

## **GBL pursues its portfolio diversification strategy with the acquisition of 15.0% of SGS from EXOR**

GBL (Groupe Bruxelles Lambert) announces that it has reached an agreement with EXOR to acquire, through its wholly-owned subsidiary Serena S.à r.l., its 15.0% interest in the capital of SGS SA (SGS). The price per share of CHF 2,128 represents a total investment of EUR 2,004 million for GBL.

Established in 1878, SGS is the world's leading testing, inspection and certification company. With more than 75,000 employees, SGS operates a network of more than 1,500 offices and laboratories around the world, and holds leading positions across key end-markets and geographies. Listed on SIX Swiss Exchange, the company generated sales of CHF 5.6 billion in 2012 and has a market capitalization of approximately CHF 16.9 billion.

**Welcoming this significant investment, Albert Frère and Paul Desmarais stated :**  
"We are delighted to become through GBL a reference shareholder of SGS next to the von Finck family who is a long standing investor in the company."

**Commenting on the acquisition, Ian Gallienne and Gérard Lamarche (Managing Directors), stated:**

*"Following the successful disposals and exchangeable bonds transactions executed over the last 18 months, GBL is implementing its strategy of geographical and sectorial diversification as well as portfolio rotation and rebalancing between growth and yield while securing its dividend policy. GBL invests in a limited number of companies, leaders in their markets, in which it can act as a long-term strategic and professional shareholder."*

*"This investment towards the services sector fits with all of GBL's investment criteria : SGS is the leader in an attractive industry exposed to supportive long-term economic trends (growing global trade, increasing regulation, security of complex supply chains, evolving consumption patterns and better natural resources management) with a significant exposure to emerging markets. SGS offers substantial growth potential, both organically and through market consolidation. Led by a highly experienced and dynamic management team, SGS has the financial means to pursue its ambitious strategic development and create long-term value."*

The acquisition will be financed using part of the GBL's existing cash. Following the acquisition, GBL will remain with a gross cash position of EUR 1.0 billion and confirmed undrawn credit lines of EUR 1.2 billion. SGS's dividend yield (2.7% in 2012) will positively impact GBL's cash earnings and contribute to ensure continued growth of the group's dividend.



The participation in SGS will account pro forma for 14.7% of GBL's adjusted net assets of EUR 13.6 billion as of 31 May 2013, detailed in the table below:

<b>31 May 2013 pro forma after the acquisition of SGS</b>	<i>Portfolio (% of share capital)</i>	Share price	Value (EUR million)	% in Adjusted net assets
<i>Strategic assets</i>				
Total	4.0	EUR 38.59	3,625	26.6
Lafarge	21.0	EUR 55.35	3,338	24.5
Imerys	56.7	EUR 48.29	2,069	15.2
SGS	15.0	CHF 2,128 <sup>1</sup>	2,004	14.7
Pernod Ricard	7.5	EUR 92.69	1,844	13.5
GDF SUEZ	2.3	EUR 15.75	860	6.3
Suez Environnement	7.2	EUR 9.93	348	2.6
<i>Financial Pillar and Incubator</i>			480	3.5
<b>Portfolio</b>			<b>14,568</b>	<b>106.9</b>
Treasury shares			384	2.8
Exchangeable bonds (GDF SUEZ/Suez Env)			(1,401)	(10.3)
Net cash (debt) balance/Trading			77	0.6
<b>Adjusted net assets (global)</b>			<b>13,628</b>	<b>100.0</b>
<b>Adjusted net assets (EUR p.s.)</b>			<b>84.46</b>	
<b>Share price (EUR p.s.)</b>			<b>61.04</b>	
<b>Discount</b>			<b>27.7%</b>	

<sup>1</sup> CHF 2,128 corresponds to the acquisition price per share of SGS

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GBL is a holding company which has been listed since 1956 and whose shares are admitted to trading on the regulated market of NYSE Euronext in Brussels. GBL's primary objective is to create value for its shareholders. GBL aims at building a portfolio of investments focusing on a small number of industrial companies that are leaders in their markets, in which it can play its role as a long-term professional shareholder. The portfolio is intended to evolve over time as companies mature and market opportunities arise. GBL invests and disinvests according to its objectives of value creation and of maintaining a solid financial structure.

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Headquartered in Geneva, Switzerland, SGS is the global leader and innovator in inspection, verification, testing and certification services supporting international trade in agriculture, minerals, petroleum and consumer products. It also provides these services to governments, international institutions and to customers engaged in the industrial, environmental and life science sectors. The company is recognized as the global benchmark for quality and integrity. With more than 75,000 employees, SGS operates a network of more than 1,500 offices, including laboratories, around the world.

SGS core services can be divided into four categories:

- *Inspection: the company offers a comprehensive range of world-leading inspection and verification services, such as checking the condition and weight of traded goods at transshipment, help clients to control quantity and quality, and meet all relevant regulatory requirements across different regions and markets*



- *Testing: SGS's global network of testing facilities, staffed by knowledgeable and experienced personnel, enable the company's clients to reduce risks, shorten time to market and test the quality, safety and performance of the products against relevant health, safety and regulatory standards*
- *Certification: SGS enables its clients to demonstrate that their products, processes, systems or services are compliant with either national or international standards and regulations or customer defined standards, through certification*
- *Verification: the company ensures that products and services comply with global standards and local regulations. Combining global coverage with local knowledge, unrivalled experience and expertise in virtually every industry, SGS covers the entire supply chain from raw materials to final consumption.*

*The current structure of the company, consisting of ten business segments operating across ten geographical regions, was formed in 2001. The company business segments include Agricultural, Minerals, Oil, Gas and Chemicals, Life Science, Consumer Testing, Systems and Services Certification, Industrial, Environmental, Automotive and Governments and Institutions services.*

*For the financial year of 2012 SGS reported CHF 5.6 billion revenue, increasing 14.5% over 2011 on a constant currency basis. Adjusted operating income for 2012 increased 12.9% over 2011 on a constant current basis, reaching CHF 941 million and resulting in a margin of 16.9%. Operating cash flows generated in 2012 was CHF 800 million, an increase of 15.9% over the prior period. For 2012 the company paid a dividend of CHF 58 per share (CHF 30 representing an ordinary distribution of 41% of net profit and an additional CHF 28 reflecting the healthy cash generation capabilities of SGS).*

*SGS vision: the company aims to be the most competitive and the most productive service organization in the world. Its core competencies in inspection, verification, testing and certification are being continuously improved to be best-in-class. SGS's chosen markets are solely determined by its ability to be the most competitive and to consistently deliver unequalled service to its customers all over the world.*

*SGS values: the company seeks to be epitomized by its passion, integrity, entrepreneurialism and innovative spirit, as SGS continually strives to fulfill its vision. These values guide the company in all that it does and are the bedrock upon which SGS's organization is built.*

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