GBL

5 March 2013 - After 17.45
Regulated information

Results for the year ended 31 December 2012

- **Higher profit and resilient cash earnings**
- **2% rise in the proposed dividend to EUR 2.65 (4.4% yield at end 2012)**
- **Financial position strengthened by more than EUR 1 billion**
- **15% increase in adjusted net assets to EUR 13.2 billion, putting the share price at a 27% discount**

Key financial data

(At end December 2012)	EUR million		Change	EUR per share (5)	
	2012	2011	2012/2011	2012	2011
Net earnings, group's share (1)	**276**	**75**	**X 3.7**	**1.78**	**0.48**
Cash earnings	**489**	**522**	**- 6.3 %**	**3.03**	**3.24**
Dividend 2012 (2)	**428**	**420**	**+ 1.9 %**	**2.65**	**2.60**
Adjusted net assets	**13,247**	**11,561**	**+ 14.6 %**	**82.10**	**71.65**
Market Capitalisation	**9,704**	**8,312**	**+ 16.7 %**	**60.14**	**51.51**
Cash/(net debt) (3)	**339**	**-694**	**+ EUR 1,033 Mio**		
Financial liquidity (4)	**2,282**	**1,150**	**+ EUR 1,132 Mio**		

The Board of Directors, meeting on 5 March 2013 under the chairmanship of Gérald Frère, approved GBL's IFRS consolidated financial statements for the financial year ended 31 December 2012.

The Auditor, Deloitte Reviseurs d'Entreprises, has issued an unqualified audit opinion of these financial statements. They will be submitted for approval to the Ordinary General Meeting of 23 April 2013, which will also vote on the payment of a EUR 2.65 gross dividend per share for 2012, representing a 1.9 % increase over the previous year.

GBL's Executive Management – made up of Albert Frère (CEO), Ian Gallienne and Gérard Lamarche (Managing Directors) – commented on the results as follows:
"In a still volatile environment, in 2012 GBL reported a solid performance and good results that absorbed the impact of the GDF SUEZ shares' impairment on its financial statements. Net assets gained 15% to EUR 13.2 billion and the consolidated profit of EUR 276 million was an improvement on 2011. Cash earnings continued their resilience and were high enough for the Board of Directors to propose a further increase in the gross unit dividend to the General Meeting.

Throughout the year the Group has also strived to strengthen its financial position by completing top ranking financial transactions worth nearly EUR 2.4 billion, including a EUR 1.0 billion issue at the start of 2013 of bonds exchangeable into GDF SUEZ shares representing a 2.3% interest therein.

These transactions account for more than 15% of the portfolio's value and offer the Group greater financial and strategic flexibility, which may be used to seize portfolio diversification opportunities" .

(1) After the inclusion in 2012 of EUR 774 million of impairment losses on securities and EUR 471 million of gains on disposals (net negative impact of EUR 639 million in 2011)
(2) Subject to approval by the Ordinary General Meeting on 23 April 2013
(3) Including the mark to market value of treasury shares (EUR 366 million at the end of 2012)
(4) Undrawn credit lines and cash
(5) The calculation per share is based on the number of shares issued and outstanding at 31 December (161.4 million), except for basic earnings per share, which refers, in accordance with IFRS, to the weighted average number of ordinary shares (155.3 million in 2012)

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

1.1 Highlights

In 2012, GBL completed various transactions, including:

- On 13 March, the sale of the whole of its 10.0% stake in **Arkema** for EUR 433 million, generating a consolidated net gain of EUR 221 million, which is a little over twice the initial investment;
- On 14 March, the sale of a 2.3% interest in **Pernod Ricard** (6.2 million shares) for EUR 499 million, generating a consolidated net gain of EUR 240 million. Following this transaction, GBL retains a 7.5 % interest in Pernod Ricard and remains committed over the long term to supporting the company's development.
- In April, the reimbursement of the EUR 184 million balance of the **bond convertible** into GBL shares and, at year-end, of a EUR 250 million long-term drawdown on a **bank credit line**, incurring the payment of an early repayment penalty of EUR 17 million;
- On 7 September, the issuing of a 3-year bond exchangeable into **Suez Environnement** shares with a 0.125% coupon and a 20% premium. This issue covers almost all of the shares held by GBL, i.e. 35 million Suez Environnement shares representing a 6.9% interest;
- Over the year, EUR 28 million were released to fund investments in the private equity funds Ergon Capital Partners and Sagard. EUR 2 million of dividends were also collected following the disposal of an investment in PAI Europe III.

1.2 Financial position

The portfolio transactions carried out in 2012 have allowed GBL to optimise its financial flexibility and to return to a positive net cash position by reducing its debt by more than EUR 1 billion. At the end of 2012, the GBL group's **net cash position** stood at EUR 339[(1)] million (net financial liabilities of EUR 694 million at the end of 2011).

This amounts breaks down into:

- **cash and cash equivalents** of EUR 1,690 million, including EUR 366 million from the valuation at the share price (EUR 60.14) of the 3.8% of treasury shares and;
- **gross financial liabilities** of EUR 1,351 million consisting of a EUR 350 million bond, bank loan outstandings of EUR 600 million and the EUR 401 million issue of bonds exchangeable into Suez Environnement shares in September 2012.

The maturity of the gross financial liabilities was maintained over the year, with an average weighted maturity of 3 years at end 2012. No debt repayments fall due before 2014.

GBL also had **undrawn confirmed credit lines** of EUR 1,200 million. This amount does not include the Company's private equity commitments, which totalled EUR 300 million at the end of December 2012.

Note that it also does not include the issuing on 24 January 2013 of a bond exchangeable into GDF SUEZ shares with a face value of EUR 1.0 billion (described in section 5. Events after the reporting period).

[(1)] Including EUR 106 million of trading securities (0.2% from GDF SUEZ and 0.3% from Suez Environnement), which correspond to the share dividends received over the past few years that have not been monetised.

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1.3 GBL's adjusted net assets

At 31 December 2012, GBL's adjusted net assets amounted to EUR 13.2 billion (EUR 82.10 per share) compared to EUR 11.6 billion (EUR 71.65 per share) at the end of 2011. This represents a year-on-year increase of 14.6% or EUR 1.7 billion (EUR 10.45 per share). Relative to the share price of EUR 60.14, the discount to the adjusted net assets on that date was 26.7%, falling slightly versus the end of 2011.

	31 December 2012			**31 December 2011**	
	Portfolio % in capital [1]	Share price (EUR)	(EUR million)	Share price (EUR)	(EUR million)
Total	*4.0*	39.01	3,665	39,50	3,711
Lafarge	*21.0*	48.23	2,909	27,16	1,638
Imerys	*56.9*	48.19	2,065	35,59	1,525
GDF SUEZ	*5.1*	15.58	1,825	21,12	2,475
Pernod Ricard	*7.5*	87.44	1,739	71,66	1,870
Suez Environnement	*7.2*	9.11	319	8,90	311
Iberdrola	*0.2*	4.20	57	4,84	69
Arkema	-		-	54,70	339
Private equity and other	-	-	328	-	317
Portfolio			**12,908**		**12,255**
Cash/net debt/ trading/treasury shares			339		(694)
Adjusted net assets (global)			**13,247**		**11,561**
Adjusted net assets (EUR p.s.) [2]			**82.10**		**71.65**
Share price (EUR p.s.)			**60.14**		**51.51**
Discount			**26.7%**		**28.1%**

At March, 1 2013, the adjusted net assets per share totalled EUR 84.45, an increase of 2.9 % on its level at 31 December 2012, reflecting a share price at a current 27.8% discount (EUR 61.00).

[1] The ownership percentages reported by GDF SUEZ and Suez Environnement include Cash investments (0.2% for GDF SUEZ and 0.3% for Suez Environnement respectively) and recognised under Cash/Net financial liabilities/Trading/Treasury shares.
[2] Based on 161,358,287 shares

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2. Consolidated results (economic presentation)

Group consolidated profit for the year ended 31 December 2012 stood at EUR 276 million, versus EUR 75 million in financial 2011.

This amount includes:
- net gains on disposals (Arkema, Pernod Ricard, etc.) totalling EUR 471 million and
- impairment losses of EUR 774 million recognised in accordance with IFRS, mostly relating to the investment in GDF SUEZ. These purely accounting-driven impairment losses have no impact on GBL's cash earnings or adjusted net assets.

Excluding net gains on disposals, impairment losses and reversals of impairment losses on non-current assets, the **(adjusted) profit** would amount to EUR 600 million, versus EUR 680 million for the same period in 2011.

The decline in the (adjusted) profit is mainly due to the lower contribution from Lafarge and from private equity (EUR - 50 million) and the negative impact of the change in Total's quarterly dividend policy (EUR - 44 million) between 2012 and 2011, which are partly offset by the increase in Imerys's dividends (EUR 29 million).

EUR million Group's share	**31 décember 2012**					***31 décember 2011***
	Cash earnings	**Mark to market and other non-cash**	**Operating companies (associated or consolidated) and private equity**	**Eliminations, capital gains, impairments and reversals**	**Consolida-ted**	***Consolidated***
Net earnings from consolidated associated and operating companies	-	-	237.0	-	**237.0**	**255.7**
Net dividends on investments	529.3	1.6	-	(94.5)	**436.4**	**500.3**
Interest income and expenses	(26.1)	(2.5)	(1.7)	-	**(30.3)**	**(30.2)**
Other financial income and expenses	7.1	(23.4)	-	-	**(16.3)**	**(13.6)**
Other operating income and expenses	(21.0)	(0.6)	(5.6)	-	**(27.2)**	**(33.1)**
Earnings on disposals, impairments and reversals from non-current assets	-	-	(21,4)	(302.5)	**(323.9)**	**(604.8)**
Taxes	-	0,2	-	-	**0.2**	**0.7**
IFRS consolidated result (2012)	***489.3***	***(24.7)***	***208.3***	***(397.0)***	***275.9***	
IFRS consolidated result (2011)	***522.3***	***18.9***	***284.4***	***(750.6)***		***75.0***

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2.1. Cash earnings (EUR 489 million compared to EUR 522 million)

EUR million	31 December 2012	31 December 2011
Net dividends on investments	**529.3**	**566.5**
Total	199.0	206.3
GDF SUEZ	175.8	175.8
Lafarge	30.2	60.5
Imerys	64.3	51.1
Pernod Ricard	31.4	37.6
Suez Environnement	22.8	22.8
Iberdrola	4.6	7.9
Arkema	-	3.8
Other	1.2	0.7
Interest income and expenses	**(26.1)**	**(27.0)**
Other income and expenses :		
• **financial**	**7.1**	**6.4**
• **operating**	**(21.0)**	**(23.6)**
Total	**489.3**	**522.3**
EUR per share	3.03	3.24

The **net dividends from investments** received in 2012 (EUR 529 million) fell by 6.6% compared to 2011 (EUR 567 million). This drop mostly reflects the halving of Lafarge's dividend (EUR - 30 million); the fall in the contributions from the Arkema, Pernod Ricard and Iberdrola dividends linked to the partial or whole divestment of these interests (EUR - 13 million), offset by the increase in the unit dividend from Imerys.

Expenses net of interest (EUR - 26 million) fell slightly on 2011, benefiting from active management of the cost of carry throughout the year.

Other financial income and expenses (EUR 7 million) were comparable to their level in 2011. These mainly comprise the dividends collected on treasury shares (EUR 16 million) and the profit from the monetisation of the GDF SUEZ shares received as payment of the 2011 dividend outstanding, offset by the early repayment penalty for a credit line (EUR - 17 million). For the record, in 2011, this item mainly consisted of the cost of winding up an interest rate swap (EUR - 16 million expense) and dividends on treasury shares.

Other operating income and expenses represent a net expense of EUR 21 million are in line with their level in 2011 (net expense of EUR 24 million).

2.2. Mark to market and other non-cash (negative impact of EUR 25 million compared to positive impact of EUR 19 million)

EUR million	31 December 2012	31 December 2011
Net dividends on investments	1,6	45,4
Interest income and expenses	(2,5)	(2,3)
Other financial income and expenses	(23,4)	(20,0)
Other operating income and expenses	(0,6)	(4,9)
Taxes	0,2	0,7
Total	**(24,7)**	**18,9**

At 31 December 2012, this item mainly shows the negative impact of the elimination of the dividend on treasury shares (EUR 16 million) recognised under other financial income and expenses in cash earnings and the mark to market valuation of the GDF SUEZ and Suez Environnement dividends paid in securities over the past few years and not monetised (writedown of EUR 7 million).

For the record, in 2011, the mark to market item included, amongst other things, the recognition of the third quarterly interim payment of Total's dividend for 2011 (EUR 45 million) following the introduction of the change to the company's dividend policy, as well as the elimination of the dividend on treasury shares (negative impact of EUR 16 million) and the loss on financial instruments (EUR 5 million).

2.3. Operating companies (associated or consolidated) and private equity (EUR 208 million compared to EUR 284 million in 2011)

Profit from associated and consolidated operating companies amounted to EUR 237 million compared to EUR 256 million in 2011:

EUR million	**31 December 2012**	**31 December 2011**
Lafarge	90.7	124.6
Imerys	171.4	142.2
ECP I & ECP II (1)	(7.1)	(10.1)
Operating subsidiaries of ECP III (1)	(18.0)	(1.0)
Total	**237.0**	**255.7**

Lafarge (EUR 91 million compared to EUR 125 million in 2011)

Lafarge's group profit was EUR 432 million, versus EUR 593 million the previous year, given the impact of Greek asset impairment losses and restructuring expenses recognised over the period, relating to the cost-cutting programme for a total amount of EUR 406 million (before tax). In 2011, Lafarge benefited from non-recurring profit of EUR 466 million mainly relating to the gain on the disposal of its Gypsum activities in Europe, Latin America, Asia and Australia, which is partly offset by a EUR 285 million goodwill impairment loss, mainly linked to Greece.

When adjusted for non-recurring items, the Lafarge group's profit rose by 70%, to EUR 772 million (versus EUR 453 million in 2011).

Based on a stable 21% stake, Lafarge contributed EUR 91 million to GBL's 2012 earnings, compared to EUR 125 million in 2011.

The press release on Lafarge's 2012 results is available on the website www.lafarge.com.

Imerys (EUR 171 million compared to EUR 142 million in 2011)

The Imerys group's profit grew by 6.7% to EUR 301 million at 31 December 2012 (EUR 282 million in 2011).

Imerys made a EUR 171 million contribution to GBL's profit in 2012, versus EUR 142 million in 2011, resulting from the 57.0% consolidation of Imerys in 2012 (versus 30.7% in the first quarter of 2011 and 57.1% for the rest of 2011). For the record, Imerys has been fully consolidated since 1 April 2011.

The Imerys group's 2012 results can be found on the website www.imerys.com.

(1) Ergon Capital Partners (ECP I), Ergon Capital Partners II (ECP II) and Ergon Capital Partners III (ECP III).

ECP I / ECP II / operating subsidiaries of ECP III (ECP) (loss of EUR 25 million versus loss of EUR 11 million in 2011)

ECP's negative contribution to GBL's earnings at 31 December 2012 amounted to EUR 25 million, compared to EUR - 11 million a year earlier. This increase is mainly due to the change in the results of the entities that make up this division (ELITech, De Boeck and Benito).

Gains (losses) on disposals and impairment losses (reversals) on non-current assets for private equity essentially consist of an impairment of one of the ECP III fund's Spanish assets (EUR -16 million) in accordance with IFRS.

2.4. Eliminations, gains (losses) and impairment losses (reversals) (net negative impact of EUR 397 million versus net negative impact of EUR 751 million)

EUR millions	**31 December 2012**	**31 December 2011**
Eliminations of net dividends *(Lafarge et Imerys)*	(94.5)	(111.6)
Capital gains on disposals *(Pernod Ricard, Arkema, others)*	471.4	10.6
Impairment on shares AFS	(773.9)	-
(Iberdrola)	(15.6)	-
(GDF SUEZ)	(758.3)	-
Impairment on associated companies *(Lafarge)*	-	(649.6)
Total	**(397.0)**	**(750.6)**

The elimination of net dividends from operating investments (associated or consolidated companies) represents EUR - 95 million from Lafarge and Imerys.

Gains (losses) on disposals mainly reflect net gains of EUR 221 million and EUR 240 million on the disposals of the whole of the investment in Arkema and a 2.3% block of Pernod Ricard, respectively.

In accordance with IFRS, in 2012 GBL recognised **impairment losses** for its non consolidated investments in GDF SUEZ for EUR 758 million and an additional EUR 16 million in Iberdrola, adjusting the carrying amount of these securities to EUR 15.58 per GDF SUEZ share, at the closing price on 31 December 2012, and EUR 3.53 per Iberdrola share, which is the lowest market value seen at the quarterly reporting dates in 2012.

As a reminder, in 2011, the repetition of the impairment test on 30 September 2011 of the consolidated accounting value of Lafarge, based on the information available on that date and taking into account the weakened economic environment, resulted in a consolidated carrying amount (EUR 65.2 per share) higher than the value in use. GBL therefore recorded an accounting **impairment loss** that lowered the carrying amount to the share in Lafarge's IFRS equity at the end of September 2011 (EUR 54.4 per share), which falls within the range of estimated values in use. This impairment loss of EUR 10.8 per share represented a EUR 650 million expense in the third quarter of 2011.

The estimated recoverable value of the investment in Lafarge at 31 December 2012 did not result in a value adjustment at that date.

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3. Consolidated results (IFRS presentation)

The following table presents GBL's IFRS consolidated statement of comprehensive income for 2012 broken down into three sectors:

- **Holding company**: comprises the parent company GBL and its subsidiaries. Its main aim is to manage investments and non-consolidated or associated operating companies.
- **Imerys**: comprises the Imerys group, 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
- **Private equity**: comprises, under investment activities, the companies ECP, ECP II et ECP III, PAI Europe III and Sagard & Sagard II, and, under consolidated operating activities, the operating subsidiaries of ECP III (sub-groups ELITech, De Boeck and Benito).

	2012				**2011**
EUR million - on 31 December	**Holding**	**Imerys**	**Private equity**	**Total**	
Net earnings from associated companies	90.7	-	(7.1)	83.6	136.3
Net dividends on investments	436.4	-	-	436.4	500.3
Other operating income and expenses related to investing activities	(21.6)	-	(5.6)	(27.2)	(33.1)
Earnings on disposals, impairments and reversals of non-current assets	(302.5)	-	(21.4)	(323.9)	(604.8)
Financial income and expenses from investing activities	(44.9)	-	(1.7)	(46.6)	(43.8)
Results arising from investing activities	**158.1**	**-**	**(35.8)**	**122.3**	**(45.1)**
Turnover	-	3,884.8	193.0	4,077.8	2,951.0
Raw material and consumables	-	(1,377.0)	(86.2)	(1,463.2)	(1,039.3)
Personnel costs	-	(788.8)	(48.4)	(837.2)	(573.0)
Depreciation on intangible and tangible assets	-	(217.7)	(18.7)	(236.4)	(167.7)
Other operating income and expenses related to operating activities	-	(1,020.5)	(53.4)	(1,073.9)	(818.7)
Financial income and expenses of the operating activities	-	(58.8)	(8.9)	(67.7)	(50.3)
Result arising from consolidated operating activities	**-**	**422.0**	**(22.6)**	**399.4**	**302.0**
Income taxes on result	**0.2**	**(119.5)**	**(2.6)**	**(121.9)**	**(89.6)**
Consolidated result of the period	158.3	302.5	(61.0)	399.8	167.3
Attributable to the group	**158.3**	**171.4**	**(53.8)**	**275.9**	**75.0**
Attributable to non-controlling interests	-	131.1	(7.2)	123.9	92.3
Earnings per share					
Basic				*1.78*	*0.48*
Diluted				*1.78*	*0.48*

As a result of the acquisition of a 25.6% stake in Imerys in early April 2011, the "profit (loss) from investing activities" accounted for Imerys using the equity method for the first quarter of 2011.

From the second quarter of 2011, Imerys' contribution is included under the "profit (loss) from consolidated operating activities".

4. Dividend proposal

The Board of Directors will propose to the Ordinary General Meeting on 23 April 2013 the approval of a gross dividend for 2012 of EUR 2.65 per share, which is a 1.9% increase over the dividend of EUR 2.60 paid in the previous year. Coupon No. 15 will be detached on 29 April 2013 and payable as from 3 May 2013. This amount offers a dividend yield of 4.4% based on the price of the GBL share at the end of 2012.

5. Events after the reporting period

On 24 January 2013, the Group issued a bond exchangeable into ordinary existing GDF SUEZ shares for an amount of EUR 1 billion. This issue covers a little under half of the securities held by GBL, i.e. around 54 million GDF SUEZ shares, representing 2.3% of its capital and voting rights. The bond has a 4-year maturity and bears interest at an annual rate of 1.25%.

The bond will be listed on the Euro MTF market of the Luxembourg Stock Exchange.

6. Outlook for 2013

In view of the dividends and dividend policies announced by the main companies in its portfolio, GBL anticipates dividend income in 2013 that will cover its own dividend, excluding major events and changes to its portfolio.

More generally, the consolidated results will also reflect the change in the net contributions from operating companies (associated and consolidated) (Lafarge, Imerys and the private equity division), which are tied to the economic environment, as well as adjustments to the fair value of financial instruments and any impairments losses or reversals thereof relating to the portfolio or the gains and losses from potential disposals.

Note that for available-for-sale (AFS) securities that have already been impaired, any fall in price at the end of a reporting period below the net carrying amount must be recognised in profit or loss. Any rise in price above the net carrying amount must not be recognised in profit or loss but in shareholders' equity, in accordance with IFRS. On the other hand, under these standards, for equity-accounted investments that have been impaired, any impairment loss reversal must be recognised in profit or loss.

7. Financial calendar

Publication of Annual Report (FR-NL):	22 March 2013
Ordinary General Meeting:	23 April 2013
Detachment and payment of dividend:	29 April 2013 and 03 May 2013
Results for the period ended 31 March 2013:	8 May 2013
Half-yearly results 2013:	30 July 2013
Results for the period ended 30 September 2013:	7 November 2013

The above-mentioned dates depend in some cases on the agenda of the Board of Directors' meetings and are thus subject to change.

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