# HALF-YEARLY FINANCIAL REPORT ON 30 JUNE 2011

GBL

Groupe Bruxelles Lambert

# Half-yearly Financial Report on 30 June 2011

## Data at end June 2011 and 2010, global and per share

| | Global In EUR million | | Per share In EUR | |
|---|---|---|---|---|
| | 30 June 2011 | 30 June 2010 | 30 June 2011 | 30 June 2010 |
| Net earnings (group's share) | 416 | 297 | 2.68 | 1.91 |
| Net earnings excluding disposals and impairments | 385 | 317 | 2.48 | 2.04 |
| Cash earnings | 326 | 362 | 2.02 | 2.24 |
| Adjusted net assets | 13,212 | 12,671 | 81.88 | 78.53 |

The calculation per share is based on the number of shares issued on 30 June (161,4 million), except for the net earnings per share, which pursuant to IFRS refers to the weighted average number of ordinary shares (155.3 million shares in 2011).

GBL's Board of Directors approved on 29 July 2011 the group's IFRS consolidated financial statements for the first six months of 2011. These financial statements, which begin on page 6, were drawn up in conformity with IAS 34 – *Interim financial reporting* and were put through a limited review by the group's statutory auditor, Deloitte.

**Consolidated net earnings**, **group's share**, stood at EUR 416 million on 30 June 2011, an increase of EUR 119 million compared with the end of June 2010. This trend (+ 40%) primarily reflects the first-time entry in the accounts, on 30 June, of a 2011 quarterly dividend from Total (EUR 46 million) and capital gains on private equity disposals in 2011 (EUR 29 million). In contrast, in 2010, GBL registered an impairment of EUR 20 million on Iberdrola.

**Cash earnings** amounted to EUR 326 million on 30 June 2011, compared with EUR 362 million for the same period in 2010. Excluding the contributions by Total, GDF SUEZ and Pernod Ricard to cash earnings, which remain stable from one year to the next, the additional dividends collected on the newly acquired 25.6% stake in Imerys partially offset the decline in the Lafarge dividend. GBL also reversed during the first quarter the interest rate swap set to expire in early 2013 (EUR 500 million), disbursing EUR 16 million from cash earnings. This transaction nevertheless had a positive impact on the consolidated results in the light of the cancellation of the provision on this instrument.

**Cash position**: GBL invested EUR 1,174 million in its portfolio during the first half of the year. EUR 1,087 million were invested in Imerys, raising the group's share from 30.7% to 56.2%. GBL also raised its holding in Arkema (6.1% stake on 30 June). In private equity, Ergon Capital Partners III acquired the publishing group De Boeck. GBL also collected EUR 37 million from PAI/Sagard on the disposal of various holdings.

Taking account of these investments and of the collection of dividends in the first half of the year, GBL's net debt at end June stood at around EUR 800 million. This does not include the group's potential private equity commitments (estimated at around EUR 400 million). GBL finances this debt as from the beginning of July by drawing on its lines of bank credit with maturities of one and three years.

GBL's **adjusted net assets** on 22 July 2011 stood at EUR 81.88 per share, compared with EUR 88.77 at the end of December 2010. Its closing share price was EUR 60.39. The EUR 2.54 decrease in the share price compared with the end of December is identical to the 2010 coupon paid last April.

## 1. GBL's portfolio and adjusted net assets at 22 July 2011

| | Portfolio | Adjusted net assets | |
|---|---|---|---|
| | % of share capital | Share price In EUR | In EUR million |
| Total | 4.0 | 39.46 | 3,706 |
| GDF SUEZ | 5.2 | 23.94 | 2,805 |
| Lafarge | 21.1 | 40.12 | 2,420 |
| Imerys | 56.2 | 47.15 | 2,006 |
| Pernod Ricard | 9.9 | 69.67 | 1,818 |
| Suez Environnement | 6.9 | 13.37 | 468 |
| Iberdrola | 0.5 | 5.92 | 186 |
| Arkema | 6.1 | 70.59 | 266 |
| Private equity and other | - | - | 265 |
| **Portfolio** | | | **13,940** |
| Net cash/trading/ treasury shares | | | (728) |
| **Adjusted net assets** | | | **13,212** |
| Adjusted net assets per share In EUR | | | 81.88 |
| Share price In EUR | | | 60.39 |

The number of issued shares currently stands at 161,358,287.

**At the end of July**, GBL had **cash holdings** of more than EUR 150 million, including the EUR 84 million collected during the month from Lafarge, Pernod Ricard and Iberdrola. **Near-cash** and valuation of its 3.8% **treasury shares** amount to around EUR 460 million. Its **debt** consists in the 2017 bond issue (EUR 350 million), drawings on credit lines (EUR 750 million) and GBL exchangeable bonds 2012 net of buy-backs, i.e. EUR 236 million. These different elements add up to net cash holdings of EUR - 728 million.

## 2. Half-yearly IFRS consolidated results (economic presentation)

| In EUR million<br>Group's share | 30 June 2011<br>Cash earnings | Mark to market and other non-cash | Operating companies (associated or consolidated) and private equity | Eliminations, capital gains, impairments and reversals | Consolidated | 30 June 2010<br>Consolidated |
|---|---|---|---|---|---|---|
| Net earnings from consolidated associated and operating companies | - | - | 119.7 | - | **119.7** | 125.2 |
| Net dividends on investments | 344.1 | 45.5 | - | (111.6) | **278.0** | 226.8 |
| Interest income and expenses | (9.0) | (1.3) | 0.6 | - | **(9.7)** | (6.8) |
| Other financial income and expenses | 1.9 | 9.5 | - | - | **11.4** | (15.3) |
| Other operating income and expenses | (10.9) | (1.6) | (1.9) | - | **(14.4)** | (13.4) |
| Earnings on disposals, impairments and reversals from non-current assets | - | - | 30.5 | - | **30.5** | (20.4) |
| Taxes | - | 0.4 | - | - | **0.4** | 0.6 |
| **IFRS Consolidated result (6 months 2011)** | **326.1** | **52.5** | **148.9** | **(111.6)** | **415.9** | |
| *Basic result per share* | | | | | ***2.68*** | |
| *Diluted result per share* | | | | | ***2.66*** | |
| **IFRS Consolidated result (6 months 2010)** | **362.2** | **(25.0)** | **123.9** | **(164.4)** | | **296.7** |
| *Basic result per share* | | | | | | *1.91* |
| *Diluted result per share* | | | | | | *1.91* |

As a result of its majority holding in Imerys and of the latter's full consolidation as an operating company, GBL is obliged to alter the presentation of its IFRS consolidated financial statements. For the sake of continuity, GBL will maintain the economic presentation of its income statement while including therein GBL's IFRS net result. Since this breakdown no longer complies with the requirements of IAS 1 – *Presentation of financial statements*, a new report drawn up in conformity with IAS 34 is added. It begins on page 6.

The weighted average number of shares used to calculate earnings per share basic is 155,258,843 (155,186,234 on 30 June 2010); for earnings per share diluted, the number is 158,288,363 (159,398,376 on 30 June 2010).

### 2.1. CASH EARNINGS (EUR 326 MILLION COMPARED WITH EUR 362 MILLION)

**Net dividends on investments**

| In EUR million | 30 June 2011 | 30 June 2010 |
|---|---|---|
| Total (balance) | 103.7 | 101.8 |
| GDF SUEZ (balance) | 78.5 | 78.5 |
| Lafarge | 60.5 | 120.9 |
| Imerys | 51.1 | 23.1 |
| Suez Environnement | 22.8 | 22.8 |
| Pernod Ricard (interim) | 17.5 | 15.8 |
| Iberdrola (balance) | 5.8 | 6.2 |
| Arkema | 3.8 | 1.4 |
| Other | 0.4 | 0.3 |
| **Total** | **344.1** | **370.8** |

**Net dividends on investments** in the first half of the year decreased by EUR 27 million compared with 2010. This reflects the combined impact of:

- stable contributions from Total and GDF SUEZ (balance of 2010 dividend) and a slightly higher contribution from Pernod Ricard, with these three making up more than half the dividends collected by GBL;
- the additional dividend (EUR 28 million) resulting from the acquisition in early April of a further 25.6% stake in Imerys, offsetting the decline to EUR 1 per share of the Lafarge payout, which represents some EUR 60 million for GBL.

In addition, the "Mark to market and other non-cash" heading in the consolidated accounts to 30 June includes, pursuant to IFRS requirements, Total's 2011 interim dividend. This payout was decided by Total's Board of Directors on 28 April 2011 in accordance with its new policy of distribution of a quarterly dividend. This dividend of EUR 0.57 per share represents EUR 46 million for GBL and will be paid on 22 September.

**Interest expenses** amounted to EUR - 9 million and include the half-yearly charge related to the 2017 bond issue (EUR 350 million) finalised at the end of June 2010 as well as the cost of financing the acquisition in 2011 of the additional stake in Imerys for an amount of more than EUR 1 billion.

**Other financial income and expenses** amounted to EUR 2 million. They are primarily made up of the cost of the reversal of the interest rate swap, offset by the dividends collected on treasury shares.

**Other operating income and expenses** remained of around EUR 11 million.

### 2.2. MARK TO MARKET AND OTHER NON-CASH (EUR 53 MILLION COMPARED WITH EUR - 25 MILLION)

| In EUR million | 30 June 2011 | 30 June 2010 |
|---|---|---|
| Net dividends on investments | 45.5 | - |
| Interest income and expenses | (1.3) | (2.0) |
| Other financial income and expenses | 9.5 | (21.5) |
| Other operating income and expenses | (1.6) | (2.1) |
| Taxes | 0.4 | 0.6 |
| **Total** | **52.5** | **(25.0)** |

On 30 June 2011, this heading mainly comprises the 2011 interim dividend paid by Total (EUR 46 million), the reversal of provision on the interest rate swap (EUR 20 million) and the elimination of the dividend on treasury shares (EUR - 16 million).

### 2.3. OPERATING COMPANIES (ASSOCIATED OR CONSOLIDATED) AND PRIVATE EQUITY (EUR 149 MILLION COMPARED WITH EUR 124 MILLION)

The **net earnings from consolidated associated and operating companies** stood at EUR 120 million, compared with EUR 125 million for the same period in 2010:

| In EUR million | 30 June 2011 | 30 June 2010 |
|---|---|---|
| Lafarge | 54.7 | 82.8 |
| Imerys | 68.9 | 36.5 |
| Ergon Capital Partners I & II | (4.6) | 5.9 |
| Operating subsidiaries of Ergon Capital Partners III | 0.7 | - |
| **Total** | **119.7** | **125.2** |

**Lafarge (EUR 55 million compared with EUR 83 million)**

The first six months of 2011 featured a sustained increase in volumes on most emerging markets, contrasting trends on developed markets and sharp cost inflation that cut into earnings.

Consolidated turnover for the first six months amounted to EUR 7,973 million, a 3% increase. Volumes improved in all branches under the combined effect of sustained dynamism on emerging markets and overall positive volumes in northern European countries, although the still timid recovery in the construction sector in North America and the continuing economic difficulties in southern Europe restrained sales. Prices were healthy in the aggregates and concrete and gypsum branches. The cement business showed progress over the levels of the last quarter of 2010, but its prices were still slightly below levels registered in the first half of 2010.

Over the same period, current operating income dropped from EUR 1,072 million to EUR 926 million (15% decrease at comparable group structure and exchange rates) and the higher volumes and cost-cutting measures only partially offset for the impact of high cost inflation.

Net earnings, group's share, amounted to EUR 260 million compared with EUR 393 million for the first half of 2010, a period during which Lafarge realized an exceptional capital gain of EUR 160 million on the disposal of Cimpor shares.

The group also actively pursued its debt reduction measures aimed at shrinking net debt by EUR 2 billion by the end of 2011. Lafarge confirmed the continuation of its EUR 200 million cost-cutting plan for 2011, with reductions of EUR 100 million achieved at the end of June 2011. The group also announced the disposal of certain of its assets in the United States in May 2011, as well as plans for the sale of its gypsum activities in Europe, Latin America and Australia in July 2011, with all these transactions bringing in a total of EUR 1.5 billion.

Based on a 21.1% share in equity, Lafarge contributed EUR 55 million to GBL's half-yearly result for 2011, compared with EUR 83 million in June 2010.

**Imerys (EUR 69 million compared with EUR 37 million)**

During the first half of 2011, Imerys' end markets showed strong growth compared with the same period last year, which had nevertheless been stimulated by inventory renewal measures among certain customers.

The six-month period featured strong currency volatility and tensions on raw materials and energy markets, resulting in rising costs.

Now that the main suspensive conditions have been lifted, Imerys is set to acquire 100% of Talc de Luzenac from Rio Tinto on 1 August. With annual production of one million tons, Talc de Luzenac is the world leader in talc processing with a 15% market share and realised in 2010 a turnover of almost USD 395 million. This acquisition, worth USD 340 million (EUR 232 million) is set to be paid in cash. Talc de Luzenac will be fully consolidated from 1 August 2011.

Turnover for the first half of 2011 amounted to EUR 1,807 million (+ 11.4% over the first half of 2010). At comparable group structure and exchange rates, the increase in turnover adds up to 12.2% over the first six months of 2010. The particulary strong growth in the first quarter continued during the second quarter despite an unfavourable comparision with second quarter 2010 as clients renewed inventories. Sales volumes are growing and the price/product mix component has improved.

Current operating income grew by EUR 44 million over the first half of 2010, totalling EUR 253 million at the end of June 2011. The price/product mix component has covered the overall increase in variable costs related primarily to inflation in raw materials, intermediates and energy.

Net result, group's share, increased by 28.5% to EUR 155 million on 30 June 2011.

The contribution by Imerys to GBL's half-yearly result amounted to EUR 69 million in 2011 compared with EUR 37 million in 2010. Imerys continued to be consolidated using the equity method at the level of 30.7% in the first quarter of 2011 (EUR 22 million). From 1 April, it was fully consolidated and thus contributed EUR 47 million (56.2% of its net result).

**Ergon Capital Partners / Ergon Capital Partners II (ECP) (EUR - 5 million compared with EUR 6 million)**

ECP's contribution to GBL's result stood at EUR - 5 million compared with EUR 6 million on 30 June 2010. This decline resulted essentially from the evolution of the book valuations of its portfolio.

**Earnings on disposals, impairments and reversals from non-current assets** essentially include capital gains realized (EUR 29 million) on the disposal of various assets of PAI Europe III and Sagard.

### 2.4. ELIMINATIONS, CAPITAL GAINS, IMPAIRMENTS AND REVERSALS (EUR - 112 MILLION COMPARED WITH EUR - 164 MILLION)

| In EUR million | 30 June 2011 | 30 June 2010 |
|---|---|---|
| Impairments on listed companies | - | (20.4) |
| *Iberdrola* | - | *(20.4)* |
| Eliminations of the dividends (Lafarge and Imerys) | (111.6) | (144.0) |
| **Total** | **(111.6)** | **(164.4)** |

In previous years and in keeping with IFRS requirements, GBL entered EUR 658 million in total impairments on its interests in **Pernod Ricard** and **Iberdrola**. Stock market developments as of 30 June 2011 resulted in an unrealized gain of EUR 741 million on these holdings. This unrealized gain may nevertheless not be entered as a reversal of impairment under IFRS rules as they apply to available-for-sale assets.

On 31 December 2008, GBL recorded an impairment of EUR 1,092 million on **Lafarge** and, at the end of September 2009, entered a partial reversal of impairment of EUR 650 million. As was the case on 31 December 2010, a review of the calculation of Lafarge's valuation did not result in any change in value on 30 June 2011.

Net dividends on operating investments (associated or consolidated companies) are eliminated and represent EUR 112 million from Lafarge and Imerys.

## 3. Risk factors

Each of the broad divisions of the portfolio held by GBL is exposed to specific risks that are detailed in GBL's Annual Financial Report on 31 December 2010 (p. 110), which refers readers seeking further information to the websites of the shareholdings.

The risks specific to GBL on 31 December 2010 are described in the GBL Annual Financial Report (p. 110-111). GBL will remain subject to the same risks during the latter part of 2011.

## 4. Outlook for 2011

Most net dividends on investments, which make up GBL's cash earnings, are collected during the first half of the year. For the remainder of the year, GBL expects to receive interim dividends or balances essentially from Total, GDF SUEZ, Pernod Ricard and Iberdrola, to be approved by their respective management bodies.

The consolidated result will also take account of the evolution of the performances of the operating companies (associated and consolidated, i.e. Lafarge, Imerys and the private equity division), which are themselves dependent on economic developments, as well as adjustments to the fair value of financial instruments and any impairments/reversals on the portfolio.

Results for the third quarter (30 September) will be published on 4 November 2011.

# Half-yearly IFRS financial statements

## Consolidated statement of comprehensive income

| In EUR million | Notes | 30 June 2011 | 30 June 2010 |
|---|---|---|---|
| Net earnings from associated companies | 3 | 71.9 | 125.2 |
| Net dividends on investments | 4 | 278.0 | 226.8 |
| Other operating income and expenses related to investing activities | 5 | (14.4) | (13.4) |
| Earnings on disposals, impairments and reversals of non-current assets | 4 | 30.5 | (20.4) |
| Financial income and expenses from investing activities | 6 | 1.7 | (22.1) |
| **Result arising from investing activities** | | **367.7** | **296.1** |
| | | | |
| Turnover | | 963.7 | - |
| Raw materials and consumables | | (328.8) | - |
| Personnel costs | | (184.9) | - |
| Depreciation on intangible and tangible assets | | (50.0) | - |
| Other operating income and expenses related to operating activities | 5 | (261.8) | - |
| Financial income and expenses of the operating activities | 6 | (17.0) | - |
| **Result arising from consolidated operating activities** | | **121.2** | **-** |
| | | | |
| **Income taxes on result** | | **(34.8)** | **0.6** |
| | | | |
| **Consolidated result of the period** | | **454.1** | **296.7** |
| Attributable to the group | | 415.9 | 296.7 |
| Attributable to non-controlling interests | | 38.2 | - |
| | | | |
| **Other comprehensive income:** | | | |
| Investments available-for-sale – change in revaluation reserves | 4, 8 | (294.4) | (1,585.8) |
| Share in other comprehensive income of associated companies | 3 | (261.7) | 446.9 |
| Differences on translation related to consolidated companies | | (10.4) | - |
| Other | | 10.4 | - |
| | | | |
| **Comprehensive income of the period** | | **(102.0)** | **(842.2)** |
| Attributable to the group | | (142.6) | (842.2) |
| Attributable to non-controlling interests | | 40.6 | - |
| | | | |
| **Earnings per share** | 8 | | |
| *Basic* | | *2.68* | *1.91* |
| *Diluted* | | *2.66* | *1.91* |

# Consolidated balance sheet

| In EUR million | Notes | 30 June 2011 | 31 December 2010 |
|---|---|---|---|
| **Non-current assets** | | **16,456.7** | **14,727.7** |
| Intangible assets | | 106.5 | 14.1 |
| Goodwill | | 1,008.5 | 59.5 |
| Tangible assets | | 1,667.5 | 23.9 |
| Investments | | 13,481.6 | 14,572.3 |
| *Shareholdings in associated companies* | *3* | *3,988.9* | *4,901.4* |
| *Investments available-for-sale* | *4* | *9,492.7* | *9,670.9* |
| Other non-current assets | | 131.8 | 55.8 |
| Deferred tax assets | | 60.8 | 2.1 |
| | | | |
| **Current assets** | | **2,052.0** | **818.7** |
| Stocks | | 576.8 | 12.7 |
| Trade debts | | 538.0 | 22.8 |
| Trading assets | | 50.9 | 20.8 |
| Cash and cash equivalents | 7 | 563.4 | 685.8 |
| Other current assets | | 322.9 | 76.6 |
| | | | |
| **Total assets** | | **18,508.7** | **15,546.4** |

| | | | |
|---|---|---|---|
| **Shareholders' equity** | 8 | **14,517.5** | **14,754.7** |
| Capital | | 653.1 | 653.1 |
| Share premium account | | 3,815.8 | 3,815.8 |
| Reserves | | 9,096.2 | 10,276.3 |
| Non-controlling interests | | 952.4 | 9.5 |
| | | | |
| **Non-current liabilities** | | **1,876.7** | **685.0** |
| Financial debts | 7 | 1,454.1 | 680.8 |
| Provisions | | 197.6 | 2.9 |
| Pensions and post-employment benefits | | 120.3 | - |
| Other non-current liabilities | | 9.7 | - |
| Deferred tax liabilities | | 95.0 | 1.3 |
| | | | |
| **Current liabilities** | | **2,114.5** | **106.7** |
| Financial debts | 7 | 1,381.2 | 7.0 |
| Trade debts | | 375.5 | 12.1 |
| Provisions | | 15.4 | - |
| Tax liabilities | | 55.9 | 1.6 |
| Trading liabilities | | 12.5 | 29.2 |
| Other current liabilities | | 274.0 | 56.8 |
| | | | |
| **Total liabilities and shareholders' equity** | | **18,508.7** | **15,546.4** |

# Consolidated statement of changes in shareholders' equity

| In EUR million | Capital | Share premium | Revaluation reserves | Treasury shares | Differences on translation | Retained earnings | Shareholders' equity - Group's share | Non-controlling interests | Shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|
| **At 31 December 2009** | **653.1** | **3,815.8** | **3,804.2** | **(235.1)** | **(212.7)** | **7,003.5** | **14,828.8** | **-** | **14,828.8** |
| Comprehensive income | - | - | (1,616.7) | - | 512.8 | 261.7 | (842.2) | - | (842.2) |
| Total transactions with equityholders | - | - | - | (10.0) | - | (367.6) | (377.6) | - | (377.6) |
| **At 30 June 2010** | **653.1** | **3,815.8** | **2,187.5** | **(245.1)** | **300.1** | **6,897.6** | **13,609.0** | **-** | **13,609.0** |
| Comprehensive income | - | - | 1,008.0 | - | (238.9) | 375.8 | 1,144.9 | (2.4) | 1,142.5 |
| Total transactions with equityholders | - | - | - | 0.2 | - | (8.9) | (8.7) | 11.9 | 3.2 |
| **At 31 December 2010** | **653.1** | **3,815.8** | **3,195.5** | **(244.9)** | **61.2** | **7,264.5** | **14,745.2** | **9.5** | **14,754.7** |
| Comprehensive income | - | - | (295.5) | - | (267.6) | 420.5 | (142.6) | 40.6 | (102.0) |
| Total transactions with equityholders | - | - | - | (0.2) | - | (392.7) | (392.9) | (39.4) | (432.3) |
| Transaction on Imerys | - | - | - | - | - | (644.6) | (644.6) | 941.7 | 297.1 |
| **At 30 June 2011** | **653.1** | **3,815.8** | **2,900.0** | **(245.1)** | **(206.4)** | **6,647.7** | **13,565.1** | **952.4** | **14,517.5** |

Shareholders' equity was impacted during the first quarter of 2011 mainly by:

- the transaction on Imerys, detailed in note 1.1., which had a total impact of EUR 297 million;
- the distribution on 19 April 2011 of a gross dividend of EUR 2.54 per share (EUR 2.42 in 2010). Taking account of the 6,099,444 treasury shares held by GBL on 30 June 2011 (number unchanged from 31 December 2010), this concerns a total of EUR 394 million, deducted from the non-distributed result;
- the evolution of the fair value of GBL's portfolio of available-for-sale investments (detailed in note 8.1.);
- negative changes in differences on translation; and
- the consolidated result of the period.

# Consolidated cash flow statement

| In EUR million | Notes | 30 June 2011 | 30 June 2010 |
|---|---|---|---|
| **Cash flow from operating activities** | | **262.5** | **187.2** |
| | | | |
| Consolidated result of the period before taxes | | 488.9 | 296.1 |
| Adjustments for: | | | |
| Interest income and expenses | 6 | 25.2 | 6.8 |
| Net earnings from associated companies | 3 | (73.2) | (125.2) |
| Dividends of non consolidated investments | 4 | (278.0) | (226.8) |
| Net transfer to depreciation | | 50.6 | 0.7 |
| Earnings on disposals, impairments and reversals of non-current assets | | (39.4) | 20.4 |
| Other | | (17.0) | 9.5 |
| | | | |
| Interest income received | | 6.2 | 1.5 |
| Interest expenses paid | | (46.5) | (13.7) |
| Dividends collected from non-consolidated investments and associated companies | | 179.7 | 228.1 |
| Taxes paid | | (42.0) | - |
| | | | |
| Change in working capital requirements: | | | |
| Stocks | | (25.6) | - |
| Trade credits | | (14.2) | - |
| Trade debts | | 35.4 | - |
| Other credits and debts | | 12.4 | (10.2) |
| | | | |
| **Cash flow from investing activities** | | **(628.4)** | **(124.8)** |
| | | | |
| Acquisitions of: | | | |
| Investments | | (53.0) | (130.4) |
| Subsidiaries, excluding acquired cash position | 1 | (553.1) | - |
| Tangible and intangible assets | | (52.1) | - |
| | | | |
| Divestments of: | | | |
| Investments | | 23.1 | - |
| Tangible and intangible assets | | 5.4 | - |
| Other financial assets | | 1.3 | 5.6 |
| | | | |
| **Cash flow from financing activities** | | **244.3** | **(133.9)** |
| | | | |
| Capital increases of the non-controlling interests | | 5.7 | - |
| Dividends paid by the parent company to its shareholders | | (394.4) | (375.7) |
| Dividends paid by the subsidiaries to the non-controlling interests | | (40.1) | - |
| Amounts received from financial debts | | 819.8 | 349.8 |
| Repayment of financial debts | | (131.5) | (98.0) |
| Net changes in treasury shares | | (0.2) | (10.0) |
| Other | | (15.0) | - |
| | | | |
| Effect of exchange rate fluctuations on funds held | | (0.8) | - |
| | | | |
| **Net increase (decrease) in cash and cash equivalents** | | **(122.4)** | **(71.5)** |
| | | | |
| Cash and cash equivalents at the beginning of the period | 7 | 685.8 | 604.8 |
| Cash and cash equivalents at the end of the period | 7 | 563.4 | 533.3 |

The consolidated cash flow statement for 2011 is altered significantly by the transaction on Imerys (see note 1.1.).

# Notes

## Accounting principles and seasonal aspect

The consolidated financial statements are drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union and the interpretations published by the International Financial Reporting Interpretations Committee of IASB (IFRIC).

The consolidated financial statements for the half-year ended 30 June 2011 are in conformity with IAS 34 – *Interim Financial Reporting*.

The accounting and calculation methods used in the interim financial statements are identical to those used in the annual financial report for 2010, apart from the change of accounting method for the treatment of actuarial differences on post-employment employee benefits (see below) and the introduction of the following standards and interpretations:

- Improvements to IFRS (May 2010);
- Amendments to IAS 24 – *Related party disclosures*;
- Amendments to IAS 32 – *Financial instruments: Presentation*;
- IFRIC 19 interpretation – *Extinguishing financial liabilities with equity instruments*; and
- Amendments to IFRIC 14 IAS 19 interpretation – *The limit on a defined benefit asset, minimum funding requirements and their interaction – Prepayments of minimum funding obligations.*

These amendments and new interpretation didn't have a major impact on the consolidated financial statements of GBL.

GBL and Imerys introduced in 2011 a change in accounting method for the treatment of actuarial differences on employee benefits. IAS 19 – *Employee Benefits* authorises the recording of actuarial differences on employee benefits either in profit and loss or in shareholders' equity (other comprehensive income). The revised standard published by the IASB in June 2011 and applicable in 2013 abolishes the profit and loss option. GBL and Imerys, which had used this option and applied it in accordance with corridor method, therefore decided in the framework of the existing standard to use immediate recording of all actuarial differences in shareholders' equity without subsequent reclassification in profit and loss. By choosing this option, Imerys improves the readability of assets and liabilities related to employee benefits through a significant reduction in off-balance sheet items and brings about a change in its accounting principles that is consistent with the choices of the IASB and of the majority of significant listed issuers. This change of accounting principles was applied retrospectively from 1 January 2009.
The impact on shareholders' equity is limited and the total amount on 31 December 2010 stood at EUR - 20 million.

Furthermore, the acquisition of a controlling stake in Imerys, detailed in note 1.1., has had the effect of obliging GBL to adopt new accounting methods that were not applicable by GBL in the past because they concern operating activities. The principal new accounting methods concern tangible assets and inventory. These accounting methods are described at length in the Imerys Annual Report dated 31 December 2010, which can be consulted on the company's website www.imerys.com.

As a result of its acquisition of a controlling stake in Imerys and its development of private equity activities, GBL changed the presentation of its financial statements in order to comply with the requirements of IAS 1 – *Presentation of financial statements*. From now on, the consolidated statement of comprehensive income will mention separately:

- items of *result arising from investing activities*, which will include the transactions of GBL and its subsidiaries of which the principal aim is the management of shareholdings. This includes the private equity activities such as the PAI Europe III and Sagard investment funds, the companies ECP I, ECP II and ECP III, as well as income from associated operating companies (Lafarge during the first half of 2011 and Imerys during the first quarter of 2011) and of non-consolidated operating companies (Total, GDF SUEZ, etc.); and
- items of *income from consolidated operating activities*, i.e. from consolidated operating companies (De Boeck and ELITech groups, as well as Imerys from 1 April 2011).

The presentation of the consolidated balance sheet and of the consolidated cash flow statement has been modified to take account of the changes that occurred in the group in 2011. The figures presented for comparison have also been reclassified in order to respect these new presentations.

The seasonal nature of the results is detailed in the outlook for the year 2011 as a whole.

## 1. Changes in group structure

### 1.1. IMERYS

On 8 April 2011, GBL group acquired from Pargesa an additional 25.6% stake in Imerys, raising its interest in this company from 30.7% to 56.3%. Consequently, Imerys was consolidated under the equity method until 31 March 2011 and fully consolidated from 1 April 2011.

This acquisition of a controlling stake corresponds to the definition of a business combination, in principle addressed by IFRS 3 – *Business combinations*, which imposes application of the "acquisition method" whereby Imerys' identifiable assets and liabilities should be revalued at their fair value on the date of acquisition in GBL's consolidated financial statements. Furthermore, under this method, the historical stake of 30.7% should also be revalued at its fair value, with a cross-entry in the income statement. Lastly, total goodwill generated on this transaction should be allocated to Imerys' identifiable assets and liabilities.

However, IFRS 3 excludes from its scope business combinations under common control, i.e. ultimately controlled by the same parties both before and after the business combination. Since no other IFRS provision specifically addresses this type of transaction, the accounting method adopted by GBL consists of treating it as an internal transaction within the group (i.e. Pargesa/GBL): consequently, revaluation is not mandatory and the assets and liabilities acquired are recorded by GBL at their book value as recorded by Imerys.

In practical terms:

- the 25.6% stake acquired was valued at Imerys' share of shareholders' equity on 1 April 2011 (i.e EUR 27.8/share). The difference between the price paid (EUR 56.2/share) and this share was recorded as a deduction from GBL's consolidated shareholders' equity for the amount of EUR 550 million; and
- the value of the 30.7% stake previously held was also aligned with Imerys' share of consolidated shareholders' equity as of 1 April 2011. Accordingly, the pre-existing goodwill on these shares for the amount of EUR 95 million was also recorded as a deduction from GBL's consolidated shareholders' equity.

No income is consequently recorded on the acquisition of the Imerys shares from Pargesa, contrary to what is stated in the press release of 21 March 2011.

This treatment presents a number of advantages. First, it enables GBL to include in its accounts Imerys' results as published by the company, without pre-consolidation adjustment, thus assuring the reliability and consistency of the information. It also assures swifter publication of GBL's accounts and spares the group having to carry out various calculations such as the revaluation of assets or liabilities or possible impairment tests, which Imerys is in the best position to carry out itself.

Imerys' assets and liabilities as well as the impact of the transaction break down as follows:

| In EUR million | 1 April 2011 |
|---|---|
| Non-current assets | 2,819.7 |
| *Including existing goodwill* | *922.7* |
| Current assets | 1,746.9 |
| Non-current liabilities | (1,431.6) |
| Current liabilities | (1,011.2) |
| Third party net assets | (25.8) |
| Net assets | 2,098.0 |
| Share of net assets (25.6%) | 537.5 |
| Differences (deducted from shareholders' equity) | 549.9 |
| Purchase price | |
| *Settled in cash* | *1,087.4* |
| *Deferred payment* | - |
| Cash and cash equivalents acquired | 551.1 |
| Net cash movement | 536.3 |

### 1.2. DE BOECK

Ergon Capital Partners III acquired, on 19 April 2011, De Boeck group ("De Boeck"), Belgian leader in the publication of school books as well as university, legal and business publications. This group operates at six sites in Belgium, Luxembourg and France. De Boeck is fully consolidated in GBL's accounts. GBL holds a 92% interest in De Boeck.

De Boeck's balance sheet on 31 March 2011 was used as the opening position.

The goodwill generated on the transaction amounted to EUR 14 million and the net cash movement transferred with the acquisition amounted to EUR 17 million. This acquisition was recorded provisionally, as authorised by IFRS 3. Consequently, adjustments will be made in the next balance sheet at the time of finalisation of the acquisition accounts.

## 2. Information by sector

IFRS 8 – *Operating segments* requires the identification of segments on the basis of internal reports presented regularly to the main operating decision-maker for decision-making related to the allocation of resources to the segments and the evaluation of its performance.

The acquisition of a controlling stake in Imerys detailed in the previous note and the development of private equity activities resulted in a change in the financial information presented and used by the group in 2011.

Consequently, since 2011 and in conformity with IFRS 8, the group has identified three segments:

**Holding**: this segment includes the parent company GBL and its subsidiaries whose main activity is the management of investments, as well as the non-consolidated or associated operating companies.

**Imerys** includes Imerys group, a French group listed on NYSE-Euronext Paris, which holds leading positions in each of its four business divisions: Minerals for Ceramics, Refractories, Abrasives & Foundry; Performance & Filtration Minerals; Pigments for Paper & Packaging and Materials & Monolithics.

**Private equity**: this segment comprises the private equity investment companies such as ECP I, ECP II and ECP III and its operating subsidiaries (sub-groups ELITech and De Boeck), as well as the PAI Europe III and Sagard I & II funds.

The results of a segment, its assets and liabilities include all elements directly attributable to it. The accounting standards applied to these segments are the same as those described in the note entitled "Accounting principles and seasonal aspect".

### 2.1. INFORMATION BY SECTOR ON THE CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2011

| In EUR million | Holding | Imerys | Private equity | Total |
|---|---|---|---|---|
| Net earnings from associated companies | 54.7 | 21.8 | (4.6) | 71.9 |
| Net dividends on investments | 278.0 | - | - | 278.0 |
| Other operating income and expenses related to investing activities | (12.5) | - | (1.9) | (14.4) |
| Earnings on disposals, impairments and reversals of non-current assets | - | - | 30.5 | 30.5 |
| Financial income and expenses from investing activities | 1.1 | - | 0.6 | 1.7 |
| **Result arising from investing activities** | **321.3** | **21.8** | **24.6** | **367.7** |
| Turnover | - | 924.7 | 39.0 | 963.7 |
| Raw materials and consumables | - | (319.2) | (9.6) | (328.8) |
| Personnel costs | - | (174.8) | (10.1) | (184.9) |
| Depreciation on intangible and tangible assets | - | (46.7) | (3.3) | (50.0) |
| Other operating income and expenses related to operating activities | - | (249.7) | (12.1) | (261.8) |
| Financial income and expenses from operating activities | - | (15.5) | (1.5) | (17.0) |
| **Result arising from consolidated operating activities** | **-** | **118.8** | **2.4** | **121.2** |
| **Taxes on the result** | **0.4** | **(34.0)** | **(1.2)** | **(34.8)** |
| Consolidated result of the period | 321.7 | 106.6 | 25.8 | 454.1 |
| **Attributable to the group** | **321.7** | **68.9** | **25.3** | **415.9** |

Since the acquisition of the 25.6% stake in Imerys in early April 2011, "the result arising from investing activities" corresponds to the use of the equity method for the stake in first quarter 2011. The rest of the column refers to Imerys' contribution of the second quarter through full consolidation.

### 2.2. INFORMATION BY SECTOR ON THE CONSOLIDATED BALANCE SHEET CLOSED ON 30 JUNE 2011

| In EUR million | Holding | Imerys | Private equity | Total |
|---|---|---|---|---|
| Total assets | 13,518.2 | 4,547.8 | 442.7 | **18,508.7** |

## 3. Associated companies

### 3.1. GROUP'S SHARE OF NET EARNINGS

| In EUR million | 30 June 2011 | 30 June 2010 |
|---|---|---|
| Lafarge | 54.7 | 82.8 |
| Imerys | 21.8 | 36.5 |
| ECP | (4.6) | 5.9 |
| **Group's share of net earnings from associated companies - investing activities** | **71.9** | **125.2** |

Lafarge registered earnings of EUR 260 million for the half-year ended 30 June 2011. Based on GBL's percentage of ownership, Lafarge contributed EUR 55 million compared with EUR 83 million in June 2010.

Imerys' consolidated net earnings of EUR 22 million as an associated company on 30 June 2011 correspond to GBL's share in this group's result for the first three months of 2011. Imerys contributed EUR 37 million to the half-yearly results of 2010.

ECP's contribution to results on 30 June 2011 amounted to EUR - 5 million, compared with EUR 6 million at end June 2010.

### 3.2. SHARE IN SHAREHOLDERS' EQUITY

| In EUR million | Lafarge | Imerys | ECP | Other | Total |
|---|---|---|---|---|---|
| **At 31 December 2010** | **4,052.8** | **742.1** | **106.5** | **0.0** | **4,901.4** |
| | | | | | |
| Investments/(disposals) | - | - | 1.0 | (1.9) | (0.9) |
| Result of the period | 54.7 | 21.8 | (4.6) | 1.3 | 73.2 |
| Distribution | (60.5) | - | - | (0.4) | (60.9) |
| Change in group structure | - | - | - | 77.1 | 77.1 |
| Differences on translation | (234.9) | (26.2) | - | - | (261.1) |
| Change in revaluation reserves/hedging | (1.1) | 1.3 | - | - | 0.2 |
| Change in the consolidation method | - | (739.3) | - | - | (739.3) |
| Other movements | (1.1) | 0.3 | - | - | (0.8) |
| | | | | | |
| **At 30 June 2011** | **3,809.9** | **0.0** | **102.9** | **76.1** | **3,988.9** |

On 30 June 2011, the stock market value of the interest in Lafarge amounted to EUR 2,650 million (compared with EUR 2,830 million on 31 December 2010). As was the case on 31 December 2010, a review of the calculation of Lafarge's valuation did not bring about any changes in value on 30 June 2011.

The acquisition of a controlling stake in Imerys and the change in consolidation method are detailed in note 1.1.

The "Other" column concerns the associated companies of Imerys and ELITech.

## 4. Total, GDF SUEZ, Suez Environnement, Pernod Ricard, Iberdrola, Arkema and other available-for-sale investments

### 4.1. NET DIVIDENDS ON INVESTMENTS

| In EUR million | 30 June 2011 | 30 June 2010 |
|---|---|---|
| Total | 149.2 | 101.8 |
| GDF SUEZ | 78.5 | 78.5 |
| Suez Environnement | 22.8 | 22.8 |
| Pernod Ricard | 17.5 | 15.8 |
| Iberdrola | 5.8 | 6.2 |
| Arkema | 3.8 | 1.4 |
| Other | 0.4 | 0.3 |
| **Total** | **278.0** | **226.8** |

Net dividends on investments in the first half of the year showed an increase of EUR 51 million compared with 2010. This result stems from the combined effects of:

- Total's 2011 interim dividend. This payout was decided by Total's Board of Directors on 28 April 2011 in accordance with its new policy of distribution of a quarterly dividend. This dividend of EUR 0.57 per share represents EUR 46 million for GBL and will be paid on 22 September; and
- a slight increase in the contribution of Pernod Ricard.

### 4.2. FAIR VALUE AND VARIATION

Investments in listed companies are valued on the basis of closing share prices.

Investments held by the "Funds", including PAI Europe III, Sagard I and Sagard II, are revalued at their fair value by the fund managers.

| In EUR million | 31 December 2010 | Acquisitions/ (Disposals) | Change in group structure | Change in revaluation reserves | Funds earnings/ Other | 30 June 2011 |
|---|---|---|---|---|---|---|
| Total | 3,724.8 | - | - | (24.1) | 45.5 | 3,746.2 |
| GDF SUEZ | 3,146.3 | - | - | (189.2) | - | 2,957.1 |
| Suez Environnement | 540.8 | - | - | (59.4) | - | 481.4 |
| Pernod Ricard | 1,835.9 | - | - | (79.8) | 17.5 | 1,773.6 |
| Iberdrola | 181.3 | - | - | 5.8 | 5.8 | 192.9 |
| Arkema | 166.3 | 35.7 | - | 65.2 | - | 267.2 |
| Funds | 73.1 | (22.5) | - | (13.0) | 28.5 | 66.1 |
| Other | 2.4 | 1.0 | 4.6 | 0.1 | 0.1 | 8.2 |
| **Fair value** | **9,670.9** | **14.2** | **4.6** | **(294.4)** | **97.4** | **9,492.7** |

### 4.3. EARNINGS ON DISPOSALS, IMPAIRMENTS AND REVERSALS OF NON-CURRENT ASSETS

| In EUR million | 30 June 2011 | 30 June 2010 |
|---|---|---|
| Impairments on investments available-for-sale | - | (20.4) |
| Private equity | 30.5 | - |
| Other | - | - |
| **Total** | **30.5** | **(20.4)** |

Earnings on disposals, impairments and reversals of non-current assets mainly include the capital gains realized (EUR 29 million) on the disposal of various assets by PAI Europe III and Sagard.

Pursuant to IFRS rules, an additional charge of EUR 20 million was recorded in 2010 on Iberdrola in order to match the share price on 30 June 2010.

## 5. Other operating income and expenses

| In EUR million | 30 June 2011 | 30 June 2010 |
|---|---|---|
| Other operating income | 0.2 | 0.2 |
| Other operating expenses | (14.6) | (13.6) |
| **Other operating income and expenses related to investing activities** | **(14.4)** | **(13.4)** |
| | | |
| Other operating income | 11.9 | - |
| Services and other goods | (246.5) | - |
| Other operating expenses | (27.2) | - |
| **Other operating income and expenses related to consolidated operating activities** | **(261.8)** | **-** |

## 6. Financial result

| In EUR million | 30 June 2011 | 30 June 2010 |
|---|---|---|
| Interest income on net cash and non-current assets | 4.7 | 1.5 |
| Interest expenses on financial debts | (14.4) | (8.3) |
| Results on trading securities and derivatives | 14.9 | (14.2) |
| Other financial expenses | (3.5) | (1.1) |
| **Financial income and expenses from investing activities** | **1.7** | **(22.1)** |
| | | |
| Interest income on net cash and non-current assets | 1.5 | - |
| Interest expenses on financial debts | (17.0) | - |
| Results on trading securities and derivatives | (0.4) | - |
| Other financial expenses | (1.1) | - |
| **Financial income and expenses from consolidated operating activities** | **(17.0)** | **-** |

Interest income and expenses related to investing activities totalled EUR - 10 million (compared with EUR - 7 million in 2010). This variation resulted from the half-yearly expense in 2011 tied to the 2017 bond issue (EUR 350 million) finalised in late June 2010 and the cost of financing the acquisition in 2011 of Imerys shares in the amount of more than EUR 1 billion.

Earnings of EUR 15 million on trading securities and derivatives stemmed mainly from the reversal of the interest rate swap (EUR 4 million), mark-to-market on options (EUR 3 million) and the collection of premiums on call and put (EUR 6 million). Call and put unmatured on 30 June 2011 respectively concern nominal amounts of EUR 70 million and EUR 210 million. The result of EUR - 14 million for the same period last year mainly reflected the impact of the interest rate swap and of derivatives positions on 30 June 2010.

Financial income and expenses on consolidated operating activities resulted essentially from interest expenses in the second quarter on Imerys' debt, for an amount of EUR 15 million.

## 7. Cash and debt

### 7.1. CASH AND CASH EQUIVALENTS

| In EUR million | 30 June 2011 | 31 December 2010 |
|---|---|---|
| Bonds and commercial papers (corporate, state) | - | 149.8 |
| Deposits | 31.9 | 257.1 |
| Current accounts | 531.5 | 278.9 |
| **Total** | **563.4** | **685.8** |

The decrease in cash and cash equivalents resulted mainly from a dual impact: the inclusion of Imerys' cash position, consolidated for the first time on 30 June 2011, offset by the decrease in the cash position of GBL and its Holding subsidiaries following the acquisition of a further 25.6% stake in Imerys.

### 7.2. DEBT

| In EUR million | 30 June 2011 | 31 December 2010 |
|---|---|---|
| **Non-current financial debts** | **1,454.1** | **680.8** |
| Exchangeable loans (GBL) – maturity in 2012 | - | 270.4 |
| Retail bond (GBL) – maturity in 2017 | 349.9 | 349.9 |
| Retail bond (Imerys) – maturity from 2013 to 2033 | 988.7 | - |
| Other non-current financial debts | 115.5 | 60.5 |
| | | |
| **Current financial debts** | **1,381.2** | **7.0** |
| Bank debts (GBL) | 750.0 | - |
| Exchangeable loans (GBL) – maturity in 2012 | 232.5 | - |
| Bank debts (Imerys) | 372.7 | - |
| Other current financial debts | 26.0 | 7.0 |

The increase in the group's debt results from the financing of GBL's acquisition of Imerys and the first-ever inclusion of Imerys' debt on 30 June 2011.

GBL's bank debts of EUR 750 million consist in short-term drawing on guaranteed credit lines from banks (secured by portfolio's securities).
The unused credit lines amount to EUR 1,050 million at 30 June 2011.

## 8. Shareholders' equity

### 8.1. REVALUATION RESERVES

These reserves include changes in the fair value of available-for-sale investments and the reserves of companies consolidated using the equity method. The "Other" heading covers GBL's share in the changes in revaluation reserves of associated companies (Lafarge for first half of 2011 and Imerys).

| In EUR million | Total | GDF SUEZ | Suez Environ-nement | Pernod Ricard | Iber-drola | Arkema | Funds | Other | Total |
|---|---|---|---|---|---|---|---|---|---|
| **At 31 December 2010** | **1,599.6** | **562.9** | **195.1** | **756.5** | **35.7** | **110.4** | **17.5** | **(82.2)** | **3,195.5** |
| Change in fair value | (24.1) | (189.2) | (59.4) | (79.8) | 5.8 | 65.2 | 0.2 | (1.0) | (282.3) |
| Transfer to result (disposal/impairment) | - | - | - | - | - | - | (13.2) | - | (13.2) |
| **At 30 June 2011** | **1,575.5** | **373.7** | **135.7** | **676.7** | **41.5** | **175.6** | **4.5** | **(83.2)** | **2,900.0** |

### 8.2. RESULT PER SHARE

#### Consolidated result of the period (group's share)

| In EUR million | 30 June 2011 | 30 June 2010 |
|---|---|---|
| Basic | 415.9 | 296.7 |
| Diluted | 421.2 | 304.6 |

#### Number of shares

| In million shares | 30 June 2011 | 30 June 2010 |
|---|---|---|
| **Outstanding shares** | **161.4** | **161.4** |
| Treasury shares at start of the year | (6.1) | (6.1) |
| Weighted changes during the period | - | (0.1) |
| **Weighted average number of shares used to determine basic result per share** | **155.3** | **155.2** |
| Influence of the financial instruments with diluting effect: | | |
| Exchangeable bonds 2012 | 5.1 | 5.1 |
| Buyback of exchangeable bonds | (2.3) | (1.1) |
| Stock options (in the money) | 0.2 | 0.2 |
| **Weighted average number of shares used to determine diluted result per share** | **158.3** | **159.4** |

During the first half of 2011, 187,093 stock options were issued to Executive Management and employees. Beneficiaries will have definitive entitlement to the options, which are valid for 10 years, three years after the date of the offer. The exercise price has been set at EUR 65.04 per option.

#### Summary of earnings per share

| In EUR | 30 June 2011 | 30 June 2010 |
|---|---|---|
| Basic | 2.68 | 1.91 |
| Diluted | 2.66 | 1.91 |

## 9. Subsequent events

The main suspensive conditions being lifted, Imerys is set to acquire 100% of Talc de Luzenac from Rio Tinto on 1 August. This transaction is described in the first part of this statement on page 4.

In early July, GBL renewed its drawings on credit lines (EUR 750 million) with one-year and three-year maturities.

## 10. Statutory Auditor's report on the half-yearly information

We have performed a limited review of the accompanying consolidated balance sheet, statement of comprehensive income, statement of changes in equity and selective notes 1 to 9 (jointly the "interim financial information") of Groupe Bruxelles Lambert SA ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2011. The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34 "*Interim Financial Reporting*" as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Intituut van de Bedrijfsrevisoren". A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2011 is not prepared, in all material aspects, in accordance with IAS 34 "Interim Financial Reporting" as adopted by the E.U.

Diegem, 29 July 2011

The Statutory Auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Michel Denayer

## 11. Declaration by management

Baron Albert Frère, Gérald Frère and Thierry de Rudder, making up the Executive Management, and Chief Financial Officer Patrick De Vos certify in the name and on behalf of GBL, that to the best of their knowledge:

- the condensed consolidated financial statements for the half-year ended 30 June 2011 were prepared in accordance with IFRS rules and gives a fair and true view of the assets, financial position and results of GBL and of its consolidated companies [1];
- the half-yearly financial report contains a true picture of the evolution of GBL's activities, results and position, and of its consolidated companies, as well as a description of the main risks and uncertainties with which they are confronted.

(1) The "consolidated companies" include GBL's subsidiaries within the meaning of Article 6 of the Code of Companies and Associations

# Evolution of investments during the first half of 2011

## Total (28.1% of adjusted net assets)
**www.total.com**

The oil and gas industry benefited in the first half of 2011 from a generally favourable market environment, characterised by steady global demand as well as by enduring geopolitical troubles that contributing to push up the price of hydrocarbons. Compared with the first half of 2010, the average prices of crude oil (+ 40%) and gas (+ 29%) rose considerably, with Total registering an increase of 34% in the average sale price of its hydrocarbons. Downstream in the oil chain, the ERMI refining margin indicator, by contrast, fell by 33%, although the environment for Petrochemicals and Specialty Chemicals remained generally favourable.

Given this context, in the first half of 2011, the company achieved an adjusted net income of EUR 5.9 billion, up by 12% compared with its value on 30 June 2010 (EUR 5.3 billion). Expressed in dollars per share, the adjusted net income is 18% higher than it was in the first half of 2010, reflecting the unfavourable change in the euro-dollar parity. The profitability of the oil company, calculated over the last twelve months, reached 15.8% at the end of June 2011. The debt ratio on 30 June 2011 stood at around 24%, with the group having recorded a negative net cash flow of EUR 0.5 billion over the course of the half-year (compared with EUR + 5.0 billion a year earlier), a figure that includes in particular the significant amount for acquisitions finalized this semester in line with the continued development of the group's portfolio.

These results were due to a 2% fall in the company's hydrocarbon production, from one half-year to the next, linked essentially to a natural decline in production and to security conditions (stoppage of production in Libya). The volumes of oil refined slipped by 6% as a result of maintenance work and in some cases of planned stoppages.

The group is counting on stable production in 2011 and growth in 2012, taking into account in particular the entry into production of Pazflor in Angola in the fourth quarter. In the next few months, Total intends to finalise its current acquisitions and disposals across all its sectors, confirming the strategy of redeployment of its activities while maintaining the solidity of its balance sheet.

Confident in its future prospects and in accordance with the change in the frequency of dividend payments, Total will pay quarterly advances in September and December of EUR 0.57 per share on each occasion, corresponding to the same level of the half-yearly advance paid for the 2010 financial year.

## GDF SUEZ (21.2% of adjusted net assets)
**www.gdfsuez.com**

In the first half-year, GDF SUEZ achieved results showing overall growth, although the market context continued to be difficult because of exceptionally hot climate conditions on its domestic markets, and the persistence of the decorrelation of oil and gas in an environment where prices remained uncertain and volatile.

In this context, GDF SUEZ registered a turnover of EUR 45.7 billion in the first half of 2011, up by 7.9% over its level on 30 June 2010 (EUR 42.3 billion). In the same period, the EBITDA rose to EUR 8.9 billion, a gross increase of 8.2%. This upward trend can be attributed principally to the contribution of International Power since February 2011, the impact of the launch of new activities in all business lines of the group, and to the performance of the exploration and production activities, of LNG and of energy and environmental services. Notwithstanding the climatic impact, all business lines contributed to the growth of the EBITDA over the period.

The net income, group's share, stood at EUR 2.7 billion, down from the amount on 30 June 2010, which was marked by a certain number of exceptional elements relating to disposals or revaluations of assets.

As at 30 June 2011, the net debt was down by EUR 2.1 billion compared with its pro forma level at the end of 2010, amounting to EUR 40.7 billion, which represents a net debt/EBITDA ratio that is less than 2.5, in accordance with the objective that had been predicted for 2011. This amount does not yet take into account certain disposals announced under the terms of the programme to optimise the activity portfolio (EUR 10 billion expected over 3 years), namely among others the sale of 25% of GRTgaz to the CDC/CNP consortium, the acquisition of minority shareholdings in CIC in exploration and production, the sale of stakes in G6 Rete Gas, Atlantic LNG and the Eglin-Franklin fields.

These performances enabled the group to confirm the announced objective of an EBITDA between EUR 17 and 17.5 billion for 2011, before the unfavourable impact of the climate in the first half-year and the tariff risk in France.

Moreover, GDF SUEZ is maintaining its dividend policy, and on 15 November 2011 will pay an advance on the dividend of EUR 0.83 per share for the 2011 financial year, an amount equal to that paid a year ago.

## Lafarge (18.3% of adjusted net assets)
**www.lafarge.com**

The first six months of 2011 featured a sustained increase in volumes on most emerging markets, contrasting trends on developed markets and sharp cost inflation that cut into earnings.

Consolidated turnover for the half-year, amounting to EUR 8.0 billion, rose steadily at comparable group structure and exchange rates of 3%.

The volumes are improving in all segments thanks largely to the sustained dynamism of the emerging markets. The prices are moving in the right direction in the concrete, aggregates and gypsum segments, while cement, although upwards by comparison to the prices in the fourth quarter of 2010, has suffered a slight decrease when compared to the first half of 2010.

Over the same period, current operating income dropped from EUR 1.1 billion to EUR 0.9 billion (decrease of 14% and 15% at comparable group structure and exchange rates) and the higher volumes and cost-cutting measures only partially offset the impact of high cost inflation.

Net earnings, group's share, amounted to EUR 0.3 billion compared with EUR 0.4 billion for the first half of 2010, a period during which Lafarge realized an exceptional capital gain on the disposal of Cimpor shares.

Moreover, the group has actively been working to implement measures aimed at reducing its net debt by EUR 2 billion between now and the end of 2011, by pursuing its plan to reduce costs by EUR 200 million in 2011, through the disposal of some assets in the United Sates and the planned sale of its gypsum operations in Europe, Latin America and Australia.

## Imerys (15.2% of adjusted net assets)
**www.imerys.fr**

During the first half of 2011, Imerys registered a significant upswing in its results and operating performance. The continued improvement is due to the good performance of all of the company's end markets (apart from the construction sector in the United States), although the firm had benefited from restocking by some of its clients during the same period in the previous year. The half-year had moreover been marked by high volatility of currencies and pressure on energy costs and raw materials.

As at 30 June 2011, the turnover of EUR 1.8 billion had grown globally by 11.4% (+ 12.2% at comparable group structure and exchange rates) as compared with mid 2010. All branches and geographical regions contributed to the growth. In the same period, the current operating income of EUR 0.3 billion rose by 20.8%. The level of activities benefited both from the increase in volumes and from an improvement in the price/mix effect. At 14.0%, the group's operating margin gained 1.1 point, exceeding its pre-crisis level in spite of lower volumes. The net income, group's share, rose by 28.5% to EUR 0.2 billion, and is equal to the current net income, group's share, for the period. The net financial debt remained below EUR 0.9 billion on 30 June 2011, kept down by the substantial cash flows generated during the period. For 2011, the group believes it will be able to keep growth in current net income above 20%, notwithstanding a more uncertain market situation in the second half-year.

In addition, Imerys recently completed its acquisition, from Rio Tinto, of 100% of the Talc de Luzenac group, which is the world leader in the transformation of talc, with a global market share of around 15%. This acquisition for an enterprise value of EUR 0.2 billion will be paid in cash and will be incorporated into the Performance & Filtration Minerals branch as from 1 August 2011.

## Pernod Ricard (13.8% of adjusted net assets)
**www.pernod-ricard.com**

Pernod Ricard's financial year ends on 30 June and it will present its results and its turnover for the fourth quarter on 1 September 2011.

In the first six months (July – December 2010), Pernod Ricard has a turnover of EUR 4.3 billion, up by 13% (internal growth of 7%) and a current operating income of EUR 1.2 billion, an increase of 14% (internal growth of 7%). Business activity benefited from the good performance of the strategic brands of the Top 14 and from "premiumisation", with strong growth in the Asia/Rest of the world region (internal growth in turnover of 17%). Advertising and promotional expenditures were also stepped up, representing 17.9% of the turnover in the first half-year.

In the third quarter, the turnover reached EUR 1.6 billion, i.e. a current internal rise of 5% over the 2009/2010 financial year. Over a nine-month period, there was a growth of 11% (internal growth of 7%) to reach EUR 5.9 billion, due to the strong growth of the new economies, the continued recovery in the United States and the improving situation in Europe.

When the turnover for the third quarter was published, the group's senior management reiterated its twofold objective: internal growth close to + 7% in the current operating income for 2010/2011 and a net debt/EBITDA ratio near 4.0x on 30 June 2012.

## Suez Environnement (3.5% of adjusted net assets)
**www.suez-environnement.com**

In the first half of 2011, Suez Environnement posted improved results supported by a sales dynamic in both the Water and the Waste Treatment businesses, as well as by the development as by its International activities.

The turnover in the first half-year 2011 amounted to EUR 7.4 billion, up 11.8% since 30 June 2010. During the same period, the gross operating income (GOI) rose by 18.3% to EUR 1.2 billion, due mainly to the integration of Agbar into the Water segment, and the increase in the volume of Waste treated. The operating margin (GOI compared with the turnover) grew in the first six months of 2011 (16.7% as compared to 15.8% on 30 June 2010), thanks largely to the ongoing efforts at cost-cuttings.

The net income, group's share, stood at EUR 0.2 billion, down from its level in mid-2010 (EUR 0.4 billion), which was positively impacted by capital gains.

The net financial debt of EUR 7.6 billion on 30 June 2011 is stable compared to that on 31 December 2010.

Looking ahead to 2013, Suez Environnement confirms its annual objectives of growth in profitability and in the dividend. The company expects an average annual growth rate in turnover, at constant exchange rates, of more than 5% and in the gross operating income of at least 7%, excluding the additional group structure effect in 2011 with the acquisition of Agbar. The dividend is expected to rise by around 5% per year.

For 2011, the net income, group's share, should be higher than EUR 0.4 billion.

## Iberdrola (1.4% of adjusted net assets)
**www.iberdrola.es**

Iberdrola registered a rise in its operating income in the first half of 2011, despite uncertainties in the price of commodities and in the level of demand for certain activities.

The EBITDA and the EBIT thus improved from one half-year to the next by 4% and 5% respectively, to EUR 4.0 billion and EUR 2.6 billion. This result was due to improvements in the group operating efficiency and the good performance of the regulated and renewable activities, while the liberalised activities (particularly in the United Kingdom) suffered a fall in production of electricity and pressure on margins.

Net income, group's share, came to EUR 1.6 billion in mid-2011, up by 7% over its level on 30 June 2010. It benefited from the marked decrease in financial expenses but was, on the other hand, affected by the fall in non-current elements. The recurring net profit rose by 9% to EUR 1.4 billion.

The net financial debt on 30 June 2011 was EUR 29.3 billion. This amount reflects the favourable effect of the partial securitisation of the tariff deficit, and represents a ratio to shareholders' equity of 91%.

In the course of the half-year, Iberdrola continued to develop its franchises, particularly at the international level, by finalising the acquisitions of the Elektro company in Brazil and of the minority shareholdings in Iberdrola Renovables.

Overall, the company confirmed that it oversees a growth in the EBITDA and in current net income of between 5% and 9% for 2011 and 2012.

## Arkema (2.0% of adjusted net assets)
**www.arkema.com**

In the first half of 2011, Arkema saw a significant improvement in its operating results. The chemical group benefited from the increased sales price of a majority of its product lines and a stronger investment in Specialty Chemistry. It takes advantage of the benefits of its new developments, particularly in China.

As at 30 June 2011, the turnover was up by 20% compared with the first half of 2010, totalling EUR 3.5 billion. In the same period, the EBITDA grew by 61% to EUR 0.6 billion, registering a mark-up ratio on turnover of 17.3% for the half-year, representing a marked increase over mid-2010 (13.0%). The net income, group's share, of EUR 0.3 billion is more than double its level on 30 June 2010. The net debt as at 30 June 2011 is EUR 0.3 billion; the ratio of debt to shareholders' equity is 10.7%.

In the second half-year, Arkema will continue to implement its numerous internal projects, including, in particular, the integration of Total's speciality resins; the acquisition of the latter, for an enterprise value of EUR 0.6 billion, was finalised on 1 July 2011.

Extrapolating from the performance achieved in the first half-year, the company expects a rise in annual EBITDA of around 30%, which would exceed the amount of EUR 1.0 billion.

## Private equity (2.0% of adjusted net assets)

GBL has committed to investing EUR 240 million in the funds Sagard Private Equity Partners, Sagard Private Equity Partners II and PAI Europe III. This commitment dates back to the creation of each of these funds, between 2001 and 2006. On 30 June 2011, GBL paid up a total of EUR 158 million and received dividends of EUR 188 million from these funds.

In 2005/2006, GBL invested some 43% in Ergon Capital Partners and subsequently in Ergon Capital Partners II, Belgian private equity companies with total investment capacity of EUR 425 million. Ergon Capital Partners III was created in 2010 and has a financial capacity of EUR 350 million. GBL has already released EUR 230 million for the Ergon funds.

In the first half of 2011, the private equity division contributed EUR 25 million to GBL's results following the disposal of various investments by the PAI/Sagard funds.

## For further information

Groupe Bruxelles Lambert
Avenue Marnix 24 – B-1000 Brussels
RPM: Brussels
VAT: BE 407 040 209
ING: 310-0065552-66
IBAN: BE 07 3100 0655 5266
BIC: BBRUBEBB
Website: http://www.gbl.be

For more information about GBL, please contact:
Carine Dumasy – Tel.: +32-2-289.17.17 – Fax: +32-2-289.17.37
e-mail: cdumasy@gbl.be

Dit halfjaarlijks financieel verslag is ook verkrijgbaar in het Nederlands
Ce rapport financier semestriel est également disponible en français

Design and production: www.landmarks.be
Photography: Total: Total Document © Laurent Zylberman
GDF SUEZ: © Philippe Dureuil
Lafarge: © Médiathèque Lafarge - Ignus Gerber
Pernod Ricard: © Strathisla Distillery - Keith
Imerys: © Gernot Gleiss
Suez Environnement: © Pierre-Emmanuel Rastoi