GBL

17 March 2017 - After 5:45 p.m.
**Regulated information**

# Results for the year ended 31 December 2016

- **Increase in adjusted net assets by 12% to EUR 17.0 billion**
- **Completion of investments for a total amount of EUR 1.6 billion, primarily in existing participations, and disposal of interests for EUR 2.5 billion**
- **Negative consolidated net result of EUR 458 million, notably due to the accounting impact of the impairment on the investment in LafargeHolcim**
- **Proposed dividend up by 2.4%, to EUR 2.93 per share**
- **Net cash position of EUR 225 million**

Key financial data[1]

| In EUR million (Group's share) | End of December 2016 | End of December 2015 | Variation 2016/2015 | EUR p.s.[2] 2016 | EUR p.s.[2] 2015 |
|---|---|---|---|---|---|
| Consolidated net result | (458) | 1,026 | (1,484) | (2.95) | 6.61 |
| Cash earnings | 440 | 462 | (22) | 2.73 | 2.86 |
| Dividend | 473[3] | 461 | 12 | 2.93[3] | 2.86 |
| Adjusted net assets | 16,992 | 15,188 | 1,804 | 105.31 | 94.13 |
| Market capitalisation | 12,863 | 12,720 | 143 | 79.72 | 78.83 |
| Discount | 24.3% | 16.3% | 8.0% | | |
| Net cash / (Net debt) | 225 | (740) | 965 | | |
| Loan to Value | 0.0% | 4.7% | (4.7%) | | |

The Board of Directors, meeting on 17 March 2017, approved GBL's IFRS consolidated financial statements for the financial year ended 31 December 2016. They will be presented at the Ordinary General Shareholders' Meeting of 25 April 2017, which will, in particular, vote on the distribution of a gross dividend in relation to the 2016 financial year of EUR 2.93 per share, up by 2.4% compared to the previous year.

The Managing Directors, Ian Gallienne and Gérard Lamarche, commented on the operations and results for 2016 as follows:

"Notwithstanding numerous tensions at political and macroeconomic levels, 2016 was characterised by a good performance in stock markets notably supported by the action of the American and European central banks, which was reflected in the growth of GBL's adjusted net assets by 12%. GBL's investments have all performed well, both from a stock market and operational standpoint. The implementation of the diversification strategy continued further, 2016 having been mainly marked by the further monetisation of the participations in the energy sector (EUR 2,287 million of disposals of Total and ENGIE shares) and the strengthening of positions in adidas, Ontex, SGS and Umicore (for a total amount of EUR 1,055 million). Furthermore Burberry announced, on 28 February 2017, that GBL had crossed the threshold of 3% of the voting rights in the company.

[1] All alternative performance indicators are defined and available in the glossary at: http://www.gbl.be/en/glossary
[2] The calculation per share is based on the number of shares issued at 31 December 2016 (161.4 million), except for net result per share which refer, in accordance with IFRS, to the weighted average number of shares (155.4 million in 2016)
[3] Subject to the approval by the Ordinary General Shareholders' Meeting of 25 April 2017

The anticipated evolution of cash earnings, decreasing by 4.6% to EUR 440 million, primarily reflects the lower contribution from the high-yielding stake in Total as a result of the significant disposals carried out in 2015 and 2016. Net result is negative due to exceptional items recognised during the year. Following the further monetisation of the stake in Total, GBL has at 31 December 2016 a net cash position of EUR 225 million and a solid liquidity profile of EUR 3.5 billion. The redeployment of these disposal proceeds, through new investments or the strengthening of existing positions, remains a priority for GBL and will contribute to maintaining the dividend policy and ensuring the financial strength of the group.

In acknowledgement of the resilience of its results and the confidence in its strategy, GBL will propose an increase of 2.4% in the gross dividend to EUR 2.93 per share to the Ordinary General Shareholders' Meeting."

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

### 1.1. Highlights of 2016

Strategic Investments

During the first quarter of 2016, GBL sold an additional fraction of Total shares representing 1.1% of the group's capital (27.5 million shares for a gross amount of EUR 1.1 billion) and generating a consolidated capital gain of EUR 428 million. These disposals were carried out, on the one hand, through sales in the market (10.4 million shares) and, on the other hand, through a private placement by way of an accelerated bookbuilding reserved for institutional investors (17.1 million shares). During the fourth quarter of 2016, GBL disposed, at the maturity of forward sales, of 16.0 million shares (or 0.7% of the capital) for a net amount of EUR 666 million, which generated a consolidated capital gain of EUR 304 million.

In 2016, GBL repurchased 6,910 bonds exchangeable into ENGIE shares for a nominal value of EUR 691 million. During the fourth quarter of 2016, GBL disposed, at the maturity of forward sales, of 42.7 million ENGIE shares for a net amount of EUR 572 million, generating a consolidated capital loss of EUR 11 million. Forward sales related to 4.5 million shares were also concluded during that period for a net amount of EUR 55 million. These have generated at their maturity, in January 2017, a nil result.

GBL further increased its stake in adidas. At 31 December 2016, GBL held 7.5% of this company (4.7% at end of December 2015), for a market value of EUR 2.4 billion. The General Shareholders' Meeting of 12 May 2016 approved the entrance of Ian Gallienne in the Supervisory Board of the company. Given the size of this investment and the representation of GBL on the Supervisory Board, adidas is considered a Strategic Investment since 30 June 2016.

GBL slightly increased its stake in Umicore and held 17.0% of the company's capital at 31 December 2016 (16.6% at end of December 2015), for a market value of EUR 1.0 billion. On 26 April 2016, the General Shareholders' Meeting of Umicore appointed Colin Hall as a Director, conferring on GBL a second representative on the company's Board of Directors. Given the size of this investment and the representation of GBL on the Board of Directors, Umicore is considered a Strategic Investment since 30 September 2016.

On 11 December 2016, Imerys announced the contemplated acquisition of Kerneos, world leader in calcium aluminate-based high performance binders, from Astorg for a total amount estimated in enterprise value of EUR 880 million. This transaction, entirely funded from Imerys' available resources, remains subject to workers' council consultation, as well as relevant regulatory authorities' approval.

Finally, GBL also increased its stake in SGS. At 31 December 2016, GBL held 16.2% of this company (15.0% at end of December 2015), for a market value of EUR 2.4 billion.

Incubator Investments

GBL notified Ontex, on 19 May 2016, that it had crossed the threshold of 15% in the capital of the company. At 31 December 2016, GBL held 19.98% of the capital (7.6% at 31 December 2015), representing a market value of EUR 423 million.

At 31 December 2016, GBL held 2.95 % of the capital of Burberry, representing a market value of EUR 230 million.

Sienna Capital

In March 2016, Ergon Capital Partners III (ECP III) acquired an indirect majority stake in the company Financière Looping Holding S.A.S. ("Looping"). With turnover of around EUR 60 million, Looping is a European leader on the amusement park market. ECP III also reached agreements during the second quarter of 2016 related to the sale of De Boeck Education SA, De Boeck Digital SA and Larcier Holding SA, generating a capital gain of EUR 51 million (GBL share). In addition, in July 2016, ECP III raised EUR 150 million, increasing the size of the fund to EUR 500 million. This fund raising was subscribed by Sienna Capital for EUR 100 million, as well as by other leading European institutional investors. Finally, in December 2016, ECP III acquired an indirect majority stake in the company Deutsche Intensivpflege Holding GmbH (DIH), one of the main providers in outpatient intensive care services in Germany.

In March 2016, a group of investors led by Sagard announced that they had signed an agreement with Denis Dumont, founder of and majority shareholder in Grand Frais, to acquire a minority stake in Prosol, the parent company of the group. Grand Frais is a French supermarket chain specialised in the sale of fresh products. Sagard and Equistone also committed to sell FläktWoods to Triton. This transaction finalised in October 2016 generated a consolidated capital gain of EUR 12 million (GBL share). Finally, during the fourth quarter of 2016, Sagard 3 raised EUR 404 million in additional capital, subscribed by Sienna Capital for EUR 17 million, as well as by nine other European institutional investors.

At 31 December 2016, through its fund KCO I renamed KCO III, Kartesia had invested EUR 468 million in primary and secondary transactions. In addition, Kartesia has launched a new investment fund (KCO IV), in which Sienna Capital committed an amount of EUR 150 million.

In June 2016, Mérieux Développement via Mérieux Participations II (“MPII”) acquired a minority stake for EUR 22 million in Novacap, an international player in the chemical field. MPII also acquired, in November 2016, a minority stake for a total amount of EUR 15 million in Le Noble Age, a French company active in the healthcare sector.

In 2016, PrimeStone completed six new investments. Among others, it invested in (i) Volution, a supplier of ventilation systems, and (ii) Johnson Services Group, a provider of textile-related services to corporates and consumers in the United Kingdom.

In March 2016, in partnership with the majority shareholder JAB Holding Co, BDT Capital Partners finalised the acquisition of Keurig Green Mountain via its fund II. With a panel of more than 80 brands and 575 specialty beverages, Keurig Green Mountain is a group that specialises in personalised beverage systems. In October 2016, BDT Capital Partners II acquired a stake in Lou Malnati’s Pizzeria, a Chicago-style pizza brand. In December 2016, it also invested in Athletico Physical Therapy, one of the main providers of orthopaedic rehabilitation services in the United States.

### 1.2. Financial position

As a result of divestments (EUR 2,453 million) and cash earnings, partially offset by investments carried out (primarily in adidas, Ontex, Sienna Capital, Burberry, SGS and Umicore for EUR 1,574 million) and by the dividend payment (EUR 461 million), GBL presented, at 31 December 2016, a net cash position of EUR 225 million (net debt of EUR 740 million at 31 December 2015).

Net cash (excluding treasury shares) breaks down as follows:

| In EUR million | 31 December 2016 | 31 December 2015 |
|---|---|---|
| Retail bonds | 350 | 350 |
| Drawdown under bank credit lines | - | 200 |
| ENGIE exchangeable bonds | 306 | 1,000 |
| GBL convertible bonds | 450 | 450 |
| Other | 43 | 31 |
| **Gross debt** | **1,150** | **2,031** |
| **Gross cash (excluding treasury shares)** | **1,375** | **1,291** |
| **Net cash / (Net debt)** | **225** | **(740)** |

The weighted average maturity of the gross debt was 1.3 year at the end of December 2016 (1.7 year at the end of 2015).

At 31 December 2016, committed credit lines stood at EUR 2,150 million (entirely undrawn) and will mature in 2021.

This position does not include the company's remaining commitments towards Sienna Capital which totalled EUR 601 million at the end of December 2016 (EUR 413 million at 31 December 2015).

Finally, at 31 December 2016, the 5,924,416 treasury shares[1] represented 3.7% of the issued capital (3.8% at the end of 2015).

[1] Including 5 million treasury shares underlying GBL convertible bonds.

### 1.3. GBL's adjusted net assets

At 31 December 2016, GBL's adjusted net assets totalled EUR 17.0 billion (EUR 105.31 per share) compared with EUR 15.2 billion (EUR 94.13 per share) at the end of 2015, i.e. an increase by 11.9 % (EUR 11.18 per share). Relative to the share price of EUR 79.72, the discount at the end of December 2016 was 24.3 %, up compared with the end of 2015.

| | 31 December 2016 | | | 31 December 2015 |
|---|---|---|---|---|
| | *% in capital* | *Share price*[1] | (EUR million) | (EUR million) |
| ***Strategic Investments*** | | | ***14,615*** | ***12,949*** |
| Imerys | *53.9* | 72.07 | 3,088 | 2,761 |
| LafargeHolcim | *9.4* | 49.92 | 2,857 | 2,674 |
| SGS | *16.2* | 2,072 | 2,445 | 2,067 |
| adidas | *7.5* | 150.15 | 2,356 | - |
| Pernod Ricard | *7.5* | 102.95 | 2,048 | 2,093 |
| Umicore | *17.0* | 54.15 | 1,032 | - |
| Total | *0.7* | 48.72 | 789 | 2,463 |
| ENGIE | -[2] | - | -[2] | 893 |
| ***Incubator Investments*** | | | ***730*** | ***1.793*** |
| Ontex | *19.98* | 28.25 | 423 | 181 |
| Burberry | *2.95* | 14.97 | 230 | 2 |
| Other | | | 77 | - |
| adidas | | | - | 890 |
| Umicore | | | - | 720 |
| ***Sienna Capital*** | | | ***955*** | ***715*** |
| **Portfolio** | | | **16,300** | **15,457** |
| Treasury shares | | | 467 | 471 |
| Exchangeable/convertible bonds | | | (757) | (1,450) |
| Bank debt and retail bonds | | | (393) | (581) |
| Cash/quasi-cash/trading | | | 1,375 | 1,291 |
| **Adjusted net assets (total)** | | | **16,992** | **15,188** |
| ***Adjusted net assets (EUR p.s.)***[3] | | | ***105.31*** | ***94.13*** |
| ***Share price (EUR p.s.)*** | | | ***79.72*** | ***78.83*** |
| ***Discount*** | | | ***24.3%*** | ***16.3%*** |

At 10 March 2017, the adjusted net assets per share stood at EUR 111.16, up by 5.6% compared with its level at the beginning of the year, reflecting a discount of 25.1% on the share price on that date (EUR 83.25).

[1] Closing share prices in EUR, except for SGS in CHF and Burberry in GBP
[2] The value of the investment in ENGIE (EUR 169 million for a stake of 0.6%) is now completely included in the "Cash/quasi-cash/trading" item in the calculation of GBL's adjusted net assets. This value does not yet take into account forward sales (4.5 million or 0.2% of the capital) concluded at 31 December 2016 and maturing in the first quarter of 2017
[3] Based on 161,358,287 shares

## 2. Consolidated results (economic presentation)[1]

| In EUR million **Group's share** | 31 December 2016 | | | | | 31 December 2015 |
|---|---|---|---|---|---|---|
| | **Cash earnings** | **Mark to market and other non-cash items** | **Operating companies (associates or consolidated) and Sienna Capital** | **Eliminations, capital gains, impairments and reversals** | **Consolidated** | **Consolidated** |
| Profit (loss) of associates and consolidated operating companies | - | - | 238.1 | - | **238.1** | (46.7) |
| Net dividends from investments | 457.6 | (26.0) | - | (93.2) | **338.4** | 323.5 |
| Interest income (expenses) | (15.9) | (7.3) | (11.5) | - | **(34.7)** | (37.2) |
| Other financial income (expenses) | 38.1 | 51.2 | - | (17.0) | **72.3** | 89.6 |
| Other operating income (expenses) | (29.3) | (1.0) | (17.3) | - | **(47.6)** | (52.4) |
| Gains (losses) from disposals, impairments and reversals of non-current assets | (10.0) | (2.5) | 13.9 | (1,025.4) | **(1,024.0)** | 749.8 |
| Taxes | (0.1) | - | (0.1) | | **(0.2)** | (0.2) |
| **IFRS consolidated result (2016)** | **440.4** | **14.4** | **223.1** | **(1,135.6)** | **(457.7)** | |
| IFRS consolidated result (2015)[2] | 461.6 | 90.9 | (45.2) | 519.1 | | 1,026.4 |

The consolidated net result, group's share, at 31 December 2016 stood at EUR - 458 million, compared with EUR 1,026 million at 31 December 2015.

This result is primarily affected by:

- the impairment recognised on LafargeHolcim and ENGIE for EUR - 1,682 million and EUR - 62 million respectively;
- the net capital gain realised on the sale of 1.8% of Total's capital amounting to EUR 732 million (EUR 282 million in 2015);
- the net dividends from investments amounting to EUR 338 million;
- the contribution from Imerys and Sienna Capital amounting to EUR 160 million and EUR 63 million respectively; and
- the mark to market of the derivative components embedded in the exchangeable and convertible bonds having a positive impact of EUR 72 million (EUR 88 million in 2015[3]).

[1] Deloitte confirmed that the fieldwork related to the audit of the consolidated financial statements of GBL and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, is substantially completed. Deloitte confirmed that the financial information shown in this press release requires no comments on its part and is in agreement with the consolidated financial statements of the group. The complete audit report related to the audit of the consolidated financial statements will be shown in the 2016 Annual Report.

[2] The figures presented for comparative purposes have been restated in order to take into account the reclassification of the elimination of the dividend on treasury shares (for EUR - 17 million), previously included under Mark to market and now in the "Eliminations, capital gains, impairments and reversals" column

[3] Excluding the negative mark to market reversal previously recorded at the conversion of the exchangeable bonds in Suez shares

### 2.1. Cash earnings (EUR 440 million compared with EUR 462 million)

| In EUR million | 31 December 2016 | 31 December 2015 |
|---|---|---|
| Net dividends from investments | 457.6 | 489.5 |
| Interest income (expenses) | (15.9) | (22.6) |
| Other income (expenses): | | |
| - financial | 38.1 | 24.1 |
| - operating | (29.3) | (29.3) |
| Gains (losses) from disposals, impairments and reversals of non-current assets | (10.0) | - |
| Taxes | (0.1) | (0.1) |
| **Total** | **440.4** | **461.6** |

In 2016, net dividends from investments decreased by EUR 32 million compared with 2015.

| In EUR million | 31 December 2016 | 31 December 2015 |
|---|---|---|
| LafargeHolcim | 77.9 | 77.1 |
| Total | 75.1 | 156.6 |
| Imerys | 75.0 | 70.5 |
| SGS | 72.9 | 67.1 |
| ENGIE | 46.5 | 46.5 |
| Pernod Ricard | 37.4 | 35.8 |
| Umicore | 24.8 | 15.3 |
| adidas | 18.8 | 3.0 |
| Sienna Capital | 18.2 | 16.1 |
| Ontex | 5.2 | 1.0 |
| Burberry | 5.8 | - |
| Suez | - | 0.5 |
| **Total** | **457.6** | **489.5** |

These changes essentially reflect the lower contribution from Total following the disposals carried out in 2015 and 2016. This decrease is partially offset by the increase in the unit dividends from Sienna Capital, Imerys, LafargeHolcim, Pernod Ricard and Umicore, as well as by the increase in dividends from adidas, Ontex and Burberry further to the acquisitions made.

It should be noted that if the forward sales' contracts on ENGIE and Total shares, concluded and having matured in 2016, had been executed spot during the second and third quarters of 2016, the cash earnings at 31 December 2016 would have been negatively impacted by EUR 38 million.

LafargeHolcim distributed a dividend of EUR 1.36 per share for the 2015 financial year, contributing EUR 78 million to GBL's result at 31 December 2016. In 2015, Lafarge distributed a dividend of EUR 1.27 per share, contributing to GBL's result for EUR 77 million.

Total approved a dividend of EUR 2.44 per share for the 2015 financial year and paid in 2016 the last quarterly interim dividend, the balance of the 2015 dividend and the first two quarterly interim dividends, namely four times EUR 0.61 per share. Total's contribution to the result for 2016 thus amounted to EUR 75 million.

In the second quarter of 2016, Imerys approved an annual dividend of EUR 1.75 per share (EUR 1.65 in 2015), corresponding to a total collection of EUR 75 million for GBL.

SGS distributed an annual dividend of CHF 68 per share (unchanged compared with 2015), representing EUR 73 million at 31 December 2016.

In the second quarter of 2016, ENGIE paid the balance of its dividend for 2015 of EUR 0.50 per share (unchanged compared with the previous year) and, in the fourth quarter of 2016, an interim dividend of EUR 0.50 per share (unchanged compared with 2015), representing a total contribution of EUR 46 million.

In the second quarter of 2016, Pernod Ricard announced an interim dividend of EUR 0.90 per share (compared with EUR 0.82 per share the previous year) and distributed the balance during the fourth quarter (EUR 0.98 per share, unchanged compared with 2015), corresponding to a total amount of EUR 37 million for GBL in 2016.

During the second quarter of 2016, Umicore approved the balance of its dividend for 2015 of EUR 0.70 per share (compared with EUR 0.50 the previous year) and paid, in the third quarter of 2016, an interim dividend of EUR 0.60 per share (compared with EUR 0.50 in 2015). The contribution of Umicore to GBL's result amounted to EUR 25 million at 31 December 2016.

adidas distributed a dividend of EUR 1.60 per share in the second quarter of 2016 (compared with EUR 1.50 per share in 2015), representing EUR 19 million over the year 2016.

During the first half of 2016, ECP II (Sienna Capital) paid a dividend of EUR 18 million.

In the first half of 2016, Ontex approved a dividend of EUR 0.46 per share (compared with EUR 0.19 per share the previous year), corresponding to an amount of EUR 5 million for GBL.

Burberry distributed an interim dividend of GBp 10.2 per share in the first quarter 2016 and the balance of GBp 26.8 per share in the third quarter 2016, corresponding to an amount of EUR 6 million for GBL.

**Net interest expenses** (EUR -16 million), lower than in 2015, were impacted by the decrease in interest expenses on exchangeable bonds into ENGIE shares following the repurchases carried out throughout 2016.

**Other financial income (expenses)** (EUR 38 million) comprised primarily trading income of EUR 26 million (EUR 13 million in 2015) and dividends collected on treasury shares (EUR 17 million, unchanged compared with 2015).

**Other operating income (expenses)** amounted to EUR - 29 million in 2016 and were in line with the previous year.

**Gains (losses) from disposals, impairments and reversals of non-current assets** of EUR - 10 million include the total cost relating to the repurchases of exchangeable bonds into ENGIE shares (including banking fees).

### 2.2. Mark to market and other non-cash items (EUR 14 million compared with EUR 91 million)

| EUR million | 31 December 2016 | 31 December 2015 |
|---|---|---|
| Net dividends from investments | (26.0) | (2.3) |
| Interest income (expenses) | (7.3) | (10.7) |
| Other financial income (expenses) | 51.2 | 112.2 |
| Other operating income (expenses) | (1.0) | (8.3) |
| Gains (losses) from disposals, impairments and reversals of non-current assets | (2.5) | - |
| **Total**[1] | **14.4** | **90.9** |

**Net dividends from investments** include, on the one hand, the reversal of Total's interim dividend which had been recorded under this item at the end of 2015 and, on the other hand, the recognition of

[1] The figures presented for comparative purposes have been restated in order to take into account the reclassification of the elimination of the dividend on treasury shares (for EUR - 17 million), previously included under Mark to market and now in the "Eliminations, capital gains, impairments and reversals" column

the third interim dividend of 2016, announced in October 2016 and which will be paid in April 2017. The variation of this item is due to disposals of Total shares in 2016.

**Interest income (expenses)** include the impact of the valuation at amortised cost of the exchangeable bonds into ENGIE shares and the convertible bonds into GBL shares (EUR - 7 million compared with EUR - 11 million last year). This item is down compared to the previous year, benefiting from the influence of the repurchases of exchangeable bonds into ENGIE shares carried out throughout 2016.

Furthermore, **Other financial income (expenses)** include the mark to market of the trading portfolio and derivative instruments (EUR - 21 million compared with EUR 8 million in 2015), as well as the derivative component embedded in the exchangeable and convertible bonds (EUR 72 million compared with EUR 104 million in 2015).

This non-monetary gain of EUR 72 million includes the change in the value of the call options on underlying securities implicitly embedded in the exchangeable and convertible bonds issued in 2013 still being in circulation. In 2016, the change in value of these derivative instruments was primarily attributable to the change since 1 January 2016 of the market price of the shares underlying the bonds and to the completed repurchases.

Result at 31 December 2016 illustrates, as commented on in previous closings, the accounting asymmetry and volatility of periodic results, which will persist throughout the lifetime of the exchangeable and convertible bonds.

The group applied hedge accounting for all its forward sales' contracts relating to ENGIE in place at 31 December 2016.

### 2.3. Operating companies (associates or consolidated) and Sienna Capital (EUR 223 million compared with EUR - 45 million)

| In EUR million | 31 December 2016 | 31 December 2015 |
|---|---|---|
| Profit (loss) of associates and consolidated operating companies | 238.1 | (46.7) |
| Interest income (expenses) | (11.5) | (3.9) |
| Other operating income (expenses) | (17.3) | (14.8) |
| Gains (losses) from disposals, impairments and reversals of non-current assets | 13.9 | 20.3 |
| Taxes | (0.1) | (0.1) |
| **Total** | **223.1** | **(45.2)** |

Net profit (loss) of associates and consolidated operating companies amounted to EUR 238 million compared with EUR - 47 million in 2015:

| In EUR million | | 31 December 2016 | | 31 December 2015 |
|---|---|---|---|---|
| Imerys | | 159.6 | | 36.9 |
| Lafarge | | - | | (100.4) |
| Sienna Capital | | 78.5 | | 16.8 |
| ECP I & II | (0.6) | | 11.9 | |
| Operating subsidiaries of ECP III | 54.3 | | (0.8) | |
| Kartesia | 22.2 | | 4.5 | |
| Mérieux Participations II | 2.6 | | 1.2 | |
| **Total** | | **238.1** | | **(46.7)** |

GBL

Imerys (EUR 160 million compared with EUR 37 million)

Net current income increased by 6.0% to EUR 362 million at 31 December 2016 (EUR 342 million at 31 December 2015), as a result of the improved current operating income, at EUR 582 million (EUR 538 million at 31 December 2015). The net result, group's share, amounted to EUR 293 million at 31 December 2016 (EUR 68 million at 31 December 2015).

Imerys contributed EUR 160 million to GBL's consolidated net result in 2016 (EUR 37 million in 2015), reflecting the 54.5% consolidation rate for Imerys in 2016 (54.0% in 2015).

The press release relating to Imerys group's results for 2016 is available at www.imerys.com.

Lafarge (EUR 0 million compared with EUR - 100 million)

Lafarge was consolidated in GBL's results according to the equity method until 30 June 2015. At 31 December 2016, GBL held 9.4% of LafargeHolcim and this stake has been accounted as a investment available for sale since 10 July 2015.

Based on a participation rate of 21.0%, Lafarge had contributed EUR - 100 million to GBL's revenue at 31 December 2015.

Sienna Capital (EUR 79 million compared with EUR 17 million)

Net profit (loss) of associates and consolidated operating companies in Sienna Capital totalled EUR 79 million, compared with EUR 17 million last year. The result for the period mainly included the net capital gain on the sale of De Boeck's activities by ECP III (EUR 51 million attributable to GBL).

The result for 2015 reflected the net capital gain on the sale of Joris Ide by ECP II (EUR 14 million attributable to GBL).

Gains (losses) from disposals, impairments and reversals of non-current assets mainly take into account the capital gain on the disposal of FläktWoods by Sagard II (EUR 12 million). In 2015, this item included the capital gains on the disposal of Cérélia by Sagard II and of Santiane by Sagard 3 for EUR 14 million and EUR 7 million respectively.

### 2.4. Eliminations, capital gains, impairments and reversals (EUR - 1,136 million compared with EUR 519 million)

| In EUR million | **31 December 2016** | **31 December 2015** |
|---|---|---|
| Elimination of dividends | | |
| *(Sienna Capital, Imerys and LafargeHolcim/Lafarge)* | (93.2) | (163.7) |
| Other financial income (expenses) | (17.0) | (46.7) |
| *(GBL and Suez)* | | |
| Capital gains (losses) on disposals | 720.9 | 141.0 |
| *(Total)* | *732.0* | *281.8* |
| *(ENGIE)* | *(11.2)* | - |
| *(Suez)* | - | *37.8* |
| *(LafargeHolcim)* | - | *(178.6)* |
| *(Other)* | *0.1* | - |
| Impairment losses on AFS investments and reversals of non-current assets | (1,746.3) | 588.5 |
| *(LafargeHolcim)* | *(1,682.5)* | *620.2* |
| *(ENGIE)* | *(61.9)* | *(31.7)* |
| *(Other)* | *(1.9)* | - |
| **Total[1]** | **(1,135.6)** | **519.1** |

[1] The figures presented for comparative purposes have been restated in order to take into account the reclassification of the elimination of the dividend on treasury shares (EUR - 17 million), previously included under Mark to market and now included in the "Eliminations, capital gains, impairments and reversals" column

Elimination of dividends

Net dividends on operating investments (associates or consolidated companies) were eliminated and represented EUR 93 million from Imerys and Sienna Capital.

Other financial income (expenses)

This item includes the elimination of the dividend on treasury shares amounting to EUR - 17 million. In 2015, the item also included the EUR 30 million expense generated by the conversion of exchangeable bonds into Suez shares which was due to the difference between the exchange price (EUR 11.45 per share) and the average share price of the converted shares in the first nine months of 2015 (EUR 17.21 per share). This loss was partly offset by the recycling of revaluation reserves restated as capital gains on disposals (see below).

Capital gains (losses) on sales

This item includes the capital gain from the sale of 1.8% of Total for EUR 732 million as well as the consolidated capital loss on the sale of 1.8% of ENGIE for EUR 11 million.

In 2015, the item included:

- the capital gain from the sale of 0.5% of Total for EUR 282 million;
- the result from early conversions of exchangeable bonds into Suez shares for EUR 38 million (corresponding to the recycling of the revaluation reserves of the shares, calculated on the basis of the average share price of Suez over the first nine months of 2015); and
- the impact relating to the LafargeHolcim merger, coming from the recycling as income of the other items of comprehensive revenue attributable to Lafarge and recorded in GBL's shareholders' equity since it was first recorded as an equity-accounted company, i.e. on 1 January 2008. This had a negative impact of EUR 179 million on GBL's net result.

Impairments on AFS investments and reversals of non-current assets

At 31 December 2016, this heading included mainly:

- an impairment of EUR 1,682 million on the LafargeHolcim investment, adjusting the book value of these securities (EUR 66.49 per share) to their market value at 30 June 2016 (EUR 37.10 per share); and
- an additional impairment of EUR 62 million, accounted for the ENGIE investment in the first and fourth quarters of 2016, thus adjusting the book value of these securities (EUR 14.44 per share at the end of December 2015) to their market value at 31 December 2016 (EUR 12.12 per share).

These impairments, which are accounting adjustments, do not have an impact on cash earnings or adjusted net assets.

At 31 December 2015, this item included mainly:

- an additional impairment of EUR 32 million, accounted for the ENGIE investment adjusting the book value of these securities (EUR 15.02 per share at the end of June 2015) to their market value at 30 September 2015 (EUR 14.44 per share);
- a partial reversal, recorded on 30 June 2015, of the impairment that was previously recorded with regard to Lafarge, corresponding to the difference in value of the Lafarge shares held by GBL at that date, which were valued (i) at the 30 June 2015 closing price and (ii) at the most recent (equity method) investment value of the stake, i.e. EUR 403 million; and
- an additional reversal of the impairment that was previously recognised for Lafarge following a loss of influence in the new LafargeHolcim group since 10 July 2015, and its classification as an asset available for sale, corresponding to the change in market value of the investment between (i) 30 June 2015 and (ii) 10 July 2015, i.e. EUR 218 million.

GBL

Consolidated results (IFRS presentation)

The following table presents GBL's IFRS income statement broken down into three sectors:

- Holding: comprising the GBL parent company and its subsidiaries. Its main activity is to manage investments as well as the non-consolidated operating companies and associates.
- Imerys: comprising the Imerys group, a French group listed on Euronext Paris, which holds leading positions in each of its four businesses (Energy Solutions & Specialties; Filtration & Performance Additives; Ceramic Materials; High Resistance Minerals).
- Sienna Capital: includes firstly, under investment activities, the companies Sienna Capital, ECP, ECP II and III, Sagard, Sagard II and 3, PrimeStone, BDT Capital Partners II, Kartesia and Mérieux Participations I and II, and secondly, under consolidated operating activities, the operating subsidiaries of ECP III (sub-groups ELITech, De Boeck, Benito, Sausalitos, Golden Goose, etc.).

| | **31 December 2016** | | | | **31 December 2015** |
|---|---|---|---|---|---|
| EUR million | **Holding** | **Imerys** | **Sienna Capital** | **Total** | |
| Share of profit (loss) of associates | - | - | 24.2 | 24.2 | (82.8) |
| Net dividends from investments | 338.4 | - | - | 338.4 | 323.5 |
| Other operating income (expenses) from investing activities | (30.3) | - | (17.9) | (48.2) | (52.4) |
| Gains (losses) from disposals, impairments and reversals of non-current assets | (1,037.9) | - | 14.0 | (1,023.9) | 749.8 |
| Financial income (expenses) from investing activities | 49.1 | - | (11.6) | 37.5 | 52.4 |
| **Profit (loss) from investing activities** | **(680.7)** | **-** | **8.7** | **(672.0)** | **990.5** |
| Turnover | - | 4,165.2 | 366.5 | 4,531.7 | 4,392.4 |
| Raw materials and consumables | - | (1,303.3) | (130.9) | (1,434.2) | (1,416.1) |
| Employee expenses | - | (898.6) | (83.6) | (982.2) | (948.9) |
| Depreciation on tangible and intangible assets | - | (232.7) | (29.1) | (261.8) | (256.0) |
| Other operating income (expenses) from operating activities | - | (1,213.4) | (86.1) | (1,299.5) | (1,302.5) |
| Gains (losses) from disposals, impairments and reversals of non-current assets from operating activities | | (25.2) | 55.9 | 30.7 | (268.9) |
| Financial income (expenses) of the operating activities | - | (55.1) | (18.8) | (73.9) | (69.2) |
| **Profit (loss) from consolidated operating activities** | **-** | **436.9** | **73.9** | **510.8** | **130.8** |
| **Income taxes** | **(0.1)** | **(142.2)** | **(7.4)** | **(149.7)** | **(65.4)** |
| Consolidated profit (loss) for the period | (680.8) | 294.7 | 75.2 | (310.9) | 1,055.9 |
| **Attributable to the group** | **(680.8)** | **159.6** | **63.5** | **(457.7)** | **1,026.4** |
| Attributable to non-controlling interests | - | 135.1 | 11.7 | 146.8 | 29.5 |
| **Consolidated profit per share for the period** | | | | | |
| *Basic* | | | | *(2.95)* | *6.61* |
| *Diluted* | | | | *(2.95)* | *6.52* |

## 3. Dividend proposal

The Board of Directors will propose at the Ordinary General Shareholders' Meeting of 25 April 2017 the approval of a gross dividend for the 2016 financial year of EUR 2.93 per share, an increase of 2.4% compared with the dividend of EUR 2.86 for 2015. It would offer a dividend yield of 3.7% based on GBL's share price at the end of 2016. Coupon no. 19 will be detached on 2 May 2017 and become payable as from 4 May 2017.

## 4. Subsequent events

In February 2017, ECP III signed an agreement in relation to the disposal of its majority stake in Golden Goose, an Italian designer of shoes, clothes and contemporary accessories. This transaction, which was closed beginning of March 2017, generated a consolidated capital gain on disposals of approximately EUR 110 million (GBL's share).

On 7 February 2017, GBL redeemed in cash the balance of the bonds exchangeable into ENGIE shares, i.e. an amount of EUR 306 million. In 2017, GBL sold its residual ENGIE stake accounted for under "Assets available for sale" (11.9 million shares for a total amount of EUR 145 million or 0.5% of the capital), generating a consolidated capital gain of EUR 1 million. The residual stake of GBL in ENGIE thus amounts currently to 0.1% of the capital.

Burberry Group Plc ("Burberry") announced on 28 February 2017 that GBL had crossed the 3% threshold in the voting rights of the company. The investment in Burberry fits within GBL's portfolio diversification strategy. At 31 December 2016, GBL held 2.95% of the capital of this company, representing a market value of EUR 230 million. Listed on the London Stock Exchange, Burberry has a market capitalization of around EUR 9 billion at 28 February 2017. Burberry is a British luxury brand name which designs, manufactures and distributes high-end clothes and accessories. The products are sold globally through a network of proprietary retail stores, online (at www.burberry.com), as well as through third-party retailers. Burberry has almost 11,000 employees and recorded a turnover of approximately GBP 2.5 billion for the 2015-2016 financial year.

On 21 February 2017, GBL announced that it held 10.60% of the voting rights of Pernod Ricard (7.49% of the capital). This passive 10% threshold crossing results from the allocation of double voting rights.

In February 2017, Sagard 3 closed the acquisition of a stake in the company Ipackchem, one of the global leaders in the manufacturing of "barrier" packaging, whose products are mainly used in the transport and storage of aromas, fragrances and agrochemical products for which permeability, contamination and evaporation constraints are critical.

## 5. Outlook for 2017

GBL continues to implement its strategy of diversification and deconcentration of risks relating to energy and commodities, resulting in the disengagement from its participations in Total and ENGIE. Following the sale of these stakes, which provide a high dividend yield, GBL's cash earnings will be negatively impacted in 2017. Nonetheless, the proceeds from these disposals are intended to be reinvested, which will contribute positively to cash earnings, in a gradual manner, depending on the reinvestments and their yield.

In the absence of material adverse events, GBL expects to pay a dividend 2017 that is at least equivalent to that proposed for the 2016 financial year.

Generally speaking, GBL's consolidated net result will also factor in the change in the net contributions from operating companies (associates and consolidated), which are themselves tied to the economic environment, as well as adjustments of the fair value of financial instruments and any impairment losses applied to the portfolio or results from disposals.

## 6. Financial calendar

| | |
|---|---|
| Publication of the annual report (FR/NL): | 24 March 2017 |
| Ordinary General Meeting: | 25 April 2017 |
| Results at 31 March 2017: | 4 May 2017 |
| Ex-dividend date: | 2 May 2017 |
| Dividend payment date: | 4 May 2017 |
| Half-year results 2017: | 31 July 2017 |
| Results at 30 September 2017: | 2 November 2017 |

The dates mentioned above depend, in some cases, on the calendar of the Board of Directors' meetings and might therefore be subject to change.

For further information, please contact:

**William Blomme**
Chief Financial Officer
Tel.: +32 2 289 17 51
wblomme@gbl.be

**Hans D'Haese**
Investor Relations
Tel.: +32 2 289 17 71
hdhaese@gbl.be