GBL

March 14, 2019 – After 5:45 p.m.

Regulated information

Results for the year ended December 31, 2018

- **Consolidated net result of EUR 659 million**
- **Cash earnings of EUR 456 million**
- **Net asset value of EUR 16.2 billion**
- **Proposed dividend of EUR 3.07 per share, i.e. a dividend yield of 4.0%**

Key financial data[1]

EUR million (Group's share)	End of December		Variation	EUR p.s. [2]	
	2018	2017	2018/2017	2018	2017
Consolidated net result	659	705	(46)	4.18	4.53
Cash earnings	456	427	+6.9%	2.83	2.64
Dividend	495[3]	484	+2.3%	3.07[3]	3.00
Net asset value	16,193	18,888	-14.3%	100.35	117.06
Market capitalisation	12,276	14,521	-15.5%	76.08	89.99
Discount	24.2%	23.1%	1.1%		
Net investments / (divestments)	476[4]	435[4]	41		
Net cash / (Net debt)	(693)	(443)	(250)		
Loan To Value	4.2%	2.3%	1.9%		

The Board of Directors, held on March 14, 2019, paid tribute to Albert Frère, Honorary Chairman and co-controlling shareholder of the company, who passed away on December 3, 2018.

The Board of Directors also approved GBL's audited IFRS consolidated financial statements for the financial year ended December 31, 2018. They will be presented at the Ordinary General Shareholders' Meeting of April 23, 2019, which will, in particular, vote on the distribution of a gross dividend in relation to the 2018 financial year of EUR 3.07 per share, up by 2.3% compared to the previous year.

The Co-CEOs, Ian Gallienne and Gérard Lamarche, commented on the operations and results for 2018 as follows:

« 2018 was characterized by a return to volatility and risk aversion in the financial markets, notably fueled by geopolitical tensions and end-of-cycle uncertainties on the growth-profile and leading to several episodes of correction, in February and then in the fourth quarter of 2018. In this complex market environment, our net asset value decreased by 14.3% to reach EUR 100.35 per share at year-end 2018, after having reached its highest level in the last decade at EUR 122.37, on April 20, 2018.

[1] Alternative performance indicators are defined in the glossary available on GBL's website: http://www.gbl.be/en/glossary
[2] The calculation per share is based on the number of shares issued as of December, 31 2018 (161.4 million), except for the net result per share which refer, in accordance with IFRS, to the weighted average number of shares (157.7 million in 2018)
[3] Subject to the approval by the Ordinary General Shareholders' Meeting of April 23, 2019
[4] Including the disposals of ENGIE shares (reclassified in cash as of December 31, 2016) and excluding the elimination of the contribution of Sienna Capital to the cash earnings

GBL continued to reach its strategic objective aiming at delivering over the long term a performance exceeding its reference index. Over the 2012-18 period consecutive to the launch of the portfolio rebalancing strategy, the annualized total shareholder return was 9.9%, thus outperforming its reference index by 3.7%.

GBL's consolidated net result amounts to EUR 659 million. GBL's performance in terms of cash earnings is solid. Their increase by 6.9%, to EUR 456 million, notably stems from the increase in the net dividend contribution from the participations in portfolio. This evolution reflects the successful redeployment of the disposal proceeds of the high-yielding assets of the energy and utilities sector.

GBL's financial situation remains sound, with a net indebtedness of EUR 693 million, a Loan To Value ratio of 4.2% and a strong liquidity profile of EUR 2.5 billion. This financial flexibility provides us with capacity to execute our share buyback program, authorized in October 2018 for up to EUR 250 million, as well as to seize new quality investment opportunities and, if necessary, support the development of our participations.

Confident in GBL's strategy and performance, the Board of Directors will propose to the General Shareholders' Meeting an increase by 2.3% of the gross dividend, to EUR 3.07 per share, i.e. an attractive dividend yield of 4.0%.

Finally GBL has announced, in December 2018, an evolution of its governance which will enter into force immediately after the General Shareholders' Meeting of April 23, 2019 and reaffirms the stability of the partnership between the Desmarais and Frère families. »

1. Change in the portfolio, net asset value and financial position

1.1. 2018 highlights

Listed investments

On February 8, 2018, **Umicore** announced a EUR 892 million capital increase aiming at financing its growth investments. The proceeds of the placement will also provide the group with more financial flexibility in support of external growth operations and potential partnerships enabling to strengthen its offering in clean mobility materials and recycling. GBL confirmed its full support to the group by participating in this capital raising for EUR 144 million. GBL has further strengthened its position into this participation. As of December 31, 2018, GBL's interest represented 17.69% of Umicore's capital and was valued at EUR 1,520 million.

On April 3, 2018, GEA Group ("**GEA**") declared that, on March 23, 2018, GBL had crossed the 5.0% threshold in the company's voting rights. As of December 31, 2018, GBL held 8.51% of the capital (4.25% as of December 31, 2017), with a market value of EUR 346 million.

On May 9, 2018, GBL announced the successful sale of 6.6% of the capital of Burberry Group PLC ("**Burberry**"), corresponding to 27.6 million shares, through a private placement by way of an accelerated bookbuilding process to institutional investors. The proceeds from the disposal amount to approximately GBP 498 million. This transaction represents the disposal of GBL's entire stake in Burberry and is part of GBL's dynamic strategy in terms of portfolio diversification. The sale allowed GBL to achieve a capital gain of approximately GBP 83 million. This capital gain has no impact on GBL's consolidated net result following the entry into force of IFRS 9.

Imerys

Business portfolio management to improve the growth profile of Imerys

In 2018, Imerys has continued to reshape its business portfolio to reposition itself as a specialty minerals company and to improve its growth profile:

- Imerys has successfully integrated Kerneos, the world's leading provider of high-performance calcium aluminate binders for the growing building chemicals market, consolidated since July 2017. The synergies generated in 2018 are in line with its plan;
- On October 11, Imerys has completed the disposal of its Roofing division, which represented the last remaining building materials business in its portfolio. Although highly profitable, this French business had limited growth prospects. This transaction significantly strengthened the group's balance sheet, generating, for Imerys, a cash flow of EUR 823 million, and a net capital gain of EUR 740 million.

Decisive actions to address adverse market changes in some of Imerys' operations

Imerys has also made the following strategic decisions:

- Withdrawal from ceramic proppants in the United States, due to a fundamental technological shift in the market. Imerys decided to exit this business to limit its negative impact on current operating income to EUR 5 million in 2018. The impairment and restructuring costs recognized by Imerys as of December 31, 2018 amounted to EUR 148.4 million.
- Implementing a "care and maintenance regime" for natural graphite assets in Namibia and refocusing of the Graphite & Carbon division. As a result, the negative contribution of these activities to Imerys' current operating income represented EUR 7 million in 2018 and the impairment and restructuring costs recognized by Imerys as of December 31, 2018 amounted to EUR 77.9 million.

Imerys North American talc subsidiaries take major step for the permanent resolution of historic talc-related liabilities in the United States

The elements announced by Imerys on February 13, 2019 are detailed thereafter in Section 5. Subsequent Events.

Sienna Capital

In July 2018, GBL, through its subsidiary **Sienna Capital**, has completed its first co-investment transaction by injecting EUR 250 million alongside funds affiliated with the investment firm KKR into Upfield (formerly named Flora Food Group), the carve-out of Unilever's Spreads Business. Upfield is the global market leader in plant-based margarine spreads and cooking products, operating in 69 markets around the world and having generated pro forma revenue of approximately EUR 3.0 billion in 2017.

Beginning of 2018, Ergon Capital Partners III ("**ECP III**") finalised the acquisition of svt from IK Investment Partners, with a consecutive external growth transaction on Rolf Kuhn, making it one of the European leaders in the fire protection sector.

During the third quarter of 2018, Ergon Capital Partners III ("**ECP III**") completed the acquisition of Beltaste-Vanreusel, a Belgian frozen food manufacturer and preferred supplier to the fast food sector, and Indo, the Spanish leader in the manufacture and distribution of ophthalmic lenses and ophthalmologic diagnostic equipment.

In January 2018, **Sagard 3** sold to the Caisse de Dépôt et Placement du Québec ("CDPQ") and Ardian its participation in Alvest Group, global leader in ground support products and services for the aviation industry and airports. Part of the disposal proceeds has been reinvested by Sagard 3 alongside CDPQ and Ardian. Following the entry into force of IFRS 9 on January 1, 2018, GBL's consolidated net result was not impacted by the net gain on disposal in relation to this transaction, which amounts to EUR 57 million GBL's share, but by the change to the asset's fair value in 2018 until its disposal, for an amount of EUR 1 million, recognized in other financial products and expenses.

In January 2018, **Sagard 3** acquired a majority stake in Climater, a leading French specialist in climate engineering.

In February 2018, **Sagard II** and PAI Partners sold their stake in Kiloutou, a leader in the industrial and construction equipment rental market. Following the entry into force of IFRS 9 on January 1, 2018, GBL's consolidated net result was not impacted by the net gain on disposal in relation to this transaction, which amounts to EUR 23 million GBL's share. This asset had no change to its fair value in 2018 until its disposal.

In December 2018, **Sagard 3** sold to Mademoiselle Desserts its participation in Délices des 7 Vallées, a manufacturer specialised in premium frozen industrial pastries. Following the entry into force of IFRS 9 on January 1, 2018, GBL's consolidated net result was not impacted by the net gain on disposal in relation to this transaction, which amounts to EUR 19 million GBL's share, but by the change to the asset's fair value in 2018 until its disposal, for an amount of EUR 14 million, recognized in other financial products and expenses.

As for **Kartesia**, Kartesia Credit Opportunities IV continues to invest and called from Sienna Capital an amount of EUR 60 million during 2018.

Financing

On June 19, 2018, GBL has placed a EUR 500 million **institutional bond**, with a 7-year maturity and a coupon of 1.875%. This issuance is intended to cover the group's general corporate purposes and lengthens the weighted average maturity of the gross debt to 6.1 years at the end of December 2018 (4.0 years at year-end 2017). The issuance was oversubscribed more than 2.5 times by a diversified institutional base. The success of this placement illustrates the market's confidence in GBL's creditworthiness.

During 2018, Sagerpar S.A., a wholly owned subsidiary of GBL, received conversion requests for 3,483 **convertible bonds**, representing 81% of the total convertible bonds issued on September 27, 2013. These bonds that were subject to conversion requests have been redeemed (i) in cash for 273 bonds and (ii) in treasury shares for 3,210 bonds. The gain on the disposal of treasury shares in relation to the conversion of bonds whose settlement was carried out through share deliveries amounts to EUR 195 million (transactions on treasury shares not impacting the consolidated net result). On October 9, 2018, the outstanding nominal of the convertible bonds has been repaid in cash for an amount of EUR 84 million.

Treasury share buyback

Pursuant to the authorisation granted by the General Meeting of April 26, 2016, the Board of Directors held on October 31, 2018 has authorised the company to purchase up to EUR 250 million of **treasury shares**, if appropriate and depending on market conditions. This authorization is valid until April 26, 2021.

Pursuant to this authorization, GBL has acquired, as of December 31, 2018, directly and through its subsidiaries, 347,306 GBL shares, representing 0.2% of the issued capital and valued at EUR 26 million.

Governance

The Board of Directors decided on October 31, 2018, on the recommendation of the Nomination and Remuneration Committee, to co-opt Agnès Touraine as an independent Director. The ratification of this appointment will be submitted to the shareholders for approval at the Ordinary General Meeting of April 23, 2019. Agnès Touraine's term of office as Director runs until the General Meeting 2021, a period corresponding to the remaining term of office of Christine Morin-Postel, who passed away last July 21. By decision of the Board of Directors, Agnès Touraine also becomes a member of the Nomination and Remuneration Committee.

On December 3, 2018, GBL has announced with deep sadness the passing of Albert Frère, Honorary Chairman and co-controlling shareholder of the company, at the age of 92. Baron Frère has contributed to the development of GBL, in partnership with the Desmarais family, since joining the group in 1982 and has been one of the two controlling shareholders of the company since 1990. Under his leadership for more than three decades, GBL has become one of the largest investment holding companies in Europe. His professional and human qualities have deeply marked our group.

Following the passing of Albert Frère, GBL has been informed of:

- the transfer of control from Mr. Albert Frère on Frère-Bourgeois and its subsidiaries to his two children, Mr. Gérald Frère - Stichting Administratiekantoor Bierlaire – and Mrs. Ségolène Gallienne - Stichting Administratiekantoor Peupleraie – according to the Articles of Association of Stichting Administratiekantoor Frère-Bourgeois; and
- the continuation of the action in concert previously notified with the Power group, controlled by The Desmarais Family Residuary Trust.

On December 10, 2018, the Board of Directors of GBL has adopted changes which will enter into force immediately after the Shareholders' Meeting on April 23, 2019:

- Regarding the Board of Directors:
  Paul Desmarais, jr. will become Chairman of the Board of Directors and will therefore succeed Gérald Frère who is appointed Vice-Chairman of the Board of Directors and Chairman of the Standing Committee, replacing Thierry de Rudder.
  Amaury de Seze, who remains Chairman of the Nomination and Remuneration Committee, will become Vice-Chairman of the Standing Committee.
- Regarding the Executive Management:
  Ian Gallienne will assume sole operational management of the company as CEO.
  Gérard Lamarche has decided not to request the renewal of his mandate as co-CEO and to give a new orientation to his career, after seven years within the group. He nonetheless remains linked to the future of GBL: he becomes Senior Advisor and remains Director as well as member of the Standing Committee. In this way, he will continue to bring his experience.

1.2. Net asset value

As of December 31, 2018, GBL's **net asset value** amounts to EUR 16.2 billion (EUR 100.35 per share) compared with EUR 18.9 billion (EUR 117.06 per share) at year-end 2017, i.e. a decrease by 14.3% (EUR 16.71 per share). Relative to the stock price of EUR 76.08, the discount at year-end 2018 stands at 24.2%, increasing by 1.1% compared with year-end 2017.

	December 31, 2018			**December 31, 2017**		
	% in capital	Stock price[1]	(EUR million)	*% in capital*	Stock price[1]	(EUR million)
Listed investments			**15,311.7**			**17,899.3**
adidas	*7.83*	182.40	2,862.7	*7.50*	167.15	2,623.3
Pernod Ricard	*7.49*	143.30	2,850.6	*7.49*	131.95	2,624.9
SGS	*16.60*	2,210	2,484.7	*16.60*	2,541	2,751.1
LafargeHolcim	*9.43*	35.83	2,050.9	*9.43*	47.04	2,692.5
Imerys	*53.91*	41.98	1,798.9	*53.83*	78.54	3,365.6
Umicore	*17.69*	34.86	1,519.9	*17.01*	39.46	1,503.3
Total	*0.61*	46.18	748.5	*0.64*	46.05	746.0
GEA	*8.51*	22.50	345.5	*4.25*	40.01	327.6
Ontex	*19.98*	17.90	294.5	*19.98*	27.58	453.7
Parques Reunidos	*21.19*	10.80	184.8	*21.19*	14.85	254.1
Burberry			-	*6.46*	17.92	557.1
Other			170.6			-
Sienna Capital			**1,374.4**			**926.4**
Portfolio			**16,686.1**			**18,825.7**
Treasury shares			199.6			505.0
Convertible bonds			-			(450.4)
Bank debt and retail / institutional bonds			(1,069.4)			(556.6)
Cash/quasi-cash/trading			376.5			564.3
Net asset value (global)			**16,192.7**			**18,888.0**
Net asset value (EUR p.s.) [2]			**100.35**			**117.06**
Stock price (EUR p.s.)			**76.08**			**89.99**
Discount			***24.2%***			***23.1%***

As of March 8, 2019, the net asset value per share stands at EUR 112.27, up by 11.9% compared with its level at the end of December 2018, reflecting a discount of 25.0% on the stock price on that date (EUR 84.22).

[1] Closing stock price in EUR except for SGS in CHF and Burberry in GBP
[2] Based on 161,358,287 shares

1.3. Financial position

Net debt increased from EUR 443 million as of December 31, 2017 to EUR 693 million as of December 31, 2018. This increase, detailed in the following table, takes mainly into account investments (primarily in Sienna Capital, GEA and Umicore) for EUR 1,169 million, these flows being offset by cash earnings (EUR 456 million) and divestments (Burberry and Sienna Capital) for EUR 693 million:

EUR million	Gross cash	Gross debt	Net debt
Position as of December 31, 2017	**564.3**	**(1,007.0)**	**(442.7)**
Cash earnings	456.1		456.1
Dividend distribution	(484.1)		(484.1)
Investments:	(1,169.1)		(1,169.1)
Sienna Capital	*(452.7)*		*(452.7)*
GEA	*(228.5)*		*(228.5)*
Umicore	*(214.4)*		*(214.4)*
GBL	*(60.0)*		*(60.0)*
Other	*(213.6)*		*(213.6)*
Divestments:	692.7		692.7
Burberry	*565.8*		*565.8*
Sienna Capital	*126.9*		*126.9*
Conversions of GBL convertible bonds	(114.0)	450.4	336.4
Institutional bond issuance	496.5	(500.0)	(3.5)
Bank financing	12.8	(12.8)	-
Other	(78.6)		(78.6)
Position as of December 31, 2018	**376.5**	**(1,069.4)**	**(693.0)**

Relative to the portfolio's value, the net debt is at 4.2% as of December 31, 2018 and breaks down as follows:

EUR million	December 31, 2018	December 31, 2017
Retail and institutional bonds	(1,000.0)	(500.0)
GBL convertible bonds	-	(450.4)
Other	(69.4)	(56.6)
Gross debt	**(1,069.4)**	**(1,007.0)**
Gross cash (excluding treasury shares)	**376.5**	**564.3**
(Net debt) / Net cash	**(693.0)**	**(442.7)**

The weighted average maturity of the gross debt is 6.1 years at the end of December 2018 (4.0 years at year-end 2017).

As of December 31, 2018, committed credit lines amount to EUR 2,150 million (fully undrawn) and mature in 2022 and 2023.

The liquidity profile amounts to EUR 2,526 million at the end of December 2018 (taking into account the gross cash and the undrawn amount under the committed credit lines), compared with EUR 2,714 million at the end of December 2017.

This position does not include the company's commitments in respect of Sienna Capital, which total EUR 528 million at the end of December 2018 (EUR 733 million as of December 31, 2017).

Finally, as of December 31, 2018, the 2,642,982 treasury shares represent 1.6% of the issued capital and are valued at EUR 200 million, to be compared respectively with 3.5% and EUR 505 million at year-end 2017.

2. Consolidated results (economic presentation)

EUR million Group's share	December 31, 2018 Cash earnings	Mark to market and other non-cash items	Operating companies (associated or consolidated) and Sienna Capital	Eliminations, capital gains, impairments and reversals	Consolidated	December 31, 2017 Consolidated
Profit (loss) of associates and consolidated operating companies	-	-	332.0	-	**332.0**	219.7
Net dividends from investments	452.0	0.3	-	(101.9)	**350.4**	340.7
Interest income (expenses)	24.2	(2.0)	(39.7)	-	**(17.5)**	(29.6)
Other financial income (expenses)	13.3	(0.0)	33.6	(17.6)	**29.3**	12.2
Other operating income (expenses)	(32.0)	4.7	(11.1)	-	**(38.4)**	(58.5)
Gains (losses) from disposals, impairments and reversal of non-current assets	(1.1)	0.3	4.4	-	**3.6**	221.5
Taxes	(0.3)	-	(0.2)	-	**(0.5)**	(0.6)
IFRS consolidated net result (2018)	**456.1**	**3.3**	**319.0**	**(119.5)**	**658.9**	
IFRS consolidated net result (2017)	426.5	(5.2)	413.4	(129.3)		705.4

The **consolidated net result, group's share**, as of December 31, 2018, stands at EUR 659 million, compared with EUR 705 million as of December 31, 2017.

This result is primarily driven by:
- the net dividends from investments for EUR 350 million;
- Imerys' contribution amounting to EUR 302 million.

2.1. Cash earnings (EUR 456 million compared with EUR 427 million)

EUR million	December 31, 2018	December 31, 2017
Net dividends from investments	452.0	461.2
Interest income (expenses)	24.2	(23.5)
Sienna Capital interests	*39.6*	*2.1*
Other interest income (expenses)	*(15.4)*	*(25.6)*
Other financial income (expenses)	13.3	24.2
Other operating income (expenses)	(32.0)	(35.4)
Gains (losses) from disposals, impairments and reversal of non-current assets	(1.1)	-
Taxes	(0.3)	-
Total	**456.1**	**426.5**

Net dividends from investments in 2018 are slightly down compared with 2017.

EUR million	December 31, 2018	December 31, 2017
LafargeHolcim	97.1	107.0
Imerys	88.9	80.1
SGS	82.2	82.8
Pernod Ricard	47.0	40.2
Total	34.7	35.5
adidas	34.7	26.7
Umicore	30.2	25.7
GEA	10.0	2.2
Ontex	9.9	9.0
Other	4.3	0.1
Parques Reunidos	4.2	3.0
Burberry	-	8.9
Sienna Capital	8.8	40.0
Total	**452.0**	**461.2**

The evolution of the net dividends from investments primarily reflects the decrease in dividends from Sienna Capital and negative currency impacts on dividends from LafargeHolcim and SGS. These are partially compensated by the increase in unit dividends from Imerys, adidas, Pernod Ricard and Umicore as well as the increase in dividends from GEA following the investments carried out since last year.

It should be noted that Sienna Capital's total contribution to the cash earnings in 2018 amounts to EUR 48 million, part of which was paid out in the form of a dividend (EUR 9 million) and the other part in the form of interests (EUR 40 million – refer to the section "Net interest expenses" below). In 2017, Sienna Capital's total contribution amounted to EUR 42 million.

LafargeHolcim distributed a dividend of CHF 2.00 per share for 2017 (CHF 2.00 per share in 2017), contributing EUR 97 million as of December 31, 2018.

Imerys approved in the second quarter of 2018 an annual dividend of EUR 2.075 per share (EUR 1.87 per share in 2017), corresponding to a total collection of EUR 89 million for GBL.

SGS paid an annual dividend of CHF 75.00 per share (CHF 70.00 per share in 2017), representing EUR 82 million as of December 31, 2018.

Pernod Ricard declared an interim dividend of EUR 1.01 per share in the second quarter of 2018 (compared with EUR 0.94 per share the previous year), and paid the balance during the fourth quarter (EUR 1.35 per share, compared with EUR 1.08 in 2017), corresponding to a total amount of EUR 47 million for GBL in 2018.

Total approved a dividend of EUR 2.48 per share for 2017 and paid, during the year 2018, the last quarterly interim dividend, the balance of the 2017 dividend and the first quarterly interim dividend in relation to 2018, i.e. EUR 0.62, EUR 0.62 and EUR 0.64 per share respectively. Total also announced the distribution of its second interim dividend for EUR 0.64 per share. Total's contribution to the result of the 2018 financial year thus amounts to EUR 35 million.

adidas distributed a dividend of EUR 2.60 per share in the second quarter of 2018 (compared with EUR 2.00 per share in 2017), representing EUR 35 million as of December 31, 2018.

Umicore approved during the second quarter of 2018 the balance of the dividend for 2017 of EUR 0.375 per share (EUR 0.35[1] per share in 2017), and paid an interim dividend of EUR 0.35 per share (EUR 0.325[1] per share in 2017) in the third quarter of 2018. The contribution of Umicore amounted to EUR 30 million as of December 31, 2018.

GEA paid in the second quarter of 2018 a dividend of EUR 0.85 per share (EUR 0.80 in 2017), representing EUR 10 million as of December 31, 2018.

Ontex distributed during the first half of 2018 a dividend of EUR 0.60 per share for 2017 (compared with EUR 0.55 per share the previous year), corresponding to an amount of EUR 10 million for GBL.

Parques Reunidos approved during the first half of 2018 a dividend of EUR 0.2477 per share (unchanged compared with last year), representing a contribution of EUR 4 million for 2018.

Net interest expenses (EUR 24 million) are positively impacted by the interests from Sienna Capital[2] as well as the repayment at the end of 2017 of the bond issued in 2010 and by the early conversions of bonds convertible into GBL shares. These impacts are however partially offset by the interest expenses related to the institutional bonds issued in 2017 and 2018.

Other financial income (expenses) (EUR 13 million) mainly comprise yield enhancement income of EUR 11 million (EUR 13 million in 2017) and dividends collected on treasury shares for EUR 9 million, compared with EUR 17 million in 2017, primarily as a result of the share deliveries in relation to the early conversions of bonds convertible into GBL shares.

Other operating income (expenses) amounted to EUR - 32 million at the end of December 2018.

[1] Taking into account the two-for-one share split, effective as from October 16, 2017.
[2] The corresponding interest charge is included in the "Interest income (expenses)" in the column "Operating companies (associates or consolidated) and Sienna Capital".

The **gains (losses) from disposals, impairments and reversal of non-current assets** correspond to the cost related to the early conversions of bonds convertible into GBL shares whose settlement has been carried out in cash.

2.2. Mark to market and other non-cash items
(EUR 3 million compared with EUR - 5 million)

EUR million	December 31, 2018	December 31, 2017
Net dividends from investments	0.3	(0.4)
Interest income (expenses)	(2.0)	(4.1)
Other financial income (expenses)	(0.0)	4.9
Other operating income (expenses)	4.7	(5.6)
Gains (losses) from disposals, impairments and reversal of non-current assets	0.3	-
Total	**3.3**	**(5.2)**

Interest income (expenses) primarily include the impact of the valuation at amortised cost of the convertible bonds into GBL shares (EUR - 2 million compared with EUR - 4 million last year).

Other financial income (expenses) include the mark to market of the trading portfolio and derivative instruments (EUR - 14 million compared with EUR 15 million in 2017), unrealized exchange differences (EUR - 7 million) as well as the derivative component embedded in the convertible bonds (EUR 21 million compared with EUR - 11 million in 2017). This non-monetary gain of EUR 21 million includes:

- on the one hand, the reversal of the derivative related to the bonds convertible into GBL shares which were the subject of early conversions and whose settlement was carried out through share deliveries (EUR 9 million) ;
- on the other hand, the change in the value of the call options on underlying securities implicitly embedded in the outstanding bonds convertible into GBL shares paid in cash at maturity (EUR 12 million compared with EUR - 11 million in 2017). The change in value of these derivative instruments has been primarily attributable to the fluctuations in the stock price of the GBL share and the expiry of the bonds and the implied options.

The **gains (losses) from disposals, impairments and reversal of non-current assets** correspond to the reversal of the derivative related to the bonds convertible into GBL shares which were the subject of early conversions and whose settlement was carried out in cash.

2.3. Operating companies (associates or consolidated) and Sienna Capital
(EUR 319 million compared with EUR 413 million)

EUR million	December 31, 2018	December 31, 2017
Profit (loss) of associates and consolidated operating companies	332.0	219.7
Interest income (expenses)	(39.7)	(2.0)
Other financial income (expenses)	33.6	-
Other operating income (expenses)	(11.1)	(17.5)
Gains (losses) on disposals, impairments and reversals of non-current assets	4.4	213.8
Taxes	(0.2)	(0.6)
Total	**319.0**	**413.4**

Net profit (loss) of associates and consolidated operating companies amounts to EUR 332 million compared with EUR 220 million in 2017:

EUR million	December 31, 2018	December 31, 2017
Imerys	302.3	199.8
Parques Reunidos	(0.5)	-
Sienna Capital	30.2	19.9
ECP I & II	*(2.2)*	*(7.7)*
Operating subsidiaries of ECP III	*4.1*	*(4.0)*
Kartesia	*21.5*	*24.2*
Backed 1	*6.3*	-
Mérieux Participations 2	*0.5*	*7.4*
Total	**332.0**	**219.7**

Imerys (EUR 302 million compared with EUR 200 million)

Net current income increases by 6.5% to EUR 357 million as of December 31, 2018 (EUR 335 million as of December 31, 2017), taking into account the reclassification of the Roofing business in discontinued operations. The current operating income amounts to EUR 562 million (EUR 551 million as of December 31, 2017). The net result, group's share, amounts to EUR 560 million as of December 31, 2018 (EUR 368 million as of December 31, 2017).

Imerys contributes EUR 302 million to GBL's result in 2018 (EUR 200 million in 2017), reflecting the increase in the net income (group's share) and the 54.0% consolidation rate for Imerys in 2018 (54.3% in 2017).

Parques Reunidos (EUR - 1 million compared with EUR 0 million)

Parques Reunidos reported a loss of EUR 2 million for the period from January 1, 2018 to December 31, 2018.

The contribution of Parques Reunidos amounts to EUR - 1 million, taking into account the 21.19% consolidation rate. As a reminder, Parques Reunidos is accounted according to the equity method since year-end 2017, the 20.00% threshold having been crossed in November 2017.

Sienna Capital (EUR 30 million compared with EUR 20 million)

Sienna Capital's contribution to GBL's results as of December 31, 2018 amounts to EUR 30 million compared with EUR 20 million in the prior year. This result was impacted by the large contribution of Kartesia (EUR 22 million in 2018 compared with EUR 24 million in 2017) and of Backed 1 (EUR 6 million).

The **interest income (expenses)** consist mainly of interests paid by Sienna Capital to GBL for EUR 40 million[1].

Since January 1, 2018, following the entry into force of IFRS 9, **other financial income and expenses** include the change in fair value of Sienna Capital's funds, not consolidated or accounted for under the equity method, for a total amount of EUR 34 million (of which EUR 15 million on assets sold in 2018).

The **gains (losses) from disposals, impairments and reversals of non-current assets** mainly consisted in 2017 of the net capital gain on the disposal by ECP III of Golden Goose (EUR 112 million, group's share) and of ELITech (EUR 104 million, group's share). The capital gains generated on the disposals in 2018 by Sagard II and Sagard 3 of the investments in Kiloutou, Alvest Group and Délices des 7 Vallées (EUR 99 million) are not recognised in the consolidated net result, following the entry into force of IFRS 9 on January 1, 2018.

[1] The corresponding interest income is included in the cash earnings' "Interest income (expenses)".

2.4. Eliminations, capital gains, impairments and reversals
(EUR - 120 million compared with EUR - 129 million)

EUR million	December 31, 2018	December 31, 2017
Elimination of dividends *(Imerys, Sienna Capital, Parques Reunidos)*	(101.9)	(120.1)
Other financial income (expenses) *(GBL, other)*	(17.6)	(16.9)
Capital gains from disposals *(Other)*	-	8.1
Impairments and reversals of non-current assets *(Other)*	-	(0.4)
Total	**(119.5)**	**(129.3)**

Elimination of dividends

Net dividends from operating investments (associates or consolidated companies) are eliminated and represent EUR 102 million from Imerys, Sienna Capital and Parques Reunidos.

Other financial income (expenses)

This item includes, on the one hand, the elimination of the dividend on treasury shares amounting to EUR - 9 million and, on the other hand, the cancellation of the reversal of the derivative recorded in "mark to market and other non-cash items" in relation to the bonds convertible into GBL shares which were the subject of early conversions and whose settlement was carried out through share deliveries for EUR - 9 million (transactions on treasury shares not impacting the results).

The gain on the disposal of treasury shares[1] in relation to the conversion of bonds whose settlement was carried out through share deliveries amounts to EUR 195 million. This gain does not impact the consolidated net result as it relates to transactions on treasury shares.

Gains (losses) from disposals, impairments and reversal of non-current assets

Following the entry into force of IFRS 9 as of January 1, 2018, no result from disposals is recognised in 2018 in relation to the sale of Burberry shares. The economic capital gain in relation to this disposal amounts to EUR 67 million (GBP 83 million).

Furthermore, the concept of impairment on investments previously classified as Available-for-sale assets under IAS 39 is no longer applicable under IFRS 9. Under IAS 39, an impairment of EUR 483 million would have been accounted for (mainly on the investments in GEA, Ontex and LafargeHolcim).

[1] 3.7 million GBL shares

3. Consolidated results (IFRS presentation)

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

- **Holding:** consists of the parent company GBL and its subsidiaries. Its main activity is to manage investments as well as the non-consolidated operating companies and associates;
- **Imerys:** consists of the Imerys group, a French group listed on Euronext Paris, which holds leading positions in each of its four business lines (Energy Solutions & Specialities; Filtration & Performance Additives; Ceramic Minerals; High Resistance Minerals);
- **Sienna Capital**: includes, on the one hand, under investment activities; the companies Sienna Capital, ECP, ECP II, ECP III, Sagard, Sagard II and Sagard 3, PrimeStone, Backed 1, BDT Capital Partners II, Upfield, Kartesia Credit Opportunities III and IV, and Mérieux Participations I and 2, and, on the other hand, under consolidated operating businesses, the operating subsidiaries of ECP III (sub-groups Benito, Sausalitos, Looping, opseo, Keesing, svt, Indo, Vanreusel...).

	December 31, 2018				December 31, 2017
EUR million	**Holding**	**Imerys**	**Sienna Capital**	**Consolidated**	**Consolidated**
Share of profit (loss) of associates	(0.5)	-	26.1	25.6	23.9
Net dividends from investments	350.4	-	-	350.4	340.7
Other operating income (expenses) from investing activities	(27.3)	-	(11.8)	(39.1)	(59.4)
Gains (losses) from disposals, impairments and reversals of non-current assets from investing activities	(0.8)	-	5.0	4.2	245.7
Financial income (expenses) from investing activities	17.9	-	(6.1)	11.8	(17.4)
Profit (loss) from investing activities - continued operations	**339.7**	**-**	**13.2**	**352.9**	**533.5**
Turnover	-	4,590.0	611.3	5,201.3	4,626.3
Raw materials and consumables	-	(1,503.2)	(212.5)	(1,715.7)	(1,434.0)
Employee expenses	-	(997.7)	(203.8)	(1,201.5)	(1,064.7)
Depreciation on tangible and intangible assets	-	(267.2)	(46.1)	(313.3)	(280.6)
Other operating income (expenses) from operating activities	-	(1,696.4)	(105.6)	(1,802.0)	(1,331.6)
Gains (losses) from disposals, impairments and reversals of non-current assets from operating activities	-	(214.7)	(0.5)	(215.2)	(6.6)
Financial income (expenses) from operating activities	-	(60.4)	(35.3)	(95.7)	(97.1)
Profit (loss) from consolidated operating activities - continued operations	**-**	**(149.6)**	**7.5**	**(142.1)**	**411.7**
Income taxes	(0.3)	(89.0)	(5.4)	(94.7)	(121.4)
Profit (loss) from continued activies	**339.4**	**(238.6)**	**15.3**	**116.1**	**823.8**
Profit (loss) from consolidated operating activities - discontinued operations	**-**	**788.0**	**-**	**788.0**	**67.3**
Consolidated profit (loss) for the period	**339.4**	**549.4**	**15.3**	**904.1**	**891.1**
Attributable to the group	**339.4**	**302.3**	**17.2**	**658.9**	**705.4**
Attributable to non-controlling interests	-	247.1	(1.9)	245.2	185.7

The result of the period from consolidated operating activities - continued operations (EUR - 142 million) is significantly impacted by the charges incurred by Imerys in 2018 in relation with (i) the withdrawal from ceramic proppants in the United States, (ii) the implementation of a "care and maintenance" program for Namibian natural graphite assets and refocusing of the Graphite & Carbon division, and (iii) the process initiated on February 13, 2019 by the talc subsidiaries of Imerys in North America (refer to Sections 1.1 2018 highlights and 5. Subsequent Events).

The result of the period from consolidated operating activities - discontinued operations is exclusively related to the disposal by Imerys of its Roofing business for EUR 788 million, of which EUR 740 million of net capital gain (refer to Section 1.1. 2018 highlights).

EUR million	December 31, 2018	December 31, 2017
Consolidated profit per share for the period		
Basic - continued operations	1.48	4.30
Basic - discontinued operations	2.70	0.23
Basic	4.18	4.53
Diluted - continued operations	1.44	4.29
Diluted - discontinued operations	2.70	0.23
Diluted	4.14	4.52

4. Dividend proposal

The Board of Directors will propose at the Ordinary General Shareholders' Meeting of 23 April 2019 the approval of a gross dividend for the 2018 financial year of EUR 3.07 per share, corresponding to an increase of 2.3% compared with the dividend of EUR 3.00 in relation to the 2017 financial year. It would offer a dividend yield of 4.0% based on GBL's stock price at year-end 2018. Coupon n° 21 will be detached on April 30, 2019 and become payable as from May 3, 2019.

5. Subsequent events

Imerys

After evaluating a range of possible options, Imerys North American talc subsidiaries – Imerys Talc America, Imerys Talc Vermont, and Imerys Talc Canada – have voluntarily sought the protection of Chapter 11, a special legal process under U.S. law. Although significant, the impact of the decision of the North American talc subsidiaries taken on February 13, 2019 and the anticipated terms of their plan of reorganization is not expected to materially affect Imerys's overall financial situation, profitability, and cash generative business profile.

For the year ended December 31, 2018, these subsidiaries, which will no longer be included within Imerys's scope of consolidation, recorded EUR 143 million in revenue, EUR 25 million in EBITDA and EUR 16 million in current operating income, which represented approximately 3% of the same consolidated figures of Imerys. The estimated net financial impact of the overall process initiated on February 13, 2019 amounts to EUR 250 million has been provisioned in Imerys's full-year 2018 consolidated financial statements, in addition to EUR 17 million of costs incurred during the year by Imerys.

For more information regarding this subsequent event, please refer to the press release of Imerys group dated February 13, 2019 (available on the following link: https://www.imerys.com/Scopi/Group/ImerysCom/imeryscom.nsf/pagesref/REBA-B9CMTF/$File/Imerys_PR_2018%20Results_VA.pdf).

Treasury share buyback

Between January 1 and March 8, 2019, GBL has acquired, directly and through its subsidiaries, 204,526 GBL shares, representing 0.1% of the issued capital and valued at EUR 17 million as of March 8, 2019.

6. Outlook for the 2019 financial year

GBL's core objectives remain unchanged: continue to deliver a total shareholder return outperforming the Stoxx Europe 50 reference index, through share price performance and continuous dividend growth over the long term, while maintaining a solid capital structure. GBL believes that its business model, which combines, on the one hand, a long-term investment horizon and, on the other hand, an influence and an active collaboration at the level of the Boards of its portfolio companies, is a durable one through economic cycles and that its portfolio today has a healthy diversification across sectors and geographies.

In the absence of major events, GBL foresees to pay a 2019 dividend at least equivalent to that proposed in relation to the 2018 financial year.

Generally speaking, GBL's consolidated results will also factor in the change in the net contributions from operating companies (associates and consolidated), which are themselves tied to the economic environment.

7. Financial calendar and other regulated information

Publication of the annual report (FR / NL)	March 22, 2019
Ordinary General Meeting	April 23, 2019
Ex-dividend date	April 30, 2019
Dividend payment date	May 3, 2019
Results as of March 31, 2019	May 8, 2019
Report on payments to governments made available on GBL's website	May 31, 2019
Half-year 2019 results	July 31, 2019
Results as of September 30, 2019	October 31, 2019

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

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About Groupe Bruxelles Lambert

Groupe Bruxelles Lambert ("**GBL**") is an established investment holding company, with over sixty years of stock exchange listing, a net asset value of EUR 16 billion and a market capitalisation of EUR 12 billion at the end of December 2018. GBL is a leading investor in Europe, focused on long-term value creation and relying on a stable and supportive family shareholder base. GBL strives to maintain a diversified high-quality portfolio composed of global companies, leaders in their sector, in which it can contribute to value creation by being an active professional investor. GBL seeks to provide attractive returns to its shareholders through a combination of a sustainable dividend and growth in its net asset value.

GBL is listed on the Euronext Brussels stock exchange (Ticker: GBLB BB ; ISIN code: BE0003797140) and is included in the BEL20 index.