GBL

8 May 2013 - After 17.45
Regulated information
Interim statement

Results to 31 March 2013

- **Rise in cash earnings to EUR 39 million**
- **Growth in adjusted net assets to EUR 13.6 billion**
- **Consolidated profit (loss) (EUR 75 million) namely impacted by an additional impairment loss on GDF SUEZ (EUR 65 million)**
- **Improving of financial liquidity following the issuing of the EUR 1.0 billion bond exchangeable into 2.3% of GDF SUEZ's capital.**

Key financial data

EUR million (Group share)	At end March		At end December
	2013	2012(3)	2012(3)
Cash earnings	39	29	489
Profit (loss)	(75)	448	256
Adjusted net assets	13,600	12,597	13,247
Market capitalisation	9,625	9,365	9,704
Net cash (excluding treasury shares) (1)	(54)	(63)	(27)
Financial liquidity(2)	3,278	1,915	2,282

The Board of Directors, at its meeting of 8 May 2013, approved GBL's unaudited IFRS consolidated profit (loss) to 31 March 2013.

GBL's Executive Management, made up of Albert Frère (CEO), Ian Gallienne and Gérard Lamarche (Managing Directors), commented on the results as follows:

"Excluding non-recurring items, the start of year results traditionally bear little reflection on the full year. In the first quarter of 2013, in a still volatile environment, the group's performance was marked by a rise in cash earnings, growth in the adjusted net assets and the improving of our financial solidity and flexibility through the issuing at the start of 2013 of a EUR 1.0 billion bond exchangeable into 2.3% of GDF SUEZ's capital.

In addition, the resultants were impacted by a further EUR 65 million impairment loss on the GDF SUEZ shares to compare with the gains on disposals from the divestments of Arkema and Pernod Ricard for EUR 461 million recorded in the first quarter of 2012.

In view of the dividends and distribution policies announced by the main companies in its portfolio, GBL anticipates dividend income in 2013 that will cover its own dividend payout, assuming no significant events or changes to its portfolio".

(1) The value of treasury shares amounting to respectively 375 end March 2013, 352 end March 2012 ad 366 end December 2012
(2) Undrawn credit lines (for respectively 1,200 end March 2013 and end December 2012 and 550 end March 2012) and cash (2,078 end March 2013, 1,365 end March 2012 respectively and 1,082 end December 2012)
(3) The figures presented by way of comparison have been restated to take into account the application of revised standard IAS 19 on employee benefits. This has a negative impact on profit (loss) in the first quarter of 2012 and for the full year 2012 of EUR 5 million and EUR 20 million respectively (mostly recognised under profit (loss) from associates and consolidated operating companies in the economic presentation)

GBL

1. GBL's portfolio, financial position and adjusted net assets

The quarter saw the issuing on 24 January 2013 of a 4-year **bond exchangeable** into existing ordinary GDF SUEZ shares in the amount of EUR 1.0 billion with a 1.25% coupon associated with a 20% premium. This issue covers a little under half of the shares owned by GBL, i.e. around 54 million GDF SUEZ shares representing 2.3% of its capital and its voting rights. Throughout the lifetime of the bond, GBL retains the right to annual dividends on its GDF SUEZ shares, up to EUR 1.50 maximum per share.

GBL has in addition the option to deliver GDF SUEZ shares to the bondholders and to pay in cash, as necessary, the difference between the value of the delivered shares and the nominal value of the bonds.

Over the quarter, GBL also continued to buy back its own shares. At 31 March 2013, the group has 6,325,877 treasury shares, representing 3.9% of the issued capital.

At 31 March 2013, GBL has:

- **gross cash** excluding treasury shares (1) of EUR 2,297 million;
- **treasury shares** valued at EUR 375 million;
- **gross debt** of EUR 2,351 million consisting of a EUR 350 million bond, outstanding bank credit lines of EUR 600 million and bonds exchangeable into Suez Environnement and GDF SUEZ shares amounting to EUR 1,401 million.

The weighted average gross debt maturity was 3.5 years at the end of 2012; no debts fall due before 2014.

GBL also has **undrawn confirmed credit lines** of EUR 1,200 million. This position does not include the company's private equity commitments, which amounted to around EUR 300 million at end March 2013.

(1) Including EUR 104 million of trading securities (0.2% of GDF SUEZ and 0.3% of Suez Environnement) equal to the market value of the scrip dividends received in previous financial years and not monetised

At 31 March 2013, GBL's adjusted net assets stood at EUR 13.6 billion or EUR 84.28 per share. Given the share price of EUR 59.65, the discount to the adjusted net assets at that date was 29.2%.

	31 March 2013			**31 December 2012**	
	Portfolio % in capital[1]	Share price (EUR)	(EUR million)	Share price (EUR)	(EUR million)
Total	*4.0*	37.36	3,509	39.01	3,665
Lafarge	*21.0*	51.83	3,126	48.23	2,909
Imerys	*56.7*	50.79	2,176	48.19	2,065
GDF SUEZ	*5.1*	15.02	1,760	15.58	1,825
Pernod Ricard	*7.5*	97.21	1,934	87.44	1,739
Suez Environnement	*7.2*	9.95	348	9.11	319
Iberdrola	*0.2*	3.63	43	4.20	58
Private equity and other			383	-	328
Portfolio			**13,279**		**12,908**
Treasury shares			375		366
Net cash/Net debt/Trading			(54)		(27)
Adjusted net assets (global)			**13,600**		**13,247**
Adjusted net assets (EUR p.s.)[2]			**84.28**		**82.10**
Share price (EUR p.s.)			**59.65**		**60.14**
Discount			**29.2%**		**26.7 %**

At 3 May 2013, the adjusted net assets per share came to EUR 83.50, reflecting a 27.8% discount on the share price at this date (EUR 60.29).

(1) The ownership percentages given for GDF SUEZ and Suez Environnement include the shares held as money market instruments (0.2% of GDF SUEZ and 0.3% of Suez Environnement respectively) and valued under Net cash/Net Debt/Trading/Treasury Shares

(2) Based on 161,358,287 shares

2. Consolidated earnings (economic presentation)

The **consolidated group profit (loss)** at 31 March 2013 stands at EUR –75 million, versus EUR 448 million (1) at 31 March 2012.

This quarterly profit (loss) includes EUR –65 million of additional asset impairment losses, booked in accordance with IFRS, relating to GDF SUEZ. Conversely, the profit (loss) for the previous period included net gains on disposals of EUR 461 million. Excluding gains (losses) on disposals and impairment losses (reversals) on non-current assets, the **(adjusted) profit (loss)** would total EUR –11 million, versus EUR 8 million(1) over the same period in 2012, particularly reflecting the lesser contribution from consolidated companies, particularly Lafarge.

Unaudited	**31 March 2013**					***31 March 2012*** **(1)**
EUR million Group share	**Cash earnings**	**Mark to market and other non-cash**	**Operating companies (associates or consolidated) and private equity**	**Eliminations, gains (losses) and impairment losses (reversals)**	**Consoli-dated**	**Consoli-dated**
Profit from associates and consolidated operating companies	-	-	12.6	-	**12.6**	**23.9**
Net dividends on investments	51.9	(47.1)	-	-	**4.8**	**-**
Interest income and expenses	(5.4)	(2.5)	(0.5)	-	**(8.4)**	**(11.0)**
Other financial income and expenses	(1.4)	(9.5)	-	-	**(10.9)**	**1.7**
Other operating income and expenses	(6.1)	(0.7)	(2.4)	-	**(9.2)**	**(7.0)**
Gains (losses) on disposals and impairment losses (reversals) on non-current assets	-	-	(0.3)	(64.0)	**(64.3)**	**440.4**
Taxes	-	-	-	-	**-**	**0.1**
IFRS consolidated profit (loss) (3 months 2013)	***39.0***	***(59.8)***	***9.4***	***(64.0)***	***(75.4)***	
IFRS consolidated profit (loss) (3 months 2012)(1)	***28.8***	***(43.1)***	***7.1***	***455.3***		***448.1***

2.1. Cash earnings (EUR 39 million compared to EUR 29 million)

EUR million	**31 March 2013**	**31 March 2012**
Net dividends on investments	51.9	45.5
Interest income and expenses	(5.4)	(10.1)
Other income and expenses:		
• financial	(1.4)	(1.7)
• operating	(6.1)	(4.9)
Total	**39.0**	**28.8**

The **net dividends** for the first quarter of 2013 (EUR 52 million) include the collection in March 2013 of the last interim dividend payment from Total for 2012.
Interest expenses have fallen compared to 2012 and benefit from the impact of active management of the cost of carry.
Other financial income and expenses, which are traditionally not very high in the first quarter (net expense of EUR 1 million), remain stable versus 2012.
Other operating income and expenses amount to EUR 6 million end March 2013.

(1) The figures presented by way of comparison have been restated to take into account the application of revised standard IAS 19 on employee benefits. This has a negative impact on profit (loss) in the first quarter of 2012 of EUR 5 million (mostly recognised under profit (loss) from associates and consolidated operating companies in the economic presentation)

2.2. Mark to market and other non cash (negative impact of EUR 60 million versus negative impact of EUR 43 million)

EUR million	31 March 2013	31 March 2012
Net dividends on investments	(47.1)	(45.5)
Interest income and expenses	(2.5)	(0.5)
Other financial income and expenses	(9.5)	3.4
Other operating income and expenses	(0.7)	(0.6)
Taxes	-	0.1
Total	**(59.8)**	**(43.1)**

As of 31 March 2013, this heading included primarily:

- the reversal of Total interim dividend payment which was recognised under this heading at the end of 2012; and
- the EUR 7 million loss on the market valuation of the derivative component associated with the two bonds exchangeable into shares (Suez Environnement and GDF SUEZ).

2.3. Operating companies (associates or consolidated) and Financial Pillar (EUR 9 million compared to EUR 7 million [1])

The **profit (loss) from associates and consolidated operating companies** amounts to EUR 13 million versus EUR 24 million [1] at 31 March 2012:

EUR million	31 March 2013	31 March 2012
Lafarge	(24.6)	(12.6)
Imerys	39.9	42.0
ECP I & ECP II[1]	-	(2.2)
Operating subsidiaries of ECP III[1]	(2.7)	(3.3)
Total	**12.6**	**23.9**

Lafarge (loss of EUR 25 million versus loss of EUR 13 million in 2012)

The Lafarge group's share of the loss comes to EUR 117 million compared to EUR 60 million in the first quarter of 2012, notably impacted by the particularly unfavourable weather conditions and a number of working days which are in average reduced by 2 days compared to the first quarter of 2012 as well as a temporary limitation of the production levels in Egypt and Algeria which has strongly affected the volumes and the margins.

Based on a stable equity interest of 21%, Lafarge had a negative contribution of EUR 25 million to GBL's profit (loss) for the first quarter of 2013, compared to a negative contribution of EUR 13 million in 2012.

The press release on Lafarge's earnings for the first quarter of 2013 is available on the website www.lafarge.fr

(1) The figures presented by way of comparison have been restated to take into account the application of revised standard IAS 19 on employee benefits. This has a negative impact on profit (loss) in the first quarter of 2012 of EUR 5 million (mostly recognised under profit from associates and consolidated operating companies in the economic presentation)
(2) Ergon Capital Partners (ECP I), Ergon Capital Partners II (ECP II) and Ergon Capital Partners III (ECP III)

Imerys (EUR 40 million versus EUR 42 million in 2012)

The Imerys group's share of the profit stood at EUR 70 million at end March 2013 compared to EUR 74 million for the previous financial year.

The contribution by Imerys to GBL's first quarter profit (loss) amounts to EUR 40 million in 2013 versus EUR 42 million in 2012, reflecting the 56.9% consolidation of Imerys in the first quarter of 2013 (versus 57.0% in the same period in 2012).

The Imerys group's earnings for the first quarter of 2013 are presented on the website www.imerys.com.

ECP I / ECP II / operating subsidiaries of ECP III (ECP) (loss of EUR 3 million versus loss of EUR 6 million)

ECP's contribution to GBL's profit (loss) as of 31 March 2013 amounted to negative EUR 3 million, compared to negative EUR 6 million a year earlier. This change is mainly due to the change in the earnings of the entities making up this division (ELITech, De Boeck and Benito).

In 2012, the private equity **gains (losses) on disposals and impairment losses (reversals) on non-current assets** included an impairment loss relating to a Spanish asset held by the ECP III fund (EUR 15 million) in accordance with IFRS.

2.4. Eliminations, gains (losses) and impairment losses (reversals)

(negative impact of EUR 64 million compared to positive impact of EUR 455 million)

EUR million	**31 March 2013**	**31 March 2012**
Impairment losses on available-for-sale securities	(65.1)	(5.3)
Gains on disposals	1.1	460.6
Total	**(64.0)**	**455.3**

Impairment losses on available-for-sale securities

In accordance with IFRS, GBL recognised an additional EUR 65 million impairment loss on its interest in GDF SUEZ, adjusting the accounting value of these shares (EUR 15.58 per share at the end of 2012) to their market value at 31 March 2013 (i.e. EUR 15.02 per share). This purely accounting-driven impairment has no impact on GBL's cash earnings or adjusted net assets.

Gains on disposals

This heading includes the EUR 1 million gain on the disposal of part of Iberdrola's shares. In 2012, this item reflected the net gains on the disposals of the entire interest in Arkema and a 2.3% fraction of Pernod Ricard for EUR 221 million and EUR 240 million respectively.

The estimate of the Lafarge holding's recoverable value at 31 March 2013 did not result in a value adjustment at this date.

3. Consolidated earnings (IFRS presentation)

The following table presents GBL's IFRS profit and loss for the first quarter of 2013 broken down into three sectors:

- **Holding company**: comprising the parent company GBL and its subsidiaries, whose main purpose is investment management, and non-consolidated operating companies or associates.
- **Imerys**, a French group listed on NYSE Euronext Paris, which holds leading positions in each of its four businesses: Minerals for Ceramics, Refractories, Abrasives & Foundry; Performance & Filtration Minerals; Pigments for Paper & Packaging and Materials & Monolithics
- **Financial Pillar**: comprising, on the one hand, under investment activities, ECP, ECP II and ECP III, PAI Europe III and Sagard & Sagard II and, on the other, under consolidated operating activities, the operating subsidiaries of ECP III (sub-groups ELITech, De Boeck and Benito).

Unaudited	**31 March 2013**				**31 March 2012** (1)
EUR million	**Holding company**	**Imerys**	**Financial Pillar**	**Total**	
Share of profit (loss) of associates	(24.6)	-	-	(24.6)	(14.8)
Net dividends on investments	4.8	-	-	4.8	-
Other operating income and expenses related to investment activities	(6.8)	-	(2.4)	(9.2)	(7.0)
Gains (losses) on disposals and impairments (reversals) on non-current assets	(64.0)	-	(0.3)	(64.3)	440.4
Financial income and expenses from investment activities	(18.8)	-	(0.5)	(19.3)	(9.3)
Profit (loss) from investment activities	**(109.4)**	**-**	**(3.2)**	**(112.6)**	**409.3**
Revenue	-	929.3	45.9	975.2	1.018,4
Raw materials and consumables	-	(321.6)	(18.5)	(340.1)	(360.9)
Personnel costs	-	(191.9)	(14.3)	(206.2)	(204.3)
Amortisation/depreciation of intangible and tangible assets	-	(54.1)	(4.2)	(58.3)	(59.6)
Other operating income and expenses related to operating activities	-	(247.7)	(11.0)	(258.7)	(272.9)
Financial income and expenses of the operating activities	-	(15.7)	(1.4)	(17.1)	(21.3)
Profit (loss) from consolidated operating activities	**-**	**98.3**	**(3.5)**	**94.8**	**99.4**
Income tax	**-**	**(27.9)**	**(0.1)**	**(28.0)**	**(28.8)**
Consolidated profit (loss) for the period	(109.4)	70.4	(6.8)	(45.8)	479.9
Attributable to the group	**(109.4)**	**39.9**	**(5.9)**	**(75.4)**	**448.1**
Attributable to non-controlling interests	-	30.5	(0.9)	29.6	31.8
Earnings per share					
Basic				*(0.49)*	*2.89*
Diluted				*(0.49)*	*2.86*

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(1) The figures presented by way of comparison have been restated to take into account the application of revised standard IAS 19 on employee benefits. This has a negative impact on group profit (loss) of EUR 5 million for the first quarter of 2012.

4. Outlook for 2013

The cash earnings recorded to 31 March 2013 reflect a quarter with traditionally limited activity for a holding company, as dividends are collected as from the second quarter.

In view of the dividends and distribution policies announced by the main companies in its portfolio, GBL anticipates dividend income in 2013 that will cover its own dividend payout, assuming no significant events or changes to its portfolio.

Generally speaking, the consolidated earnings will also take into account the change in the net contributions from operating companies (associates and consolidated) (Lafarge, Imerys and the private equity division), which are tied to the economic environment, as well as fair value adjustments to financial instruments and any impairment losses/reversals relating to the portfolio or gains (losses) on potential disposals.

The earnings to 30 June and 30 September 2013 will be published on 30 July and 7 November 2013 respectively.

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