2019 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

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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".

25 July 2019

Philippe Berterottière, Chairman and CEO

FIRST HALF MANAGEMENT REPORT

KEY BUSINESS HIGHLIGHTS FOR THE FIRST HALF

1/ Business trend

Since 1 January 2019, GTT's order book excluding LNG as fuel, which at the time stood at 97 units, has evolved as follows:

- 14 deliveries of LNG carriers;
- 2 FSRU deliveries;
- 26 LNG carrier orders.

At 30 June 2019, the order book excluding LNG as fuel, stood at 107 units, split as follows:

- 95 LNG carriers;
- 7 FSRUs;
- 2 FLNGs;
- 3 onshore storage tanks.

Regarding LNG as fuel, with 7 additional orders in the 1st half-year, the number of vessels in the order book stood at 18 units as at 30 June 2019.

- **Core business**

  - During the first half of 2019, GTT's sales activity was marked by a number of successes, in particular in the field of LNG carriers: With 26 orders for LNG carriers booked, GTT's core business activity now stands at a particularly high level. All of the carriers will be equipped with GTT's recent technologies (Mark III Flex+, Mark III Flex and NO96 GW). Delivery is scheduled between end-2020 and end-2022.

  - To that can be added 2 orders for LNG carriers booked between 1 and 25 July 2019 from HHI et HSHI shipyards.

- **LNG fuel activity**

  - In March 2019, GTT received an order from the Sembcorp Marine shipyard for the design of tanks for an LNG bunker vessel on behalf of the ship-owner Indah Singa Maritime Pte Ltd, a subsidiary of Mitsui OSK Lines (MOL), GTT will design the tanks of this vessel, which will integrate the Mark III Flex membrane containment solution. The vessel will have a capacity of 12,000m^3.

  - In April 2019, GTT received an order from the Chinese shipyard Hudong-Zhonghua to design an LNG tank as part of the conversion of a very large capacity container ship for the German ship owner Hapag Lloyd. The LNG tank of 6,500m^3 will allow optimal use of space for storing fuel.

- In June 2019, GTT received an order from the Chinese shipyard Jiangnan Shipyard (Group) Co., Ltd. for the design of LNG tanks for five new giant container ships on behalf of a European ship owner. Each with a capacity of 14,000m^3, the LNG tanks will be equipped with Mark III Flex technology developed by GTT.

2/ New tax regime applicable to patents

The new regime resulting from the Finance Act for 2019 provides for separate taxation at the reduced corporate tax rate of 10% on the net result of the sale and concession of patents and similar rights.

- The net result is calculated as the difference between the income earned during the financial year from eligible assets and the R&D expenses directly related to the eligible assets and invested directly or indirectly by the company during the same financial year.
- An eligibility Nexus ratio is then applied, which takes into account the proportion of R&D expenditure directly engaged by the company in question. For GTT, this ratio would be 100%.
- The portion of the royalties that does not benefit from the 10% rate (equal to the difference between the gross amount of royalties and the amount of the net income) is taxable as corporate income tax under the conditions of common law.

The administration has not yet published its comments about the new regime for patents.

As of 30 June 2019, GTT (Gaztransport & Technigaz) has incorporated the principles of this reform into the calculation of its tax expense and, given its tax profile, estimates the impacts of the reform to be non significant.

3/ Combined Shareholders' Meeting

GTT’s Combined Shareholders' Meeting took place on 23 May 2019, chaired by Philippe Berterottière, Chairman and Chief Executive Officer, at Domaine de Saint-Paul, Saint-Rémy-lès-Chevreuse.

All the resolutions submitted to the vote of the Shareholders' Meeting were adopted, with the exception of the fourteenth resolution concerning the authorisation to be given to the Board of Directors to grant existing or new free shares to all or some employees and corporate officers of the Company.

The shareholders notably approved the financial statements for the 2018 financial year and voted a dividend of 3.12 euros per share, it being stipulated that an interim dividend of 1.33 euro per share had already been paid on 28 September 2018.

The Shareholders' Meeting also renewed the terms of office of Mr Christian Germa, Ms Michèle Azalbert and Ms Cécile Prévieu as directors and appointed Ms Judith Hartmann to replace Mr Didier Holleaux.

The Meeting also approved the components of the Chairman and Chief Executive Officer's compensation in respect of 2018. 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 the executive officers.

SUBSIDIARIES' ACTIVITIES

Cryovision, a GTT subsidiary created in 2012, offers innovative services to ship-owners and vessel operators. Cryovision's offer consists in marketing Non-Destructive Testing of GTT's cryogenic membrane containment systems, in particular by thermal camera (TAMI) during the commercial operations of vessels, and by the Acoustic Emission method in repair yards. During the first half of 2019, and particularly in the first quarter, Cryovision recorded robust business activity with TAMI inspections performed on 31 tanks and acoustic emissions tests on 17 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 engineering studies for support for the operations of the American LNG bunker barge and LNG carriers. GTT North America, together with GTT Training, also commercialised several training contracts.

GTT Training Ltd, a subsidiary created in 2014, took three new orders for its simulation software (G-Sim), including one order for its recently developed and approved model for the liquefied combustible gas treatment system for vessels. Orders were also received for the development of new models of vessels for customers, including an LNG-powered ferry and an ethylene carrier. Training services continue to develop and are now provided across the globe. New courses have been developed centred on LNG as a new fuel for powering vessels, together with the ongoing development of specialised courses focusing on RUF operations and operations at 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. Sloshield, available since 2014, makes it possible to monitor the sloshing activity inside tanks on LNG carriers or FSRU.

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.

The presence of GTT in Singapore enables better collaboration with players across the region, particularly in key countries such as Singapore, Indonesia, Malaysia and Japan, due to the presence of major operators and the fact that LNG bunkering markets and small-scale LNG chains are showing great promise. Two licensing agreements were signed in 2018 with Singapore shipyards with this objective in mind. One of these partners, Sembcorp Marine, successfully leveraged this partnership in early 2019 by taking its first order for an LNG bunkering vessel on behalf of the Japanese ship-owner M.O.L. and the Singaporean charterer Pavilion Gas. This same ship owner placed an order in early 2018 for an initial bunkering vessel. In early 2019, GTT joined the Australian association LNG-Marine Fuel Institute, which promotes the use of LNG as a marine fuel.

Ascenz is a supplier of turnkey integrated digital solutions for the shipping sector. With 11 years' experience and undisputed recognition in Asia, Ascenz develops intuitive and modular systems plus customised services for service vessels, merchant vessels and bunkering vessels, both for conventional fuels and the LNG segment. Ascenz is clearly aiming for leadership in the fast-moving and inescapable digitalisation process now changing the maritime sector. With an active strategy of technological and strategic partnerships, Ascenz is bringing together an alternative global digital ecosystem around its own vision to support maritime operators in their digitalisation projects.

ANALYSIS OF THE CONSOLIDATED RESULTS FOR THE FIRST HALF-YEAR 2019

Condensed income statement

(in thousands of euros)	H1 2019	H1 2018	Change
Revenues from operating activities	**122,637**	**127,245**	**-3.6%**
Costs of sales	(2,627)	(1,321)	98.8%
External expenses	(23,932)	(18,193)	31.5%
Personnel expenses	(24,859)	(23,732)	4.7%
Taxes	(2,575)	(2,460)	4.7%
Depreciation, amortisations and provisions	(2,054)	(1,511)	36.0%
Other operating income and expenses	2,281	2,380	-4.2%
Operating income (EBIT)	**68,870**	**82,407**	**-16.4%**
EBIT margin on revenue (%)	**56.2%**	**64.8%**	
Financial income	1	131	-99.6%
Profit before tax	**68,871**	**82,537**	**-16.6%**
Income tax	(12,267)	(6,812)	80.1%
Net income	**56,603**	**75,725**	**-25.3%**
Net margin on revenue (%)	**46.2%**	**59.5%**	
Basic earnings per share (in euros)	1.53	2.04	-25.3%
Calculated indicator			
EBITDA	**70,855**	**84,152**	**-15.8%**
EBITDA margin on revenue (%)	**57.8%**	**66.1%**	

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) reached 70.9 million euros during the first half of 2019, down 15.8% compared to the first half of 2018. The EBITDA margin on sales decreased from 66.1% in the first half of 2018 to 57.8% in the first half of 2019, mainly due to a drop in revenues and the increase in external expenses.

Operating income totalled 68.9 million euros for the first half of 2019 versus 82.4 million euros for the first half of 2018, equivalent to a 16.4% decrease.

Net income decreased from 75.7 million euros for the first half of 2018 to 56.6 million euros for the first half of 2019 and the net margin reduced from 59.5% to 46.2%.

The decrease in net income is explained by:

- an increase in operating expenses in a context of business growth, particularly for testing and studies, subcontracting and fees;
- and a base effect in the 1st half of 2018: a claim lodged by GTT S.A. for the cancellation of the 3% tax on dividends effectively resulted in an exceptional reduction in income tax on income from last year.

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

(in thousands of euros)	H1 2019	H1 2018	Change
Revenue	**122,637**	**127,245**	**-3.6%**
Annual growth (%)	(3.6%)		
Of which vessels under construction	***115,715***	***120,433***	***-3.9%***
LNG carriers/VLEC	*95,625*	*104,939*	*-8.9%*
FSRU	*12,709*	*14,254*	*-10.8%*
FLNG	*2,546*	*1,001*	*154.4%*
Onshore storage	*1,355*	*0*	*ns*
barges	*349*	*239*	*46.0%*
vessels fuelled by LNG	*3,131*	*0*	*ns*
From services	***6,922***	***6,812***	***1.6%***
Vessels in operation	*5,752*	*4,399*	*30.8%*
Accreditation	*708*	*870*	*-18.7%*
Studies	*179*	*1,198*	*-85.1%*
Training	*262*	*182*	*44.0%*
Other	*21*	*163*	*-87.1%*

Revenues went from 127,245 thousand euros in the first half of 2018 to 122,637 thousand euros in the first half of 2019, a decrease of 3.6% over the period. It should be noted, however, that, between the first quarter and the second quarter of 2109, consolidated revenues rose by 8.2%.

Revenues relating to vessels under construction came to 115,715 thousand euros:

- revenues for LNG carriers (78% of the Group's total revenues) are down by 8.9% at 95,625 thousand euros. Revenues for LNG carriers for the first half of 2019 have not yet felt the full benefit of the inflow of orders that begun in the second half of 2017, while the figure for the first half of 2018 relied essentially on orders taken prior to 2016. However, between the first quarter and the second quarter of 2109, revenues for LNG carriers rose by 6.9%;

- revenues related to orders for FSRU (Floating Storage and Regasfication Units) are down by 10.8% in the 1st half of 2019, linked to the evolution in the number of vessels under construction. It should be noted, however, that, between the first quarter and the second quarter of 2109, revenues for FSRU rose by 42.8%;

- revenues related to orders for FLNG (Floating LNG) show a sharp rise (up by 154.4%) at 2,546 thousand euros, versus 1,001 thousand euros in the 1st half of 2018;

- revenues from new business with LNG as fuel stands at 3,131 thousand euros in the 1st half-year of 2019;

Revenues from Services business (5.6% of total Group revenues) grew by 1.6%, from 6,812 thousand euros in the 1st half of 2018 to 6,922 thousand euros in the 1st half of 2019. This growth is basically due to maintenance and interventions on vessels in operation.

Composition of GTT operating income

External expenses

(in thousands of euros)	H1 2019	Proforma H1 2018	Change
Tests and studies	4,814	3,662	31.5%
Sub-contracting	6,538	3,582	82.5%
Fees	3,245	2,555	27.0%
Leasing, maintenance & insurance	2,390	2,073	15.3%
Transport, travel and reception expenses	4,375	3,997	9.5%
Other	2,570	2,324	10.6%
EXTERNAL EXPENSES	**23,932**	**18,193**	**31.5%**
% of revenues from operating activities	**19.5%**	**14.3%**	

The modification of the chart of accounts in 2019 led the Group to establish a pro forma H1 2018 (transfers from account to account under the External Expenses heading).

The Group's external expenses rose compared to the previous year, from 18,193 thousand euros in the 1st half of 2018 to 23,932 thousand euros in the first half of 2019. This change is basically down to the increase in R&D and sub-contracting expenditures related to growth in business activity.

Personnel expenses

(in thousands of euros)	H1 2019	H1 2018	Change
Wages, salaries and payroll taxes	20,797	19,636	5.9%
Share-based payments	822	174	372.4%
Profit-sharing and incentives scheme	3,240	3,922	-17.4%
PERSONNEL EXPENSES	**24,859**	**23,732**	**4.7%**
% of revenues from operating activities	**20.3%**	**18.6%**	**8.7%**

Personnel expenses increased compared to last year due to (i) the increase in the Group's workforce, (ii) salary increases, and (iii) expenses related to the AGA 9 performance share plan implemented at the end of October 2018, partially offset by the decrease in profit-sharing related to net income.

Depreciation, amortisation and provisions

(in thousands of euros)	H1 2019	H1 2018	change
Allocations for depreciation of fixed assets	1,874	1,600	17.1%
Provisions (reversals)	69	(234)	-129.4%
Impairments for loss of value	111	145	-23.4%
AMORTISATION AND PROVISIONS (REVERSAL)	**2,054**	**1,511**	**36.0%**

Net depreciation, amortisation and provisions increased from 1,511 thousand euros in the first half of 2018 to 2,054 thousand euros in the first half of 2019.

Other operating income and expenses

(in thousands of euros)	H1 2019	H1 2018	change
Research tax credit	2,221	2,183	1.7%
Other operating income/expense	60	197	-69.7%
OTHER OPERATING INCOME AND EXPENSES	**2,281**	**2,380**	**-4.2%**

Other operating income and expenses consist mainly of the research tax credit, the amount of which recorded at the end of the year is computed as an estimate of the expense for the current year plus the balance from the previous year. Estimates are based on projects considered eligible according to the criteria of the research tax credit and historically recorded amounts.

Change in operating income (EBIT) and EBITDA

(in thousands of euros)	H1 2019	H1 2018	change
EBITDA	70,855	84,152	-15.8%
EBITDA margin (%) – EBITDA as a ratio of revenue	57.8%	66.1%	
Operating income (EBIT)	68,870	82,407	-16.4%
EBIT margin (%) – EBIT or operating income as a ratio of revenue	56.2%	64.8%	

Group EBIT decreased from 82,407 thousand euros in the first half of 2018 to 68,870 thousand euros in the first half of 2019, a drop of 16.4%. The evolution of EBITDA (-15.8%) is in line with that of EBIT over the same period, decreasing from 84,152 thousand euros in the 1st half of 2018 to 70,855 thousand euros in the 1st half of 2019.

The EBIT margin and EBITDA margin on revenues from operating activities were 56.2% and 57.8%, respectively, down compared to the previous period, mainly due to the increase in external expenses (sub-contracting, testing and studies, fees).

Breakdown of net income and earnings per share

	H1 2019	H1 2018
Net income in euros	56,603,246	75,724,681
Average number of shares outstanding (excluding treasury shares)	37,061,663	37,035,724
Number of diluted shares	37,142,163	37,076,054
BASIC EARNINGS PER SHARE (IN EUROS)	**1.53**	**2.04**
DILUTED EARNINGS PER SHARE (IN EUROS)	**1.52**	**2.04**

The Group's net income fell from 75,725 thousand euros in the first half of 2018 to 56,603 thousand euros in the first half of 2019, taking into account the items presented above.

In the first half of 2019, basic earnings per share were calculated based on share capital made up of 37,061,663 shares, which corresponds to the weighted average number of ordinary shares outstanding during the period (excluding treasury shares).

On this basis, basic earnings per share decreased from 2.04 euro to 1.53 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 decreased from 2.04 euros in the first half of 2018 to 1.52 euros in the first half of 2019.

GTT Balance sheet analysis

Non-current assets

(in thousands of euros)	30 June 2019	31 December 2018	change
Intangible assets	2,641	2,457	7.5%
Goodwill	4,291	4,291	ns
Property, plant and equipment	17,568	16,634	5.6%
Non-current financial assets	5,006	3,158	58.5%
Deferred tax assets	1,832	3,049	-39.9%
NON-CURRENT ASSETS	**31,338**	**29,590**	**5.9%**

The change in non-current assets between 31 December 2018 and 30 June 2019 is mainly due to the increase in non-current financial assets, which rose from €3,158 thousand to 5,006 thousand euros at 30 June 2019, linked to the sums paid to the service provider in charge of the liquidity of the GTT share price.

Current assets

(in thousands of euros)	30 June 2019	31 December 2018	change
Inventories	9,164	7,394	23.9%
Customers	97,590	96,006	1.7%
Current tax receivable	28,734	34,079	-15.7%
Other current assets	10,903	6,556	66.3%
Financial current assets	9	16	-40.2%
Total cash and cash equivalent	155,616	173,179	-10.1%
CURRENT ASSETS	**302,016**	**317,229**	**-4.8%**

Current assets fell between 31 December 2018 and 30 June 2019, from 317,229 thousand euros to 302,016 thousand euros.

This change is mainly due to a reduction in cash and cash equivalents. The cash flow from operations helped finance the distribution of dividends and a portion of the investments made over the period. However, the tax paid (10 million euros) and the increase in the working capital requirement (5.5 million euros) explain the decrease in the level of cash (see Cash-flow Statement on page 19)

Total equity

(in thousands of euros)	June 30, 2019	31 December 2018	change
Share capital	371	371	0.0%
Share premium	2,932	2,932	0.0%
Treasury shares	(244)	(1,529)	-84.0%
Reserves	110,983	34,852	218.4%
Revenue	56,603	142,798	-60.4%
Total equity - Group share	170,645	179,424	-4.9%
Total equity - share attributable to non-controlling interests	18	17	ns
Total equity	**170,663**	**179,441**	**-4.9%**

The change in total equity between 31 December 2018 (179,441 thousand euros) and 30 June 2019 (170,663 thousand euros) is mainly explained by the result for the first half of 2019 offset by the payment of the balance of the 2018 dividend.

Non-current liabilities

(in thousands of euros)	30 June 2019	31 December 2018	change
Non-current provisions	3,942	4,075	-3.3%
Financial liabilities - non-current part	2,101	2,100	0.1%
Deferred tax liabilities	124	210	-41.0%
NON-CURRENT LIABILITIES	**6,167**	**6,385**	**-3.4%**

Provisions at June 30, 2019 consist of:

- a provision corresponding to a risk on a construction project for 2.4 million euros;
- a provision for severance benefits for 1.5 million euros.

Financial liabilities - the non-current part consists primarily:

- of a 1,589 thousand euros debt recognised as part of the acquisition of the Ascenz Group for the purchase on maturity of 25% of the shares held by minority shareholders;
- of the balance of the advances from the Hydrocarbon Support Fund not yet falling due. They decrease, by reclassifising as current financial liabilities, the advances due in less than one year.

Current liabilities

(in thousands of euros)	30 June 2019	31 December 2018	change
Current provisions	1,426	3,372	-57.7%
Suppliers	13,210	11,483	15.0%
Current tax debts	2,522	6,988	-63.9%
Current financial liabilities	124	337	-63.1%
Other current non-financial liabilities	139,242	138,813	0.3%
CURRENT LIABILITIES	**156,524**	**160,993**	**-2.8%**

This balance sheet item decreased from 160,993 thousand euros at 31 December 2018 to 156,524 thousand euros at 30 June 2019.

Provisions - the current part consists of provisions for litigation and for loss upon completion. The Group recognises this type of provision when the estimated margin on a given project is judged to be negative. The decrease in this item is mainly due to the reversal of a provision for litigation of 2.8 million euros in accordance with the settlement agreements signed, which gave rise to the payment of indemnities for the same amount, offset by an additional provision for losses on completion of 0.9 million euros.

Current financial liabilities correspond to repayment of advances from the Hydrocarbon Support Fund being classified as payable in under one year, and also to credit facilities.

OUTLOOK FOR 2019

The Group has good visibility on its royalty revenues[1] from now to 2022 thanks in particular to a full order book for its core business as at end June 2019. This corresponds to revenues of 713 million euros over the 2019-2022 period[2] (257 million euros in 2019[2], 333 million euros in 2020, 114 million euros in 2021 and 9 million euros in 2022).

Given the size of the backlog in our order book and assuming there are no major deferrals or cancellations of orders, GTT is raising its targets for revenues and EBITDA for the 2019 financial year, i.e.:

- consolidated revenues in 2019 of between 260 and 280 million euros (versus the earlier figure of 255 to 270 million);
- consolidated EBITDA in 2019 of between 160 and 170 million euros (versus the earlier figure of 150 to 160 million).

1Royalties from core business, i.e. excluding LNG fuel and services.

2Of which 111 million euros recognised for the first half of 2019.

Additionally, the Group is confirming its dividend distribution policy, i.e. for the 2019 and 2020 financial years a minimum distribution rate of 80% of consolidated net income.

INTERIM DIVIDEND PAYMENT

The Board of Directors meeting of 25 July 2019 decided the distribution of an interim dividend of 1.50 euro per share for the 2019 financial year, to be paid in cash according to the following schedule:

- 25 September 2019: Ex-dividend date;
- 27 September 2019: Payment date.

THIRD PARTY TRANSACTIONS

During the first half of 2019, 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.

RISK FACTORS

The Group's activities are exposed to certain macroeconomic and sector-specific, operational, market, industrial, environmental and legal risk factors. The main risk factors to which the Group could be exposed are given in detail in the section "Risk Factors" in the 2018 registration document filed with the AMF on 30 April 2019. There were no significant changes in these risk factors during the first half of 2019.

SUMMARIES OF THE HALF-YEAR FINANCIAL STATEMENTS

BALANCE SHEET

In thousands of euros	Notes	30 June 2019	31 December 2018
Intangible assets	6.1	2,641	2,457
Goodwill	6.2	4,291	4,291
Property, plant and equipment	6.3	17,568	16,634
Non-current financial assets	7.2	5,006	3,158
Deferred tax assets	13.4	1,832	3,049
Non-current assets		**31,338**	**29,590**
Inventories	8.1	9,164	7,394
Customers	8.1	97,590	96,006
Current tax receivable		28,734	34,079
Other current assets	8.1	10,903	6,556
Financial current assets	7.1	9	16
Total cash and cash equivalent	9	155,616	173,179
Current assets		**302,016**	**317,229**
TOTAL ASSETS		**333,354**	**346,819**

In thousands of euros	Notes	30 June 2019	31 December 2018
Share capital	10.1	371	371
Share premium		2,932	2,932
Treasury shares		(244)	(1,529)
Reserves		110,983	34,852
Net income		56,603	142,798
Total equity - Group share		**170,645**	**179,424**
Total equity - share attributable to non-controlling interests		18	17
Total equity		**170,663**	**179,441**
Non-current provisions	12.1	3,942	4,075
Financial liabilities - non-current part		2,101	2,100
Deferred tax liabilities	13.4	124	210
Non-current liabilities		**6,167**	**6,385**
Current provisions	12.1	1,426	3,372
Suppliers	8.2	13,210	11,483
Current tax debts		2,522	6,988
Current financial liabilities		124	337
Other current liabilities	8.2	139,242	138,813
Current liabilities		**156,524**	**160,993**
TOTAL EQUITY AND LIABILITIES		**333,354**	**346,819**

INCOME STATEMENT

In thousands of euros	Notes	H1 2019	H1 2018
Revenue from operating activities		**122,637**	**127,245**
Costs of sales		(2,627)	(1,321)
External expenses	5.2	(23,932)	(18,193)
Personnel expenses	5.1	(24,859)	(23,732)
Taxes		(2,575)	(2,460)
Depreciations, amortisations and provisions	5.3	(1,943)	(1,366)
Other operating income and expenses	5.4	2,281	2,380
Impairments for loss of value	5.3	(111)	(145)
Operating profit		**68,870**	**82,407**
Financial income		1	131
Profit before tax		**68,871**	**82,537**
Income tax	13.2	(12,267)	(6,812)
Net income		**56,603**	**75,725**
Basic earnings per share (in euros)	11	1.53	2.04
Diluted earnings per share (in euros)	11	1.52	2.04
Average number of shares		37,061,663	37,035,724
Number of diluted shares		37,142,163	37,076,054

In thousands of euros	Notes	H1 2019	H1 2018
Net income		**56,603**	**75,725**
Items that will not be reclassified to profit or loss			
Actuarial Gains and Losses			
Gross amount		(624)	70
Deferred tax		92	(10)
Total amount, net of tax		**(532)**	**60**
Items that may be reclassified subsequently to profit or loss			
Conversion differences		27	105
Other comprehensive income for the year, net of tax		**(505)**	**165**
INCOME STATEMENT		**56,098**	**75,889**

CASH FLOW STATEMENT

(in thousands of euros)	H1 2019	H1 2018
Company profit for the year	**56,603**	**75,725**
Removal of income and expenses with no cash impact:		
Allocation (Reversal) of amortisation, depreciation, provisions and impairment	(723)	1,610
Proceeds on disposal of assets		
Financial expense (income)	(1)	(131)
Tax expense (income) for the financial year	12,267	6,812
Free shares	822	172
Other revenue and expenses		
Cash-flow	**68,969**	**84,189**
Tax paid out in the financial year	(10,170)	(16,722)
Change in working capital requirement:		
- inventories and work in progress;	(1,770)	75
- trade and other receivables;	(1,585)	8,177
- trade and other payables;	1,719	(2,009)
- other operating assets and liabilities.	(3,911)	11,431
Net cash-flow generated by the business (Total I)	**53,252**	**85,142**
Investment operations		
Acquisition of non-current assets	(3,108)	(1,380)
Disposal of non-current assets		
Control acquired on subsidiaries net of cash and cash equivalents acquired	(0)	(8,929)
Financial investments	(1,839)	(2,853)
Disposal of financial assets	28	2,842
Treasury shares	582	10
Change in other fixed financial assets		
Net cash-flow from investment operations (Total II)	**(4,338)**	**(10,310)**
Financing operations		
Dividends paid to shareholders	(66,275)	(49,270)
Capital increase		
Repayment of financial liabilities	(46)	(224)
Increase of financial liabilities	3	28
Interest paid	(25)	(26)
Interest received	124	68
Change in bank lending	(172)	(261)
Net cash-flow from finance operations (Total III)	**(66,390)**	**(49,686)**
Effect of changes in currency prices (IV)	(88)	237
Change in cash (I+II+III+IV)	***(17,564)***	***25,383***
Opening cash	173,179	99,890
Closing cash	155,616	125,273
Cash change	**(17,564)**	**25,383**

STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Share capital	Share premium	Treasury shares	Reserves	Revenue	Conversion differences	Equity Group Share	Minority interests	Total equity
As at 31 December 2017 - proforma	**371**	**2,932**	**(3,728)**	**11,354**	**124,034**	**(53)**	**134,910**	**-**	**134,910**
At 01/01/2018	**371**	**2,932**	**(3,728)**	**11,354**	**124,034**	**(53)**	**134,910**	**-**	**134,910**
Profit for the period	**-**	**-**	**-**	**-**	**142,798**	**-**	**142,798**	**2**	**142,800**
Gains et pertes actuariels				126			126		126
Ecarts de conversion						139	139		139
Impôts liés aux autres élements du résultat global				(19)			(19)		(19)
Other items of comprehensive income	**-**	**-**	**-**	**107**	**-**	**139**	**246**	**-**	**246**
Allocation of the profit from the previous financial period	-	-	-	124,034	(124,034)	-	-	-	-
(Purchases)/sales of treasury shares	-	-	(196)	161	-	-	(35)	-	(35)
Delivery of treasury shares to the beneficiaries	-	-	2,395	(2,395)	-	-	-	-	-
Share-based payments	-	-	-	266	-	-	266	-	266
Distribution of dividends	-	-	-	(98,549)	-	-	(98,549)	-	(98,549)
Effets de périmètre				(212)			(212)	16	(196)
As at 31 December 2018	**371**	**2,932**	**(1,529)**	**34,766**	**142,798**	**86**	**179,424**	**17**	**179,442**
Profit for the period	**-**	**-**	**-**	**-**	**56,603**	**-**	**56,603**	**0**	**56,603**
Gains et pertes actuariels				(624)			(624)		(624)
Ecarts de conversion						27	27	0	27
Impôts liés aux autres élements du résultat global				92			92		92
Other items of comprehensive income	**-**	**-**	**-**	**(532)**	**-**	**27**	**(505)**	**0**	**(505)**
Allocation of the profit from the previous financial period	-	-	-	142,798	(142,798)	-	-	-	-
(Purchases)/sales of treasury shares	-	-	518	58	-	-	576	-	576
Delivery of treasury shares to the beneficiaries	-	-	767	(767)	-	-	-	-	-
Share-based payments	-	-	-	822	-	-	822	-	822
Distribution of dividends	-	-	-	(66,275)	-	-	(66,275)	-	(66,275)
At 30 June 2019	**371**	**2,932**	**(244)**	**110,870**	**56,603**	**113**	**170,645**	**18**	**170,663**

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.

GTT 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 tanks installed mainly on LNG carriers. The Group operates mainly with shipyards in Asia.

The Group presents its consolidated financial statements since 31 December 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 the training activities of the Group, GTT North America and GTT South East Asia, responsible for commercial development in 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 1 January 2019 and ending on 30 June 2019.

Note 2. ACCOUNTING RULES AND METHODS

2.1. Basis of preparation of the financial statements

The summarised consolidated half-year financial statements, closed on 30 June 2019, are presented and have been prepared based on the provisions of 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 31 December 2018.

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 2018 financial year (described in Note 2 to the IFRS financial statements at 31 December 2018).

The following amendments and standards have been applicable since 1 January 2019:

Leases - IFRS 16:

In 2016, the IASB has published the IFRS 16 Standard, the application of which is mandatory from 1st January 2019.

An analysis has been performed on the Group perimeter in order to assess the impacts of the application of this standard, which did not lead to identify a material impact on the financial statements at 30 June 2019.

IFRIC 23

The implementation of IFRIC 23 interpretation "uncertainties relating to fiscal treatments" did not lead to identify situations which could question accounting positions taken by the Group in the 2018 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 17	Insurance contracts
Conceptual framework (version 2) - Phase 1	Conceptual framework (version 2) - Phase 1 (qualitative objectives and characteristics of the financial information)
Amendments to IFRS 3	Amendments limited to IFRS 3 entitled "Definition of a business"
Amendments to IAS 1 and IAS 8	Modification of the definition of the term "significant"

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.

Note 3. EVENTS OCCURRING AFTER THE CLOSING DATE

2 LNG carriers orders have been received between 1st and 25th July 2019, from HHI and HSHI shipyards.

Note 4. PRINCIPAL SUBSIDIARIES

Name	Activity	Country	Interest %		Consolidation method	
			30 June 2019	31 December 2018	30 June 2019	31 December 2018
Cryovision	Maintenance services	France	100.0	100.0	IG	IG
Cryometrics	On-board services	France	100.0	100.0	IG	IG
GTT Training	Training services	United Kingdom	100.0	100.0	IG	IG
GTT North America	Commercial office	United States of America	100.0	100.0	IG	IG
GTT SEA	Commercial office	Singapore	100.0	100.0	IG	IG
Ascenz	Holding	Singapore	100.0	100.0	IG	IG
Ascenz Solutions	On-board services	Singapore	100.0	100.0	IG	IG
Ascenz Solutions O&G	On-board services	Malaysia	100.0	49.0	IG	IG
Flowmet Pte Ltd	Distribution of equipment	Singapore	70.0	70.0	IG	IG
Shinsei Co, Ltd	Commercial office	Japan	51.0	51.0	IG	IG
Ascenz Solutions GMBH	Commercial office	Germany	100.0	100.0	IG	IG
Ascenz Taiwan Co. Ltd	On-board services	Taiwan	100.0	100.0	IG	IG
Ascenz Korea Co. Ltd	Commercial office	Korea	49.0	49.0	EM	EM
Ascenz Indonesia Pte Ltd	On-board services	Singapore	50.0	50.0	EM	EM
Ascenz Myanmar Co. Ltd	On-board services	Myanmar	100.0	100.0	IG	IG
Ascenz HK Co. Ltd	Commercial office	Hong Kong	60.0	60.0	IG	IG

INFORMATION RELATING TO THE INCOME STATEMENT

Note 5. OPERATING PROFIT

5.1. Personnel expenses

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

In thousands of euros	H1 2019	H1 2018
Wages and salaries	13,270	13,439
Social security costs	7,527	6,197
Share-based payments	822	174
Profit-sharing and incentives scheme	3,240	3,922
PERSONNEL EXPENSES	**24,859**	**23,732**

(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 2019	Proforma H1 2018
Tests and studies	4,814	3,662
Sub-contracting	6,538	3,582
Fees	3,245	2,555
Leasing, maintenance & insurance	2,390	2,073
Transport, travel and reception expenses	4,375	3,997
Other	2,570	2,324
EXTERNAL EXPENSES	**23,932**	**18,193**

The modification of the chart of accounts in 2019 led the Group to establish a pro forma H1 2018 (transfers from account to account under the External Expenses heading).

The Group's external expenses rose compared to the previous year, from 18,193 thousand euros in the first half of 2018 to 23,932 thousand euros in the first half of 2019. This change is essentially due to the increase in R&D and sub-contracting expenditures related to the growth in business activity.

5.3. Depreciation, amortisation and provisions

(in thousands of euros)	H1 2019	H1 2018
Allocations for depreciation of fixed assets	1,874	1,600
Provisions (reversals)	69	(234)
Impairments for loss of value	111	145
AMORTISATION AND PROVISIONS (REVERSAL)	**2,054**	**1,511**

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

5.4. Other operating income and expenses

In thousands of euros	H1 2019	H1 2018
Research tax credit	2,221	2,183
Other	60	197
OTHER OPERATING INCOME AND EXPENSES	**2,281**	**2,380**

“Other operating income and expenses” mainly comprises the Research Tax Credit (2,221 thousand euros).

Note 6. FIXED ASSETS

6.1. Intangible assets

In thousands of euros	Software	Assets in progress	Other	Net value
Values as at 31.12.2017	**177**	**561**	**359**	**1,097**
Acquisitions/allocations	201	487	(163)	526
Disposals/reversals	-	-	-	-
Reclassifications	70	(70)	-	-
Other variations	-	291	544	835
Values as at 31.12.2018	**448**	**1,269**	**740**	**2,457**
Acquisitions/allocations	136	131	(93)	174
Disposals/reversals	-	-	-	-
Reclassifications	185	(335)	150	-
Other variations	(1)	6	4	9
Values as at 30.06.2019	**769**	**1,070**	**801**	**2,641**

As at 30 June 2019, intangible assets consist primarily of software.

6.2. Goodwill

The Group recognised goodwill of 9,627 thousand euros in its financial statements, corresponding to the acquisition of the Ascenz Group.

On 31 December 2018, the Group carried out a loss of value test on this asset and recognised an impairment in the amount of 5,336 thousand euros.

No further loss of value was recognised as at June 30, 2019. Goodwill will undergo an impairment test on 31 December 2019.

6.3. Property, plant and equipment

In thousands of euros	Land and buildings	Technical installations	Assets in progress	Other	Total
Gross value as at 31.12.2017	**13,620**	**15,858**	**1,969**	**23,756**	**55,203**
Acquisitions	-	581	643	545	1,769
Disposals	-	(1,373)	-	(447)	(1,820)
Reclassifications	-	1,058	(1,095)	54	17
Other variations	540	0	-	198	738
Gross value as at 31.12.2018	**14,160**	**16,124**	**1,517**	**24,106**	**55,907**
Acquisitions	-	439	945	1,171	2,555
Disposals	-	-	-	(136)	(136)
Reclassifications	-	33	(99)	50	(16)
Other variations	5	0	-	3	8
Gross value as at 30.06.2019	**14,165**	**16,596**	**2,363**	**25,193**	**58,317**
Accumulated depreciation as at 31.12.2017	**(4,306)**	**(13,562)**	**-**	**(19,851)**	**(37,719)**
Allocation	(586)	(1,110)	-	(1,260)	(2,956)
Reversal	-	1,204	-	425	1,629
Reclassifications	-	-	-	(17)	(17)
Other variations	(55)	(0)	-	(154)	(209)
Accumulated depreciation as at 31.12.2018	**(4,947)**	**(13,468)**	**-**	**(20,858)**	**(39,273)**
Allocation	(294)	(556)	-	(775)	(1,625)
Reversal	-	-	-	136	136
Reclassifications	-	-	-	16	16
Other variations	(1)	(0)	-	(3)	(3)
Accumulated depreciation as at 30.06.2019	**(5,242)**	**(14,024)**	**-**	**(21,483)**	**(40,749)**
Net value as at 31.12.2017	**9,314**	**2,296**	**1,969**	**3,904**	**17,483**
Net value as at 31.12.2018	**9,212**	**2,656**	**1,517**	**3,248**	**16,634**
NET VALUE AS AT 30.06.2019	**8,923**	**2,572**	**2,363**	**3,711**	**17,568**

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 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 Current financial assets

In thousands of euros	Loans and receivables	Financial assets at fair value through profit or loss	Total
Values as at 31.12.2017	**-**	**-**	**-**
Acquisitions	-	-	**-**
Disposals	(9)	-	**(9)**
Reclassification as current	(1)	-	**(1)**
Other variations	26	-	**26**
Values as at 31.12.2018	**16**	**-**	**16**
Acquisitions	5	-	**5**
Disposals	(13)	-	**(13)**
Reclassification as current	2	-	**2**
Values as at 31.12.2019	**9**	**-**	**9**

7.2 Non-current financial assets

In thousands of euros	Loans and receivables	Financial assets at fair value through profit or loss	Total
Values as at 31.12.2017	**114**	**3,126**	**3,240**
IFRS 9 impact		-	**-**
2018 values at opening	**114**	**3,126**	**3,240**
Acquisitions	31	6,637	**6,668**
Disposals	(19)	(6,645)	**(6,664)**
Reclassification as current	1	-	**1**
Other variations	17	(104)	**(87)**
Values as at 31.12.2018	**144**	**3,014**	**3,158**
Acquisitions	(2)	1,836	**1,834**
Disposals	(16)	-	**(16)**
Reclassification as current	(2)	-	**(2)**
Other variations	1	31	**32**
Values as at 30.06.2019	**125**	**4,881**	**5,006**

The increase in "financial assets at fair value by P&L" corresponds to the additional contribution made to the liquidity contract.

Note 8. WORKING CAPITAL REQUIREMENT

8.1 Trade receivables and other current assets

Gross value (in thousands of euros)	30 June 2019	31 December 2018	Change
Inventories	**9,164**	**7,394**	**1,770**
Trade and other receivables	**98,686**	**97,102**	**1,585**
Trade and other operating receivables	690	393	297
Tax and social security receivables	8,233	5,195	3,039
Other receivables	-	-	-
Prepaid expenses	2,017	1,006	1,011
Total other current assets	**10,940**	**6,594**	**4,346**
TOTAL	**118,791**	**111,090**	**7,701**

Depreciation (in thousands of euros)	30 June 2019	31 December 2018	Change
Inventories	**-**	**-**	**-**
Trade and other receivables	**(1,096)**	**(1,096)**	**-**
Trade and other operating receivables	(37)	(39)	2
Tax and social security receivables	-	-	-
Other receivables	-	-	-
Prepaid expenses	-	-	-
Total other current assets	**(37)**	**(39)**	**2**
TOTAL	**(1,133)**	**(1,135)**	**2**

Net book value (in thousands of euros)	30 June 2019	31 December 2018	Change
Inventories	**9,164**	**7,394**	**1,770**
Trade and other receivables	**97,590**	**96,006**	**1,585**
Trade and other operating receivables	653	355	298
Tax and social security receivables	8,233	5,195	3,039
Other receivables	-	-	-
Prepaid expenses	2,017	1,006	1,011
Total other current assets	**10,903**	**6,556**	**4,348**
TOTAL	**117,658**	**109,955**	**7,702**

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

8.2 Trade payables and other current liabilities

In thousands of euros	30 June 2019	31 December 2018	Change
Trade and other payables	**13,210**	**11,483**	**1,727**
Prepayments received	15	30	(15)
Tax and social security payables	15,110	20,858	(5,748)
Other debts	175	331	(156)
Deferred income	123,943	117,594	6,348
Other current liabilities	**139,242**	**138,813**	**429**
TOTAL	**152,452**	**150,296**	**2,156**

Note 9. CASH AND CASH EQUIVALENTS

In thousands of euros	30 June 2019	31 December 2018
Marketable Securities	40,705	30,651
Cash and cash equivalent	114,911	142,529
Cash in balance sheet	**155,616**	**173,179**
Bank overdrafts and equivalent	-	-
Net cash position	**155,616**	**173,179**

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 10. TOTAL EQUITY

10.1 Share capital

As at 30 June 2019, the share capital comprised 37,078,357 shares with a nominal value of 0.01 euro.

10.2 Dividends

The Shareholders' Meeting held on 23 May 2019 approved the payment of an ordinary dividend of 3.12 euros per share for the year ended 31 December 2018 payable in cash.

As an interim dividend was paid on 28 September 2018 in the amount of 49,278,467 euros, the balance of 66,277,165 euros was paid on 29 May 2019.

10.3 Share-based payments

Allocation of Free Shares (AFS)

Date of allocation (*)	Plan no.	Vesting period	Minimum lock-up period	Shares originally allocated	Fair value of the share under IFRS	Share price at the date of allocation	Expired shares	Shares allocated at the end of the vesting period	Existing shares as at June 30, 2019
18 May 2016	AFS no. 4	3 years	1 year	15,150	€21	€31	2,900	12,250	-
18 May 2016	AFS no. 5	3 years	-	5,625	€23	€31	1,410	4,215	-
23 February 2017	AFS no. 7	3 years	1 year	14,200	€28	€39	1,100	-	13,100
12 April 2018	AFS no. 8	3 years	1 year	9,200	€44	€55	800	-	8,400
25 October 2018	AFS no. 9	3 years	variable	59,000	€51	€64	-	-	59,000

(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 set the following acquisition conditions:

- AFS plan no. 5: 100% of the shares are allocated contingent on the employee being present at the end of the vesting period;

- 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;

- AFS plan no. 9:
  - 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) and the SBF 120 index.

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 1 to 30 January 2019, an expense of 1,285 thousand euros was recognised for the free share allocation plans. It amounted to 174 thousand euros at 30 June 2018.

10.4 Treasury shares

The Group took out a new liquidity contract in December 2018 to replace that of 10 November 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 30 June 2019, the Group holds no treasury shares acquired under the liquidity contract. It holds 5,227 shares excluding the liquidity contract.

Note 11. EARNINGS PER SHARE

	H1 2019	H1 2018
Net income in euros	56,603,246	75,724,681
Average number of shares outstanding (excluding treasury shares)	37,061,663	37,035,724
- AFS Plan no. 4	-	12,250
- AFS Plan no. 5	-	4,680
- AFS Plan no. 7	13,100	14,200
- AFS Plan no. 8	8,400	9,200
- AFS Plan no. 9	59,000	
Number of diluted shares	37,142,163	37,076,054
Basic net earnings per share in euros	**1.53**	**2.04**
Diluted net earnings per share in euros	**1.52**	**2.04**

Net earnings per share as at 30 June 2019 was calculated on the basis of a share capital comprising 37,061,633 shares, excluding treasury shares.

To date, the Group has allocated 80,500 free shares, which have been included in the calculation of diluted net earnings per share.

Note 12. PROVISIONS

12.1 Provisions for liabilities and charges

In thousands of euros	30 June 2019	Provisions for litigation	Provision for retirement compensation	Current	Non-current
Values as at 31.12.2017	**19,571**	**19,015**	**556**	**15,604**	**3,967**
Allocation	3,590	3,361	229	3,361	229
Reversal	- 385	(385)		(385)	
Reversal – unused	-15,208	(15,208)		(15,208)	
Other variations	- 121		(121)		(121)
Transfer current – non-current	0				
Values as at 31.12.2018	**7,447**	**6,783**	**664**	**3,372**	**4,075**
Allocation	1,193	961	232	961	232
Reversal	- 2,807	(2,807)		(2,807)	
Reversal – unused	- 1,100	(1,100)		(100)	(1,000)
Other variations	635		635	-	635
Transfer current – non-current	0				
Values as at 30.06.2019	**5,368**	**3,837**	**1,531**	**1,426**	**3,942**

Provisions at 30 June 2019 consist of:

- a provision corresponding to a risk on a construction project in the amount of 2,411 thousand euros;
- a provision for loss on completion in the amount of 1,307 thousand euros;
- provisions intended in particular to cover any risks of litigation between GTT and employees. This provision amounted to 119 thousand euros as at June 30, 2019;
- a provision for retirement benefits in the amount of 1,531 thousand euros detailed in Note 12.2.

12.2 Commitments under defined benefit plans

Provisions for retirement benefit plans are calculated as follows:

In thousands of euros	30 June 2019	31 December 2018
Closing balance of the value of the commitments	(3,031)	(2,157)
Closing balance of the fair value of the assets	1,500	1,494
Financial plan assets	(1,531)	664
Cost of unrecognised past services		
Other		
PROVISIONS	**1,531**	**664**

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

In thousands of euros	30 June 2019	31 December 2018
Opening balance of the commitment value	664	(556)
Normal cost	(232)	(228)
Interest expense	(11)	(5)
Cost of past services		
Actuarial (gains) and losses	(624)	126
Services paid		-
CLOSING BALANCE OF THE VALUE OF THE COMMITMENTS	**(1,531)**	**664**

Note 13. INCOME TAX

13.1 Analysis of income tax

In thousands of euros	H1 2019	H1 2018
Current tax	(11,043)	(12,307)
Deferred tax	(1,224)	(230)
Income tax on profit	**(12,267)**	**(12,537)**
Distribution tax	-	5,725
Total income tax	**(12,267)**	**(6,812)**
Research tax credit	2,221	2,183
Other tax credit		158
TOTAL INCOME TAX EXPENSES NET OF TAX CREDITS	**(10,046)**	**(4,471)**

As at 30 June 2019, the change in tax expenses is mainly due to the absence of distribution tax income corresponding to the dividend tax.

Tax income of 5,725 thousand euros was exceptionally recognised in the first half of 2018 after acceptance, by the tax authorities, of GTT SA's claim for a refund of the 3% tax for 2015 and 2016.

13.2 Reconciliation of income tax charge

In thousands of euros	H1 2019	H1 2018
Net income	56,603	75,725
Income tax	12,267	6,812
Notional taxable income	**68,871**	**82,537**
Recognised tax rate		
Ordinary tax rate	10.00%	15.00%
Notional tax charge	**6,887**	**12,381**
Difference between parent company's standard rate / other standard rates (%)	(38)	(16)
Permanent differences	59	17
Result subject to tax at a reduced rate or not subject to tax		
Tax saving/supplement on income taxed abroad	873	
Flat-rate taxes, other tax supplem.	413	389
Tax consolidation	8	(138)
Effect of changes in the tax rate	910	
Deferred tax assets not recognized previously	3,349	270
Rectification of prior periods tax expense	29	(37)
Tax on dividends	-	(5,725)
Research tax credit	(222)	(329)
TOTAL INCOME TAX EXPENSE	**12,267**	**6,812**

13.3 Taxes and fees

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

13.4 Deferred tax assets and liabilities

In thousands of euros	30 June 2019	31 December 2018
Deferred tax assets	**1,832**	**3,049**
On provisions for non-deductible risks (excluding IAS 19)		718
On other temporary difference	1,136	2,001
On retirement obligation	144	100
On losses carried forward	399	230
On financial instruments	153	
On fair value of short-term investments	-	-
Deferred tax liabilities	**124**	**210**
On differences between the tax/book values of (in)tangible assets	60	100
On leasing	63	108
On financial instruments	1	2

Note 14. SEGMENT REPORTING

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 2019**	**H1 2018**	**Change**
Revenue	**122,637**	**127,245**	**-3.6%**
Annual growth (%)	(3.6%)		
Of which vessels under construction	***115,715***	***120,433***	***-3.9%***
LNG carriers/VLEC	*95,625*	*104,939*	*-8.9%*
FSRU	*12,709*	*14,254*	*-10.8%*
FLNG	*2,546*	*1,001*	*154.4%*
Onshore storage	*1,355*	*0*	*ns*
barges	*349*	*239*	*46.0%*
vessels fuelled by LNG	*3,131*	*0*	*ns*
From services	***6,922***	***6,812***	***1.6%***
Vessels in operation	*5,752*	*4,399*	*30.8%*
Accreditation	*708*	*870*	*-18.7%*
Studies	*179*	*1,198*	*-85.1%*
Training	*262*	*182*	*44.0%*
Other	*21*	*163*	*-87.1%*

- 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 15. RELATED-PARTY TRANSACTIONS

15.1 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	30 June 2019	31 December 2018
Suppliers	671	50
Customers	-	1

In thousands of euros	30 June 2019	June 30, 2018
Studies (Income)	-	-
Personnel expenses (income)	-	-
Supplies and maintenance (expenses)	509	405
Seconded personnel (Expenses)	29	16
Outsourced tests and studies (Expenses)	92	12
Electricity supply (Expenses)	119	140
Patents (expenses)	-	-
Training costs (expenses)	-	-

15.2 Compensation of executive directors

In thousands of euros	30 June 2019	June 30, 2018
Wages and bonuses	398	360
Expenses for payments in shares (IFRS 2)	276	-
Other long-term benefits	66	69

Note 16. OFF-BALANCE SHEET COMMITMENTS

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

STATUTORY AUDITORS' REPORT ON THE HALF-YEAR 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 limted review of the accompanying condensed half-yearly consolidated financial statements of GTT, for the period from January 1 to June 30, 2019;
- 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, the assurance that the financial statements as whole do not contain any material misstatements obtained via the limited review is moderate, i.e. lower than that obtained with an audit.

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 IFRS 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 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 and Paris-La Défense, 25 July 2019

The Statutory Auditors

ERNST & YOUNG Audit	**Cailliau Dedouit et Associés**
Aymeric de la Morandière	Sandrine Le Mao