



2017 First-Half results

Strong financial performance, recovery in the order intake and confirmation of annual objectives

Key figures for the first half of 2017

- 13 orders received during the first six months of the year
- Growth in revenues from services partially offsets the slowdown in revenues from royalties
- Interim dividend payment of 1.33 euro per share

Highlights

- Rapid FSRU¹ growth
- New technologies
- New services offered

Outlook

- Confirmation of revenue, net margin and dividend objectives

Paris – July 20, 2017. Gaztransport & Technigaz (GTT), an engineering company specialised in the design of membrane containment systems for maritime transportation and storage of liquefied gas, hereby presents its results for the first half of 2017.

Condensed income statement for H1 2017

(in thousands of euros, except for EPS)	H1 2016	H1 2017
Revenues	116,880	111,346
Operating profit before allocations for depreciation of fixed assets (EBITDA ²)	73,746	74,614
EBITDA margin (on revenues, %)	63.1%	67.0%
Operating income (EBIT) ³	72,123	73,013
EBIT margin (on revenues, %)	61.7%	65.6%
Net income	60,514	61,226
Net margin (on revenues, %)	51.8%	55.0%
Net earnings per share ⁴ (in euros)	1.63	1.65

While commenting on these results, Philippe Berterottière, Chairman and Chief Executive Officer of GTT, stated that: *"In a challenging market, GTT experienced very robust commercial activity during the first half of the year with 13 vessel orders, thereby contributing to the reconstruction of our order book. The services business has grown significantly in its various elements. Operationally, we continued our development efforts by providing the market with new technologies intended for related segments, such as LPG transportation and marine gravity based storage. The margin levels achieved during H1 2017 demonstrate a good control of expenses at all levels of the income statement. These performances have enabled us to confirm our revenues, net margin and dividend outlook for the whole of the 2017 financial year."*

¹ Floating Storage Regasification Unit

² EBITDA corresponds to EBIT plus depreciation on fixed assets under IFRS.

³ EBIT means "Earnings Before Interest and Tax"

⁴ For the first half of 2017, earnings per share were calculated based on the weighted average number of shares outstanding (excluding treasury shares), i.e. 37,051,563 shares.



Business development

- "Vessel" business

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

- Eight orders for LNG carriers, including four from two South Korean shipyards (Hyundai Heavy Industries and Daewoo Shipbuilding & Marine Engineering) and four others from Chinese shipyard Hudong Zhonghua. These vessels will be equipped with recent GTT technologies (NO 96 GW, NO96-L03+ and Mark III Flex).
- Four orders for the design of FSRU tanks to be built by the South Korean naval shipyards (Hyundai Heavy Industries, Samsung Heavy Industries and Daewoo Shipbuilding & Marine Engineering). These orders demonstrate the very high interest in these regasification vessels, which is a very quick and economic solution, particularly for the new LNG importing countries.
- One FLNG⁵ order. This vessel, with a total capacity of 238,700 m³, will be built in the Samsung Heavy Industries shipyard in South Korea on behalf of the gas company ENI and will be equipped with Mark III technology. Following the recent delivery of the two first FLNGs, including Prelude, the largest floating structure ever built, this new order demonstrates that GTT's technologies represent the ideal solution for offshore LNG production units.

- "Services" business

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

- Technology

- During the Gastech Exhibition & Conference in early April 2017, GTT launched its new technology dedicated to LPG transportation: GTT MARSTM. This technology is derived from GTT's proven membrane systems.
- During this event, GTT also presented a gravity based subsea storage solution. Dubbed GBS (for "Gravity Based System"), this bunkering station consists of a concrete chamber and a membrane containment tank designed by GTT. It sits on the seabed and can be installed in a port or isolated area and requires no additional infrastructure. This reduces installation costs while limiting the environmental impact.

⁵ Floating Liquefied Natural Gas vessel

Order book

Since January 1, 2017, GTT's order book, which then numbered 96 units, has evolved, with:

- 21 deliveries:
 - o 18 LNG/Ethane carriers
 - o 2 FSRUs
 - o 1 FLNG

- 13 orders received:
 - o 8 LNG carriers
 - o 4 FSRUs
 - o 1 FLNG

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

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

Change in revenues during H1 2017

(in thousands of euros)	H1 2016	H1 2017	Change
Revenues	116,880	111,346	-4.7%
From royalties	111,093	103,451	-6.9%
From services	5,787	7,895	+36.4%

Revenues totalled 111.3 million euros at June 30, 2017, compared to 116.9 million euros at June 30, 2016, i.e. a decrease of 4.7% over the period.

- Revenues from royalties for the first half of 2017 were 103.5 million euros, slightly down from the first half of 2016. LNG and ethane carrier royalties totalled 89.6 million euros and FSRU royalties were up by 47.6% at 12.8 million euros. Other royalties amounting to 1.1 million euros were derived from FLNGs and the bunker barge.
- Revenues from services achieved strong growth, mainly resulting from the completion of studies, maintenance assistance services and the approval of suppliers.

Income statement analysis

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) reached 74.6 million euros during the first half of 2017, up 1.2% compared to the first half of 2016. The EBITDA margin on revenues therefore increased from 63.1% during the first half of 2016 to 67.0% for the first half of 2017.

Operating income totalled 73.0 million euros for the first half of 2017 versus 72.1 million euros for the first half of 2016, equivalent to a 1.2% increase.



Net income increased from 60.5 million euros for the first half of 2016 to 61.2 million euros for the first half of 2017 and the net margin grew from 51.8% to 55%.

The growth in net income is the result of the efficient control of operating expenses, particularly expenses for subcontracting, personnel and fees. In addition, the Company received a Research tax credit (CIR) granted in respect of claims relating to previous financial years for an amount of 2.8 million euros.

Other financial data

(in thousands of euros)	H1 2016	H1 2017
Capital expenditure (acquisition of fixed assets)	(1,211)	(1,332)
Dividend paid	(50,385)	(49,291)
Cash and cash equivalent	59,590	77,325

As at June 30, 2017, the Company had a positive cash and cash equivalent position of 77.3 million euros. To this amount may be added €12.6 million of cash investments classified as financial assets.

Outlook

Based on the revenue from royalties recorded for the first half of the year and the value of the current order book, and in the absence of any significant postponements or cancellations in orders, the cumulative revenue for the 2017-2021 period would amount to 529 million euros (223 million euros in 2017⁶, 208 million euros in 2018, 80 million euros in 2019, 15 million euros in 2020 and 3 million euros in 2021).

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

- 2017 revenues of 225-240 million euros. This objective is supported by the H1 level of orders;
- a net margin above 50%⁷;
- a 2017 dividend amount at least equivalent to that paid in 2015 and 2016 and, in the following two years, a payout ratio of at least 80% of net income available for distribution.⁸

Interim dividend payment

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

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

⁶ Of which 103.5 million euros recognised for the first half of 2017

⁷ Excluding potential acquisitions effect and at constant scope

⁸ Subject to approval by the Shareholders' Meeting



Presentation of H1 2017 results

Philippe Berterottière, Chairman and Chief Executive Officer, Julien Burdeau, Chief Operating Officer, and Marc Haestier, Chief Financial Officer, will provide comments on GTT's results and will answer questions from the financial community during a conference call that will be held in English on Friday July 21, 2017, at 8:30 a.m. Paris time.

To participate in the conference call, you will need to dial one of the following numbers approximately five to ten minutes prior to the beginning of the conference:

- France: +33 1 76 77 22 28
- United Kingdom: +44 20 3427 1919
- United States: +1 212 444 0895

Confirmation code: **3864585**

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

Financial agenda

- Payment of an interim dividend of 1.33 euros per share for the 2017 financial year: September 29, 2017
- Publication of the Q3 2017 revenues: October 18, 2017 (after closing)
- 2018 Shareholders' Meeting: May 17, 2018

About GTT

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

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

Further information is available at www.gtt.fr.

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For further information, please consult www.gtt.fr/en and, in particular, the presentation to be uploaded online for the conference call of July 21, 2017



Important notice

The figures presented here are those customarily used and communicated to the markets by GTT. This message includes forward-looking information and statements. Such statements include financial projections and estimates, the assumptions on which they are based, as well as statements about projects, objectives and expectations regarding future operations, profits, or services, or future performance. Although GTT management believes that these forward-looking statements are reasonable, investors and GTT shareholders should be aware that such forward-looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of GTT, and may cause results and developments to differ significantly from those expressed, implied or predicted in the forward-looking statements or information. Such risks include those explained or identified in the public documents filed by GTT with the French Financial Markets Authority (AMF – *Autorité des Marchés Financiers*), including those listed in the “Risk Factors” section of the GTT Registration Document (in French) registered with the AMF on April 27, 2017 under number R.17-030, and the half-yearly financial report released on July 20, 2017. Investors and GTT shareholders should note that if some or all of these risks are realised they may have a significant unfavourable impact on GTT.

Appendices (IFRS financial statements)

Appendix 1: Balance sheet

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

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

Appendix 2: Income statement

(in thousands of euros)	H1 2017	H1 2016
Revenues from operating activities	111,346	116,880
Costs of sales	(935)	(1,414)
External charges	(18,534)	(20,702)
Personnel expenses	(20,638)	(21,019)
Taxes	(2,252)	(2,391)
Depreciations, amortisations and provisions	(1,415)	(2,946)
Other operating income and expenses	5,440	3,714
Current operating income	73,013	72,123
Other non-current income and expenses	-	-
Operating profit	73,013	72,123
Financial income	231	360
Profit before tax	73,244	72,482
Income tax	(12,018)	(11,969)
Net income	61,226	60,514
Basic earnings per share (in euros)	1.65	1.63
Diluted earnings per share (in euros)	1.65	1.63
(in thousands of euros)	H1 2017	H1 2016
Net income	61,226	60,514
Items that will not be reclassified to profit or loss		
Actuarial gains and losses		
Gross amount	346	(306)
Deferred tax	(52)	46
Total amount, net of tax	294	(260)
Items that may be reclassified subsequently to profit or loss		
Fair value changes on equity investments		
Gross amount	596	(245)
Deferred tax	181	-
Total amount, net of tax	777	(244)
Other comprehensive income for the year, net of tax	1,072	(505)
Total comprehensive income	62,298	60,009
Basic comprehensive income per share (in euros)	1.68	1.62
Diluted comprehensive income per share (in euros)	1.68	1.61

Appendix 3: Cash flow statement

(in thousands of euros)	H1 2017	H1 2016
Company profit for the year	61,226	60,514
Cancellation of income and expenses with no effect on cash-flow:		
Allocation (Reversal) of amortisation, depreciation, provisions and impairment	705	454
Net book value of fixed assets disposed of	62	-
Tax expense (income) for the financial year	12,018	11,969
Free shares	440	(1,563)
Other income and expenses	225	(462)
Internally generated funds from operations	74,676	70,911
Tax paid out in the financial year	(12,012)	(11,956)
Change in working capital requirement:		
- Trade and other receivables	7,848	(1,915)
- Trade and other payables	(1,144)	(2,487)
- Other operating assets and liabilities	(15,551)	(26,112)
Net cash-flow generated by the business (Total I)	53,816	28,441
Investment operations		
Acquisition of non-current assets	(1,332)	(1,211)
Disposal of non-current assets	-	249
Financial investments	(1,026)	-
Disposal of financial assets	1,262	5,457
Treasury shares	(224)	3,880
Change in other fixed financial assets	-	-
Net cash-flow from investment operations (Total II)	(1,319)	8,375
Financing operations		
Dividends paid to shareholders	(49,291)	(50,385)
Change in FSH advances	(237)	(286)
Net cash-flow from finance operations (Total III)	(49,528)	(50,670)
Change in cash (I+II+III)	2,969	(13,854)
Opening cash	74,355	73,444
Closing cash	77,325	59,590
Cash change	2,969	(13,854)

Appendix 4: Revenues breakdown

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

Appendix 5: 10-year order estimates

In units	Order estimates ⁽¹⁾
LNG/Ethane carriers	235-255
FSRU	30-40
FLNG	5-10
Onshore storage	5-10

⁽¹⁾ Over 2017-2026. The Company points out that the number of new orders may see large-scale variations from one quarter to another and even one year to another without the fundamentals on which its business model is based being called into question.