a royalties amount benefiting from a discount, part of the revenues from operating activities recorded on the firm series will be deferred. The deferred revenue will be recognised as income for the duration of construction of the additional tanks or, at the latest, when the option expires. The deferred revenue will be estimated taking account of the applicable discount and the likelihood of the options being exercised.

Application of IFRS 9 "Financial instruments" is mandatory starting from January 1, 2018:

IFRS 9 includes the following three main parts:

- Classification and evaluation of financial assets and financial liabilities:The standard requires financial assets to be classified according to their type, the characteristics of their contractual cash flows and the business model followed in managing them.

- Impairment: IFRS 9 determines the principles and methodology to apply to evaluate and to account for the credit losses expected on the financial assets, the commitments on loans and the financial guarantees.

- Hedge accounting: The new text aims for better alignment between hedge accounting and risk management by establishing an approach that is founded more upon the principles of risk management.

The Group applied IFRS 9 starting January 1, 2018 by restating the comparative financial periods.

As the Group does not have a hedging instrument, it was not impacted by the last part of the standard. The second part of the standard, relating to depreciation, also did not have an impact on the Group's financial statements.

The available-for-sale assets were themselves reclassified in "Assets at fair value through profit or loss".

The Group has elected not to apply standards by anticipation, nor interpretations and amendments that are not yet mandatory.

Standard no.	Name
IFRS 16	Leases
Amendments to IFRS 9	Characteristics of early repayment with negative compensation

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 17	Insurance contracts
IFRIC 23	Uncertainty related to tax treatment
Amendments to IAS 28	Investments in associates and joint ventures
Annual improvement cycle 2015-2017	IAS 12, IAS 23, IFRS 11, IFRS 3
Amendments to IAS 19	Modification, reduction or liquidation of a plan
Conceptual framework (version 2) - Phase 1	Conceptual framework (version 2) - Phase 1 (qualitative objectives and characteristics of the financial information)

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 revenues from options, deferred tax assets, provisions for risks and retirement benefit plans.

2.3. Comparison of individual IFRS financial statements presented in 2017 and proforma IFRS consolidated financial statements

To make the 2018 IFRS consolidated financial statements easier to read, the Group decided to present the 2017 comparisons in a consolidated format and integrating impacts of new IFRS 15 and IFRS 9 standards.
This restatement allows to compare 2018 financial data (30 June) with those of 2017 (BS at 31 December and PL at 30 June).

In thousands of euros	31/12/2017 Proforma statements	31/12/2017 Published statements	Differences
Intangible assets	1,097	1,097	-
Property, plant and equipment	17,483	17,483	-
Non-current financial assets	3,240	3,240	-
Deferred tax assets	1,784	1,520	264
Non-current assets	**23,605**	**23,341**	**264**
Customers	110,461	101,056	9,405
Other current assets	5,098	5,098	-
Financial current assets	-	-	-
Total cash and cash equivalent	99,890	99,890	-
Current assets	**241,105**	**225,018**	**16,087**
TOTAL ASSETS	**264,710**	**248,359**	**16,351**

	31/12/2017 Proforma statements	31/12/2017 Published statements	Differences
Share capital	371	371	-
Share premium	2,932	2,932	-
Treasury shares	(3,728)	(3,728)	
Reserves	11,301	20,585	(9,284)
Net income	124,034	116,245	7,789
Total equity	**134,910**	**136,405**	**(1,495)**
Non-current provisions	3,967	3,967	-
Financial liabilities - non-current part	244	244	-
Deferred tax liabilities	222	222	-
Non-current liabilities	**4,433**	**4,433**	**-**
Current provisions	15,604	15,604	-
Suppliers	10,574	10,574	-
Current financial liabilities	379	379	-
Other current liabilities	92,617	74,771	17,846
Current liabilities	**125,367**	**107,521**	**17,846**
TOTAL EQUITY AND LIABILITIES	**264,710**	**248,359**	**16,351**

Differences in the balance sheet are explained by adjustments linked to the application of IFRS 15 standard.
These impacts, which were evaluated in the 31 December 2017 Financial statements, now also integrate the fiscal impact of the change in accounting method.

In thousands of euros	2017.06 Individual financial statements	Consolidation adjustments	2017.06 Consolidated financial statements	IFRS 15 and IFRS 9 adjustments	2017.06 Proforma statements
Revenue from operating activities	**111,346**	**1,173**	**112,519**	**1,226**	**113,745**
Costs of sales	(935)	194	(741)	-	(741)
External expenses	(18,534)	590	(17,944)	30	(17,914)
Personnel expenses	(20,638)	(879)	(21,517)	46	(21,471)
Taxes	(2,252)	(10)	(2,262)	-	(2,262)
Depreciations, amortisations and provisions	(1,415)	288	(1,127)	-	(1,127)
Other operating income and expenses	5,441	2	5,443	-	5,443
Impairment following value tests	-	(271)	(271)	-	(271)
Operating profit	**73,013**	**1,087**	**74,100**	**1,302**	**75,402**
Financial income	231	(12)	219	-	219
Profit before tax	**73,244**	**1,074**	**74,318**	**1,302**	**75,620**
Income tax	(12,018)	(321)	(12,339)	(195)	(12,534)
Net income	**61,226**	**754**	**61,980**	**1,107**	**63,087**
Basic earnings per share (in euros)	1.65	0.02	1.67	0.03	1.70
Diluted earnings per share (in euros)	1.65	0.02	1.67	0.03	1.70
Average number of shares	37,051,563	-	37,051,563	-	37,051,563
Number of diluted shares	37,153,473	-	37,153,473	-	37,153,473

In thousands of euros	2017.06 Individual financial statements	Consolidation adjustments	2017.06 Consolidated financial statements	IFRS 15 and IFRS 9 adjustments	2017.06 Proforma statements
Net income	**61,226**	**754**	**61,980**	**1,107**	**63,087**
Items that will not be reclassified to profit or loss					
Actuarial Gains and Losses					
Gross amount	347	677	1,024	-	1,024
Deferred tax	(52)	(102)	(154)	-	(154)
Total amount, net of tax	**295**	**575**	**870**	**-**	**870**
Items that may be reclassified subsequently to profit or loss					
Conversion differences	-	(63)	(63)	-	(63)
Fair value changes on equity investments				-	
Gross amount	596	(596)		-	
Deferred tax	181	(181)		-	
Total amount, net of tax	**777**	**(777)**	**-**	**-**	**-**
Other comprehensive income for the year, net of tax	**1,072**	**(265)**	**807**	**-**	**807**
INCOME STATEMENT	**62,298**	**489**	**62,787**	**1,107**	**63,894**

Note 3. EVENTS AFTER THE REPORTING PERIOD

None

Note 4. MAIN SUBSIDIARIES

Name	Activity	Country	Interest % June 30, 2018	Interest % June 30, 2017	Consolidation method June 30, 2018	Consolidation method June 30, 2017
Cryovision	Maintenance services	France	100.0	100.0	FC	FC
Cryometrics	On-board services	France	100.0	100.0	FC	FC
GTT Training	Training services	United Kingdom	100.0	100.0	FC	FC
GTT North America	Commercial office	United States of America	100.0	100.0	FC	FC
GTT SEA	Commercial office	Singapore	100.0	100.0	FC	FC
Ascenz	Holding	Singapore	100.0	-	FC	-
Ascenz Solutions	On-board services	Singapore	100.0	-	FC	-
Ascenz Solutions O&G	On-board services	Malaysia	49.0	-	FC	-
Flowmet Pte Ltd	Distribution of equipment	Singapore	70.0	-	FC	-
Shinsei Co, Ltd	Commercial office	Japan	51.0	-	FC	-
Ascenz Solutions B.V.	Commercial office	Holland	100.0	-	FC	-
Ascenz Solutions GMBH	Commercial office	Germany	100.0	-	FC	-
Ascenz Taiwan Co. Ltd	On-board services	Taiwan	100.0	-	FC	-
Ascenz Korea Co. Ltd	Commercial office	Korea	49.0	-	EM	-
Ascenz Indonesia Pte Ltd	On-board services	Singapore	50.0	-	EM	-
Ascenz Myanmar Co. Ltd	On-board services	Myanmar	99.99	-	FC	-
Ascenz HK Co. Ltd	Commercial office	Hong Kong	60.0	-	FC	-

Acquisition of Ascenz

GTT has acquired 75% of the shares of Ascenz on 31 January 2018.

The remaining 25%, owned by the founders, are covered by purchase options by GTT and sale options by the founders over 2021-2024. Part of the exercise price of these options is subject to the future presence of founders.

GTT has in substance acquired 100% of the shares for an acquisition price including the payment made at the acquisition date, the fair value of the earn-out agreement and the part of the acquisition price of the remaining 25% that is not subject to founders presence. These two latter elements are accounted as financial debt.

The part of the price subject to founders presence was analyzed as a compensation in counterpart of services performed in accordance with IFRS 3 appendix 52 (b). The resulting personnel expense is recognized over the required presence period. This part of the price and the price complement may vary subject the evolution of profits and indebtedness of the company.

The Purchase Price Allocation (PPA) exercise has not been finalized as at 30 June 2018. Accordingly, the estimated difference between the amount paid and the value of the net assets acquired has been accounted as a goodwill.

Note 5. Operating profit

5.1. Personnel expenses

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

In thousands of euros	H1 2018	Proforma H1 2017
Wages and salaries	13,439	12,241
Social security costs	6,197	5,639
Share-based payments (1)	174	440
Profit-sharing and incentives scheme	3,922	3,151
PERSONNEL EXPENSES	**23,732**	**21,471**

(1) The method used to calculate share-based payments is set out in note 11.3.

5.2. External expenses

In thousands of euros	H1 2018	Proforma H1 2017
Tests and studies	6,304	6,046
Leasing, maintenance & insurance	2,901	2,848
External staff	-17	80
Fees	2,684	2,766
Transport, travel and reception expenses	3,990	4,489
Postal & telecommunication charges	116	135
Other	2,215	1,552
EXTERNAL EXPENSES	**18,193**	**17,914**

5.3. Depreciation, amortisation and provisions

In thousands of euros	H1 2018	Proforma H1 2017
Allocations (reversals) for depreciation of fixed assets	1,600	1,675
Provisions (reversals)	(234)	(548)
Amortisation and provisions (reversal)	**1,366**	**1,127**

Allocations and reversals of provisions mainly concern allocations of provisions for losses upon completion.

5.4. Other operating income and expenses

In thousands of euros	**H1 2018**	**Proforma H1 2017**
Research tax credit	2,183	5,192
Other	197	251
Other operating income and expenses	**2,380**	**5,443**

“Other operating income and expenses” mainly comprises the Research Tax Credit (2,183 thousand euros).

Note 6. FIXED ASSETS

6.1. Intangible assets

In thousands of euros	Software	Assets in progress	Other	Net value
Values as at 31.12.2016	**509**	**126**	**373**	**1,008**
Acquisitions/allocations	15	134	(14)	135
Disposals/reversals	-	(46)	-	(46)
Reclassifications	(347)	347	-	-
Other variations	-	-	-	-
Values as at 31.12.2017	**177**	**561**	**359**	**1,097**
Acquisitions/allocations	84	221	(75)	229
Disposals/reversals	-	-	-	-
Reclassifications	579	(579)	-	-
Other variations	-	286	539	825
Values as at 30.06.2018	**840**	**488**	**823**	**2,151**

The intangible assets at June 30, 2018 are mainly composed of software having a net book value of 840 thousand euros, patents for 603 thousand euros and current assets for 488 thousand euros.

The line "other variations" in the table below is mainly composed of flows from changes in scope.

6.2. Goodwill

The Group recognised, in its financial statements at June 30, 2018, goodwill of 9,627 thousand euros corresponding to the provisional estimate of goodwill linked to the acquisition of the Ascenz Group.

The allocation of the acquisition price over the different assets acquired must be completed by the Group within 12 months following the acquisition date.

6.3. Property, plant and equipment

In thousands of euros	Land and buildings	Technical installations	Assets in progress	Other	Total
Gross value as at 31.12.2016	**13,620**	**16,319**	**1,500**	**22,146**	**53,585**
Acquisitions	-	448	1,474	746	2,668
Disposals	-	(970)	-	(61)	(1,031)
Reclassifications	-	61	(1,005)	944	-
Other variations	-	-	-	(19)	(19)
Gross value as at 31.12.2017	**13,620**	**15,858**	**1,969**	**23,756**	**55,203**
Acquisitions	-	302	368	113	783
Disposals	-	(387)	-	(46)	(433)
Reclassifications	-	1,058	(1,058)	19	19
Other variations	535	0	-	194	729
Gross value as at 30.06.2018	**14,155**	**16,831**	**1,279**	**24,035**	**56,300**
Accumulated depreciation as at 31.12.2016	**(3,729)**	**(13,029)**	**-**	**(18,690)**	**(35,448)**
Allocation	(577)	(1,276)	-	(1,236)	(3,089)
Reversal	-	743	-	61	804
Reclassifications	-	-	-	-	-
Other variations	-	-	-	14	14
Accumulated depreciation as at 31.12.2017	**(4,306)**	**(13,562)**	**-**	**(19,851)**	**(37,719)**
Allocation	(293)	(534)	-	(618)	(1,446)
Reversal	-	387	-	46	433
Reclassifications	-	-	-	(19)	(19)
Other variations	(55)	(0)	-	(150)	(205)
Accumulated depreciation as at 30.06.2018	**(4,654)**	**(13,709)**	**-**	**(20,592)**	**(38,955)**
Net value as at 31.12.2016	**9,891**	**3,290**	**1,500**	**3,456**	**18,137**
Net value as at 31.12.2017	**9,314**	**2,296**	**1,969**	**3,904**	**17,483**
NET VALUE AS AT 30.06.2018	**9,500**	**3,122**	**1,279**	**3,443**	**17,345**

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 Group's headquarters.

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 7. CURRENT AND NON-CURRENT FINANCIAL ASSETS

7.1. Financial current assets

In thousands of euros	Loans and receivables	Financial assets at fair value through profit or loss	Total
Values as at 31.12.2016	**-**	**7,669**	**7,669**
IFRS 9 impact	-	-	**-**
2017 values at opening	**-**	**7,669**	**7,669**
Acquisitions	-	-	**-**
Disposals	-	(7,000)	**(7,000)**
Reclassification as current	-	-	**-**
Other variations	-	(669)	**(669)**
Values as at 31.12.2017	**-**	**-**	**-**
Acquisitions	-	-	**-**
Disposals	(1)	-	**(1)**
Reclassification as current	(14)	-	**(14)**
Other variations	26	-	**26**
Values as at 30.06.18	**11**	**-**	**11**

7.2. Non-current financial assets

In thousands of euros	Loans and receivables	Available-for-sale financial assets	Financial assets at fair value through profit or loss	Total
Values as at 31.12.2016	**139**	**856**	**4,868**	**5,863**
IFRS 9 impact	-	(856)	856	**-**
2017 values at opening	**139**	**-**	**5,724**	**5,863**
Acquisitions	-	-	2,864	**2,864**
Disposals	(23)	-	(5,571)	**(5,594)**
Reclassification as current	-	-	-	**-**
Other variations	(2)	-	109	**107**
Values as at 31.12.2017	**114**	**-**	**3,126**	**3,240**
Acquisitions	6	-	2,846	**(2,852)**
Disposals	(15)	-	(2,837)	**(2,852)**
Reclassification as current	14	-	-	**14**
Other variations	16	-	(31)	**(15)**
Values as at 30.06.18	**135**	**-**	**3,104**	**3,239**

Increases and decreases of "financial assets at fair value through profit or loss” corresponds to purchases and sales of UCITS as part of the liquidity contract (Note 11.4).

Note 8. WORKING CAPITAL REQUIREMENT

8.1. Trade receivables and other current assets

Gross value (in thousands of euros)	June 30, 2018	Proforma December 31, 2017	Change
Inventories	**6,852**	**6,682**	**170**
Trade and other receivables	**104,234**	**111,744**	**(7,510)**
Trade and other operating receivables	333	180	153
Tax and social security receivables	5,353	3,818	1,535
Other receivables	-	-	-
Prepaid expenses	1,319	1,100	219
Total other current assets	**7,005**	**5,098**	**1,907**
TOTAL	**118,091**	**123,523**	**(5,432)**

Depreciation (in thousands of euros)	June 30, 2018	Proforma December 31, 2017	Change
Inventories	**-**	**-**	**-**
Trade and other receivables	**(1,283)**	**(1,283)**	**-**
Trade and other operating receivables	(37)	-	(37)
Tax and social security receivables	-	-	-
Other receivables	-	-	-
Prepaid expenses	-	-	-
Total other current assets	**(37)**	**-**	**(37)**
TOTAL	**(1,320)**	**(1,283)**	**(37)**

Net book value (in thousands of euros)	June 30, 2018	Proforma December 31, 2017	Change
Inventories	**6,852**	**6,682**	**170**
Trade and other receivables	**102,951**	**110,461**	**(7,510)**
Trade and other operating receivables	296	180	116
Tax and social security receivables	5,353	3,818	1,535
Other receivables	-	-	-
Prepaid expenses	1,319	1,100	219
Total other current assets	**6,968**	**5,098**	**1,870**
TOTAL	**116,772**	**122,240**	**(5,469)**

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

An additional provision for impairment was recognised for 37 thousand euros at June 30, 2018.

8.2. Trade payables and other current liabilities

In thousands of euros	June 30, 2018	Proforma December 31, 2017	Change
Trade and other payables	**9,324**	**10,574**	**(1,250)**
Prepayments received	11	(0)	11
Tax and social security payables	15,160	19,070	(3,911)
Other debts	165	293	(128)
Deferred income	90,191	73,253	16,937
Other current liabilities	**105,526**	**92,617**	**12,910**
TOTAL	**114,850**	**103,190**	**11,660**

Note 9. Current liabilities

(in thousands of euros)	30 June 2018	Proforma 31 Dec. 2017
Advances received	458	639
Financial liabilities evaluated at fair value through P&L	1 643	0
Bank borrowings	764	(16)
Bank overdrafts	69	-
FINANCIAL LIABILITIES	**2 934**	**623**

The current liabilities estimated at fair value through profit and loss correspond to the debt linked to the acquisition of the remaining interests of minority shareholders of Ascenz

Note 10. CASH AND CASH EQUIVALENTS

In thousands of euros	June 30, 2018	Proforma December 31, 2017
Marketable Securities	97,658	90,876
Cash and cash equivalent	27,614	9,014
Cash in balance sheet	**125,273**	**99,890**
Bank overdrafts and equivalent	-	-
Net cash position	**125,273**	**99,890**

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 11. TOTAL EQUITY

11.1. Share capital

As at June 30, 2018, the share capital comprised 37,078,357 shares with a nominal value of 0.01 euros.

11.2. Dividends

The Shareholders' Meeting held on May 17, 2018 approved the payment of an ordinary dividend of 2.66 euros per share for the year ended December 31, 2017 payable in cash.

As an interim dividend was paid on September 29, 2017 in the amount of 49,302,733 euros, the balance of 49,269,596 euros was paid on May 31, 2018.

11.3. 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 the share at the date of allocation	Expired shares	Shares allocated at the end of the vesting period	Existing shares as at June 30, 2018
February 10, 2014	AFS no. 1	2 years	2 years	5,745	€46	945	4,800	-
February 10, 2014	AFS no. 2	2 to 4 years	2 years	250,000	€24	96,109	153,891	-
May 18, 2016	AFS no. 3	2 years	2 years	16,000	€10	4,361	11,639	-
May 18, 2016	AFS no. 4	3 years	1 year	15,150	€21	(2,900)	-	12,250
May 18, 2016	AFS no. 5	3 years	-	5,625	€23	945	-	4,680
February 23, 2017	AFS no. 6	1 year	2 years	7,800	€37	2,126	5,674	-
February 23, 2017	AFS no. 7	3 years	1 year	14,200	€37	-	-	14,200
April 12, 2018	AFS no. 8	3 years	1 year	9,200	€55	-	-	9,200

(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 plan 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, no.7 and no. 8:
    - 20% of shares are subject to presence at the end of the vesting period,
    - 80% of shares are allocated subject to the achievement of performance criteria measured at the end of the financial year preceding the end of the vesting period. These criteria concern:
        - increases in revenue and the order book;
        - the performance of GTT shares on the Stoxx 600 Oil & Gas index (Price);
        - the ratio of net profit to 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 5.1).

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, 2018, an expense of 174 thousand euros was recognised for the free share allocation plans. It amounted to 440 thousand euros at June 30, 2017.

11.4. Treasury shares

The Group 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. At June 30, 2018, the Group held 28,966 treasury shares acquired for the purposes of the liquidity contract or in view to be distributed to employees benefiting from free share allocation plans.

Note 12. EARNINGS PER SHARE

	June 30, 2018	Proforma June 30, 2017
Net income in euros	75,724,821	63,086,700
Average number of shares outstanding (excluding treasury shares)	37,035,724	37,051,563
AFS plan no. 1	-	
AFS plan no. 2	-	46,875
AFS plan no. 3	-	16,000
AFS plan no. 4	12,250	12,250
AFS plan no. 5	4,680	4,785
AFS plan no. 6	-	7,800
AFS plan no. 7	14,200	14,200
AFS plan no. 8	9,200	-
Number of diluted shares	37,076,054	37,153,473
Basic net earnings per share in euros	**2.04**	**1.70**
Diluted net earnings per share in euros	**2.04**	**1.70**

Net earnings per share as at June 30, 2018 was calculated on the basis of a share capital comprising 37,035,724 shares, excluding treasury shares.

To date, the Group has allocated 40,330 free shares, which have been included in the calculation of diluted net earnings per share.

Note 13. PROVISIONS

13.1. Provisions for liabilities and charges

In thousands of euros	June 30, 2018	Provisions for litigation	Provision for retirement compensation	Current	Non current
Values as at 31.12.2016	**6,490**	**5,908**	**582**	**1,864**	**4,626**
Allocation	15,208	15,208	-	15,208	
Reversal	2,126	(2,100)	(26)	(1,479)	(648)
Reversal – unused	0	-	-	-	-
Transfer current – non-current	0	-	-	11	(11)
Values as at 31.12.2017	**19,571**	**19,015**	**556**	**15,604**	**3,967**
Allocation	211	164	47	30	181
Reversal	-385	(385)		(385)	
Reversal – unused	0			-	-
Transfer current – non-current	0				
Values as at 30.06.2018	**19,397**	**18,794**	**603**	**15,249**	**4,148**

Provisions at June 30, 2018 consist of:

- provisions intended, in particular, to cover potential risks in disputes between GTT and employees, as well as a claim made against GTT by a legal expert involved in an action brought by a third party against a repair shipyard. These provisions amounted to 1,041 thousand euros at June 30, 2016;
- a provision corresponding to a risk on a construction project of 2,411 thousand euros;
- a tax risk provision for 15,208 thousand euros;
- a provision for retirement benefits for 651 thousand euros.

13.2. Commitments under defined benefit plans

Provisions for retirement benefit plans are calculated as follows:

In thousands of euros	June 30, 2018	Proforma December 31, 2017
Closing balance of the value of the commitments	(2,086)	(2,035)
Closing balance of the fair value of the assets	1,483	1,479
Financial plan assets	(603)	(556)
Cost of unrecognised past services		-
Other		-
PROVISIONS AND PREPAID EXPENSES	**603**	**556**

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 30, 2018	Proforma December 31, 2017
Opening balance of the commitment value	(556)	(582)
Normal cost	(114)	(262)
Interest expense	(4)	(10)
Cost of past services		
Actuarial (gains) and losses	71	299
Services paid	-	
CLOSING BALANCE OF THE VALUE OF THE COMMITMENTS	**(603)**	**(556)**

Note 14. INCOME TAX

14.1. Analysis of income tax

In thousands of euros	H1 2018	Proforma H1 2017
Current tax	(12,307)	(10,868)
Deferred tax	(230)	(187)
Income tax on profit	**(12,537)**	**(11 055)**
Distribution tax	5,725	(1,479)
Total income tax	**(6,812)**	**(12,534)**
Research tax credit	2,183	5,192
Other tax credit	158	189
Total tax burden net credits	**(4,471)**	**(7,153)**

The distribution tax is a tax on the dividends paid. The French Tax authorities have accepted GTT's claim in relation to the refund of 3% tax on dividends in relation to 2015 and 2016. A tax profit of 5,725 thousand euros has therefore been recorded in the first semester of 2018.

14.2. Reconciliation of income tax charge

In thousands of euros	H1 2018	Proforma H1 2017
Net income (loss)	75,725	63,087
Income tax	6,812	12,534
Notional taxable income	**82,537**	**75,620**
Local standard tax rate (%)	15.00%	15.00%
Notional tax charge	**12,381**	**11,343**
Difference between parent company's standard rate / other standard rates (%)	(16)	247
Permanent differences	17	186
Result subject to tax at a reduced rate or not subject to tax	-	(4)
Impact of tax-transparent partnerships	(138)	(229)
Additional tax charges	389	319
Deferred tax assets not reconized previously	270	-
Rectification of prior periods tax expense	(37)	(30)
Tax on dividends	(5,725)	1,479
Research tax credit	(329)	(777)
TOTAL	**6,812**	**12,534**

14.2. 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.

14.3. Deferred tax assets and liabilities

In thousands of euros	30 June 2018	Proforma 31 Dec. 2017
Deferred tax assets	**2,153**	**1,784**
On deficits	383	511
On other temporary difference	1,680	1,186
On retirement obligation	90	87
On fair value of short-term invesments	-	-
Deferred tax liabilities	**216**	**222**
On regulated provisions	93	83
Effect of discounting advances from Hydrocarbons Support Fund	2	4
Buildings acquired via financial lease	121	135

Note 15. SEGMENT INFORMATION

The Group does business in a single operational sector: the provision of services relating to the construction of liquefied gas storage and transportation facilities.

Assets and liabilities are located in France. Fees and services rendered are invoiced to companies predominantly based in Asia.

(in thousands of euros)	**H1 2018**	**Proforma H1 2017**	**Change**
Revenue	**127,245**	**113,745**	**11.9%**
Annual growth (%)	11.9%		
Of which vessels under construction	***120,433***	***107,384***	***12.2%***
LNG carriers/VLEC	*104,939*	*93,384*	*12.4%*
FSRU	*14,254*	*10,340*	*37.8%*
FLNG	*1,001*	*2,398*	*-58.3%*
Onshore storage	*0*	*1,189*	*ns*
barges	*239*	*73*	*227.2%*
vessels fuelled by LNG	*0*	*0*	*ns*
From services	***6,812***	***6,361***	***7.1%***
Vessels in operation	*4,399*	*3,979*	*10.5%*
Accreditation	*870*	*1,179*	*-26.2%*
Studies	*1,198*	*1,080*	*11.0%*
Training	*182*	*77*	*136.4%*
Other	*163*	*46*	*254.3%*

- 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 16. RELATED-PARTY TRANSACTIONS

16.1. Transactions with shareholders

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, 2018**	**Proforma December 31, 2017**
Suppliers	88	192
Customers	1	1

In thousands of euros	**June 30, 2018**	**Proforma H1 2017**
Studies (Income)	-	9
Supplies and maintenance (expenses)	405	667
Seconded personnel (Expenses)	16	158
Outsourced tests and studies (Expenses)	12	25
Electricity supply (Expenses)	140	-

16.2. Compensation of executive directors

In thousands of euros	**June 30, 2018**	**Proforma H1 2017**
Wages and bonuses	360	739
Expenses for payments in shares (IFRS 2)	-	203
Other long-term benefits	69	98

Note 17. OFF-BALANCE SHEET COMMITMENTS

The Group 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

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 consolidated financial statements of GTT, for the period from January 1 to June 30, 2018;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are your Board of Directors' responsibility. Our role is to express a conclusion 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.

Without qualifying our conclusion, we draw your attention to Notes 2.1 and 2.3 to the condensed half-yearly consolidated financial statements, regarding the main impacts from the first application of IFRS 15 – Revenue from contracts with customers.

2. Specific verification

We have also verified the information provided in the half-yearly management report in respect of the condensed half-yearly consolidated 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 consolidated financial statements.

Paris-La Défense, July 26, 2018

The Statutory Auditors

ERNST & YOUNG Audit
Aymeric de la Morandière

Caillau Dedouit et Associés
Rémi Savournin