6.1 Management report

6.1.1 Management report

Revenues fell by 6.4% on a reported basis to €69.9 billion (down by 8.8% on an organic basis) compared with 2014. This decrease is mainly attributable to lower commodity prices, a decline in LNG activities, outages at the Doel 3 and Tihange 2 nuclear power plants, and the shutdown of the Doel 1 reactor in Belgium, partially offset by the appreciation of the US dollar against the euro and by more favorable climatic conditions in France despite very mild temperatures towards the end of 2015 (2014 had been a particularly warm year).

EBITDA[(1)] amounted to €11.3 billion, down 7.2% on a reported basis and down 9.1% on an organic basis. It was affected by the same factors as revenues, and also offset by the commissioning of new assets and by continued cost performance efforts.

Current operating income after share in net income of entities accounted for using the equity method[(1)] declined by 11.6% on a reported basis and by 13.8% on an organic basis, to €6.3 billion. This fall was in line with the EBITDA performance.

Net income/(loss) Group share[(1)] represented a net loss of €4.6 billion, negatively impacted by €8.7 billion in impairment losses, and down €7.1 billion on 2014 which had been boosted by gains on remeasuring the interest in Gaztransport & Technigaz (GTT) following the acquisition of control over the company and the loss of significant influence over the Walloon inter-municipal companies.

Net recurring income Group share[(2)] amounted to €2.6 billion, down €0.1 billion on 2014. The decline in current operating income after share in net income of entities accounted for using the equity method was partially offset by lower tax expense and recurring financial expenses.

Cash flow from operations amounted to €9.8 billion, up €1.9 billion year-on-year. This increase is notably due to the favorable change in working capital requirements which had been affected in 2014 by the one-off impact of commodity price fluctuations on margin calls, and by lower interest payments owing to the decrease in the average cost of debt, partially offset by the fall in cash generated from operations before income tax and working capital requirements, in line with EBITDA trends.

Net debt stood at €27.7 billion at December 31, 2015, up €0.2 billion compared with net debt at December 31, 2014, reflecting (i) net investments (including changes in the scope of consolidation) carried out by the Group (€5.7 billion), dividends paid to ENGIE SA shareholders (€2.4 billion) and to non-controlling interests (€0.5 billion), the impact of changes in exchange rates related to the depreciation of the euro against major currencies (€0.5 billion), cash outflows related to tax payments (€1.7 billion) and to interest payments on net debt (€0.8 billion), (ii) offset by cash generated from operations before income tax and working capital requirements (€10.9 billion) and the favorable change in working capital requirements (€1.2 billion).

(1) Comparative data at December 31, 2014 have been restated due to the retrospective application of IFRIC 21 (see Note 1.1.1 to the consolidated financial statements).

(2) As an agreement was entered into on November 30, 2015 between the Belgian State, ENGIE and Electrabel, the expense relating to the nuclear contribution was reclassified to recurring income (see Note 10 to the consolidated financial statements).

6.1.1.1 Revenues and earnings trends

In millions of euros	Dec. 31, 2015	Dec. 31, 2014	% change (reported basis)	% change (organic basis)
Revenues	**69,883**	**74,686**	**-6.4%**	**-8.8%**
EBITDA	**11,262**	**12,133**	**-7.2%**	**-9.1%**
Net depreciation and amortization/Other	(4,935)	(4,977)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**6,326**	**7,156**	**-11.6%**	**-13.8%**

Consolidated **revenues** for the year ended December 31, 2015 amounted to €69.9 billion, down 6.4% compared with the same prior-year period. On an organic basis (excluding the impact of changes in the scope of consolidation and exchange rates), revenues fell by 8.8%.

Changes in the scope of consolidation had a net negative €48 million impact resulting chiefly from the disposal and deconsolidation of operations in the Energy Europe business line in 2014 and 2015 (negative €82 million impact), in the Energy International business line in Central America in the second half of 2014 (negative €214 million impact), and in the Energy Services business line in 2015 (negative €97 million impact), including in particular the sale of oil trading operations in Italy. These changes were partially offset by the acquisition of Solairedirect in second-half 2015 (positive €33 million impact), by Energy Services acquisitions (positive €286 million impact) and in particular Ecova in the United States, Lend Lease FM in the United Kingdom, Keppel FMO in Singapore and Lahmeyer in Germany, and by the full consolidation of GTT by Global Gas & LNG (positive €35 million impact) at the end of February 2014.

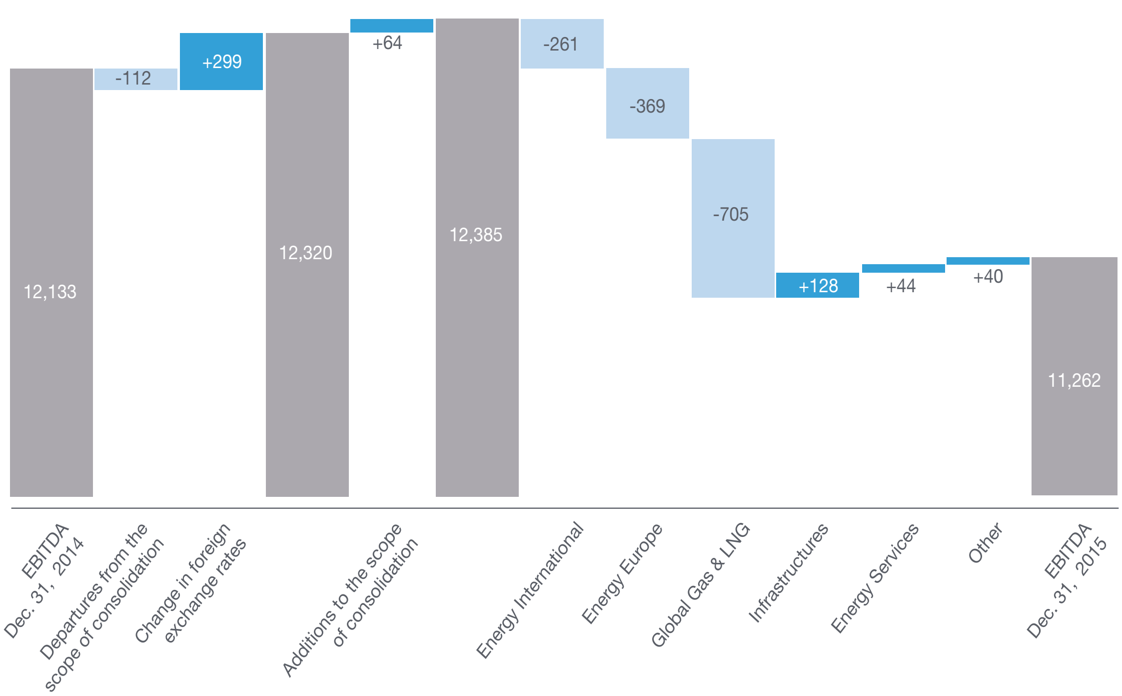
Exchange rates had a positive €1,969 million impact on Group revenues, mainly reflecting the depreciation of the euro against the US dollar, the pound sterling and the Thai baht. This was partly offset by the euro's appreciation against the Brazilian real and Norwegian krone.

Organic revenue performance varied across the Group's business lines: Infrastructures reported growth for the period, while revenues decreased slightly at Energy International and Energy Services and fell sharply at Energy Europe and Global Gas & LNG.

EBITDA declined by 7.2% to €11.3 billion over the period. Excluding the impact of changes in the scope of consolidation and exchange rates, the decrease in EBITDA came out at 9.1%.

EBITDA TRENDS

In millions of euros



Departures from the scope of consolidation had a negative €112 million impact on EBITDA, largely due to disposals and deconsolidation of power generation assets in France, Italy, and Central America, and to the disposal of exploration-production assets. Conversely, additions to the scope of consolidation had a positive €64 million impact, resulting chiefly from acquisitions made by Energy Services.

Changes in exchange rates had a positive €299 million impact, mainly due to the depreciation of the euro against the US dollar, the pound sterling and the Thai baht, partially offset by the fall in the value of the Brazilian real and Norwegian krone.

On an organic basis, EBITDA was down 9.1%, or €1,123 million, and down 10.8%, or €1,373 million, when adjusted for climatic conditions in France. Besides the positive impact of Perform 2015 and the swift action plans in all business lines, this reflects the following trends:

- EBITDA for the Energy International business line amounted to €3,589 million, down 6.8% on an organic basis. This was driven mainly by (i) a weaker performance from power generation activities in mature markets (United States, Australia and United Kingdom) and from LNG operations, and (ii) planned maintenance in Thailand. However, the decline was partly mitigated by improved performances, mainly in Brazil despite unfavorable hydrological conditions, in Peru, and in the Australian retail business;
- EBITDA for Energy Europe totaled €1,612 million, down 18.6% on an organic basis, due mainly to outages at the Doel 3 and Tihange 2 nuclear power plants and the shutdown of the Doel 1 reactor, the decrease in average electricity market prices and the adverse impact of market conditions on LNG sales, despite the positive impact of supply contract renegociations, more favorable climatic conditions for gas sales in France and liquidated damages for delay collected in connection with two coal-fired power plant projects in Germany and the Netherlands;
- EBITDA for Global Gas & LNG was down 30.5% on an organic basis to €1,625 million, reflecting plummeting oil prices, gas prices on the European and Asian markets and a contraction in the LNG activity, largely attributable to the disruption of LNG shipments from Yemen since April 2015. These effects were partially offset by the increase in production recorded by the exploration-production activities as a result of the commissioning of new assets in 2014;
- EBITDA for the Infrastructures business line improved 3.9% on an organic basis compared with the same prior-year period, to €3,402 million, reflecting colder temperatures in 2015 and rate increases, partially offset by a downturn in volumes and the related revenues from Joint Transport Storage (JTS) services and gas purchases and sales to maintain technical storage performance;
- EBITDA for Energy Services was up 3.9% on an organic basis to €1,227 million.

Current operating income after share in net income of entities accounted for using the equity method amounted to €6.3 billion, down 13.8% on an organic basis compared with 2014. This indicator shows trends by business line comparable to those of EBITDA.

6.1.1.2 Business trends

6.1.1.2.1 Energy International

In millions of euros	Total (1)	Latin America	Asia-Pacific	North America	UK - Turkey	South Asia, Middle East & Africa
	Dec. 31, 2015					
Revenues	**14,534**	**3,683**	**2,684**	**4,450**	**2,872**	**846**
EBITDA	**3,589**	**1,439**	**803**	**751**	**341**	**371**
Net depreciation and amortization/Other	(993)	(355)	(219)	(314)	(83)	(16)
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**2,596**	**1,084**	**585**	**437**	**259**	**355**

(1) The Energy International business line also has a "headquarters" function, the costs for which are not broken down in the table above.

In millions of euros	Total (1)	Latin America	Asia-Pacific	North America	UK - Turkey	South Asia, Middle East & Africa	% change (reported basis)	% change (organic basis)
	Dec. 31, 2014							
Revenues	**13,977**	**3,818**	**2,740**	**3,782**	**2,957**	**679**	**+4.0%**	**-3.8%**
EBITDA	**3,716**	**1,343**	**857**	**956**	**380**	**298**	**-3.4%**	**-6.8%**
Net depreciation and amortization/Other	(971)	(361)	(218)	(268)	(109)	(11)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**2,745**	**982**	**638**	**688**	**271**	**286**	**-5.4%**	**-7.9%**

(1) The Energy International business line also has a "headquarters" function, the costs for which are not broken down in the table above.

Energy International's **revenues**, at €14,534 million, rose by 4.0% on a reported basis (down 3.8% on an organic basis). These movements reflect, on the one hand, the negative €216 million impact of changes in the scope of consolidation and the favorable €1,354 million impact of changes in exchange rates (due mainly to the appreciation of the US dollar, but also the pound sterling and Thai baht), and on the other hand, an organic decrease resulting chiefly from the impact of lower prices and volumes of power generation activities in the mature markets and in Turkey, partially offset by improvements in the US and Australian retail businesses and the commissioning of assets in Latin America and South Asia, Middle East & Africa (SAMEA).

EBITDA amounted to €3,589 million, down 3.4% based on reported figures and 6.8% on an organic basis after taking into account the negative €160 million impact of changes in the scope of consolidation and favorable exchange rate movements of €294 million. This organic decrease was driven mainly by (i) a weaker performance from power generation activities in mature markets (United States, Australia and United Kingdom) and from LNG operations, and (ii) planned maintenance in Thailand. However, the decline was partly mitigated by improved performances, mainly in Brazil despite more unfavorable hydrological conditions, in Peru, and in the Australian retail business.

Current operating income after share in net income of entities accounted for using the equity method, at €2,596 million, decreased by 5.4% on a reported basis and by 7.9% on an organic basis, in line with EBITDA trends.

Latin America

Revenues for the Latin America region totaled €3,683 million, representing a 3.5% decrease on a reported basis and a 3.5% organic increase, reflecting the negative foreign exchange impact (the sharp depreciation of the Brazilian real was partly offset by the appreciation of the US dollar) combined with the impact of the disposal of all assets in Central America in December 2014.

In Brazil, higher sales resulted from the increase in average sales prices, primarily due to inflation indexation, and the progressive commissioning of the Jirau Hydro complex. Peru trended upwards thanks to new PPAs mainly related to the Quitaracsa Hydro Power Plant (commissioned in October 2015), while in Chile, revenues contracted slightly mostly due to lower tariffs linked to fuel price indexation. Electricity sales remained stable at 56.1 TWh, while gas sales rose by 0.3 TWh to 9.8 TWh.

EBITDA totaled €1,439 million, representing an organic increase of 12.3%, mainly reflecting:

- a stronger performance in Brazil despite more adverse hydrological conditions affecting the overall system. For Tractebel Energia, this improvement was attributable to an increase in the average price of bilateral contracts, mainly due to inflation, combined with positive results in the spot market. In addition, EBITDA benefited from the commissioning of the Jirau Hydro complex;
- positive trends in Peru, mainly due to higher electricity sales thanks to new contracts, primarily related to the Quitaracsa Hydro power plant; and
- improved results in E-CL: a lower tariff due to the fuel price indexation was more than offset by a lower cost base following the depreciation of the local currency.

Current operating income after share in net income of entities accounted for using the equity method amounted to €1,084 million, up 16.1% on an organic basis primarily due to improved EBITDA.

Asia-Pacific

Revenues for the region totaled €2,684 million, down 2.0% based on reported figures and 10.6% on an organic basis. There was a decline in the Glow IPP business in Thailand due to planned maintenance and lower demand. The Australian coal-fired power plants suffered from lower market prices, especially in the first half of the year due to the repeal of the carbon scheme on July 1, 2014. However, this was partially offset by the growth of revenues in the Australian retail business, reflecting an increase in the number of customers and higher consumption due to the cold winter.

Electricity sales decreased by 1.5 TWh to 41.3 TWh, with higher volumes in Australia (up 1.0 TWh) only partially offsetting the 2.5 TWh decrease in Thailand. Natural gas sales rose by 0.6 TWh to 4.3 TWh.

EBITDA came in at €803 million, down 6.2% on a reported basis and down 15.3% based on organic figures, mainly reflecting the weaker performance of the Australian thermal facilities, which suffered because of difficult market conditions, and the lower availability of the Gheco One and Glow IPP facilities in Thailand due to major planned maintenance outages, as well as the negative impact of persistently low oil prices on gas distribution margins. This was partly offset by the strong performance of Indonesian thermal assets and the growth of the Australian retail business.

Current operating income after share of net income of entities accounted for using the equity method turned out at €585 million decreasing by 18.1% on an organic basis, in line with overall EBITDA trends.

North America

Revenues for the North America region totaled €4,450 million, up 17.6% on a reported basis reflecting the weakening of the euro against the US dollar, but remained unchanged organically. The organic stability resulted from a combination of higher third-party LNG sales volumes, US retail volumes at higher prices, and higher generation volumes which offset lower electricity and gas prices.

Electricity sales increased 7.1 TWh to 72.0 TWh, reflecting higher sales volumes across the generation fleet and US retail business.

Natural gas sales, excluding intra-Group transactions, increased by 8.0 TWh to 39.7 TWh following a combination of higher third-party LNG sales and higher gas distribution in Mexico.

EBITDA came in at €751 million, down 23.0% on an organic basis. This resulted from a combination of lower margins on LNG cargoes and one-off items (either adverse this year and favorable last year). These factors were partially mitigated by higher capacity revenues in the United States and commissioning effects in Mexico. EBITDA decreased by 21.5% on a reported basis, impacted by the transfer of operations for the Yemen LNG contract to the Global Gas & LNG business line.

Current operating income after share in net income of entities accounted for using the equity method amounted to €437 million, down 33.5% organically, primarily as a result of EBITDA movements.

United Kingdom & Turkey

Revenues for the United Kingdom & Turkey region totaled €2,872 million, down 2.9% on a reported basis, and down 13.1% on an organic basis. Lower power prices led to lower generation volumes across the UK and Turkey fleet. In the UK retail business, revenues were down following lower gas prices and electricity sales volumes. These adverse effects were slightly offset by higher gas sales volumes in Turkey.

Electricity sales fell 4.0 TWh to 26.1 TWh, mainly due to lower volumes across the UK thermal assets as a result of weaker market spreads. Gas sales totaled 42.1 TWh, up 7.0 TWh following higher transportation volumes in Turkey.

EBITDA came in at €341 million, down 17.5% on an organic basis. Weaker performances in the UK generation facilities resulting from declining spreads were mitigated by favorable results in Turkey and cost reduction initiatives. Additionally, 2015 benefited from the impact of favorable one-off items.

Current operating income after share in net income of entities accounted for using the equity method was €259 million, down 12.9% on an organic basis, due primarily to the decrease in EBITDA but mitigated slightly by lower depreciation charges following asset writedowns in December 2014.

South Asia, Middle East & Africa

Revenues for the South Asia, Middle East & Africa region (SAMEA) totaled €846 million, an increase of 24.5% on a reported basis reflecting the weakening euro against the US dollar, and 5.6% on an organic basis. This organic growth is mainly related to the commissioning of Uch II in Pakistan in April 2014 as well as higher volumes and prices in Meenakshi Phase I in India.

Electricity sales amounted to 8.5 TWh down 0.2 TWh on the previous year, mainly reflecting the lower production levels of the Al Kamil power plant in Oman, offset by the generation volumes of Uch II and Meenakshi Phase I.

EBITDA came in at €371 million, up 5.6% on an organic basis. This increase stems mainly from the commissioning of Uch II and Tarfaya, the improved performance of Meenakshi Phase I, as well as higher O&M margins in the Middle East.

Current operating income after share of net income of entities accounted for using the equity method amounted to €355 million, up 4.9% on an organic basis. This increase is explained by the same factors that impacted EBITDA.

6.1.1.2.2 Energy Europe

	Dec. 31, 2015			Dec. 31, 2014				
In millions of euros	Total [1]	Central Western Europe	Southern & Eastern Europe	Total [1]	Central Western Europe	Southern & Eastern Europe	% change (reported basis)	% change (organic basis)
Revenues	32,011	26,859	5,143	35,158	29,285	5,873	-9.0%	-8.8%
EBITDA	1,612	1,536	293	2,015	1,602	585	-20.0%	-18.6%
Net depreciation and amortization/Other	(1,025)	(817)	(196)	(1,107)	(909)	(195)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	587	718	97	908	692	390	-35.3%	-33.2%

(1) Of which business line corporate function costs.

VOLUMES SOLD BY THE BUSINESS LINE

In TWh	Dec. 31, 2015	Dec. 31, 2014	% change (reported basis)
Gas sales	485.2	605.8	-19.9%
Electricity sales	165.4	159.9	+3.5%

Energy Europe's **revenues** totaled €32,011 million, down 9.0% on a reported basis, or 8.8% on an organic basis. This decrease chiefly reflects the impact of the shutdown of three nuclear power plants in Belgium (Doel 3 from March 26, 2014 to December 21, 2015, Tihange 2 from March 26, 2014 to December 14, 2015 and Doel 1 from February 15, 2015 to December 30, 2015), as well as the fall in gas sales volumes, particularly in France and Italy, partially offset by the positive impact of climatic conditions in France (2015 was colder than 2014). Gas sales represented 485.2 TWh, including 54.1 TWh to key accounts. Electricity sales amounted to 165.4 TWh. At December 31, 2015, Energy Europe had over 12.7 million individual gas customers and almost 6.1 million electricity customers.

The business line's **EBITDA** dropped 20.0% on a reported basis to €1,612 million (down 18.6% on an organic basis). 2015 was penalized by outages at the Doel 3 and Tihange 2 nuclear power plants and by the shutdown of the Doel 1 reactor, the fall in average sales prices on the electricity market and the unfavorable impact of market conditions on LNG sales. These factors were partly mitigated by more favorable climatic conditions for gas sales in France, the positive impact of supply contract renegociations and by liquidated damages for delay collected in connection with two coal-fired power plant projects in Germany and the Netherlands.

Current operating income after share in net income of entities accounted for using the equity method also fell, reflecting the decline in EBITDA despite lower depreciation and amortization charges.

Central Western Europe (CWE)

The contribution of CWE to Group **revenues** amounted to €26,859 million, down 8.3% on a reported basis and 8.1% on an organic basis. The decrease chiefly reflects the shutdown of three nuclear power plants in Belgium, and the decline in gas sales volumes in France.

CWE's **EBITDA** was down 4.1% on a reported basis to €1,536 million, due chiefly to the factors affecting revenues discussed above. The decline was partially offset by improved gas supply conditions for the Group and by favorable climatic conditions in France.

However, **current operating income after share in net income of entities accounted for using the equity method** increased (up 3.8% on a reported basis to €718 million), due to lower depreciation and amortization charges in Belgium, Luxembourg and France.

CWE FRANCE

In millions of euros	Dec. 31, 2015	Dec. 31, 2014	% change (reported basis)	% change (organic basis)
Revenues	**12,494**	**13,698**	**-8.8%**	**-7.2%**
EBITDA	**624**	**627**	**-0.6%**	**+27.4%**
Net depreciation and amortization/Other	(359)	(380)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**265**	**247**	**+7.4%**	**+61.6%**

VOLUMES SOLD IN FRANCE

In TWh	Dec. 31, 2015	Dec. 31, 2014	% change (reported basis)
Gas sales [(1)]	174.1	203.5	-14.4%
Electricity sales	49.6	46.3	+7.3%

(1) Business line contribution data.

FRANCE CLIMATIC ADJUSTMENT

In TWh	Dec. 31, 2015	Dec. 31, 2014	Total change in TWh
Climate adjustment volumes (negative figure = warm climate, positive figure = cold climate)	(6.6)	(21.7)	15.1

France's contribution to Group revenues for 2015 amounted to €12,494 million, down 8.8% on a reported basis (down 7.2% on an organic basis) due to a negative volume impact on gas sales, mainly in the B2B segment, and a negative price effect in both the B2C and B2B segments. These negative impacts were partly countered by more favorable climatic conditions in 2015 compared to 2014 and by the increase in electricity sales to end customers.

Natural gas sales were down 29.4 TWh despite colder weather than in 2014 (+15.1 TWh), following the loss of customers due to competitive pressure in the key accounts segment and the end of regulated tariffs on the B2B market. ENGIE maintains a share of around 77% of the B2C market and around 31% of the B2B market. Electricity sales were up on 2014 and continued to advance in terms of both sales to end customers and sales to business customers and key accounts.

EBITDA came in at €624 million, up 27.4% on an organic basis and down 0.6%, or €3 million, on a reported basis. This reflects a fall in volumes sold and the transfer of drawing rights on the Chooz B and Tricastin nuclear reactors to CWE Benelux & Germany (negative €142 million impact), offset by the positive €151 million impact of climatic conditions and by cost performance efforts.

Current operating income after share in net income of entities accounted for using the equity method improved on the back of lower depreciation and amortization charges.

CWE BENELUX & GERMANY

In millions of euros	Dec. 31, 2015	Dec. 31, 2014	% change (reported basis)	% change (organic basis)
Revenues	**9,620**	**9,964**	**-3.5%**	**-5.3%**
EBITDA	**611**	**497**	**+22.9%**	**+7.0%**
Net depreciation and amortization/Other	(428)	(470)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**182**	**27**	**NA**	**NA**

Revenues for the Benelux & Germany region amounted to €9,620 million in 2015, down 3.5% on a reported basis and down 5.3% on an organic basis compared to 2014. Volumes of electricity and gas sales declined due to outages at the Doel 3 and Tihange 2 nuclear power plants and the shutdown of the Doel 1 reactor, and to a drop in sales to key accounts. These factors were partially offset by the transfer of CWE France's drawing rights on the Chooz B and Tricastin nuclear reactors.

Electricity sales in Belgium and Luxembourg were down 9.7 TWh, mainly reflecting a decrease in market sales. The retail market share in Belgium remained stable at around 47% at end-December. Electricity sales in the Netherlands and Germany were up 1.9 TWh and 1.2 TWh, respectively.

Natural gas sales declined 11.1 TWh, or 12%, in the Benelux & Germany region due to a fall in market sales and in sales to key accounts. Retail market share in Belgium has stabilized at around 44%.

EBITDA for the region amounted to €611 million, up 22.9% on a reported basis and 7.0% on an organic basis, chiefly reflecting liquidated damages for delay collected in connection with two coal-fired power plant projects in Germany and the Netherlands. Nonetheless, EBITDA was penalized by outages at the Doel 3 and Tihange 2 nuclear power plants and the shutdown of the Doel 1 reactor.

Current operating income after share in net income of entities accounted for using the equity method increased in line with EBITDA and was also favorably impacted by lower net depreciation and amortization charges.

SOUTHERN & EASTERN EUROPE

In millions of euros	Dec. 31, 2015	Dec. 31, 2014	% change (reported basis)	% change (organic basis)
Revenues	**5,143**	**5,873**	**-12.4%**	**-12.2%**
EBITDA	**293**	**585**	**-50.0%**	**-49.6%**
Net depreciation and amortization/Other	(196)	(195)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**97**	**390**	**NA**	**NA**

Southern & Eastern Europe region **revenues** were down 12.4% on a reported basis, or 12.2% on an organic basis, at €5,143 million. The decline was chiefly attributable to Italy (lower gas volumes sold) and to a lesser extent Hungary, and was partially offset by a rise in Poland.

EBITDA for Southern & Eastern Europe fell 50.0% on a reported basis, or 49.6% on an organic basis, to €293 million, impacted mainly by a poor performance in Italy due chiefly to negative price effects.

Current operating income after share in net income of entities accounted for using the equity method decreased in line with EBITDA.

6.1.1.2.3 Global Gas & LNG

In millions of euros	Dec. 31, 2015	Dec. 31, 2014	% change (reported basis)	% change (organic basis)
Revenues	**4,246**	**6,883**	**-38.3%**	**-42.0%**
Total revenues *(incl. intra-Group transactions)*	**5,993**	**9,551**	**-37.3%**	
EBITDA	**1,625**	**2,225**	**-27.0%**	**-30.5%**
Net depreciation and amortization/Other	(1,090)	(1,162)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**535**	**1,064**	**-49.7%**	**-54.6%**

Global Gas & LNG's contribution to Group **revenues** for the year ended December 31, 2015 amounted to €4,246 million, down 38.3% on a reported basis compared to 2014 and down 42.0% on an organic basis.

The decrease in the revenue contribution was mainly due to plummeting oil prices, gas prices on the European and Asian markets, which sharply reduced LNG arbitrage opportunities in 2015, and also to the disruption in supplies shipped from Egypt as from January 2015 and from Yemen as from April 2015.

The unfavorable price impact on exploration-production activities was offset to a large extent by the 3.6 Mboe increase in total hydrocarbon production (59.1 Mboe in 2015 compared to 55.5 Mboe in 2014), thanks to the restart of production at the Njord facility in Norway in July 2014 and to contributions from the Amstel field in the Netherlands and the Gudrun field in Norway, commissioned in February 2014 and April 2014, respectively.

External LNG sales fell 47.8 TWh to 71.4 TWh, representing 86 cargoes for 2015 compared with 119.2 TWh, or 142 cargoes, for the prior-year period, and were adversely impacted by the fall in LNG sales prices in Europe and in Asia, where LNG sales prices are currently very close to European prices based on comparable shipping costs.

EBITDA for the Global Gas & LNG business line amounted to €1,625 million for 2015, down 27.0% on a reported basis and down 30.5% on an organic basis compared to the same prior-year period, due to the abovementioned reasons.

Current operating income after share in net income of entities accounted for using the equity method was €535 million in 2015, down 49.7% on a reported basis and down 54.6% on an organic basis.

6.1.1.2.4 Infrastructures

In millions of euros	Dec. 31, 2015	Dec. 31, 2014	% change (reported basis)	% change (organic basis)
Revenues	3,055	2,994	+2.0%	+2.0%
Total revenues *(incl. intra-Group transactions)*	6,608	6,812	-3.0%	
EBITDA	3,402	3,274	+3.9%	+3.9%
Net depreciation and amortization/Other	(1,330)	(1,280)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	2,072	1,994	+3.9%	+4.0%

Total **revenues** for the Infrastructures business line, including intra-Group transactions, amounted to €6,608 million, down 3.0% on 2014, reflecting:

- the decrease in gas purchases and sales at Storengy to maintain technical storage performance (low summer/winter spreads) and the related revenues at GRTgaz and Storengy, linked particularly to Joint Transport Storage (JTS) services and market coupling (due to a very low North-South GEP spread);
- despite:
  - a 19.9 TWh[(1)] increase in volumes distributed by GRDF due to colder weather conditions in 2015 compared to the prior-year period;
  - the annual review in France of distribution infrastructure access tariffs (3.9% increase on July 1, 2015 and 4.1% increase on July 1, 2014) and of transport infrastructure tariffs (2.5% increase on April 1, 2015 and 3.9% increase on April 1, 2014);
  - improved marketing of storage capacity in France linked to the commissioning of new storage caverns in Germany (Peckensen 4 and 5) and the United Kingdom (Stublach).

In this climatic and regulatory context, the business line's contribution to Group revenues was €3,055 million, a slight 2.0% increase on 2014. The improved contribution essentially reflects the development of third party services in increasingly deregulated markets, despite the downturn in gas purchases and sales activities at Storengy.

EBITDA for the Infrastructures business line amounted to €3,402 million for the period, up 3.9% on the prior-year period thanks to favorable climatic conditions (positive 19.9 TWh impact) and rate increases, partially offset by a decrease in volumes and revenues from JTS services and performance gas purchases and sales.

Current operating income after share in net income of entities accounted for using the equity method for the Infrastructures business line came in at €2,072 million for the period, up 3.9% on the prior-year period, with a 3.7% rise in net depreciation and amortization charges resulting from the commissioning of new assets by GRDF and GRTgaz in 2014.

(1) A 32.1 TWh decrease due to the mild weather conditions in 2014 and a 12.2 TWh decrease due to the mild weather conditions in 2015.

6.1.1.2.5 Energy Services

In millions of euros	Dec. 31, 2015	Dec. 31, 2014	% change (reported basis)	% change (organic basis)
Revenues	16,001	15,673	+2.1%	-0.4%
EBITDA	1,227	1,127	+8.9%	+3.9%
Net depreciation and amortization/Other	(373)	(335)		
CURRENT OPERATING INCOME AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	854	791	+7.9%	+2.4%

Revenues for the Energy Services business line, up 2.1% on a reported basis to €16,001 million for 2015, buoyed by the acquisitions carried out in the second half of 2014 of Lend Lease FM in the United Kingdom, Ecova in the United States, Keppel FMO in Singapore, and Lahmeyer in Germany, essentially offset by the disposal of oil trading operations in Italy, for a net amount of €189 million, and positive exchange rate effects in the United Kingdom (€148 million) and Switzerland (€59 million).

Revenue slipped 0.4% on an organic basis, mainly owing to a decline in maintenance services in the North Sea oil and gas industry following the collapse of crude oil prices, and to a downturn in the Services business in France and Southern Europe linked to the fall in investments by public authorities and to continued lackluster business investment.

This decline was partially offset by an upturn in sales of heat by networks and co-generation facilities triggered by the return to colder temperatures in 2015 after exceptionally mild weather conditions in 2014, and by a good performance from Engineering activities.

EBITDA for the Energy Services business line rose 8.9% on a reported basis to €1,227 million, due chiefly to the acquisitions referred to above. Organic growth came out at 3.9%, essentially reflecting:

- the favorable impact of weather conditions and efficiency gains on network activities in France;
- improved margins for services activities in France;
- new facilities commissioned in France.

These items were partially offset by:

- one-off items which had benefited the 2014 performance;
- weaker North Sea oil and gas activities;
- difficulties encountered in Spain and on installation markets in Central Europe.

Current operating income after share in net income of entities accounted for using the equity method amounted to €854 million, up 7.9% on a reported basis and 2.4% on an organic basis. This was in line with EBITDA trends, adjusted for higher depreciation and amortization charges following the commissioning of new facilities in heating networks and services in France and the United Kingdom.

6.1.1.2.6 Other

In millions of euros	Dec. 31, 2015	Dec. 31, 2014	% change (reported basis)	% change (organic basis)
EBITDA	(194)	(225)	+13.8%	+17.7%
Net depreciation and amortization/Other	(125)	(121)		
CURRENT OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	(319)	(346)	+7.9%	+12.2%

EBITDA for the "Other" business line came in at a negative €194 million for 2015, an improvement on 2014, mainly reflecting the positive impacts of the Perform 2015 plan.

Current operating loss after share in net income of entities accounted for using the equity method improved in 2015, owing mainly to the improvement in EBITDA.

6.1.1.3 Other income statement items

In millions of euros	Dec. 31, 2015	Dec. 31, 2014	% change (reported basis)
Current operating income after share in net income of entities accounted for using the equity method	**6,326**	**7,156**	**-11.6%**
Mark to market on commodity contracts other than trading instruments	(261)	(298)	
Impairment losses	(8,748)	(1,037)	
Restructuring costs	(265)	(167)	
Changes in scope of consolidation	(46)	562	
Other non-recurring items	(248)	353	
Income/(loss) from operating activities	**(3,242)**	**6,569**	**NA**
Net financial income/(loss)	(1,547)	(1,876)	
Income tax expense	(324)	(1,586)	
NET INCOME/(LOSS)	**(5,113)**	**3,106**	**NA**
o/w net income/(loss) Group share	(4,617)	2,437	
o/w non-controlling interests	(496)	669	

Income/(loss) from operating activities represented a net loss of €3,242 million in 2015. The year-on-year decline results chiefly from the fall in current operating income after share in net income of entities accounted for using the equity method and the impact of impairment losses recognized against goodwill, property, plant and equipment, intangible assets and financial assets.

At December 31, 2015, the Group recognized impairment losses of €2,628 million against goodwill, €5,731 million against property, plant and equipment and intangible assets, and €402 million against financial assets and investments in entities accounted for using the equity method. These impairment losses mainly concerned the Global Gas & LNG, Energy International and Energy Europe business lines. 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 for 2015 amounts to €6,761 million. These impairment losses are described in Note 7.2 "Impairment losses" to the consolidated financial statements.

Impairment losses recognized in 2014 totaled €1,037 million, chiefly in respect of Global Gas & LNG (€362 million), Energy International (€306 million) and Energy Europe (€291 million).

Income/(loss) from operating activities was also affected by:

- changes in the fair value of commodity derivatives (mark-to-market) that had a negative impact of €261 million on income/(loss) from operating activities (reflecting the impact of transactions not eligible for hedge accounting), compared with a negative impact of €298 million in 2014. The impact for the period results chiefly from negative overall price effects on these positions, partly offset by the net positive impact of unwinding positions with a negative market value at December 31, 2014;
- restructuring costs of €265 million (€167 million in 2014), including €47 million in external costs relating to the change in the Group's corporate brand;
- changes in the scope of consolidation (gains and losses on disposals of consolidated equity investments or remeasurements of previously-held interests in accordance with IFRS 3) which had a negative impact of €46 million versus a positive impact of €562 million in 2014 (relating mainly to gains on remeasuring the previously-held interest in GTT after the Group acquired control of the company, and on the Walloon intermunicipal companies due to the loss of significant influence);
- other non-recurring items representing a loss of €248 million, integrating additional dismantling and site rehabilitation costs for one production unit versus income of €353 million in 2014 (primarily resulting from the capital gain on the disposal of interests in the Flemish inter-municipal companies).

The Group's net financial loss narrowed to €1,547 million in 2015 from €1,876 million in 2014, owing to a €100 million fall in the cost of debt on the back of the lower average cost of gross debt, and to the positive €216 million impact of lower non-recurring expenses compared to 2014 (corresponding to changes in the fair value of derivatives not eligible for hedge accounting which had a positive €104 million impact and debt restructuring transactions which had a positive €99 million impact).

The 2015 income tax charge amounts to €324 million (versus €1,586 million in 2014). It includes an income tax benefit of €1,110 million arising on non-recurring income statement items (versus €659 million in 2014), essentially related to the impairment losses recognized against property, plant and equipment and intangible assets in 2015 and €338 million of deferred tax income in Luxembourg. Adjusted for these items, the effective recurring tax rate was 39.0%, lower than the 42.5% rate in 2014 due mainly to the impacts of one-off reversals of various tax provisions and to the decrease in the nuclear contribution.

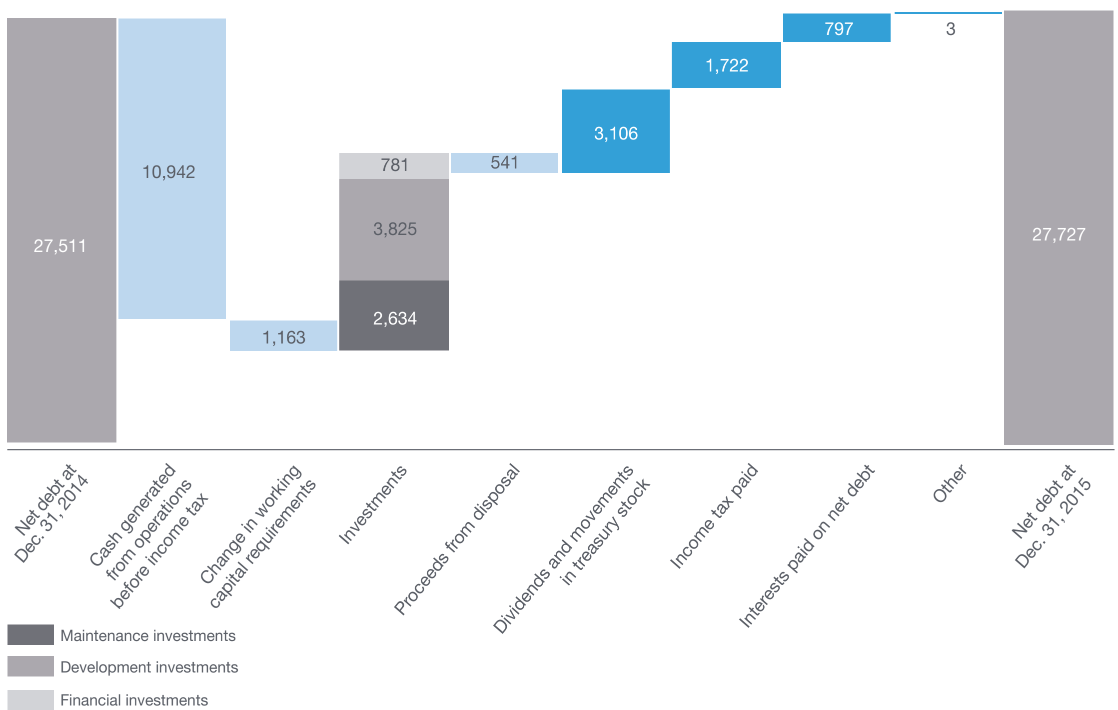
Net income/(loss) attributable to non-controlling interests was down year-on-year at a loss of €496 million, due primarily to impairment losses impacting net income from exploration-production activities.

6.1.1.4 Changes in net debt

Net debt stood at €27.7 billion at December 31, 2015, up €0.2 billion compared with net debt at December 31, 2014, reflecting (i) net investments (including changes in the scope of consolidation) carried out by the Group (€5.7 billion), dividends paid to ENGIE SA shareholders (€2.4 billion) and to non-controlling interests (€0.5 billion), the impact of changes in exchange rates related to the depreciation of the euro against major currencies (€0.5 billion), cash outflows related to tax payments (€1.7 billion) and to interest payments on net debt (€0.8 billion), (ii) offset by cash generated from operations before income tax and working capital requirements (€10.9 billion) and the favorable change in working capital requirements (€1.2 billion).

Changes in net debt break down as follows:

In millions of euros



The net debt to EBITDA ratio came out at 2.46 at December 31, 2015.

In millions of euros	Dec. 31, 2015	Dec. 31, 2014
Net debt	27,727	27,511
EBITDA	11,262	12,133
NET DEBT/EBITDA RATIO	**2.46**	**2.27**

6.1.1.4.1 Cash generated from operations before income tax and working capital requirements

Cash generated from operations before income tax and working capital requirements amounted to €10,942 million in 2015, down €829 million compared with 2014.

The fall was in line with the EBITDA performance and amplified by net changes in additions to provisions.

6.1.1.4.2 Change in working capital requirements

The change in working capital requirements represents a positive impact of €1.2 billion, mainly related to the impact of fluctuations in commodity prices (Brent crude) on margin calls.

6.1.1.4.3 Net investments

Gross investments during the period amounted to €7,240 million and included:

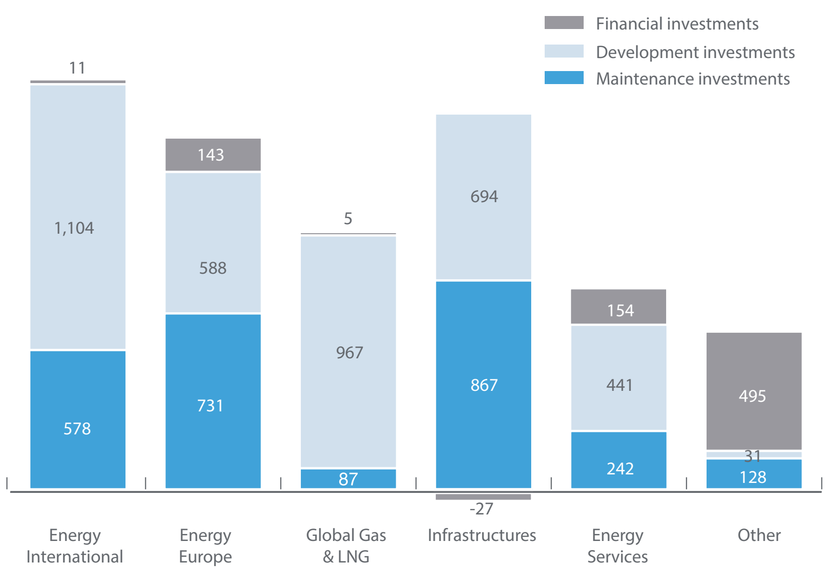
- financial investments for €781 million, relating chiefly to the acquisition of Solairedirect for €176 million and various companies in the Energy Services business line for €118 million, capital increases or loans for companies accounted for using the equity method totaling €327 million (mainly for the Jirau and Nugen projects, wind farm projects in France and Belgium, and power plant projects in the Middle East and South Africa), Synatom investments which rose by €153 million, and the repayment of loans for the Los Ramones pipeline (Mexico) and the Marafiq power generation facility and desalination unit (Saudi Arabia) construction projects for €152 million;
- development investments totaling €3,825 million, including €1,104 million invested in the Energy International business line to build power plants and develop wind farms in Peru, Chile, Brazil and India, €967 million invested in the Global Gas & LNG business line to develop gas fields in the United Kingdom, the Netherlands, Indonesia, Algeria and Norway, and €694 million invested in the Infrastructures business line;
- maintenance investments for an amount of €2,634 million.

Disposals represented a cash amount of €541 million and related to disposals of interests in exploration-production licenses in Indonesia and Norway for €241 million, and to real estate disposals for €164 million.

Including changes in the scope of consolidation resulting from these acquisitions and disposals, net investments represented €5,746 million.

Capital expenditure breaks down as follows by business line:

In millions of euros



6.1.1.4.4 Dividends and movements in treasury stock

Dividends and movements in treasury stock during the period amounted to €3,106 million and included:

- €2,392 million in dividends paid by ENGIE SA to its shareholders, which corresponds to the balance of the 2014 dividend (€0.50 per share) paid in May 2015, and an interim dividend in respect of 2015 (€0.50 per share) paid in October 2015;
- dividends paid by various subsidiaries to their non-controlling shareholders in an amount of €482 million, the payment of interest on hybrid debt for €145 million, withholding tax and movements in treasury stock.

6.1.1.4.5 Net debt at December 31, 2015

Excluding amortized cost but including the impact of foreign currency derivatives, at December 31, 2015 a total of 67% of net debt was denominated in euros, 17% in US dollars and 7% in pounds sterling.

Including the impact of financial instruments, 83% of net debt is at fixed rates.

The average maturity of the Group's net debt is 9.5 years.

At December 31, 2015, the Group had total undrawn confirmed credit lines of €14.0 billion.

6.1.1.5 Other items in the statement of financial position

In millions of euros	Dec. 31, 2015	Dec. 31, 2014	Net change
Non-current assets	**101,204**	**109,998**	**(8,794)**
of which goodwill	19,024	21,222	(2,198)
of which property, plant and equipment and intangible assets, net	64,001	71,601	(7,600)
of which investments in entities accounted for using the equity method	6,977	7,055	(78)
Current assets	**59,454**	**55,306**	**4,148**
Total equity	**48,750**	**55,981**	**(7,230)**
Provisions	18,835	18,539	296
Borrowings	39,155	38,321	834
Other liabilities	53,917	52,463	1,454

The carrying amount of property, plant and equipment and intangible assets was €64.0 billion, a decrease of €7.6 billion compared to December 31, 2014. This decrease was primarily the result of asset impairment losses (negative €5.7 billion impact), depreciation and amortization (negative €4.7 billion impact), reclassifying certain assets as held for sale (negative €4.1 billion impact), and disposals (negative €0.5 billion impact), partially offset by the positive impact of investments for the period (€6.5 billion) and translation adjustments (€0.6 billion).

Goodwill decreased by €2.2 billion to €19.0 billion, mainly due to the impairment losses recognized (€1.7 billion) and to the impact of assets classified as held for sale (€0.9 billion).

Total equity amounted to €48.8 billion, a decrease of €7.2 billion compared to December 31, 2014. This decrease results essentially from the net loss for the period (negative €5.1 billion impact), the payment of cash dividends (negative €2.9 billion impact), and other comprehensive income (positive €0.9 billion impact, chiefly translation adjustments, actuarial differences and net investment and cash flow hedges net of tax, for a net amount of €0.2 billion).

Provisions remained stable, as the fall in actuarial differences on provisions for post-employment benefits (negative €0.4 billion impact), and provisions for tax disputes in Australia and the United Kingdom (negative €0.2 billion impact) was offset by the positive €0.6 billion impact of unwinding the discount on provisions.

6.1.1.6 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 2015 totaled €19,891 million, down 19% on 2014 due mainly to the impact of the downturn in volumes delivered and the fall in market prices.

The Company posted a net operating loss of €744 million versus a net operating loss of €1,354 million in 2014. This improved performance chiefly reflects advances in electricity transmission partially offset by the decline in the energy margin and the decrease in personnel costs.

The Company reported net financial income of €1,089 million compared with €1,589 million one year earlier. This mainly includes dividends received from subsidiaries for €2,055 million versus €2,297 million in 2014, and the cost of debt which remained stable at €837 million, chiefly consisting of the interest expense on bond issues.

Non-recurring items included €617 million in non-recurring expenses, chiefly due to the combined effect of debt restructuring (expense of €116 million), impairment losses on securities net of reversals (expense of €488 million), offset by capital gains on disposals of real estate (income of €52 million) and the reversal of the provision for the renewal of the Corsican agreements (income of €39 million).

The income tax benefit amounts to €540 million compared to a benefit of €378 million in 2014. These two amounts include a tax consolidation benefit of €350 million and €368 million in 2015 and 2014, respectively.

Net income for the year came out at €268 million.

Shareholders' equity amounted to €39,903 million at end-2015, versus €41,896 million at December 31, 2014, mainly reflecting the cash dividend payout.

At December 31, 2015, net debt stood at €32,388 million, and cash and cash equivalents totaled €9,158 million.

INFORMATION RELATING TO SUPPLIER PAYMENT DEADLINES

The law in favor of the modernization of the economy ("LME" law No. 2008-776 of August 4, 2008) and its implementing decree (No. 2008-1492 of December 30, 2008), provide that companies whose annual financial statements are certified by a Statutory Auditor must publish information regarding supplier payment deadlines. The purpose of publishing this information is to demonstrate that there are no significant delays in the payment of suppliers.

The breakdown by maturity of outstanding amounts payable by ENGIE SA to its suppliers over the last two reporting periods is as follow:

	Dec. 31, 2015			Dec. 31, 2014		
In millions of euros	External	Group	Total	External	Group	Total
Past due	20	112	132	33	94	127
30 days	254	30	284	414	28	442
45 days	141	253	394	8	251	259
More than 45 days	54	-	54	23	-	23
TOTAL	**469**	**395**	**864**	**478**	**373**	**851**

6.1.1.7 Outlook

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:

- a portfolio rotation program of €15 billion (net debt impact) over 2016-2018, aimed at reducing its exposure to activities sensitive to commodity prices, by means of disposals, partnerships and/or sites closures;
- a capex program of €22 billion over 2016-2018, of which €7 billion on maintenance and at least €500 million on innovation, mainly financed by operational cash flow generation; and
- an ambitious performance program named Lean 2018, which targets recurring savings on operational costs, with a cumulated net impact on EBITDA of €1 billion by 2018.

For 2016[1], and despite a difficult market context characterized by the major and prolonged drop of oil, gas and power prices, which will continue to weigh on its results, the Group anticipates a net recurring income Group share resilient compared with 2015, comprised between €2.4 and €2.7 billion. This guidance is based on an estimated range for EBITDA[2] of €10.8 to €11.4 billion, assuming no significant scope out impact.

For the period 2016-2018, the Group anticipates:

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

For fiscal years 2015 and 2016, the Group confirms the payment of €1/share dividend per year, payable in cash.

For fiscal years 2017 and 2018, the Group commits to pay a €0.70/share dividend per year, payable in cash.

6.1.2 Cash and shareholders' equity

6.1.2.1 Borrowing conditions and financial structure applicable to the issuer

Debt structure

Gross debt (excluding bank overdrafts, amortized cost and financial derivative instruments) amounted to €36.9 billion at December 31, 2015, up slightly from the previous year, and was primarily made up of €24 billion in bond issues and €7.1 billion in bank loans (including finance leases). Other loans and drawdowns on credit lines accounted for a total of €0.5 billion. Short-term loans (commercial paper) accounted for 15% of this total gross debt at the end of 2015.

79% of the gross debt was issued on financial markets (bond issues and commercial paper).

Net debt, excluding amortized costs, the effect of financial derivative instruments and cash collateral, came to €27.5 billion at the end of 2015.

At the end of 2015, the net debt was 67% denominated in euros, 17% in US dollars and 7% in British pounds, excluding amortized cost but after the foreign exchange impact of derivatives.

After the impact of derivatives, 83% of the net debt was at a fixed rate. The average cost of gross debt was 2.99%, down by 15 basis points compared to 2014. The average maturity of net debt is 9.5 years at the end of 2015.

Main transactions in 2015

The main transactions performed in 2015 affecting financial debt are described in Note 15.3.2 of Section 6.2 "Consolidated financial statements". In addition, the Group renewed a €4.5 billion centralized syndicated credit line ahead of schedule, taking the total to €5.5 billion and extending its maturity to November 2020.

In 2015, the annual update of the prospectus for ENGIE's €25 billion EMTN program received approval No. 15-518 from the AMF, dated October 8, 2015.

Ratings

Moody's and Standard & Poor's have put ENGIE's rating on review for downgrade / negative credit watch respectively on 13 and 26 February 2016. ENGIE was rated A/A-1 by Standard & Poor's with stable outlook since July 2014, and A1/P-1 negative outlook since June 2015 by Moody's.

6.1.2.2 Restrictions on the use of capital

On December 31, 2015, the Group had total undrawn confirmed credit lines (usable, among other things, as back-up lines for the commercial paper programs) of €14.0 billion. 92% of these lines are centrally managed and their availability is not subject to any financial covenant or linked to a credit risk rating. The counterparties of these lines are well diversified, with no single counterparty holding more than 6% of the total of these pooled lines. No pooled credit facility was in use as at the end of 2015.

Furthermore, the Group has set up credit lines in some subsidiaries, for which the documentation includes ratios related to their financial standing. These lines of credit are not guaranteed by ENGIE SA or GIE ENGIE Alliance.

The definition, as well as the level of these ratios, also known as "financial covenants", are determined by agreement with the lenders and may be reviewed during the life of the loan.

(1) These targets and indication assume average weather conditions in France, full pass through of supply costs in French regulated gas tariffs, no significant regulatory and macro-economic changes, commodity price assumptions based on market conditions as of December 31, 2015 for the non-hedged part of the production, and average foreign exchange rates as follows for 2016 : €/$: 1.10, €/BRL : 4.59.

(2) As from January 1, 2016, EBITDA will no longer include the non-recurring contribution from entities accounted for using the equity method (which represents in 2015 an amount of -€12 million).

The most frequent ratios are:

- Debt Service Cover Ratio = Free Cash Flow (Principal + interest expense) or for servicing interest (Interest Cover Ratio = EBITDA/interest expense);
- Loan Life Cover Ratio (adjustment of the average cost of the future Free Cash Flows debt divided by the borrowed amount still owed);
- Debt/Equity ratio or maintenance of a minimum amount of equity.

At December 31, 2015, all Group companies whose debt is consolidated were compliant with the covenants and representations contained in their financial documentation, with the exception of an Energy International subsidiary, which was not compliant with some of its commitments. Appropriate waivers are currently under discussion.

6.1.2.3 Expected sources on financing to honor commitments relative to investment decisions

The Group believes that its funding needs will be covered by available cash and the possible use of its existing credit facilities. However, it may call upon the capital markets on an ad hoc basis.

If necessary, dedicated financing could be established for very specific projects.

The Group has a total of €4.0 billion in credit lines or loans expiring in 2016 (excluding the maturity of €5.4 billion in commercial paper). In addition, at December 31, 2015 it had €9.4 billion in cash (net of bank overdrafts) and a total of €14.0 billion in available lines (not net of the amount of commercial paper issued), including €1 billion expiring in 2016.