

# 1 SUMMARY OF THE GROUP'S RESULTS

Income statement and cash flow statement data for the year ended December 31, 2016 have been restated following the classification of ENGIE E&P International as "Discontinued operations" as of May 11, 2017 (*see Note 4.1.1 "Disposal of the exploration-production business" to the consolidated financial statements*). A reconciliation of the reported data with the restated comparative data is presented in Note 30 "Restatement of 2016 comparative data" to the consolidated financial statements.

ENGIE delivered robust results and strong organic growth in 2017, driven notably by the positive impacts of the Lean 2018 performance program.

**Revenues** increased by 0.3% on a reported basis to €65.0 billion and by 1.7% on an organic basis compared with 2016. Reported growth was affected by changes in the scope of consolidation (€583 million negative impact) due mainly to the disposal of the merchant power generation assets in the United States, Poland and the United Kingdom. This was partially offset by the acquisition of Keepmoat Regeneration which designs, builds, refurbishes and regenerates residential buildings, and a negative foreign exchange effect of €300 million, chiefly related to fluctuations in the pound sterling. Organic revenue growth was driven by an increase in volumes and prices on commodities sold in the gas midstream business in Europe and LNG business in Asia, an improved performance by the thermal power generation plants in Europe and Australia, the impact of new assets commissioned and price rises in Latin America, and the impact of the 2016 price revisions in the infrastructure business in France. These positive developments were partially offset by a fall in sales of natural gas to business customers in France and by a decrease in hydro renewable energy generation in France.

**EBITDA** amounted to €9.3 billion, down 1.8% on a reported basis but up a sharp 5.3% on an organic basis. The reported fall was due to changes in the scope of consolidation (€677 million negative impact), due mainly to the disposal of the merchant power generation assets in the United States in June 2016 and February 2017 and the disposal of Paiton in Indonesia at end-2016, coupled with the recognition in EBITDA as of 2017 of the nuclear contribution in Belgium (€142 million negative impact). These negative impacts were partially offset by a positive foreign exchange effect related notably to the Brazilian real. The organic growth in EBITDA was driven by revenue-related developments (excluding the gas midstream and LNG businesses), plus the impacts of the Lean 2018 performance program. This reflects the positive performance from the Group's growth drivers (5.0%), namely the contracted renewable and thermal power generation, infrastructure and customer-service solutions businesses.

**Current operating income after share in net income of entities accounted for using the equity method** decreased by 6.4% on a reported basis and increased by 5.0% on an organic basis to €5.3 billion. The organic growth in EBITDA was mitigated by higher depreciation expense following the increase of Belgian nuclear power plant dismantling provisions recognized at end-2016 against an asset.

**Net income Group share relating to continued operations** amounted to €1.2 billion for the year ended December 31, 2017, representing a significant improvement on 2016. This improvement takes into account (i) lower impairment losses (net of tax), (ii) gains on the disposal of the thermal merchant power plant assets in the United States, Poland and the United Kingdom, as well as on the disposal of a non-consolidated interest in Petronet LNG in India and the residual interest in NuGen in the United Kingdom, and (iii) a reduction in the cost of debt and current income taxes. These items were partially offset by (i) the negative impacts of fair value adjustments to hedges of commodity purchases and sales, (ii) charges to restructuring provisions, and (iii) the initial non-recurring accounting impact relating to the change in the accounting treatment of long-term gas supply contracts, a power exchange contract as well as to the identification of a series of transport and storage capacities contracts corresponding to onerous contracts, as a result of a change in their management environment.

**Net income Group share** amounted to €1.4 billion for 2017. It includes €0.2 billion of net income Group share from ENGIE E&P International activities classified as "Discontinued operations".

**Net recurring income Group share relating to continued operations** amounted to €2.4 billion for the year ended December 31, 2017, down 2.4% compared with 2016. The fall in current operating income after share in net income of companies accounted for using the equity method was partially offset by an improvement in recurring net financial income/(loss) and tax income/(loss).

**Net recurring income Group share** amounted to €2.7 billion, showing an improvement compared with the previous year. It includes €0.3 billion of net recurring income Group share from ENGIE E&P International activities classified as "Discontinued operations".

**Cash flow from operations** amounted to a sound €8.3 billion, representing a €1.3 billion decline, however, compared with 2016. This performance reflected the negative impact of changes in the scope of consolidation, higher restructuring and dispute settlement costs, and a less favorable change in working capital due mainly to gas inventories in France.

**Net debt** stood at €22.5 billion, down €2.3 billion compared with December 31, 2016, mainly due to (i) cash flow from operations (€8.3 billion), (ii) the impacts of the portfolio rotation program (€4.8 billion), including the completion of the disposal of the thermal merchant power plant portfolio in the United States, Poland and the United Kingdom, the disposal of interests in Opus Energy and NuGen in the United Kingdom, the classification of the Loy Yang B coal-fired power plant in Australia under "Assets held for sale", the disposal of a 25% interest in Elengy (through the transfer of 100% of Elengy to GRTgaz) and the disposal of an interest in Petronet LNG in India, and (iii) a favorable exchange rate effect (€0.7 billion). These items were partially offset by (i) gross investments in the period (€9.3 billion), and (ii) dividends paid to ENGIE SA shareholders (€2.0 billion) and to non-controlling interests (€0.6 billion). Net debt also improved thanks to the impact of the recovery from the French State of the 3% tax on dividends (€0.4 billion).

## 2 OUTLOOK

Since 2016, the Group is committed to a 3 year transformation plan aiming at creating value and at improving the Group's risk profile. This plan is based on **3 main programs**:

- the **portfolio rotation program** (€15 billion net debt impact targeted over 2016-2018). The Group has announced to date **€13.2 billion** of disposals (i.e. more than 90% of total program), of which **€11.6 billion already closed** <sup>(1)</sup>;
- the **investment program** (€14.3 billion <sup>(2)</sup> growth capex over 2016-2018). The Group has announced to have **invested and secured €13.9 billion** (i.e. more than 97% of total program) of which **€10.2 billion have been closed**;
- the **Lean 2018 performance plan**. The Group decided to raise **its 2018 target by €100 million**, for a total of **€1.3 billion of net gains** expected at the EBITDA level by 2018. At end December 2017, €947 million of cumulated net gains were recorded at the EBITDA level, which is higher than the initial cumulated target of €850 million. The entire revised program has already been identified.

For 2018, the Group anticipates **a net recurring income Group share excluding E&P and LNG between €2.45 and €2.65 billion** <sup>(3)</sup>, **in strong organic growth compared to 2017**. This guidance is based on an indicative range for EBITDA of €9.3 to 9.7 billion, **also growing strongly organically**.

For the 2018 period, the Group anticipates:

- a **net debt/EBITDA ratio** below or equal to 2.5x; and
- an «A» category credit rating.

For fiscal year **2017**, the Group confirms the payment of a €0.70 per share dividend, payable in cash.

For fiscal year **2018**, the Group announces a new dividend policy, with **a dividend increased to €0.75 per share (+7.1%)** payable in cash.

(1) In November 2017, ENGIE announced it had signed with Total an agreement for the sale of its upstream and midstream Liquefied Natural Gas (LNG) activities, that should be closed during 2018. In 2018, ENGIE closed the disposal of the E&P International activity and of Loy Yang B coal-fired power plant in Australia.

(2) Net of DBSO proceeds; excluding Capex related to E&P and upstream / midstream LNG (including Touat and Cameron) for €0.3 billion and Corporate Capex for €0.2 billion.

(3) These targets and this indication, excluding E&P and LNG contributions, assume average weather conditions in France, full pass through of supply costs in French regulated gas tariffs, no significant accounting changes except for IFRS 9 and IFRS 15, no major regulatory and macro-economic changes, commodity price assumptions based on market conditions as of December 31, 2017 for the non-hedged part of the production, and average foreign exchange rates as follows for 2018: €/£: 1.22; €/BRL: 3.89, and without significant impacts from disposals not already announced.

### 3 CONSOLIDATED REVENUES AND EARNINGS

<i>In millions of euros</i>	Dec. 31, 2017	Dec 31, 2016 <sup>(1)</sup>	% change (reported basis)	% change (organic basis)
Revenues	65,029	64,840	+0.3%	+1.7%
EBITDA	9,316	9,491	-1.8%	+5.3%
Net depreciation and amortization/Other	(4,044)	(3,855)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	5,273	5,636	-6.4%	+5.0%

(1) Comparative data at December 31, 2016 have been restated due to the classification of ENGIE E&P International under "Discontinued operations" on May 11, 2017 (see Note 30 "Restatement of 2016 comparative data").

Consolidated **revenues** for the year ended December 31, 2017 amounted to €65.0 billion, up 0.3% compared with the previous year. On an organic basis (excluding changes in the scope of consolidation and foreign exchange impacts), revenues grew by 1.7%. Adjusted for the adverse trend in temperatures in France, which were milder than in 2016, organic growth was 1.9%.

Changes in the scope of consolidation had a net negative impact of €583 million, arising mainly from the disposal of hydro and thermal merchant power generation assets in the United States (€836 million negative impact), Poland (€440 million negative impact) and the United Kingdom (€93 million negative impact), partially offset by the acquisition of Keepmoat Regeneration (€473 million positive impact). Exchange rates had a negative €300 million impact on revenues, mainly reflecting the depreciation of the pound sterling against the euro.

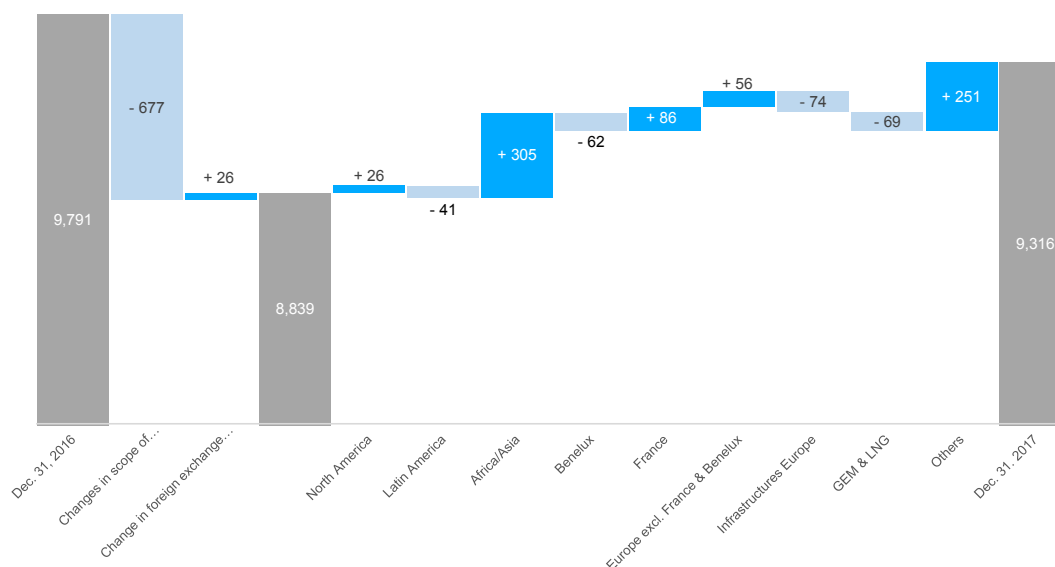
Organic revenue growth was driven by an increase in commodity volumes sold in the midstream business in Europe, an improved performance by the thermal power generation plants in Europe and Australia, the impact of new assets commissioned and price rises in Latin America, and the impact of the 2016 price revisions in the regulated infrastructure business in France. These positive developments were partially offset by a fall in sales of natural gas to business customers in France and by a decrease in hydro renewable energy generation in France.

Organic revenues by segment were (i) up in GEM & LNG, Latin America, Infrastructures Europe, Europe excluding France and Benelux, and Africa/Asia, (ii) stable in France, (iii) down slightly in North America and Benelux, and (iv) down significantly in the Other segment.

**EBITDA** declined by 1.8% to €9.3 billion over the year. Excluding the impact of changes in the scope of consolidation and exchange rates, EBITDA increased by 5.3%.

## EBITDA TRENDS

In millions of euros



Changes in the scope of consolidation had a negative impact of €677 million due mainly to the disposal of hydro and thermal merchant power generation assets in the United States (€329 million negative impact) and Paiton in Indonesia (€156 million negative impact), coupled with the recognition in EBITDA as of 2017 of the nuclear contribution in Belgium (€142 million negative impact). Exchange rates had a positive €26 million impact, mainly due to the appreciation of the Brazilian real against the euro.

On an organic basis, EBITDA was up 5.3% to €477 million. The increase reflects the positive performance from the Group's growth drivers <sup>(1)</sup> which benefitted from (i) the Lean 2018 performance program, (ii) the commissioning of new assets notably in Latin America, and (iii) a good performance from the customer solution business particularly thanks to the development of services. These positive factors were partially offset by (i) the impact of a provision reversal in Brazil in 2016, (ii) the strong decrease in hydro renewable energy generation volumes in France, and (iii) an adverse temperature effect in the gas infrastructure and retail businesses in France. Furthermore, the performance in merchant activities was stable over the period as positive price and volume effects in thermal power generation activities in Europe and Australia were offset by the decrease in captured prices and in the nuclear power generation activity, particularly in Belgium.

Organic EBITDA performance varied significantly between segments:

- in North America, organic EBITDA was up sharply thanks to a good performance from the services businesses coupled with cost savings under the Lean 2018 program, despite a weaker performance from the remaining power generation activities;
- in Latin America, organic EBITDA contracted slightly, mainly due to the positive impact of a provision reversal in 2016 in Brazil, partially offset by the commissioning of new assets in Mexico and Peru, positive price revisions in Mexico and Argentina, and an improvement in the contribution of hydroelectric power activities in Brazil;

(1) Contracted renewable and thermal power generation, infrastructure and customer-service solutions businesses.

- in Africa/Asia, organic EBITDA reflects a very strong performance as growth drivers benefitted mainly from the commissioning of the Az-Zour North power plant in Kuwait and the successful closing of the Fadhilli power plant contract in Saudi Arabia, the solid performance of retail businesses notably in Australia, and from higher margins in the gas distribution business in Thailand. These factors were partially offset by lower availability of assets in Thailand and Turkey and higher taxes for entities accounted for using the equity method in Oman and Saudi Arabia. Moreover, regarding merchant activities, the power generation business in Australia benefitted from the increase in prices and volumes;
- in Benelux, the organic decrease in EBITDA was mainly due to merchant activities as the nuclear power generation business was impacted by a decline in captured electricity sale prices and the non-scheduled shutdown of Tihange 1, Tihange 2 and Doel 3. These impacts were partially offset by a good performance in growth drivers from the service, gas and electricity sales businesses, and renewable power generation businesses, as well as cost savings under the Lean 2018 program;
- in France, the improvement in EBITDA, relating to the renewable power and customer-service solution businesses, was due to higher electricity volumes in the retail segment, margins from DBSO <sup>(1)</sup> activities (in the wind and solar farms sectors) and a good performance from the network business. These impacts were partially offset by a decrease in hydro energy generation, lower volumes and margins in the retail gas business, as well as an adverse temperature effect in France;
- EBITDA trends in Europe excluding France & Benelux reflect the strong performance from growth drivers. This is mainly due to an improvement in margins and volumes in the gas and electricity retail businesses in the United Kingdom, the gas services and distribution businesses, and cost savings under the Lean 2018 performance program;
- in Infrastructures Europe, the organic decrease in EBITDA stemmed from lower storage capacity sales in France, the negative impact of price revisions in the transport business and the adverse trend in temperatures in France;
- in GEM & GNL, EBITDA was down compared with 2016, mainly in merchant activities due to negative price impacts, less significant revisions to gas supply conditions in 2017 than in 2016 and gas supply difficulties in the south of France in January 2017 during the cold spell. These negative impacts were partially offset by price revisions to LNG supply contracts entered into in 2017, coupled with cost savings under the Lean 2018 performance program;
- in the Other segment, strong organic growth in EBITDA was driven mainly by a good performance from gas fired thermal power generation in Europe (merchant activity) and from BtoB electricity sales in France (customer-service solutions). Moreover, EBITDA benefitted from cost savings under the Lean 2018 program, notably at corporate level.

**Current operating income after share in net income of entities accounted for using the equity method** amounted to €5.3 billion, up 5.0% on an organic basis compared with 2016, for the same reasons as those given above for EBITDA. Depreciation expense for the year was higher than the previous year following the three-yearly review of Belgian nuclear power plant dismantling costs at end-2016.

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(1) *Develop, Build, Share and Operate.*

## 4 REPORTABLE SEGMENT BUSINESS TRENDS

### 4.1 North America

<i>In millions of euros</i>	<b>Dec. 31, 2017</b>	<b>Dec. 31, 2016</b>	<b>% change (reported basis)</b>	<b>% change (organic basis)</b>
<b>Revenues</b>	2,934	3,814	-23.1%	-1.8%
<b>EBITDA</b>	169	475	-64.3%	+18.3%
Net depreciation and amortization/Other	(50)	(45)		
<b>CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	120	430	-72.2%	+23.6%

**Revenues** for the North America segment totalled €2,934 million, down 23.1% on a reported basis primarily due to the disposal in the merchant generation fleet. Revenues were down 1.8% on an organic basis, driven by a contraction in supply business and less favorable PPA renewals on the remaining fleet. This was partly mitigated by higher services revenues.

Electricity sales decreased from 65.8 TWh to 41.3 TWh primarily as a consequence of the disposal of the merchant assets.

**EBITDA** totalled €169 million, down 64.3% on a reported basis and up 18.3% organically. The organic improvement resulted from a stronger performance by the services businesses combined with corporate cost savings. These impacts were partially offset by the weaker performance of the remaining fleet.

**Current operating income after share in net income of entities accounted for using the equity method** amounted to €120 million, down 72.2% on a reported basis but up 23.6% on an organic basis, due to the movements in EBITDA mentioned above plus slightly lower net depreciation and amortization charges.

### 4.2 Latin America

<i>In millions of euros</i>	<b>Dec. 31, 2017</b>	<b>Dec. 31, 2016</b>	<b>% change (reported basis)</b>	<b>% change (organic basis)</b>
<b>Revenues</b>	4,511	4,075	+10.7%	+8.3%
<b>EBITDA</b>	1,711	1,696	+0.9%	-2.4%
Net depreciation and amortization/Other	(433)	(412)		
<b>CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	1,278	1,284	-0.5%	-4.3%

**Revenues** for the Latin America segment totalled €4,511 million, representing a 10.7% increase on a reported basis benefiting from the appreciation of the Brazilian real as well as from an 8.3% organic increase.

In Brazil, revenues increased thanks to the commissioning of the Santa Monica wind complex and higher prices, partly driven by poor hydrology. In Mexico, revenues benefited from a distribution tariff increase and the commissioning of the Pánuco (gas power plant) in October 2016. Chile was positively impacted by power price indexation (despite lower volumes) and higher demand for regasification. Argentina benefited from distribution tariff increases in October 2016 and in April and December 2017. In Peru, the commissioning of ChilcaPlus (May 2016) and Nodo Energetico (October 2016) helped to offset the lower demand and the loss of PPAs with high margins.

Electricity sales remained stable at 59.3 TWh, while gas sales decreased by 1.6 TWh to 28.9 TWh.

**EBITDA** totalled €1,711 million, up 0.9% on a reported basis, positively impacted by the appreciation of the Brazilian real and down 2.4% on an organic basis. The slight organic decrease is due to a significant one-off 2016 provision reversal in Brazil, partially offset by the factors mentioned for revenue, as well as better overall results in the spot market in Brazil, the

recognition of a PPA cancellation penalty in Peru, the commissioning of the Los Ramones (gas transport pipeline in Mexico, July 2016) and significant cost savings under the Lean 2018 performance program.

**Current operating income after share in net income of entities accounted for using the equity method** amounted to €1,278 million, down 4.3% on an organic basis primarily due to changes in EBITDA, and higher depreciation from the commissioning of assets in Brazil, Peru and Mexico.

### 4.3 Africa/Asia

<i>In millions of euros</i>	<b>Dec. 31, 2017</b>	<b>Dec. 31, 2016</b>	<b>% change (reported basis)</b>	<b>% change (organic basis)</b>
<b>Revenues</b>	<b>3,984</b>	<b>3,804</b>	<b>+4.7%</b>	<b>+6.5%</b>
<b>EBITDA</b>	<b>1,323</b>	<b>1,162</b>	<b>+13.8%</b>	<b>+30.5%</b>
Net depreciation and amortization/Other	(256)	(239)		
<b>CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>1,067</b>	<b>923</b>	<b>+15.6%</b>	<b>+34.7%</b>

**Revenues** for the Africa/Asia segment totalled €3,984 million, up 4.7% on a reported basis and 6.5% organically. The contribution of the services activities of an Australian company acquired in 2016 was partially offset by a negative foreign exchange effect due to the weakening of the US dollar against the euro and the sale of the Meenakshi coal-fired power plant in India in September 2016. The organic increase resulted mainly from higher market prices in Australia, which positively impacted the generation fleet, and from higher sales volumes in the Australian retail business and the successful closing of the Fadhili power plant contract in Saudi Arabia. These positive impacts were partially offset by major maintenance planned in Thailand, lower power plant availability and a decrease in gas prices in Turkey.

Electricity sales decreased by 6.1 TWh to 44.9 TWh, mainly due to the closure of the Hazelwood coal-fired power plant in Australia at the end of the first quarter and to the sale of the Meenakshi power plant.

**EBITDA** totalled €1,323 million, up 13.8% on a reported basis, mainly due to the positive impact of the Tabreed (district cooling networks) acquisition in the United Arab Emirates in September 2017, offsetting the sale of the Paiton coal-fired power plant in December 2016. The 30.5% organic increase mainly reflects the improved performance of the generation and retail businesses in Australia, higher margins for gas distributor PTT NGD in Thailand, the commissioning of the Az-Zour North power plant in Kuwait, the impact of the successful closing of the Fadhili contract in Saudi Arabia and the positive settlement of claims in the Middle East. This performance was partially offset by lower power plant availability in Thailand and Turkey, and the impact of tax increases on the results of our associates in Oman and Saudi Arabia.

**Current operating income after share in net income of entities accounted for using the equity method** amounted to €1,067 million, up 34.7% on an organic basis for the same reasons as those stated above for EBITDA.

### 4.4 Benelux

<i>In millions of euros</i>	<b>Dec. 31, 2017</b>	<b>Dec. 31, 2016</b>	<b>% change (reported basis)</b>	<b>% change (organic basis)</b>
<b>Revenues</b>	<b>8,865</b>	<b>9,044</b>	<b>-2.0%</b>	<b>-1.9%</b>
<b>EBITDA</b>	<b>551</b>	<b>755</b>	<b>-26.9%</b>	<b>-8.2%</b>
Net depreciation and amortization/Other	(561)	(383)		
<b>CURRENT OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>(9)</b>	<b>371</b>	<b>-102.5%</b>	<b>-64.3%</b>

**Revenues** for the Benelux segment amounted to €8,865 million, down 2.0% compared with 2016. This decrease mainly reflects a fall in volumes sold in the BtoB segment in Belgium and the impact of lower commodity prices on the retail business. The services businesses, supported by buoyant performances in Belgium, delivered 5.1% revenue growth.



In Belgium and Luxembourg, electricity sales totalled 37.9 TWh, down 0.9 TWh on 2016. In the Netherlands, electricity sales amounted to 9.8 TWh, representing an increase of 1.4 TWh.

Natural gas sales rose by 0.2 TWh to 49.4 TWh at December 31, 2017.

**EBITDA** amounted to €551 million, down 8.2% on an organic basis compared with 2016, due to a decline in captured electricity sale prices and the lower availability of nuclear power plants following the non-scheduled shutdown of Tihange 1, Tihange 2 and Doel 3. These impacts were partially offset by a good performance from the services businesses and gas and electricity sales activities, coupled with cost savings under the Lean 2018 program. Apart from the above-mentioned factors driving the decrease, the 26.9% decline in reported EBITDA was also impacted by the recognition of the nuclear contribution in EBITDA as of January 1, 2017. The contribution for the year amounted to €142 million.

**Current operating income after share in net income of entities accounted for using the equity method** fell in line with EBITDA and was also adversely affected by an increase in depreciation expense resulting from an increase in the amount of dismantling assets recognized at end-2016 following the three-yearly review of nuclear provisions.

## 4.5 France

In millions of euros	Dec. 31, 2017	Dec. 31, 2016 <sup>(1)</sup>	% change (reported basis)	% change (organic basis)
Revenues	16,659	20,332	-18.1%	+0.1%
EBITDA	1,475	1,315	+12.2%	+6.6%
Net depreciation and amortization/Other	(593)	(620)		
<b>CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>882</b>	<b>695</b>	<b>+26.9%</b>	<b>+12.8%</b>

(1) 2016 revenues and EBITDA including the BtoB activity (E&C), which was transferred to the Other segment at January 1, 2017.

### Volumes sold

In TWh	Dec. 31, 2017	Dec. 31, 2016 <sup>(1)</sup>	% change (reported basis)
Gas sales	94.7	102.6	-7.7%
Electricity sales	34.3	34.2	+0.0%

(2) Gas and electricity sales for 2016 do not include E&C (see section 3.9).

### France climatic adjustment

In TWh	Dec. 31, 2017	Dec. 31, 2016	Total change in TWh
Climate adjustment volumes	(0.3)	1.6	(1.9)
(negative figure = warm climate, positive figure = cold climate)			

**Revenues** for the France segment totalled €16,659 million, down 18.1% on a reported basis and up 0.1% on an organic basis. The reported fall was due to the transfer of the BtoB gas and electricity sales activity (E&C) from the France segment to the Other segment. The slight organic increase resulted from higher revenues from the services businesses, offset by lower hydro power generation.

Natural gas sales excluding the transfer of E&C fell by 7.9 TWh, including 6.0 TWh following the loss of retail customers due to competitive pressure and 1.9 TWh related to the temperature effect. Electricity sales excluding the transfer of E&C inched up 0.1 TWh, chiefly due to the increase in electricity volumes sold in the retail segment, which was offset by the decrease in hydro power generation.

**EBITDA** totalled €1,475 million, up 6.6% on an organic basis due to higher electricity volumes sold in the retail segment, margins from DBSO activities <sup>(1)</sup> in the wind and solar farm sectors and a good performance from the network business despite a significant decrease in hydro power generation and the loss of individual gas customers.

**Current operating income after share in net income of entities accounted for using the equity method** amounted to €882 million, up 12.8% on an organic basis.

## 4.6 Europe excluding France & Benelux

<i>In millions of euros</i>	<b>Dec. 31, 2017</b>	<b>Dec. 31, 2016</b>	<b>% change (reported basis)</b>	<b>% change (organic basis)</b>
<b>Revenues</b>	<b>8,848</b>	<b>8,118</b>	<b>+9.0%</b>	<b>+4.0%</b>
<b>EBITDA</b>	<b>655</b>	<b>612</b>	<b>+7.0%</b>	<b>+9.7%</b>
Net depreciation and amortization/Other	(216)	(202)		
<b>CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>439</b>	<b>410</b>	<b>+7.2%</b>	<b>+17.0%</b>

**Revenues** for the Europe excluding France & Benelux segment totaled €8,848 million, representing organic growth of 4.0%, driven mainly by positive price and volume effects in the gas and electricity retail businesses in the United Kingdom and growth in the services businesses. Besides this organic growth, the negative exchange rate impact on the pound sterling was more than offset by the contribution of Keepmoat Regeneration, acquired in late April 2017, to revenues.

Electricity sales amounted to 30.3 TWh, representing an increase of 0.6 TWh <sup>(2)</sup> compared with 2016. Gas sales increased by 2.9 TWh to 71.1 TWh, notably driven by favorable weather conditions in Romania.

**EBITDA** totaled €655 million, representing an increase of 9.7% on an organic basis, mainly due to an improvement in margins and volumes in the gas and electricity retail businesses in the United Kingdom, the services and gas distribution businesses, and cost savings under the Lean 2018 performance program.

**Current operating income after share in net income of entities accounted for using the equity method** rose 17% to €439 million on an organic basis, in line with EBITDA growth.

## 4.7 Infrastructures Europe

<i>In millions of euros</i>	<b>Dec. 31, 2017</b>	<b>Dec. 31, 2016</b>	<b>% change (reported basis)</b>	<b>% change (organic basis)</b>
<b>Revenues</b>	<b>3,488</b>	<b>3,267</b>	<b>+6.8%</b>	<b>+6.9%</b>
<b>Total revenues (incl. intra-group transactions)</b>	<b>6,712</b>	<b>6,762</b>	<b>-0.7%</b>	
<b>EBITDA</b>	<b>3,384</b>	<b>3,459</b>	<b>-2.1%</b>	<b>-2.2%</b>
Net depreciation and amortization/Other	(1,444)	(1,390)		
<b>CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>1,940</b>	<b>2,068</b>	<b>-6.2%</b>	<b>-6.2%</b>

**Revenues** for the Infrastructures Europe segment, including intra-Group transactions, amounted to €6,712 million, representing a slight 0.7% decline due, for France, to lower storage capacity sales, the annual revision of regasification and transport infrastructure tariffs (4.6% increase on April 1, 2016 and 3.1% decrease on April 1, 2017), and the impact of unfavorable temperatures on the gas distribution business, partially offset by short-term transport capacity sales in

(1) Develop, Build, Share and Operate.

(2) Includes Cogeneration Italy sales of 0.5 TWh in contrast to reported data at December 31, 2016.

Germany. The overall impact of revisions to distribution infrastructure tariffs in France was positive (2.8% increase on July 1, 2016 and 2.05% decrease on July 1, 2017).

The contribution to Group **revenues** was €3,488 million, up 6.8% on 2016. The improved contribution essentially reflects the growth in distribution and transport activities for third parties in France. Transport revenues were also on the rise in Germany.

**EBITDA** amounted to €3,384 million, down 2.1% on the previous year, mainly reflecting the change in total revenues.

**Current operating income after share in net income of entities accounted for using the equity method** came in at €1,940 million for the period, down 6.2% on 2016, with a rise in net depreciation and amortization charges resulting from the commissioning of new assets by GRTgaz (including Arc de Dierrey at end-2016) and GRDF (notably the new communicating "smart" meters).

## 4.8 GEM & LNG

<i>In millions of euros</i>	<b>Dec. 31, 2017</b>	<b>Dec. 31, 2016</b>	<b>% change (reported basis)</b>	<b>% change (organic basis)</b>
<b>Revenues</b>	<b>9,391</b>	<b>8,981</b>	<b>+4.6%</b>	<b>+4.9%</b>
<b>EBITDA</b>	<b>(82)</b>	<b>3</b>	<b>NA</b>	<b>NA</b>
Net depreciation and amortization/Other	(55)	(77)		
<b>CURRENT OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>(137)</b>	<b>(74)</b>	<b>-85.2%</b>	<b>-52.9%</b>

GEM & LNG's contribution to Group **revenues** for the year ended December 31, 2017 amounted to €9,391 million, up 4.9% on an organic basis year on year. Growth was driven by an increase in the volumes and prices of commodities sold in the midstream gas business in Europe and the LNG business in Asia.

**EBITDA** was a negative €82 million, down on 2016 due mainly to negative price effects, less significant revisions to gas supply conditions in 2017 than in 2016 and gas supply difficulties in the south of France in January 2017. These impacts were partially offset by the positive impact of an LNG supply contract prices revision in 2017, coupled with cost savings under the Lean 2018 performance program.

The business incurred a **current operating loss after share in net income of entities accounted for using the equity method** of €137 million in 2017, representing a deterioration on both a reported and an organic basis, in line with EBITDA trends.

## 4.9 Other

<i>In millions of euros</i>	<b>Dec. 31, 2017</b>	<b>Dec. 31, 2016 <sup>(1)</sup></b>	<b>% change (reported basis)</b>	<b>% change (organic basis)</b>
<b>Revenues</b>	<b>6,347</b>	<b>3,405</b>	<b>+86.4%</b>	<b>-9.4%</b>
<b>EBITDA</b>	<b>128</b>	<b>15</b>	<b>NA</b>	<b>NA</b>
Net depreciation and amortization/Other	(436)	(487)		
<b>CURRENT OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>(308)</b>	<b>(472)</b>	<b>+34.8%</b>	<b>+59.1%</b>

(1) 2016 revenues and EBITDA excluding the BtoB activity (E&C), which was transferred to the Other segment at January 1, 2017.

## Volumes sold

<i>In TWh</i>	Dec. 31, 2017	Dec 31, 2016 <sup>(1)</sup>	% change (reported basis)
Gas sales in France	42.3	51.5	-17.8%
Electricity sales in France	46.1	45.2	+2.0%

(1) Gas and electricity sales for 2016 include E&C which was transferred to the Other segment at January 1, 2017.

## France climatic adjustment

<i>In TWh</i>	Dec. 31, 2017	Dec. 31, 2016	Total change in TWh
Climate adjustment volumes (negative figure = warm climate, positive figure = cold climate)	(0.1)	0.5	(0.6)

The Other segment comprises the activities of the Generation Europe, Tractebel, GTT and Other business units, with the Other business unit encompassing Solairedirect and the Group's holding and corporate activities, which notably include the entities centralizing the Group's financing requirements and the equity-accounted contribution of SUEZ. As of January 1, 2017, the Other segment also includes BtoB gas and electricity sales activities (E&C) in France, previously accounted for in the France segment.

**Revenues** totalled €6,347 million, up 86% on a reported basis and down 9.4% on an organic basis. The reported increase mainly reflects the internal transfer of the E&C business on January 1, 2017, partially offset by the disposal in 2017 of the thermal power generation business in Poland and the United Kingdom. The organic decrease stemmed from a fall in natural gas sales to business customers in France due to the loss of customers and from the shutdown of the Rugeley power plant in the United Kingdom in June 2016, partially offset by an improved performance from gas-fired power plants in Europe, particularly in France and Belgium, driven by an increase in captured electricity sale prices.

Natural gas sales fell by 9.2 TWh, comprising a negative 0.6 TWh temperature effect and a negative 8.6 TWh impact due to competitive pressure. ENGIE's share of the BtoB market has fallen from 25% to 21% at end-2016. Electricity sales were up 0.9 TWh to 46.1 TWh, benefiting from higher generation at gas-fired power plants in Europe and the continuous push to gain market share for electricity in the BtoB segment in France. These improvements were partially offset by the disposal of thermal assets in Poland in March 2017 and in the United Kingdom in October 2017, and the shutdown of the Rugeley power plant in June 2016.

**EBITDA** totalled €128 million, up on both a reported and an organic basis compared with 2016, mainly due to a good performance from the thermal power generation business in Europe following the increase in captured margins. Gains in market share for electricity in the BtoB segment in France and improved risk management were partially offset by the loss of gas market share.

**Current operating loss after share in net income of entities accounted for using the equity method** was a negative €308 million for the period, representing an improvement on both a reported and an organic basis, in line with EBITDA.

## 5 OTHER INCOME STATEMENT ITEMS

<i>In millions of euros</i>	<b>Dec. 31, 2017</b>	<b>Dec. 31, 2016 <sup>(1)</sup></b>	<b>% change (reported)</b>
<b>Current operating income after share in net income of entities accounted for using the equity method</b>	<b>5,273</b>	<b>5,636</b>	<b>-6.4%</b>
Mark to market on commodity contracts other than trading instruments	(307)	1,279	
Impairment losses	(1,317)	(4,035)	
Restructuring costs	(671)	(450)	
Changes in scope of consolidation	752	544	
Other non-recurring items	(911)	(850)	
<b>Income/(loss) from operating activities</b>	<b>2,819</b>	<b>2,124</b>	<b>+32.7%</b>
Net financial income/(loss)	(1,296)	(1,321)	
Income tax benefit/(expense)	425	(481)	
<b>NET INCOME/(LOSS) RELATING TO CONTINUED OPERATIONS</b>	<b>1,948</b>	<b>322</b>	
<b>NET INCOME/(LOSS) RELATING TO DISCONTINUED OPERATIONS</b>	<b>290</b>	<b>(158)</b>	
<b>NET INCOME/(LOSS)</b>	<b>2,238</b>	<b>163</b>	<b>NA</b>
<b>Net income/(loss) Group share</b>	<b>1,423</b>	<b>(415)</b>	
of which Net income/(loss) relating to continued operations, Group share	1,226	(304)	
of which Net income/(loss) relating to discontinued operations, Group share	196	(111)	
<b>Non-controlling interests</b>	<b>815</b>	<b>579</b>	
of which Non-controlling interests relating to continued operations	722	626	
of which Non-controlling interests relating to discontinued operations	93	(47)	

(1) Comparative data at December 31, 2016 have been restated due to the classification of ENGIE E&P International under "Discontinued operations" on May 11, 2017 (see Note 30 "Restatement of 2016 comparative data").

**Income from operating activities** amounted to €2,819 million in 2017, representing an increase compared with 2016, mainly due to (i) lower impairment losses in 2017, (ii) gains on asset disposals and available-for-sale securities, partially offset by (iii) the negative impact of fair value adjustments to commodity hedges, (iv) the fall in current operating income after share in net income of companies accounted for using the equity method, (v) higher restructuring costs, and (vi) the initial non-recurring accounting impact relating to the change in the accounting treatment of long-term gas supply contracts, a power exchange contract as well as to the identification of a series of transport and storage capacities contracts corresponding to onerous contracts, as a result of new management environment (GEM business unit).

Income from operating activities was also affected by:

- changes in the fair value of commodity derivatives relating to operating items, which had a negative impact of €307 million on income from operating activities (reflecting transactions not eligible for hedge accounting), compared with a positive impact of €1,279 million in 2016. The impact for the period results chiefly from negative overall price effects on these positions, combined with the net negative impact of unwinding positions with a positive market value at December 31, 2016;
- net impairment losses of €1,317 million, compared with €4,035 million the previous year.  
At December 31, 2017, the Group recognized net impairment losses of €481 million against goodwill, €788 million against property, plant and equipment and intangible assets, and €48 million against financial assets and investments in entities accounted for using the equity method. These impairment losses related mainly to the Infrastructures Europe (storage), Other (primarily the Generation Europe business unit), and the Africa/Asia, France and North America reportable segments. After taking into account the deferred tax effects and the share of impairment losses attributable to non-controlling interests, the impact of these impairment losses on net income Group share was a negative €1,146 million. These impairment losses are described in Note 8.2 "Impairment losses" to the consolidated financial statements.  
In 2016, the Group recognized net impairment losses of €1,690 million against goodwill, €2,201 million against property, plant and equipment and intangible assets, and €144 million against financial assets and investments in entities accounted for using the equity method. These impairment losses related mainly to the Benelux, GEM & LNG, France and North America reportable segments;
- restructuring costs of €671 million (compared with €450 million the previous year), mainly including costs related to the Lean 2018 performance program on the Group's corporate activities;

- changes in the scope of consolidation, which had a positive impact of €752 million, mainly including gains on the disposal of the thermal merchant power plant portfolio in the United States for €540 million, the Group's entire 38.10% residual interest in NuGen for €93 million, a power plant portfolio in the United Kingdom for €61 million and the Polaniec power plant in Poland for €57 million (see Note 4.1);
- other non-recurring items representing a loss of €911 million, mainly including (i) the initial non-recurring accounting impact (negative 1,243 million) relating to the change in the accounting treatment of long-term gas supply contracts, a power exchange contract as well as to the identification of a series of transport and storage capacities contracts corresponding to onerous contracts, as a result of new management environment (see Note 8.5), and (ii) the €349 million gain on the disposal of the Group's 10% interest in Petronet LNG in India.

The **net financial loss** was stable and amounted to €1,296 million in 2017, compared with €1,321 million the previous year (see Note 9).

The **income tax benefit** for 2017 amounted to €425 million (€481 million expense in 2016). It includes an income tax benefit of €1,531 million arising on non-recurring income statement items (versus €843 million in 2016), mainly relating to (i) tax rate changes in France, in the United States and other non-recurring measures (€479 million), (ii) the impact of the recovery from the French State of the 3% tax on dividends (€359 million) and (iii) to the initial non-recurring accounting impact of the change in the accounting treatment of certain BU GEM contracts mentioned above (€298 million). Adjusted for these non-recurring items, the effective recurring tax rate was 29.3%, lower than the 2016 rate of 36.1% notably due to the recognition in EBITDA as of 2017 of the nuclear contribution in Belgium as well as to the repeal of the 3% tax on dividends in France.

**Net income relating to continued operations attributable to non-controlling interests** amounted to €722 million, compared with €626 million in 2016. The increase is due to improved operating income, particularly in Asia/Pacific, and to reversals of impairment losses in the United Kingdom, whose impacts were mitigated by the recognition in 2016 of a capital gain on the disposal of a 50% interest in Transmisora Eléctrica del Norte (TEN) in Chile.

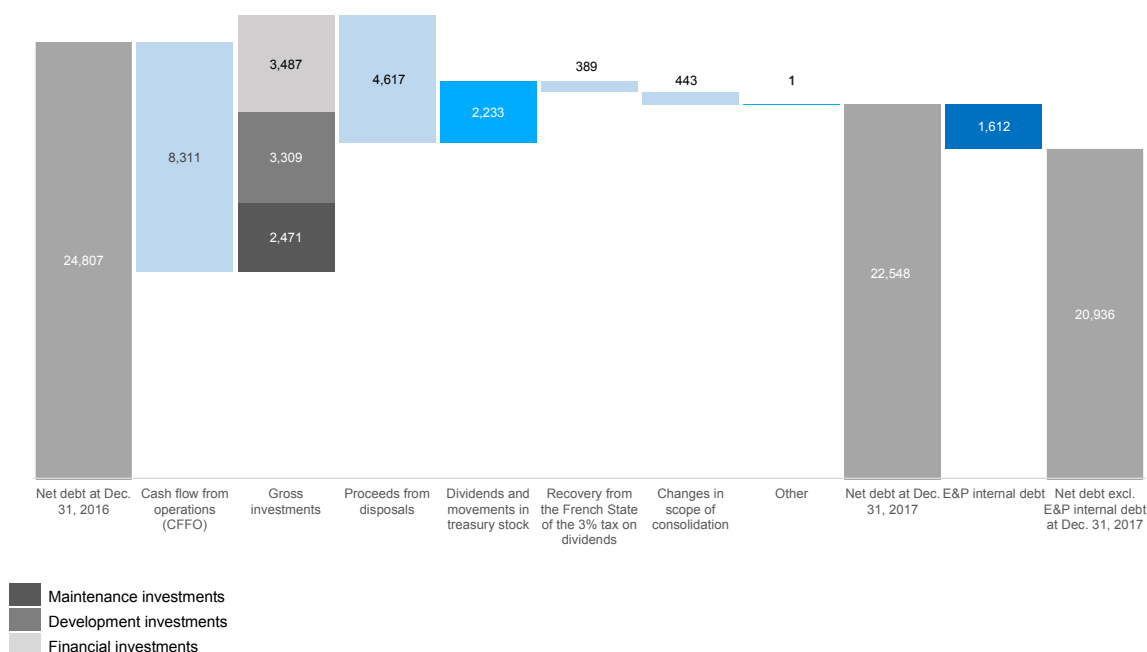
## 6 CHANGES IN NET DEBT

Net debt stood at €22.5 billion, down €2.3 billion compared with December 31, 2016, mainly due to (i) cash flow from operations (€8.3 billion), (ii) the impacts of the portfolio rotation program (€4.8 billion), including the completion of the disposal of the thermal merchant power plant portfolio in the United States, Poland and the United Kingdom, the disposal of an interest in Opus Energy and the residual interest in NuGen in the United Kingdom, the classification of the Loy Yang B coal-fired power plant in Australia under "Assets held for sale", the disposal of a 25% interest in Elengy (through the transfer of 100% of Elengy to GRTgaz) and the disposal of an interest in Petronet LNG in India, and (iii) a favorable exchange rate effect (€0.7 billion). These items were partially offset by (i) gross investments in the period (€9.3 billion), and (ii) dividends paid to ENGIE SA shareholders (€2.0 billion) and to non-controlling interests (€0.6 billion). Net debt also improved thanks to the impact of the recovery from the French State of the 3% tax on dividends (€0.4 billion).

Net debt excluding internal E&P debt amounted to €20,936 million compared with €23,080 million at December 31, 2016.

Changes in net debt break down as follows:

*In millions of euros*



The net debt (excluding internal E&P debt) to EBITDA ratio came out at 2.25 at December 31, 2017.

<i>In millions of euros</i>	Dec. 31, 2017	Dec. 31, 2016
Net debt (excluding internal E&P debt)	20,936	23,080
EBITDA	9,316	9,491
<b>NET DEBT/EBITDA RATIO</b>	<b>2.25</b>	<b>2.43</b>

The economic net debt (excluding internal E&P debt) to EBITDA ratio came out at 3.90 at December 31, 2017.

<i>In millions of euros</i>	<b>Dec. 31, 2017</b>	<b>Dec. 31, 2016</b>
Economic net debt (excluding internal E&P debt)	36,362	38,399
EBITDA	9,316	9,491
<b>ECONOMIC NET DEBT/EBITDA RATIO</b>	<b>3.90</b>	<b>4.05</b>

## 6.1 Cash flow from operations (CFFO)

Cash flow from operations amounted to a sound €8.3 billion, representing a €1.3 billion decline, however, compared with 2016. This performance reflected negative changes in the scope of consolidation, higher restructuring and dispute settlement costs, and a less favorable change in working capital due mainly to gas inventories in France.

## 6.2 Net investments

Gross investments during the period amounted to €9,267 million and included:

- financial investments for €3,487 million, relating notably to (i) the acquisition of a 40% interest in Tabreed in the United Arab Emirates (€657 million), Keepmoat Regeneration in the United Kingdom (€392 million) and Icomera in Sweden (€119 million), (ii) the concession agreements won for the Jaguará and Miranda hydro power plants in Brazil (€686 million), (iii) payments for the capital increases subscribed in SUEZ (€244 million), Cameron LNG (€135 million) and the joint venture in charge of the 50-year energy management contract with the University of Ohio in the United States (€125 million), (iv) the financing of the Nord Stream 2 pipeline project (€298 million), and (v) a €78 million increase in Synatom investments;
- development investments totaling €3,309 million, including (i) €1,294 million invested in the Latin America segment to build thermal power plants and develop hydro power plants, as well as wind and photovoltaic farms, in Brazil and Chile, (ii) €739 million invested in the Infrastructures Europe segment (blending projects and development of the natural gas transportation network in France), (iii) €522 million invested in the France segment (mainly in renewable projects), and (iv) €292 million to develop Solairedirect's photovoltaic projects mainly in India and France;
- maintenance investments for an amount of €2,471 million.

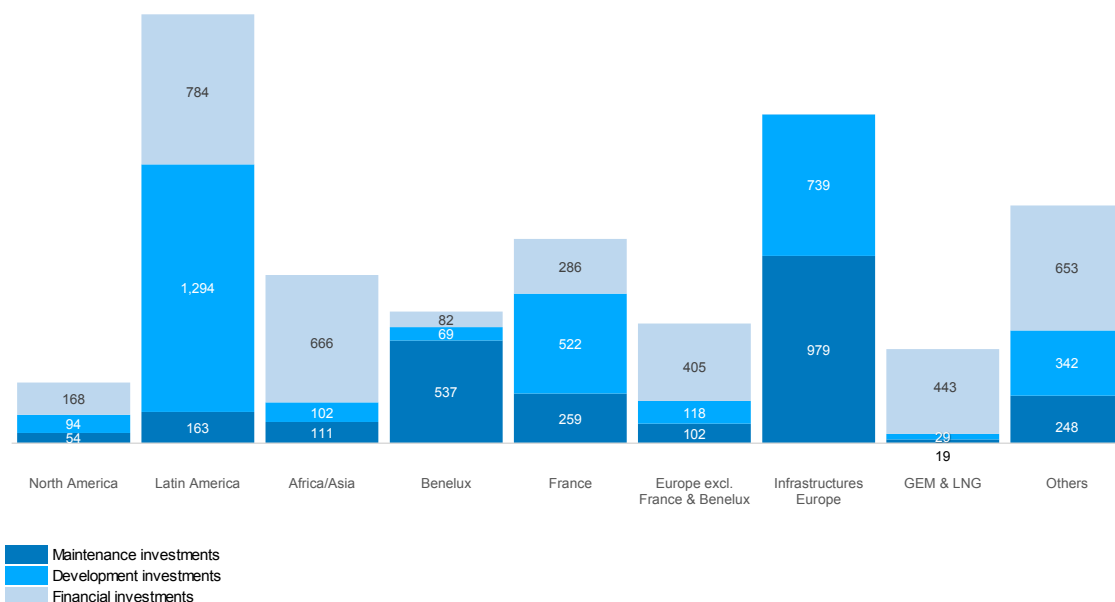
Disposals represented a cash amount of €4,617 million, mainly including the Group's disposal of its thermal merchant power plant assets in the United States for €3,085 million, the Polaniec power plant in Poland for €292 million, the Group's 10% interest in Petronet LNG in India for €436 million, a power plant portfolio in the United Kingdom for €232 million, a 25% interest in Elengy (through the transfer of 100% of Elengy to GRTgaz) for €202 million, a 30% interest in Opus Energy in the United Kingdom for €122 million and the 38.10% residual interest in NuGen for €122 million.

Taking into account changes in the scope of consolidation for the period relating to acquisitions and disposals of subsidiaries (€443 million negative impact), the impact on net debt of investments net of proceeds from disposals amounted to €4,208 million.



Capital expenditure breaks down as follows by segment:

*In millions of euros*



### 6.3 Dividends and movements in treasury stock

Dividends and movements in treasury stock (including the impact of the recovery from the French State of the 3% tax on dividends) during the period amounted to €2,622 million and included:

- €2,049 million in dividends paid by ENGIE SA to its shareholders, which corresponds to the balance of the 2016 dividend (€0.50 per share for shares with rights to an ordinary dividend or €0.60 per share for shares with rights to a dividend mark-up) paid in May 2017 and to an interim dividend (€0.35 per share) paid in October 2017;
- dividends paid by various subsidiaries to their non-controlling shareholders in an amount of €642 million, the payment of interest on hybrid debt for €144 million, withholding tax and movements in treasury stock.

### 6.4 Net debt at December 31, 2017

Excluding amortized cost but including the impact of foreign currency derivatives, at December 31, 2017 a total of 80% of net debt was denominated in euros and 14% in US dollars.

Including the impact of financial instruments, 86% of net debt is at fixed rates.

The average maturity of the Group's net debt is 10.6 years.

At December 31, 2017, the Group had total undrawn confirmed credit lines of €13.4 billion.

## 7 OTHER ITEMS IN THE STATEMENT OF FINANCIAL POSITION

<i>In millions of euros</i>	<b>Dec. 31, 2017</b>	<b>Dec. 31, 2016</b>	<b>Net change</b>
<b>Non-current assets</b>	<b>92,171</b>	<b>98,905</b>	<b>(6,734)</b>
<i>of which goodwill</i>	17,285	17,372	(88)
<i>of which property, plant and equipment and intangible assets, net</i>	57,528	64,378	(6,851)
<i>of which investments in entities accounted for using the equity method</i>	7,409	6,624	785
<b>Current assets</b>	<b>58,161</b>	<b>59,595</b>	<b>(1,434)</b>
<i>of which assets classified as held for sale</i>	6,687	3,506	3,181
<b>Total equity</b>	<b>42,577</b>	<b>45,447</b>	<b>(2,870)</b>
Provisions	21,768	22,208	(440)
Borrowings	33,467	36,950	(3,482)
Other liabilities	52,520	53,895	(1,375)
<i>of which liabilities directly associated with assets classified as held for sale</i>	3,371	300	3,071

The carrying amount of **property, plant and equipment and intangible assets** was €57.5 billion, down €6.9 billion on December 31, 2016. The decrease was primarily the result of the impact of the classification of exploration-production activities as "Discontinued operations" and of the Loy Yang B coal-fired power plant in Australia under "Assets held for sale" (€5.3 billion negative impact) (see *Note 4.1.1*), depreciation and amortization charges (€4.2 billion negative impact), translation adjustments (€1.9 billion negative impact), impairment losses (€1.0 billion negative impact) and changes in the scope of consolidation (€0.6 billion negative impact), partially offset by capital expenditure during the period (€6.2 billion positive impact).

**Goodwill** was stable at €17.3 billion, mainly due to the acquisition of Keepmoat Regeneration (€0.5 billion positive impact), non-controlling interests in La Compagnie du Vent (€0.1 billion positive impact), Icomera (€0.1 billion positive impact) and EV-Box (€0.1 billion positive impact), offset by impairment losses (€0.5 billion negative impact) and translation adjustments (€0.4 billion negative impact).

Total **equity** amounted to €42.6 billion, a decrease of €2.9 billion compared with December 31, 2016. The decrease stemmed mainly from the payment of the cash dividend (€2.7 billion negative impact, including €2.0 billion of dividends paid by ENGIE SA to its shareholders and €0.7 billion paid to non-controlling interests) and other items of comprehensive income (€2.5 billion negative impact, chiefly relating to movements in translation adjustments as a result of items recycled to profit or loss from other comprehensive income on the disposal of the thermal merchant power plant portfolio in the United States and the depreciation of the US dollar against the euro), partially offset by net income for the period (€2.2 billion positive impact).

**Provisions** amounted to €21.7 billion, a decrease of €0.4 billion compared with December 31, 2016. This decrease stems mainly (€1.3 billion) from the impact of the classification of exploration-production activities as "Discontinued operations" on May 11, 2017 (see *Note 4.1.1*), partially offset by provisions for onerous contracts relating to storage and transport capacity reservation contracts (see *Note 8.5*).

At December 31, 2017, assets and liabilities reclassified to "**Assets classified as held for sale**" and "**Liabilities directly associated with assets classified as held for sale**" correspond to exploration-production activities following their classification as discontinued operations in the Group's consolidated financial statements and the Loy Yang B power plant in Australia, and at December 31, 2016, to the thermal merchant power plant portfolio in the United States and the Polaniec power plant in Poland, which were sold in the first half of 2017 (see *Note 4.1*).

## 8 PARENT COMPANY FINANCIAL STATEMENTS

The figures provided below relate to the financial statements of ENGIE SA, prepared in accordance with French GAAP and applicable regulations.

Revenues for ENGIE SA in 2017 totaled €20,585 million, up 15% compared to 2016 due mainly to the impact of the increase in electricity sales.

The net operating loss was €1,358 million in 2017 versus €1,252 million in 2016 due to the combined effect of higher electricity sales offset by a lower margin on gas sales, mainly further to a loss of customers, and the reduction in overheads thanks to the Group's cost savings program.

The Company reported net financial income of €3,849 million compared with €1,294 million in 2016. The sharp increase is due to dividends received from subsidiaries (€4,214 million compared with €2,043 million in 2016) and in particular Electrabel, which paid a €1,641 million dividend in the form of a contribution of Electrabel France shares, and GRDF, which paid a €1,007 million dividend, including the reimbursement of issue premiums for €738 million.

Net non-recurring expenses amounted to €2,072 million, chiefly due to the combined effect of additions to amortization of securities net of reversals (negative €1,538 million), provisions for the restructuring of the workforce and real estate (negative €113 million), penalties paid on the early redemption of bonds (negative €93 million), offset by the capital gain generated on the sale of the Elengy shares to GRTgaz (positive €73 million) and the reversal of the provision for price increases (positive €43 million).

The income tax benefit amounted to €1,001 million compared to a benefit of €672 million in 2016. The difference is chiefly due to the repayment by the State of the 3% tax on dividends (€422 million) after it was declared invalid by the Constitutional Council.

Net income for the year came out at €1,421 million.

Shareholders' equity amounted to €37,191 million at end-2017 versus €37,976 million at December 31, 2016, reflecting the dividend payout, the impact of the first-time application of ANC Regulation No. 2015-05 on financial instruments (negative €144 million) and 2017 net income.

At December 31, 2017, net debt stood at €34,254 million, and cash and cash equivalents totaled €8,862 million (of which €6,185 relating to subsidiaries' current accounts).

## Information relating to payment deadlines

Pursuant to the application of Article D441-4 of the French Commercial Code, companies whose annual financial statements are certified by a statutory Auditor must publish information regarding supplier and client payment deadlines. The purpose is to demonstrate that there is no significant failure to respect settlement deadlines.

### Information relating to supplier and client payment deadlines mentioned in Article D.441-4 of the French Commercial Code

	Article D. 441 I.- 1°: Invoices received, unpaid and overdue at the reporting date						Article D. 441 I.- 2°: Invoices issued, unpaid and overdue at the reporting date					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
<i>In millions of euros</i>												
<b>(A) By aging category</b>												
Number of invoices	-					718	-					5,479,406
Aggregate invoice amount (incl. VAT)	-	9.5	1.1	0.3	3.3	14.3	-	166.0	53.5	30.0	413.2	662.9
Percentage of total amount of purchases (incl. VAT) for the period	-	0.04%	0.01%	0.00%	0.01%	0.06%						
Percentage of total revenues (incl. VAT) for the period							-	0.68%	0.22%	0.12%	1.70%	2.73%
<b>(B) Invoices excluded from (A) relating to disputed or unrecognized receivables and payables</b>												
Number of excluded invoices			67						149			
Aggregate amount of excluded invoices			84.9						73.9			
<b>(C) Standard payment terms used (contractual or legal terms - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)</b>												
Payment terms used to calculate late payments	Legal payment terms: 60 days						Contractual payment terms: 14 days Legal payment terms: 30 days					