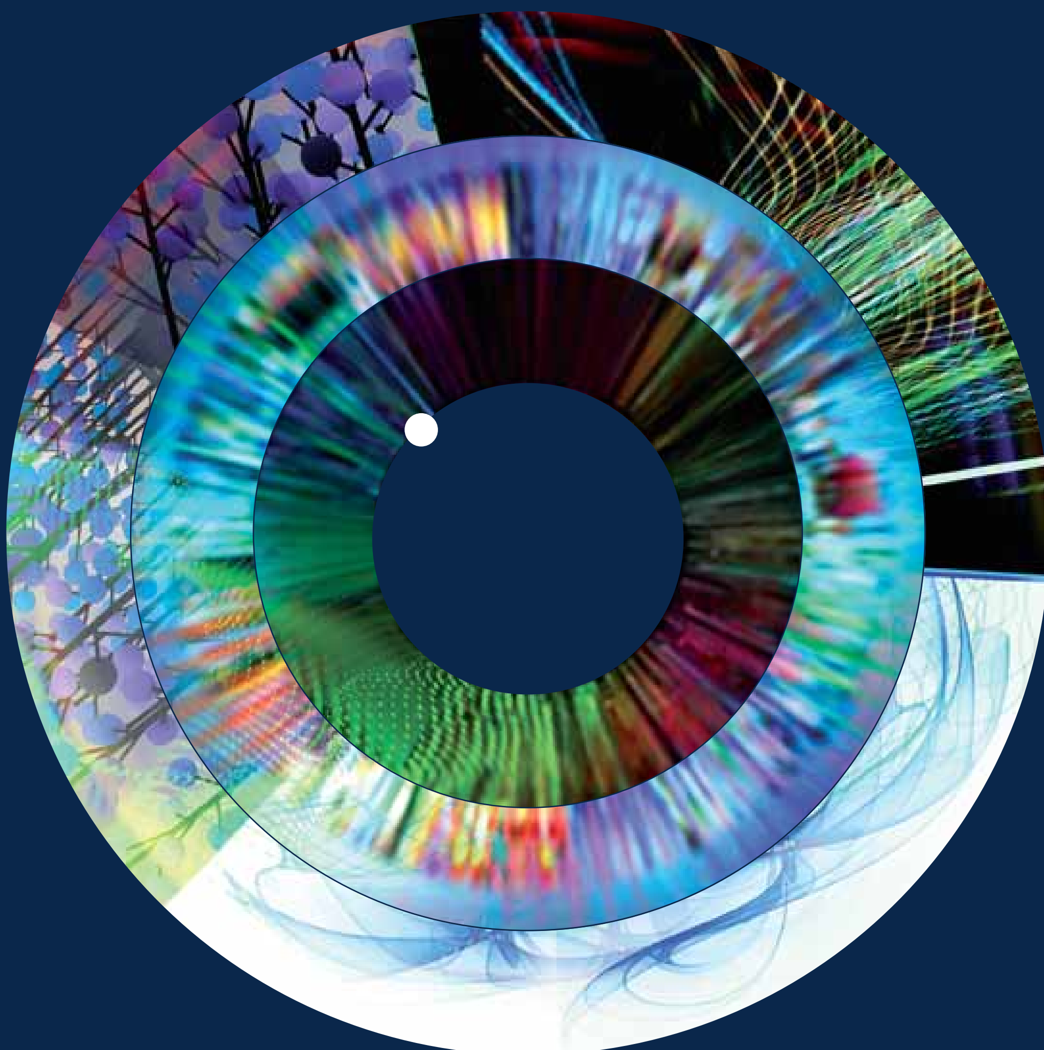
Annual Report 2017

Experience. Our greatest asset.



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 19 billion and a market capitalisation of EUR 15 billion at the end of 2017.

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.

Key shareholder information

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

Key shareholder information

Financial calendar

- 24 April 2018: Ordinary General Meeting 2018
- 3 May 2018: Results at 31 March 2018
- 31 July 2018: Half-year 2018 results
- 31 October 2018: Results at 30 September 2018
- March 2019: Annual Results 2018
- 23 April 2019: Ordinary General Meeting 2019

Note: some of the above-mentioned dates depend on the dates of the Board of Directors and are thus subject to change

Ordinary General Meeting

Shareholders are invited to attend the Ordinary General Shareholders' Meeting to be held on Tuesday 24 April 2018 at 3 pm at the registered office, avenue Marnix 24, 1000 Brussels.

Proposed dividend

The proposed dividend distribution for the 2017 financial year of a gross amount of EUR 3.00 per GBL share, will be submitted for approval to the Ordinary General Meeting on 24 April 2018. This dividend is equal to EUR 2.10 net per share (after a 30% withholding tax).

Gross dividend per share: **EUR 3.00 (+ 2.4%)**
Total amount: **EUR 484.1 millions**
Coupon n° 20

7 May 2018: Ex-dividend date of coupon n° 20
8 May 2018: Record date of the positions eligible for coupon n° 20

9 May 2018: Payment date of coupon n° 20

The dividend will be payable as from 9 May 2018, either by bank transfer to registered shareholders or by transfer to the bank account of the owner of the dematerialized shares. The financial service is provided by ING Belgium bank (System Paying Agent).

Investor relations

Additional information can be found on our website (**www.gbl.be**), among which:

- Historical information on GBL
- Annual and half-yearly reports as well as press releases in relation to quarterly results
- Net asset value on a weekly basis
- Our press releases
- Our investments
- A market consensus

Online registration in order to receive investor information (notifications of publication, press releases, etc) is available on our website.

Our commitment to investors

GBL's strategic objective is to continue to deliver a total shareholder return outperforming the reference index over the long term through share price performance and continuous dividend growth throughout the cycle.

The company strives to develop a quality portfolio focused on a targeted number of companies that are leaders in their market and in which it can play an active role as a professional shareholder over the long term. GBL invests and divests depending on companies' development and market opportunities in order to achieve its objective of value creation, while maintaining a solid financial structure.

GBL's dividend policy seeks to achieve an appropriate balance between providing an attractive yield and achieving growth of its stock price over the long term.

Solid core values

Patrimonial

GBL is a long-term, through-the-cycle investor deploying permanent capital in its portfolio companies while keeping a conservative approach towards net financial leverage, in order to maintain a solid financial structure. GBL has a solid and stable family shareholder base and is supported by the partnership between the Frère and Desmarais families.

Active

GBL defines itself as an active owner and believes in the importance of its influence and role as a challenging and supportive board member aiming at unlocking long-term and sustainable value.

Focused

GBL's team sources a sizeable deal flow but selects and oversees a limited number of primarily listed investments. A team of about 15 professionals specialised in investment, including in-house financial, legal and tax experts, support the portfolio's development based on strict asset rotation criteria.

Flexible

GBL's investment mandate is broad and flexible, allowing investment decisions ranging from EUR 250 million up to EUR 2 billion. GBL's model is built on substantial ownership, in public or private companies, as either majority or minority shareholder. GBL has an increasing exposure to alternative investments through Sienna Capital as well as co-investment capabilities.

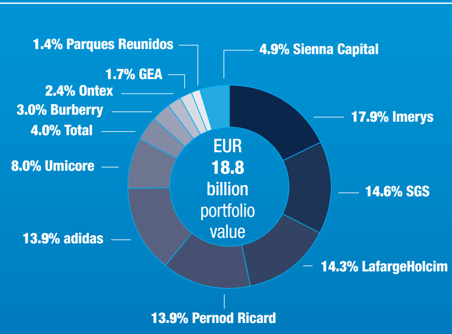
Our investment case

- Access to a diversified portfolio of high-quality assets and valuable alternative unlisted investments
- At a significant discount to net asset value
- Solid TSR performance over the long term
- Dividend yield exceeding the portfolio's weighted average

Supported by GBL's operational excellence in terms of:

- Financial structure
- Governance
- Cost efficiency
- Yield enhancement

At 31 December 2017



Five-year annualized TSR	Dividend yield	Discount to net asset value
12.6%	3.3%	23.1%

For more information please refer to the Strategy section

Performance highlights for 2017

Net asset value over the period
+ 11.2% to **EUR 18.9 billion**

Share price over the period
+ 12.9% to **EUR 89.99** per share

Cash earnings of
EUR 427 million over the period

Strong portfolio dynamics

Listed investments

Investments totalling EUR 0.9 billion

BURBERRY
+ EUR 295 million to reach **6.46%** stake

GEA
+ EUR 319 million to reach **4.25%** stake

Parques Reunidos
+ EUR 279 million to reach **21.19%** stake

Ontex
+ EUR 44 million unchanged stake at **19.98%**

Full exit from the utilities sector

ENGIE

Full disposal of the residual shares underlying the ENGIE exchangeable bonds for an amount of EUR 145 million

Maturity of the exchangeable bonds on February 7th, 2017

For more information please refer to the Portfolio review section

Sienna Capital

ERGON CAPITAL PARTNERS

Disposal by ECP III of Golden Goose and ELITech generating a net consolidated capital gain of
EUR 216 million
(group's share)

Acquisition by ECP III of a majority stake in Keesing Media Group, representing an investment of
EUR 30 million
for Sienna Capital

Launch of ECP IV in which Sienna Capital committed
EUR 200 million

KARTESIA ADVISOR

Full investment of KCO III and distribution of
EUR 43 millions
to Sienna Capital

Closing of KCO IV with a total commitment of EUR 870 million, of which Sienna Capital has committed
EUR 150 million

BACKED

New commitment in Backed, a venture capital fund specialized in the sector of new digital technologies

Commitment of **EUR 25 million**

For more information please refer to the Portfolio review section

Message from the Chairman of the Board of Directors

In an environment of worldwide growth acceleration and strong momentum in the global equity markets, GBL delivered a solid total shareholder return of 16.8% in 2017, materially outperforming its benchmark index by 7.0%.

In this context, the Board of Directors will propose to the General Shareholders' Meeting a gross dividend per share of EUR 3.00, representing a dividend yield of 3.3%.

2017 was marked by GDP growth accelerating in most regions, and notably in Europe where the reduced political uncertainties supported the macroeconomic recovery. Global equity markets have been driven to new highs, especially in the USA.

In this environment, GBL's rebalanced portfolio has delivered a sound performance, with a 15% growth in value across the year. GBL has maintained a cautious approach, benefiting from appropriate market windows to further deploy capital, while pursuing the dynamic rotation of Sienna Capital's alternative investments. This contributed to further strengthening the portfolio's growth profile with an increased exposure to the industrial and consumer good sectors.

Global macroeconomic recovery

The pace of economic expansion has accelerated in 2017, with global growth reaching 3.6% and a more synchronised trend being observed on a worldwide basis.

Eurozone's GDP growth acceleration was the major surprise of 2017 from a macroeconomic standpoint, with a broad-based recovery among Eurozone countries. Initially projected at 1.5%, GDP growth reached 2.1%, slightly below the USA (2.2%) and outpacing the UK (1.7%) where the implications of Brexit continued to weigh down cyclical performance. The momentum in the Eurozone was strong, in an environment of still very accommodative monetary policy.

The USA delivered still robust GDP growth in 2017. Post-summer was primarily marked by the progressive tightening of financial conditions by the Fed and the agreement on the tax reform. The fiscal boost delivered by the Trump administration is expected to push upwards GDP growth.

Emerging markets were dynamic, notably supported by a weaker dollar and more stable commodity prices. China stabilised its GDP growth at 6.8% while further conducting its growth model transition towards an economy being less reliant on exports and industry and more exposed to consumption and services.

New historical highs in global equity markets

Strong performance in 2017 was notably driven by this acceleration in global macroeconomic growth, but also by technical factors such as low volatility, positive fund flows and increased M&A activity. Tensions in the world geopolitical landscape led to some volatility spikes throughout 2017, but did not impact the directional upward trend in the financial markets.

In Europe, equity markets' growth was primarily penalised until April 2017 by the political uncertainties and populist tensions. The outcome of the Dutch and French elections did contribute to boosting growth in the Eurozone, but also to changing the perception of Europe by foreign institutional investors. Supported by significant inflows but penalised by the Euro appreciation, European equities have however materially underperformed their US benchmark in 2017.

GBL remains cautious on the 2018 macroeconomic and financial market outlook, in a worldwide context of (i) progressively tightening financial conditions for borrowers (albeit gradually at the current low inflation levels) and consequently steepening of the interest rate curve in the USA and (ii) high cross-asset valuation levels.

Continued value creation

During 2017, GBL's net asset value increased by EUR 1.9 billion to reach EUR 18.9 billion or EUR 117.06 per share.

The material growth of GBL's intrinsic value reflects the efficient portfolio rotation which has been carried out through EUR 14 billion of transactions since the new strategy's initiation in 2012. GBL has consistently invested behind megatrends that should support growing revenues of its portfolio companies and thus contribute to further value creation. Regarding GBL's most recent investments, those megatrends include the sustainability and resource scarcity for Umicore, health and lifestyle for GEA, Parques Reunidos and Burberry and the ongoing shift in terms of demographics and economic power towards emerging markets for Ontex.

The potential for long-term value creation was also supported by GBL's continued practice of being an active, involved shareholder, including by joining in 2017 the Board of Directors of two of its most recent investments, Ontex and Parques Reunidos.

We believe that our business model of having a long-term investment horizon combined with an active influence and collaboration at the level of the Boards of our portfolio companies helps generate attractive risk-adjusted returns over time.

In addition, we believe that a solid governance provides further support to long-term value creation. GBL's strong relations with its controlling shareholders enables it to move quickly to seize investment opportunities while the remuneration policy defined for its Co-CEOs aligns their interests with all shareholders.

Sound governance is also derived from the diversity and the complementary backgrounds within GBL's Board of Directors, as reflected by the appointment of Laurence Danon Arnaud and Jocelyn Lefebvre as Directors in the course of 2017.

An attractive dividend yield

In recognition of GBL's results and confidence in its strategy, the Board of Directors will propose at the General Shareholders' Meeting a gross dividend of EUR 3.00 per share, representing a 3.3% dividend yield.

Finally, we take the opportunity to thank again our shareholders for the renewed confidence and support they have placed into GBL for many years.

Gérald Frère

Chairman of the Board of Directors

Message from the Co-CEOs

Dear fellow Shareholders,

During 2017, GBL achieved a successful year in terms of the company's declared objectives: providing attractive returns over the long term through a combination of a sustainable dividend and growth in its net asset value, while always maintaining a prudent capital structure.

GBL's net asset value increased by 11% to EUR 18.9 billion, or EUR 117.06 per share. GBL's Board of Directors will propose the payment in 2018 of a gross dividend of EUR 484 million (EUR 3.00 per share), increasing by 2.4% from the prior year and representing an attractive dividend yield of 3.3%.

In terms of new investments, GBL further pursued its portfolio rebalancing strategy through the redeployment of EUR 0.9 billion of capital into Burberry, Parques Reunidos, Ontex and GEA. Regarding exits, at the level of Sienna Capital, GBL benefited from the disposal by Ergon Capital Partners III of its stakes in Golden Goose and ELITech, generating a net capital gain of EUR 216 million. GBL ended 2017 with net debt of EUR 443 million, a Loan to Value ratio of 2.3% and a liquidity profile (composed of cash and undrawn credit lines) of EUR 2.7 billion.

During the year, the share price increased by 12.9% which, combined with the dividend distributed in 2017, generated a total shareholder return of 16.8%.

Since the initiation of its portfolio rotation and diversification strategy in 2012, GBL has invested EUR 5.7 billion in 7 listed companies, with a global market value of EUR 8.5 billion at year-end 2017, implying an unrealised capital gain of EUR 2.8 billion.

A dynamic year in terms of asset rotation and portfolio management

In 2017, GBL has progressively increased its stake in Burberry to 6.46% at year-end 2017 (EUR 557 million of market value).

In March 2017, GBL participated in the EUR 221 million capital increase completed by Ontex following its acquisition of the "hygienic consumables" activity of Hypermarcas, maintaining its ownership in Ontex at 19.98% (EUR 454 million of market value at year-end 2017).

In April 2017, GBL has announced the acquisition of a 15.0% interest in the capital of Parques Reunidos, a reference operator of leisure parks in Europe, North America and Asia. GBL subsequently further increased its stake to 21.19% (EUR 254 million market value at year-end).

GBL is represented in the Board of Directors of both Parques Reunidos and Ontex since April and May 2017 respectively.

GBL has also diversified its exposure to the industrial sector through its investment into GEA and its reinforcement into Umicore.

In 2017, GBL initiated its investment into GEA, a worldwide leader in equipment supply and project management for a wide range of processing industries, primarily in the Food & Beverage sectors. At year-end 2017, GBL's stake represented 4.25% of the company's capital (EUR 328 million market value).

GBL has confirmed its full support to the EUR 892 million capital increase closed by Umicore in February 2018, through a sizeable participation of EUR 144 million. This capital increase aimed at funding Umicore's growth investments, particularly in cathode materials for electric vehicles, and providing increased financial flexibility to the group. Following this transaction, GBL remained Umicore's largest shareholder with an ownership percentage almost unchanged at 16.93%.

GBL has also been active in further developing its alternative investments through Sienna Capital. New commitments have been made into (i) Ergon's new investment vehicle, Ergon Capital Partners IV, for EUR 200 million and (ii) Backed, a venture capital fund specialised in new digital technologies, for EUR 25 million. Sienna Capital has now access to 7 high-quality fund managers and totals a global commitment of EUR 1.9 billion. In 2017, Sienna Capital increased its contribution to GBL's cash earnings with a dividend of EUR 40 million.

In 2017, GBL has actively managed its portfolio, notably supporting the following key strategic orientations:

- Imerys' capex program in Graphite & Carbon;
- the M&A activity and cost-efficiency programs led by both Pernod Ricard and Total;
- the increased focus on digital innovation and the external growth through bolt-on acquisitions carried out by SGS;
- the appointment of Jan Jenisch as Group CEO of LafargeHolcim in September 2017, and consecutively his business review and strategic plan seeking a more market-focused and agile management organisation;
- the expansion strategy in the USA and China, as well as the digital evolution conducted at adidas;
- Umicore's strategic growth initiatives, including the significant investment program in Rechargeable Battery Materials; and
- the strengthening of Ontex' financial position through the refinancing transactions closed post-summer.

GBL has also spent considerable time throughout 2017 analysing the ongoing digital disruption taking place globally across all sectors and its potential impact on its portfolio companies, in terms of both threats and opportunities.

A sound financial position in support of GBL's value creation

GBL has maintained a solid financial flexibility through a Loan To Value ratio of 2.3% and a liquidity profile of EUR 2.7 billion at year-end 2017. In May 2017, GBL took advantage of the historically low interest rate environment to issue a EUR 500 million 7-year inaugural institutional bond at efficient terms including a 1.375% coupon. This transaction allowed GBL to lengthen its debt maturity profile and further diversify its financing sources, and ultimately to reinforce its liquidity profile.

Strong performance delivered by GBL

GBL's net asset value increased in 2017 by EUR 1.9 billion to reach EUR 18.9 billion or EUR 117.06 per share at year-end 2017. On that basis and supported by the 1.2% reduction in the discount to 23.1%, GBL's stock price increased by 12.9% to finish the year at EUR 89.99, after having reached a EUR 94.39 high in November 2017.

Having provided a dividend yield of 3.7% in 2017, GBL has delivered a total shareholder return of 16.8% (with reinvested dividends) at year-end 2017. GBL significantly outperformed its reference index Stoxx Europe 50 (+ 7.0%), for the fourth consecutive year.

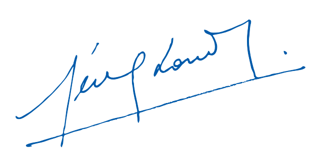
GBL achieved a solid performance with a consolidated net result of EUR 705 million, favourably impacted by the capital gains realised on the disposals of Golden Goose and ELITech (EUR 216 million) by Ergon Capital Partners III, one of Sienna Capital's fund managers. The cash earnings decreased by 3.2% to EUR 427 million, primarily as a result of (i) the partial exit from the high-yielding assets of the energy and utilities sectors and (ii) the lower yield enhancement income due to persistently low volatility.

Outlook

GBL's core objectives remain unchanged: continue to deliver a TSR outperforming the reference index over the long term through share price performance and continuous dividend growth, while maintaining a sound capital structure. We believe our business model remains a durable one through economic cycles and that our portfolio today has a healthy diversification across sectors and geographies. We stand prepared to continue to support the development of our portfolio while also having the capacity to invest in attractive new opportunities.

In conclusion, we would like to extend our thanks and appreciation to all of our colleagues and associates at GBL and at the level of our underlying portfolio companies for their hard work and commitment. The quality of our people and their dedicated professionalism is the key element in our ability to continue to achieve our core objectives over the long-term.

Ian Gallienne
Co-CEO



Gérard Lamarche
Co-CEO

Strategy

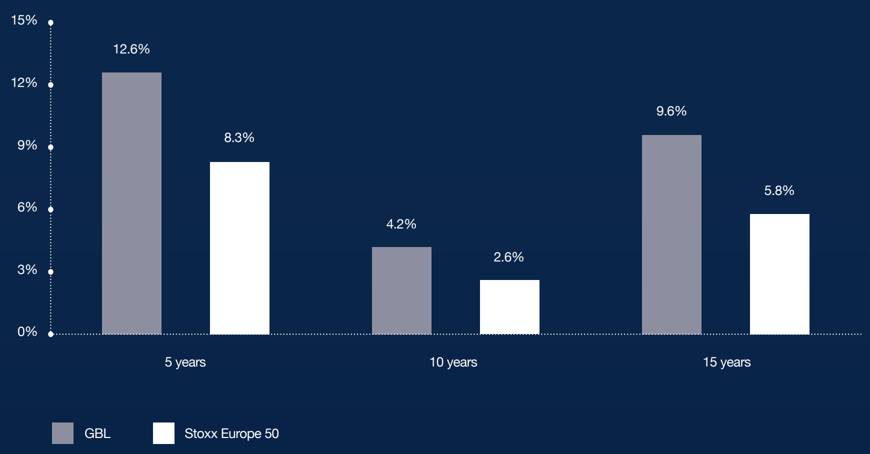
Our strategic objective

Value creation through continuous and sustainable growth of our intrinsic value and dividend distribution

GBL's objective is to continue to deliver a total shareholder return outperforming its reference index over the long term through share price performance and continuous dividend growth throughout the cycle.

This pursued objective encompasses the need for GBL to maintain an appropriate balance between an attractive dividend yield and a long-term growth of its intrinsic value.

Annualized Total Shareholder Return
(with reinvested dividends)

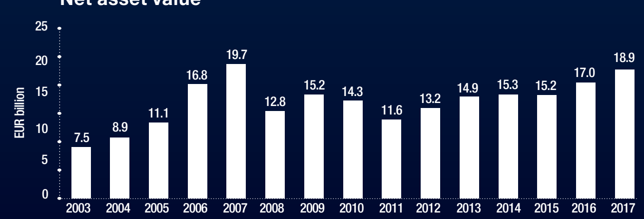


Delivering continuous and sustainable growth of our intrinsic value over the long term

The growth of the intrinsic value is pursued by GBL through an efficient portfolio rotation and a long-term involvement in the Boards of its portfolio companies as an active and responsible investor.

Over the last 15 years, GBL's net asset value has increased by 6.8% per year which strongly supported the 9.6% total shareholder return over this period.

Net asset value



Deploying capital in high-quality assets, leaders in their sector

GBL has initiated the rebalancing of its portfolio in 2012 with a view to strengthen its portfolio's growth profile and consequently optimise its potential for long-term value creation. This transformation has been pursued through a significant portfolio rotation, with disposals and acquisitions totaling EUR 14 billion. It has led to a substantial shift from high-yielding assets in the energy and utilities sectors into growth assets in the industry, business services and consumer good sectors which are more exposed to long-term growth trends.

GBL seeks to invest into companies with a leading positioning in their sector and robust business models:

- focused on both organic and external growth as an important lever to long-term value creation;
- developed in a sustainable manner by high-quality management teams driven by a strategic vision; and
- supported by a sound financial structure.

	Imerys	SGS	LafargeHolcim	Pernod Ricard	adidas	umicore	Total	Burberry	Ontex	GEA	Parques Reunidos	Portfolio average
Sector ranking	# 1	# 1	# 1	# 2	# 2	Top 3	Top 5	Top 5	Top 3	# 1	Top 3	
EPS 2-year growth (1)	+ 9.6%	+ 7.7%	+ 32.5%	+ 5.8%	+ 18.1%	+ 16.0%	+ 3.9%	+ 0.6%	+ 8.5%	+ 13.7%	+ 22.8%	
Dividend yield (2)	2.6%	3.0%	3.6%	1.6%	1.6%	1.8%	5.5%	2.4%	2.2%	2.0%	1.7%	**2.5%**

(1) Earnings per share CAGR computed from FY17 results (actuals or forecast) to forecasted FY19 results (Source: "EPS Adj+" of Bloomberg consensus at 9 March 2018)
(2) Gross dividend yield at 31 December 2017 (Source: Bloomberg consensus at 9 March 2018), calculated on a weighted average basis with regards to the portfolio average

Being an active and responsible professional investor

GBL is an investment holding company with a long-term investment horizon. It aims at holding significant stakes in order to play an active role within its portfolio companies.

GBL's objective is to contribute to unlocking value through its involvement in the key decision-making governance bodies of its portfolio companies, regarding:

- the overall strategy with a particular focus on organic growth and M&A;
- the nomination and remuneration of the Executive Management; and
- the capital allocation, and more specifically the dividend policy, share buyback programs, and the capital structure adequacy.

In this context, GBL seeks to bring added value by sharing its experience, expertise and network across portfolio companies in order to fully leverage on value creation and entirely fulfil its role as an active professional shareholder, without ever being involved in the daily management of its participations.

In accordance with its long-term approach and as a responsible investor, GBL requires Corporate Social Responsibility practices to be ensured at portfolio companies' level, consistently with best international standards (see the ESG section in pages 50 to 57 for more details).

	Imerys	SGS	LafargeHolcim	Pernod Ricard	adidas	umicore	Total	Ontex	Parques Reunidos
Board of Directors	6/17	3/10	2/12	2/13	1/16	2/11	1/12	1/10	1/7
Audit Committee	1/3	1/4	1/4	1/3	1/4	1/3	1/4	-/3	-/3
Nomination and / or Remuneration Committee	2/5 2/6	1/3	1/5	1/4	-/3	-/3	1/4	-/3	1/4
Strategic Committee	4/8	n.a.	1/4	1/5	n.a.	n.a.	-/5	n.a.	n.a.

Maintaining continued dividend growth over the long term

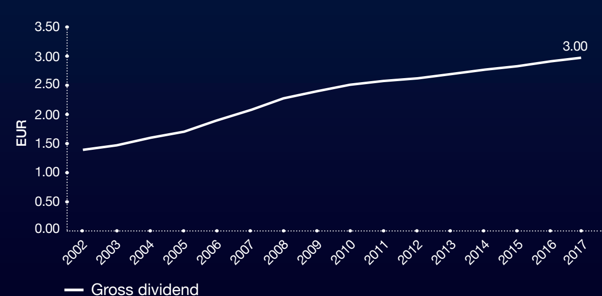
GBL's dividend policy is to deliver stable or gradually increasing dividends over time, as well as an attractive dividend yield to its shareholders.

Over the last 15 years, GBL has:

- more than doubled its gross dividend per share, which corresponds to a 5.1% CAGR over this period; and
- returned EUR 5.3 billion to its shareholders.

Based on the proposed dividend for 2017, GBL delivers a dividend yield of 3.3%. Distributable reserves amount to EUR 7.7 billion at year-end 2017.

Dividend per share



Asset rotation strategy and orientations

Further rotating our portfolio, with a flexible mandate

GBL's asset rotation is based on a continuous assessment of the long-term return potential of the existing investments in portfolio, in comparison with new investment alternatives.

Clear investment criteria

GBL's investment assessment aims at performing a strict selection of opportunities based on the following grid of qualitative and quantitative investment criteria:

Sector

- Exposure to long-term growth drivers
- Resilience to economic downturn
- Favorable competitive dynamics
- Market consolidation opportunities

Company

- Market leader with clear business model
- Foreseeable organic growth
- Strong cash flow generation capabilities
- Return on capital employed higher than WACC
- Low financial gearing
- Well positioned vis-à-vis digital disruption

Valuation

- Attractive valuation
- Potential for shareholder remuneration

Governance

- Potential to become first shareholder, with influence
- Potential for Board representation
- Seasoned management

ESG

- CSR/ESG strategy, reporting and relevant governance bodies being in place for listed investment opportunities

Divestment guidelines

As an investment vehicle deploying permanent capital, GBL is not constrained by an investment horizon. Investments are therefore held for as long as needed to optimise their value.

Continuous assessment of the portfolio assets is conducted in order to potentially define a disposal strategy. This assessment focuses on the following areas:

Potential for further value creation

Valuation risk

- Multiples above historical average
- Prospective TSR below internal targets

Company risk

- Business model's disruption risk related to digital or technological evolutions
- Other company risks including competition, geopolitics and ESG

Portfolio concentration risk

Objective not to exceed around 15-20% in terms of:

- portfolio's exposure to a single asset
- cash earnings' contribution from a single asset

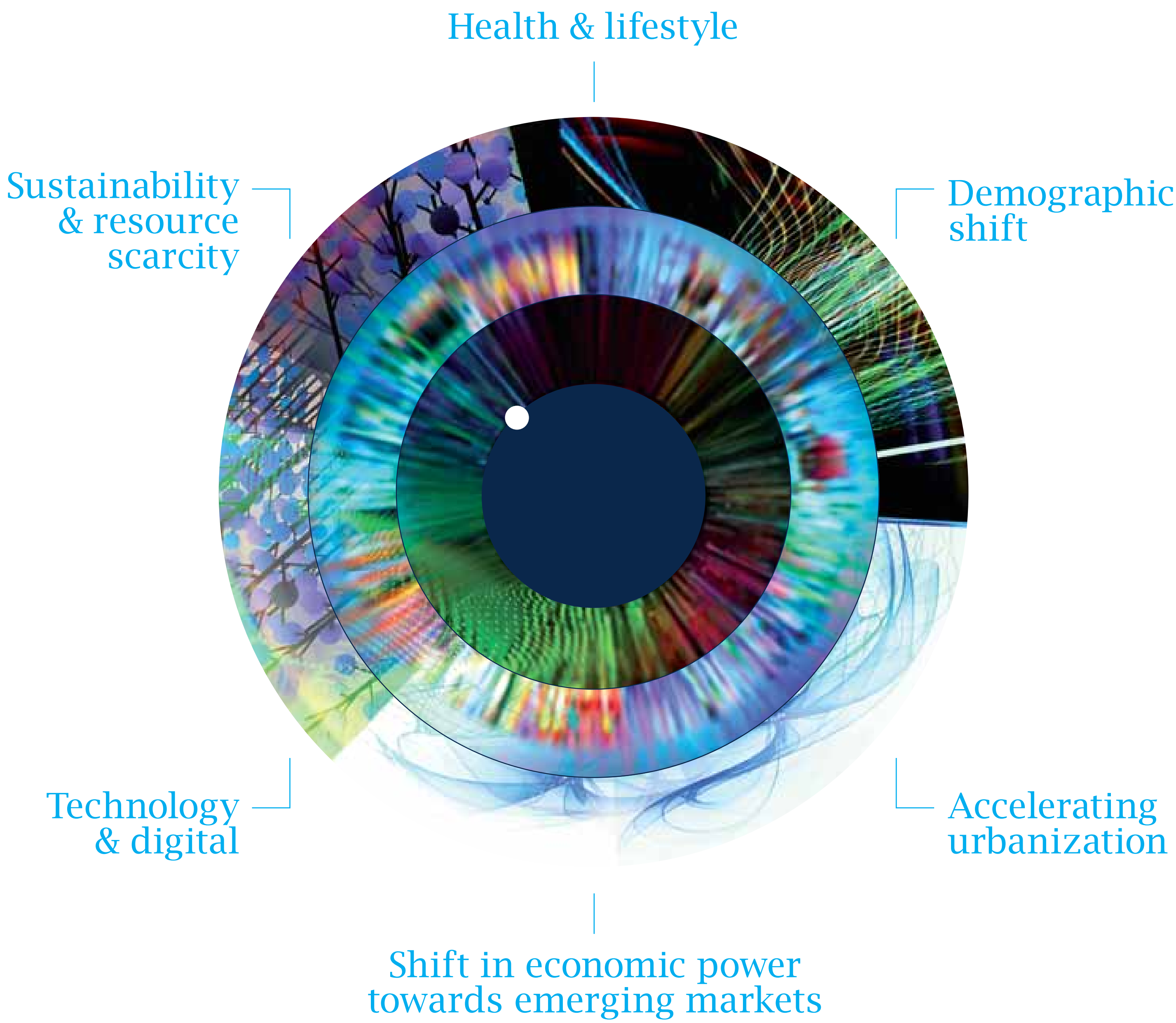
Investment universe

GBL carries out investments within the following universe:

- target companies are headquartered in Europe and may be listed or private;
- equity investments range primarily between EUR 250 million and EUR 2 billion, potentially in co-investment alongside other leading investment institutions;
- GBL aspires to hold a position of core shareholder in the capital of its portfolio companies and play an active role in the governance, through minority or majority stakes;
- GBL intends to reinforce the diversification of its portfolio by pursuing the development of its alternative investments through its subsidiary Sienna Capital.

Seeking exposure to major long-term growth trends

GBL's investment mandate is broad and flexible, making it possible to build a focused portfolio of companies that are able to take advantage of long-term megatrends and be less vulnerable to upcoming disruptions.



Operational excellence
We deliver operational efficiency in support to GBL's value creation

Solid and flexible financial structure

GBL's objective is to maintain a sound financial structure, with:
- a solid liquidity profile; and
- a limited net indebtedness in comparison to its portfolio value.

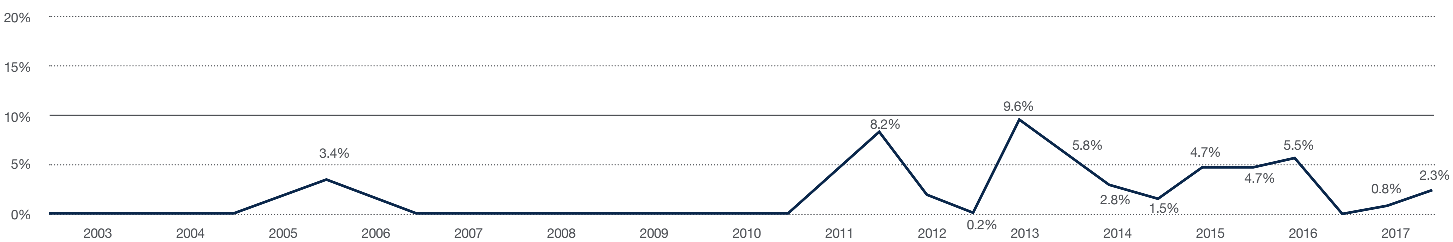
The financial strength derived from the liquidity profile ensures readily available resources enabling to quickly seize investment opportunities throughout the economic cycle and allowing to pay a stable or growing dividend over the long term.

The evolution of the Loan To Value ratio results from the crystallisation of investment opportunities for significant stakes in the capital of companies meeting GBL's investment criteria, in the framework of the portfolio rotation strategy.

This ratio is continuously monitored and has been permanently maintained below 10% over the last 10 years. This conservative vision is consistent with GBL's patrimonial approach and allows to weather potential market downsides through the cycle.

At year-end 2017, GBL had:
- a Loan To Value ratio of 2.3%; and
- a liquidity profile of EUR 2.7 billion, consisting of both cash and cash equivalents for EUR 0.6 billion and undrawn committed credit lines for EUR 2.1 billion maturing in 2022.

Loan To Value



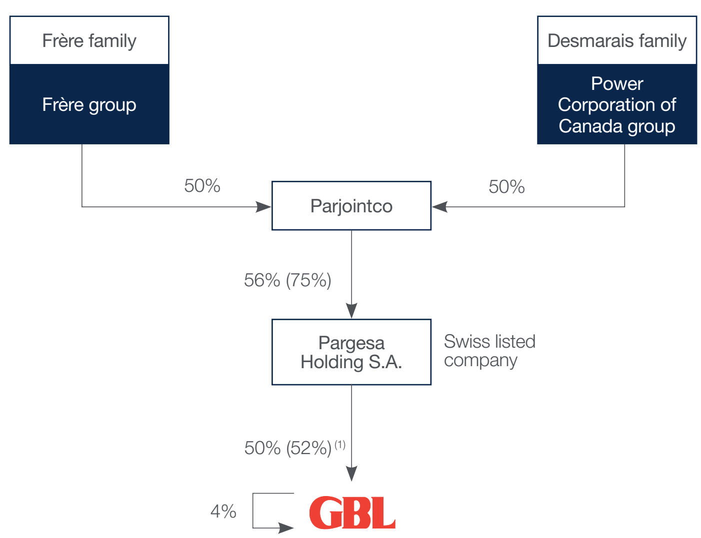
Sound governance

GBL has a stable and solid family shareholder base and is supported by the partnership between the Frère and Desmarais families, which has been in place for several decades. The current shareholders' agreement between the two families is effective until 2029 with the possibility of extension and establishes parity control in Pargesa Holding S.A. and GBL.

GBL has a solid governance in place, as detailed in the Governance section in pages 148 to 179, and its strong relations with its controlling shareholders enables it to move quickly to seize investment opportunities.

The remuneration policy defined for GBL's co-CEOs and detailed in page 162 aligns their salary package with the shareholders' interests through the absence of variable cash component and a long-term incentive plan being subject to GBL's total shareholder return performance.

Simplified shareholding structure at 31 December 2017

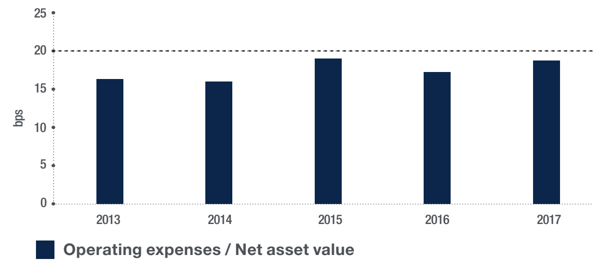


% ownership
(% voting right)
(1) Taking into account the suspended voting rights relating to treasury shares

Cost efficiency

GBL pursues operational excellence, maintaining a strong focus on cost discipline. This allows it to record low operational expenditures [1] in comparison to its net asset value, which have historically remained below 20 bps.

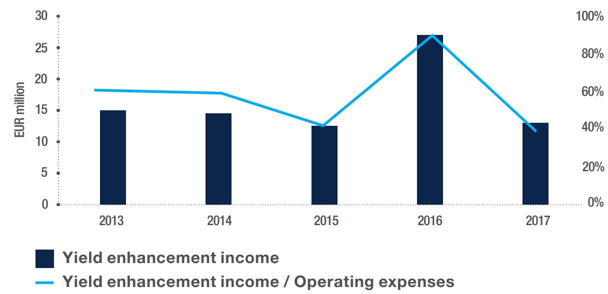
Operating expenses [1] / Net asset value



Yield enhancement

As an additional lever of value creation, GBL has historically developed yield enhancement activities. They consist primarily in the trading of derivatives conducted in a highly conservative manner as they are executed by a dedicated team exclusively in vanilla products, with very short maturities and low delta levels, and based on the in-depth knowledge of the underlying assets in portfolio. Since 2012, the income generated by this activity has fluctuated depending on market conditions and covered 58% of GBL's operational expenditures [1] on average.

Yield enhancement income [1] / Operating expenses [1] coverage



(1) As presented in the cash earnings

Balanced business model

GBL's dividend distribution is primarily derived from the dividend contribution of its portfolio companies, after deduction of its cost structure.

Dividend distribution from the portfolio companies → **– Net operating expenses – Net financial expenses – Taxes + Yield enhancement income** → **Cash earnings** → **Dividend distribution**

GBL's payout ratio is computed based on the cash earnings. The payout computation consequently does not take into account the capital gains from asset disposals in order to avoid volatility in the payout ratio.

As a result of the partial disposal of the high-yielding assets of the energy and utilities sectors, in 2017, GBL's dividend distribution has exceeded its cash earnings. This negative dividend gap remains however limited and is considered temporary as the reinvestment of the proceeds from those asset disposals is in progress. On that basis and taking into account GBL's material liquidity profile and distributable reserves, this does not jeopardize GBL's objective of dividend growth over the long term.

Undrawn committed credit lines without any financial covenants
Disposal proceeds → **Cash and cash equivalents**
→ **Liquidity profile** → **Investment capacity**

GBL has a solid liquidity profile ensuring the availability of resources to implement its investment strategy throughout the cycle.

Net asset value

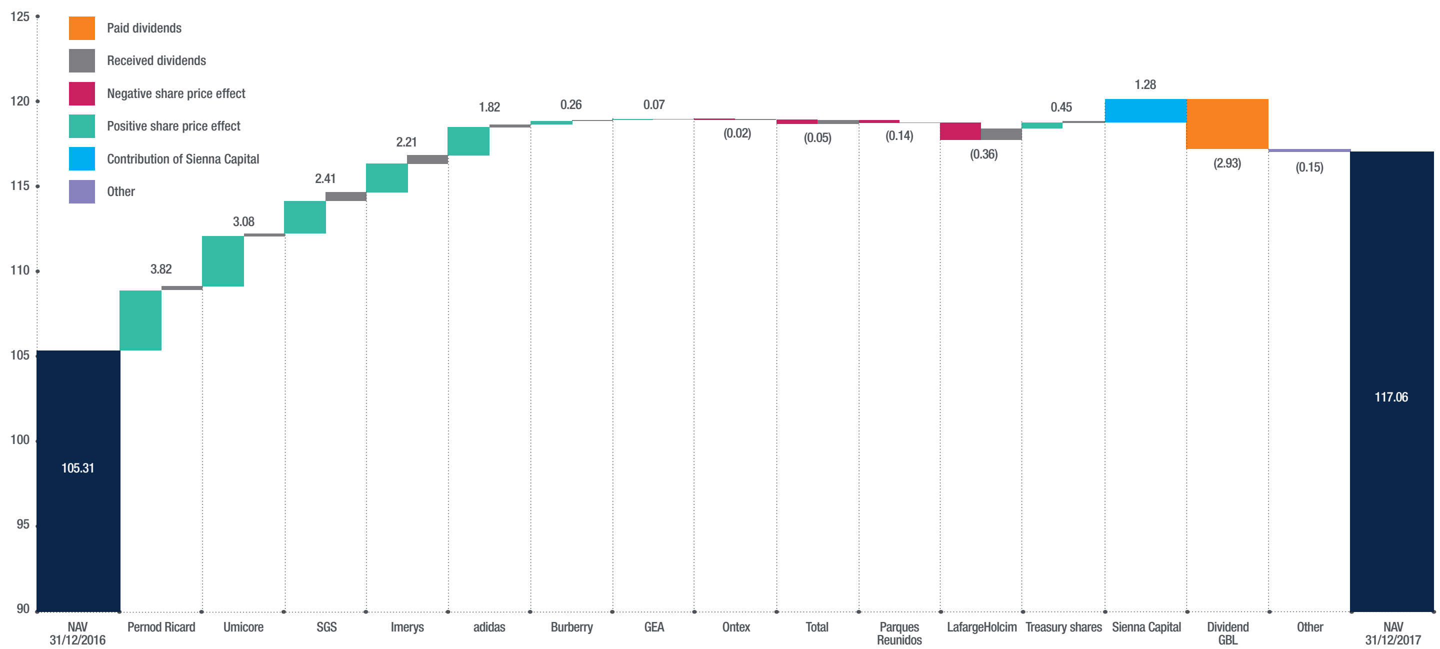
At 31 December 2017, GBL's net asset value totalled EUR 18.9 billion (EUR 117.06 per share) compared with EUR 17.0 billion (EUR 105.31 per share) at the end of 2016, up by 11.2% and representing a year-on-year increase in absolute terms by EUR 1,896 million. Relative to the share price of EUR 89.99, the discount at this date was 23.1%, down compared with the end of 2016 (24.3%).

This evolution is to be compared with the performance of the reference sector indices with which the group's main assets are compared (- 2% to + 20%) over the same period.

The table alongside sets out and compares the components of the net asset value at year-end 2017 and year-end 2016.

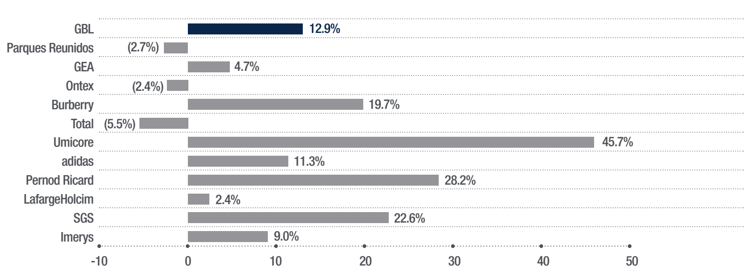
Change in net asset value in 2017

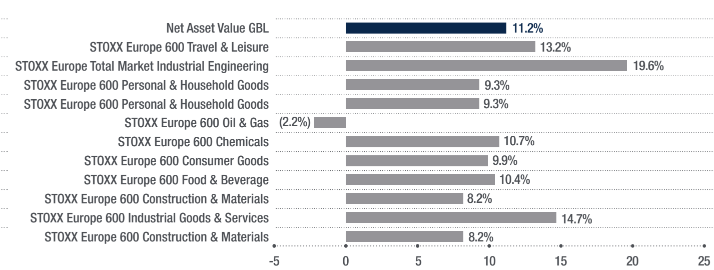
In EUR per share



Changes in market variables in 2017

(% change at 31 December 2017-2016)





Breakdown of net asset value at 31 December 2017

	Portfolio % in capital	Share price In EUR	31 December 2017 In EUR million	31 December 2016 In EUR million
Listed investments			**17,899**	**15,345**
Imerys	**53.83%**	**78.54**	**3,366**	3,088
SGS	**16.60%**	**2,171.42**	**2,751**	2,445
LafargeHolcim	**9.43%**	**47.04**	**2,693**	2,857
Pernod Ricard	**7.49%**	**131.95**	**2,625**	2,048
adidas	**7.50%**	**167.15**	**2,623**	2,356
Umicore	**17.01%**	**39.46**	**1,503**	1,032
Total	**0.64%**	**46.05**	**746**	789
Burberry	**6.46%**	**20.20**	**557**	230
Ontex	**19.98%**	**27.58**	**454**	423
GEA	**4.25%**	**40.01**	**328**	-
Parques Reunidos	**21.19%**	**14.85**	**254**	-
Others			-	77
Sienna Capital			**926**	**955**
Portfolio			**18,826**	**16,300**
Treasury shares			**505**	467
Exchangeable/convertible bonds (ENGIE/GBL)			**(450)**	(757)
Bank debt and retail bond			**(557)**	(393)
Cash/quasi-cash/trading			**564**	1,375
Net asset value (total)			**18,888**	**16,992**
Net asset value (in EUR per share) (1)			**117.06**	**105.31**
Share price (in EUR per share)			**89.99**	**79.72**
Discount (in %)			**23.1**	**24.3**

(1) Based on 161,358,287 shares

Portfolio's reconciliation with the IFRS consolidated financial statements

At 31 December 2017, GBL's portfolio included in the net asset value amounted to EUR 18,826 million (EUR 16,300 million at 31 December 2016).

The reconciliation of this item with the IFRS consolidated financial statements is set out below:

In EUR million	31 December 2017	31 December 2016
Portfolio value as presented in:		
Net asset value	**18,826**	16,300
Segment information (Holding) - pages 98 and 99	**14,519**	12,401
Participations in associates	**238**	-
Available-for-sale investments	**14,281**	12,401
Reconciliation items	**4,307**	3,899
Fair value of Imerys, consolidated using the full consolidation method in IFRS	**3,366**	3,088
Value of Sienna Capital, consolidated in the Sienna Capital segment	**926**	955
Reclassification of ENGIE shares, included in gross cash in 2016 and shown under available-for-sale investments in IFRS	**(1)**	(145)
Valuation difference of Parques Reunidos between net asset value (fair value) and IFRS (equity method)	**16**	-
Others	**-**	1

Historical data over 10 years

In EUR million	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net asset value at the end of the year	**18,888.0**	16,992.2	15,188.1	15,261.0	14,917.4	13,247.3	11,560.6	14,323.5	15,232.2	12,811.2
Portfolio	**18,825.7**	16,300.4	15,457.2	15,064.7	15,413.6	12,908.0	12,254.9	13,814.5	14,663.8	11,965.1
Net cash/(net debt)	**(442.8)**	224.7	(740.0)	(233.1)	(911.7)	(26.6)	(1,007.9)	128.8	176.5	529.0
Treasury shares	**505.0**	467.1	470.9	429.4	415.5	365.9	313.7	380.2	391.9	317.1
Year-on-year change (in %)	**+ 11.2**	+ 11.9	- 0.5	+ 2.3	+ 12.6	+ 14.6	- 19.3	- 6.0	+ 18.9	- 35.1
In EUR										
Net asset value per share	**117.06**	105.31	94.13	94.58	92.45	82.10	71.65	88.77	94.40	79.39
Share price	**89.99**	79.72	78.83	70.75	66.73	60.14	51.51	62.93	66.05	56.86
Discount (in %)	**23.1**	24.3	16.3	25.2	27.8	26.7	28.1	29.1	30.0	28.4

Portfolio review

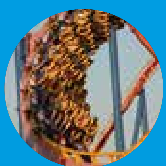
Review of the portfolio of listed investments

Key highlights in terms of portfolio rotation

Investments totalling EUR 0.9 billion in 2017

BURBERRY
London, England

- Global luxury brand with a distinctive British heritage
- Announcement by Burberry that GBL had crossed the threshold of 6.0% of the voting rights in the company on 10 November 2017
- Reinforcement of the shareholding in Burberry, from 2.95% at end of December 2016 to 6.46% at end of December 2017, representing a market value of EUR 557 million



Parques Reunidos

- Reference operator of leisure parks in Europe, North America and Asia, listed on the Madrid stock exchange
- Acquisition of a 15.00% position in Parques Reunidos announced on 12 April 2017
- Position at year-end 2017 of 21.19% of the capital, representing a market value of EUR 254 million

GEA engineering for a better world

- Worldwide leader in the supply of equipment and project management for a wide range of processing industries
- Technology focusing on components and production processes for various markets, primarily in the Food & Beverage sectors
- Announcement by GEA that GBL had crossed the threshold of 3.0% of the voting rights in the company on 3 August 2017
- Ownership of 4.25% of the capital at year-end 2017, representing a market value of EUR 328 million

Ontex

- Global leader specialized in hygienic consumables
- Participation in March 2017 in the capital increase of Ontex carrried out following the acquisition of the "personal hygiene" activity of Hypermarcas
- Unchanged shareholding of 19.98% following the transaction

Full exit from the utilities sector

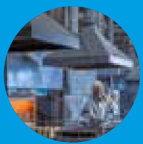
ENGIE

- Full disposal of the residual shares underlying the ENGIE exchangeable bonds for an amount of EUR 145 million
- Maturity of the exchangeable bonds on 7 February 2017

Support to the participations’ strategy in 2017

IMERYS

- Closing of the acquisition of Kerneos
- M&A activity, with several bolt-on acquisitions including Damolin (Denmark), Regain (UK) and BIOK (China)
- Significant capex program in Graphite & Carbon in support of organic growth



SGS

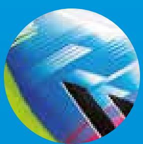
- External growth through bolt-on acquisitions: 12 transactions completed in 2017, extending the range and geographic availability of SGS’ services
- Ongoing transformation of the Finance organization and procurement savings plan

LafargeHolcim

- Support to LafargeHolcim’s new strategy, redesigned by Jan Jenisch, aiming at (i) focusing on priority countries, (ii) improving product positioning and (iii) streamlining the operating model and simplifying the corporate structure
- Further to the conclusions of the independent internal investigation on the Lafarge plant in Syria, remedial measures announced in March 2017 to be implemented

Pernod Ricard

- Active portfolio management, notably through the acquisition of Del Maguey (Mezcal, USA) and the disposal of Glenallachie Distillery (Scotch whisky, UK)
- Cost-efficiency program

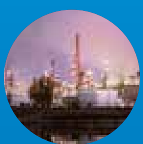


adidas

- Support to the strategic road map, including the expansion in the USA and China, the digital transformation and the turnaround of Reebok in the USA
- Asset portfolio optimization with disposals of CCM Hockey and TaylorMade Golf
- Ian Gallienne joining the Audit Committee

umicore

- Investment program in cathode materials, supporting organic growth in Rechargeable Battery Materials
- Active portfolio management notably with the disposal of Building Products and several acquisitions including Haldor Topsoe’s heavy duty diesel and stationary catalyst business as well as the remaining 50% stake in the Korean automotive catalyst joint venture with Ordeg



TOTAL

- Acquisition of Maersk Oil and ENGIE’s LNG upstream activities, Total thus becoming the n°2 worldwide player in LNG
- Strengthening of the balance sheet with a debt-equity ratio decreasing to 14% (vs. 27% in 2016)

Ontex

- Support to the strategy, addressing short term headwinds on raw materials prices and challenges in Brazil
- Refinancing transactions completed in a low rate environment
- Michael Bredael appointed Director

Parques Reunidos

- Portfolio diversification program with launch of management contracts for theme parks in Asia and Middle East and indoor entertainment centers in Spain and the USA
- Colin Hall appointed Director

Imerys is the world leader in mineral-based specialty solutions for industry

Profile

Imerys extracts, transforms, develops and combines a unique range of minerals to provide functionalities that are key to its customers' products and production processes. These specialities have a very wide range of uses and are becoming increasingly common on growing markets.

#1
Global leader in mineral based solutions for industry

Over
50
countries where Imerys is active

Over
18,000
employees

4.6
EUR billion in turnover

Performance in 2017

In 2017, the group's results improved substantially and its cash flow generation was robust. Imerys largely exceeded its growth target for net income from current operations.

2017 was a major year in the rollout of Imerys' strategy. The group broadened its business portfolio with the acquisition of Kerneos, the world leader in calcium aluminate specialties on the fast-growing building chemicals market. It enhanced its existing offering through several bolt-on acquisitions and developed its international footprint, particularly in China.

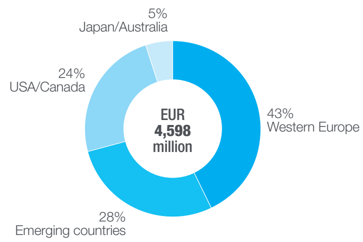
Kerneos is consolidated since 18 July 2017 and is already contributing to Imerys' development. The group confirms its value creation targets, including annual synergies estimated at EUR 23 million within 3 years.

Imerys also completed several bolt-on acquisitions in 2017, which contributed for EUR 133 million to the revenue for the financial year and enabled the group to broaden its specialty offering and develop its geographic presence in emerging countries such as Brazil, India and particularly China, where the group now generates more than 7% of its revenue.

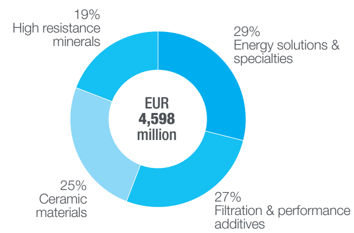
At the General Meeting of 4 May 2018, the Board of Directors will propose a dividend of EUR 2.075 per share, corresponding to an 11% increase compared with 2017 and to 41% of the group's share of net income from current operations.

Imerys in figures

Geographic breakdown of FY17 revenues



Segment breakdown of FY17 revenues



Key financial data

Simplified income statement (in EUR million)	2017	2016	2015
Revenue	**4,598**	4,165	4,087
Current EBITDA	**890**	819	745
Current operating income	**648**	582	538
Net income from current operations (group's share)	**403**	362	342
Net income (group's share)	**368**	293	68

Simplified balance sheet (in EUR million)	2017	2016	2015
Shareholders' equity (group's share)	**2,828**	2,862	2,644
Non-controlling interests	**51**	53	28
Net financial debt	**2,246**	1,367	1,480
Debt-equity ratio (in %)	**78**	47	55
Net financial debt/EBITDA (x)	**2.5**	1.7	2.0

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IMERYS

Investment case

- Resilience of the business model
- Geographic and customer's final markets diversity
- Leader in its sector: #1 or #2 in almost all of its markets
- High added value functional products providing key properties to its customers' products
- Low exposure to fluctuations in commodities prices
- Low risk of substitution due to the low share in the customers' total costs
- Solid cash-flow generation making it possible to support external growth

Market data and information on GBL's investment

Stock market data	2017	2016	2015
Number of shares issued (in thousands)	**79,604**	79,568	79,572
Market capitalisation (in EUR million)	**6,252**	5,734	5,126
Closing share price (in EUR/share)	**78.54**	72.07	64.42
Net income from current operations (in EUR/share)	**5.11** (1)	4.60	4.31
Dividend (in EUR/share)	**2.075** (2)	1.870	1.750

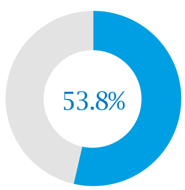
GBL's investment	2017	2016	2015
Percentage of share capital (in %)	**53.8**	53.9	53.9
Percentage of voting rights (in %)	**67.5**	69.7	69.8
Market value of the investment (in EUR million)	**3,366**	3,088	2,761
Dividends collected by GBL (in EUR million)	**80**	75	71
Representatives in statutory bodies	**6**	6	6

(1) Net income from current operations in EUR per share is computed based on the weighted average number of outstanding shares (79,015,367 in 2017 compared to 78,714,966 in 2016)
(2) Subject to the approval of the General Shareholders' Meeting

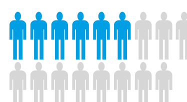
TSR annualised (%)

	1 year	3 years	5 years
Imerys	**11.6**	11.6	13.2
STOXX Europe 600 Construction & Materials	**10.6**	13.8	14.9

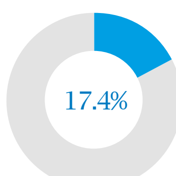
Capital held by GBL



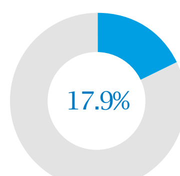
Representatives in statutory bodies



Imerys' contribution to the net dividends collected on GBL's investments



Imerys' contribution to GBL's portfolio



SGS is the world leader in inspection, verification, testing and certification

Profile

SGS provides tailored inspection, verification, testing and certification solutions to its customers to make their commercial activities faster, simpler and more efficient. Its worldwide network consists of more than 95,000 employees at more than 2,400 offices and laboratories.

Performance in 2017

The SGS group achieved solid results in 2017. Total revenue reached CHF 6.3 billion and SGS is on track to deliver the revenue growth projected in the 2020 strategic plan. The group realised revenue growth of 5.4% on a constant currency basis, of which 4.2% was organic and 1.2% was contributed by recent acquisitions. On a historical reported basis, group revenue increased by 6.1%. Significant growth was reported across the vast majority of the portfolio.

Adjusted operating income reached CHF 969 million versus CHF 919 million in prior year, an increase of 5.4% (constant currency basis). The adjusted operating income margin remained stable compared to prior year (15.3%) at constant currency, with the improved underlying performance being partially offset by strategic investments.

Profit for the period reached CHF 664 million, an increase of 13.3%, mainly driven by improved performance, fewer restructuring expenses and a one-time tax rate decrease to 22.0% (2016: 24.0%) driven by the US tax reform, despite a non-tax deductible goodwill impairment of CHF 30 million impacting Industrial services.

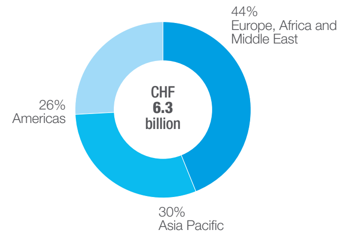
Net profit attributable to equity holders reached CHF 621 million, an increase of 14.4% compared with CHF 543 million disclosed in 2016.

The group generated solid operating cash flow at CHF 987 million supported by strong underlying business performance. Net investments in fixed assets were CHF 281 million and the group completed 12 acquisitions during the period for a total cash consideration payable of CHF 40 million. In 2017, the group paid a dividend of CHF 528 million.

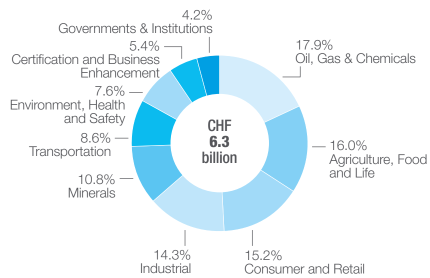
At 31 December 2017, the group's net debt position amounted to CHF 698 million compared with a net debt position of CHF 736 million at 31 December 2016.

SGS in figures

Geographical breakdown of 2017 revenue



2017 revenue by activity



Key financial data

Simplified income statement (in CHF million)	2017	2016	2015
Revenue	**6,349**	5,985	5,712
Adjusted EBITDA	**1,247**	1,198	1,191
Adjusted operating income	**969**	919	917
Operating income (EBIT)	**894**	816	822
Net profit (group's share)	**621**	543	549

Simplified balance sheet (in CHF million)	2017	2016	2015
Shareholders' equity (group's share)	**1,919**	1,773	1,906
Non-controlling interests	**86**	80	75
Net debt	**698**	736	482
Debt-equity ratio (%)	**35**	40	24
Net debt/EBITDA (x)	**0.6**	0.6	0.4

Financial communication
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SGS

Investment case

The industry is characterised by high barriers to entry and attractive fundamentals:

- Expansion and ageing of infrastructure
- Externalisation of activities
- Development of regulations
- Growing complexity of products
- Consolidation

In this sector, SGS offers a particularly attractive profile:

- World leader
- Diversified portfolio
- Ideally positioned to take advantage of growth opportunities
- Resilient across economic cycles

Market data and information on GBL's investment

Stock market data	2017	2016	2015
Number of shares issued (in thousands)	**7,634**	7,822	7,822
Market capitalisation (in CHF million)	**19,397**	16,208	14,949
Closing share price (in CHF/share)	**2,541**	2,072	1,911
Basic adjusted earnings per share (in CHF/share)	**91.74**	83.00	81.95
Diluted earnings per share (in CHF/share)	**82.27**	71.47	71.95
Dividend (in CHF/share)	**75** (1)	70	68

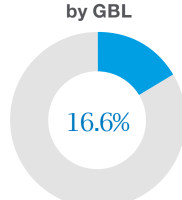
GBL's investment	2017	2016	2015
Percentage of share capital (in %)	**16.6**	16.2	15.0
Percentage of voting rights (in %)	**16.6**	16.2	15.0
Market value of the investment (in EUR million)	**2,751**	2,445	2,067
Dividends collected by GBL (in EUR million)	**83**	73	67
Representatives in statutory bodies	**3**	3	3

(1) Subject to the approval of the General Shareholders' Meeting

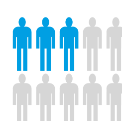
TSR annualised (%)

	1 year	3 years	5 years
SGS	**16.2**	12.2	8.6
STOXX Europe 600 Industrial Goods & Services	**17.3**	12.5	12.4

Capital held by GBL

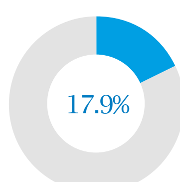


Representatives in statutory bodies

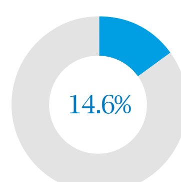


3 out of 10

SGS' contribution to the net dividends collected on GBL's investments



SGS' contribution to GBL's portfolio



LafargeHolcim is the leading global construction materials and solutions company

Profile

LafargeHolcim, the product of the merger between Lafarge and Holcim, made official in July 2015, is the world leader in construction materials. The company offers the most innovative cement, concrete, and aggregates solutions to meet its customers' needs.

The group employs around 81,000 persons in over 80 countries and has a balanced presence in developing and mature markets.

#1
in the construction materials sector

2,300
operating sites

81,000
employees

c. 80
countries where LafargeHolcim is active

Performance in 2017

In 2017, LafargeHolcim continued to show improvements in the key measures relating to net sales and recurring EBITDA driven by excellent cost discipline and commercial initiatives.

The strong performance was most visible in the Americas, while most remaining regions continued to show growth as net sales and recurring EBITDA were higher than prior year on a like-for-like basis.

Continuing the trend seen over 2016 and highlighting the balanced nature of the portfolio, positive contributions were made by both mature and developing markets. Notably, Latin America performed well with growth stemming from retail and infrastructure projects, as well as cost management and pricing growth.

Net sales grew by 4.7% on a like-for-like basis for the full year, largely driven by higher cement volumes. Accounting for the effect of divestments (- 6.5%) and FX (- 1.1%), reported net sales decreased by 2.9% to CHF 26,129 million.

Recurring EBITDA reached CHF 5,990 million for the full year. Like-for-like recurring EBITDA grew by 6.1% over the full year.

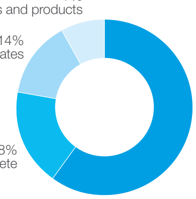
A detailed review of the asset portfolio, and specifically the country risk, led to an impairment of CHF 3,829 million. The impairment mainly affected goodwill and assets revalued in the context of business combinations. This resulted in a net loss group share of CHF 1,675 million compared to a profit of CHF 1,791 million in 2016. Before impairment and divestments, net income (group's share) stood at CHF 1,417 million compared to CHF 1,273 million in 2016, an increase by 11.3%.

EPS before impairment and divestments was CHF 2.35 for the full year, up on the CHF 2.10 figure for 2016. Free cash flow grew by 1.5% for the full year.

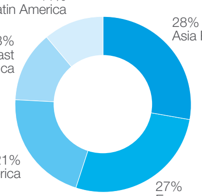
Net debt stood at CHF 14,346 million at year-end 2017, a reduction of around CHF 400 million compared to the previous year.

LafargeHolcim in figures

Breakdown of 2017 net sales by branch (1)



Geographical breakdown of 2017 net sales (1)



(1) Breakdown based on net sales excluding corporate/eliminations

Key financial data

Simplified income statement (in CHF million)	**2017**	**2016**	**2015**
Net sales	**26,129**	26,904	23,584
Recurring EBITDA	**5,990**	5,950	5,751
Operating profit (loss)	**(478)**	2,963	(739)
Cash flow from operating activities	**3,040**	3,295	2,465

Simplified balance sheet (in CHF million)			
Shareholders' equity (group's share)	**27,787**	30,822	31,365
Non-controlling interests	**3,188**	3,925	4,357
Net financial debt	**14,346**	14,724	17,266
Debt-equity ratio (%)	**46**	42	48
Net financial debt/Recurring EBITDA (x)	**2.4**	2.5	3.0

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LafargeHolcim

Investment case

The group is well positioned to meet the challenges of increasing urbanization and demand for sustainable construction solutions. The stakes of the merger in 2015 have not changed:

- Creation of an uncontested leader in the building material sector
- Rebalancing of the portfolio towards the most promising regions in terms of growth
- Potential for significant synergies
- Improved operating performance and strength of the balance sheet

Market data and information on GBL's investment

Stock market data	2017	2016	2015
Number of shares (in thousands)	**606,909**	606,909	606,909
Market capitalisation (in CHF million)	**33,350**	32,561	30,528
Closing price (in CHF/share)	**54.95**	53.65	50.30
Dividend (in CHF/share)	**2.00** (1)	2.00	1.50

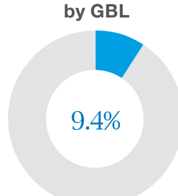
GBL's investment	2017	2016	2015
Percentage of share capital (%)	**9.4**	9.4	9.4
Percentage of voting rights (%)	**9.4**	9.4	9.4
Market value of the investment (in EUR million)	**2,693**	2,857	2,674
Dividends collected by GBL (in EUR million)	**107**	78	77
Representatives in statutory bodies	**2**	2	2

(1) Subject to the approval of the General Shareholders' Meeting

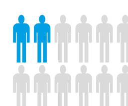
TSR annualised (%)

	1 year	3 years	5 years
LafargeHolcim	**(2.7)**	(3.2)	0.1
STOXX Europe 600 Construction & Materials	**10.6**	13.8	14.9

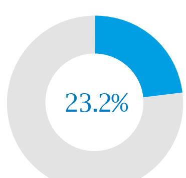
Capital held by GBL



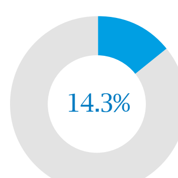
Representatives in statutory bodies



LafargeHolcim' contribution to the net dividends collected on GBL's investments



LafargeHolcim' contribution to GBL's portfolio



Pernod Ricard, the world's number two player in Wines & Spirits, holds a leading position globally

Profile

Since its inception in 1975, Pernod Ricard has built up the most premium portfolio in the industry and has become the world's number two player in the Wine & Spirits market through organic growth and acquisitions, including Seagram in 2001, Allied Domecq in 2005 and Vin&Spirit in 2008. This portfolio includes notably 13 strategic international brands, 15 strategic local brands and 4 premium wine brands, produced and distributed by the group through its own worldwide distribution network.

Performance in 2017

In 2016/17, Pernod Ricard delivered a strong year with business accelerating, and is on track to deliver mid-term roadmap. The organic top line growth has reached 3.6%, getting closer to the mid-term objective of + 4% to + 5%. The profit from recurring operations (PRO) recorded a solid organic growth: + 3.3%, at the higher end of the annual guidance bracket of + 2% to + 4%, despite unexpected regulatory changes in India. The operating margin was up by 35bps thanks to foreign exchange impacts. The group's share of net profit was up 13%, whilst cash flow generation and deleveraging improved significantly. Free cash flow increased by 22%, and 61% in two years, to historic high, supported by operational efficiency initiatives.

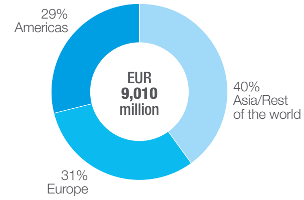
Deleveraging was significant with net debt/EBITDA ratio at 3.0x down 0.4x vs. FY16, and net debt down by EUR 0.9 billion to EUR 7.9 billion.

Furthermore, in 2016/17, there was:

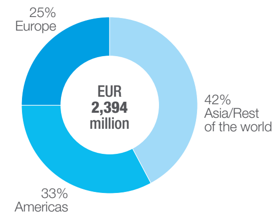
- an increase in profit from recurring operations of 8% in the Americas, 1% in Asia/Rest of World and 1% in Europe;
- an improvement of the gross margin (+ 4%): the mix turned positive (mainly due to Jameson and Martell), pricing was still muted and costs of goods sold were tightly managed thanks to operational efficiency initiatives;
- a dividend per share of EUR 2.02, a 7% increase compared with the previous year. This represents a pay-out ratio of 36%, in line with the customary policy of cash distribution of approximately one-third of the group's net profit from recurring operations.

Pernod Ricard in figures

Geographic breakdown of 2016-2017 net sales



Breakdown of 2016-2017 profit from recurring operations



Key financial data

	30/06/ 2017	30/06/ 2016	30/06/ 2015
Simplified income statement (in EUR million)			
Net sales	**9,010**	8,682	8,558
Profit from recurring operations	**2,394**	2,277	2,238
Net profit (group's share)	**1,393**	1,235	861
Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	**13,706**	13,337	13,121
Non-controlling interests	**180**	169	167
Net financial debt	**7,851**	8,716	9,021
Debt-equity ratio (%)	**57**	65	68
Net financial debt/EBITDA (x)	**3.0**	3.4	3.5

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Pernod Ricard

Investment case

The spirits market is supported by favourable long term trends, in particular:

- Expanding urban population
- Growing market share compared to beer and wine
- Upmarket move by consumers

Pernod Ricard has a smooth growth and profitability profile:

- Number two player worldwide with one of the industry's most complete brand portfolios
- Systematic upmarket move thanks to its superior-quality and innovative products
- Numerous high potential brands
- Leading positions in categories such as whisky, rum and cognac

Market data and information on GBL's investment

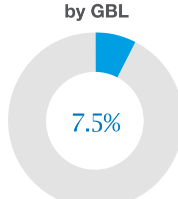
Stock market data	30/06/ 2017	30/06/ 2016	30/06/ 2015
Number of shares issued (in thousands)	**265,422**	265,422	265,422
Market capitalisation (in EUR million)	**31,121**	26,569	27,498
Closing share price (in EUR/share)	**117.25**	100.10	103.60
Diluted net earnings from recurring operations (in EUR/share)	**5.58**	5.20	4.99
Dividend (in EUR/share)	**2.02**	1.88	1.80

GBL's investment	31/12/ 2017	31/12/ 2016	31/12/ 2015
Percentage of share capital (in %)	**7.5**	7.5	7.5
Percentage of voting rights (in %)	**10.9**	6.8	6.9
Market value of the investment (in EUR million)	**2,625**	2,048	2,093
Dividends collected by GBL (in EUR million)	**40**	37	36
Representatives in statutory bodies	**2**	2	2

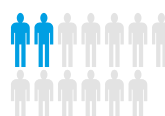
TSR annualised (%)

	1 year	3 years	5 years
Pernod Ricard	**30.4**	14.7	10.5
STOXX Europe 600 Food & Beverage	**13.4**	9.7	11.0

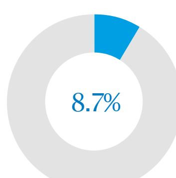
Capital held by GBL



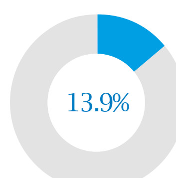
Representatives in statutory bodies



Pernod Ricard's contribution to the net dividends collected on GBL's investments



Pernod Ricard's contribution to GBL's portfolio



adidas is the European leader in sports equipment

Profile

adidas is a global leader specialised in the design, development, production and distribution of sporting goods (footwear, clothing and equipment). The group's business is built around two main brands: adidas and Reebok. Distribution is done through its own stores retail network, eCommerce and independent distributors.

Performance in 2017

In 2017, adidas delivered another year of strong performance, increasing currency-neutral revenues by 16% to EUR 21.2 billion. This development mainly reflects an 18% increase at brand adidas, which was driven by double-digit sales increases in the running category as well as at adidas Originals and adidas neo.

In terms of performance in key regions, the combined sales (on a currency-neutral basis) of the adidas and Reebok brands grew at double-digit rates in nearly all regions. Growth in the company's key regions Greater China and North America was particularly strong, with currency-neutral sales increases by 29% and 27%, respectively.

While currency-neutral revenues in Western Europe increased by 13%, sales in Latin America were up by 12%. Currency-neutral revenues in MEAA and Japan increased by 10% each. Sales in Russia/CIS declined by 13%, reflecting the ongoing challenging consumer sentiment as well as additional store closures during the year.

The company's gross margin increased by 1.2 percentage point to 50.4% (2016: 49.2%) due to the positive effects from a better pricing and product mix, which more than offset negative currency effects as well as higher input costs.

The company's operating profit grew by 31% to EUR 2,070 million (2016: EUR 1,582 million), representing an operating margin increase of 1.2 percentage point to 9.8% (2016: 8.6%).

Net income from continuing operations grew by 32% to EUR 1,430 million. Basic EPS from continuing operations increased by 31% to EUR 7.05.

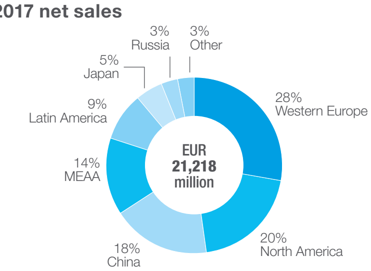
Net cash amounted to EUR 484 million, representing an improvement of EUR 587 million compared to the prior year (2016: net borrowings of EUR 103 million). This development was driven by the increase in cash generated from operating activities as well as proceeds arising from the disposal of TaylorMade and CCM Hockey.

The Executive and Supervisory Boards will recommend a dividend of EUR 2.60 per share which represents an increase by 30% compared to the prior year dividend (2016: EUR 2.00) and a payout ratio of 37.1% (2016: 37.4%). This is within the target range of between 30% and 50% of net income from continuing operations as defined in the company's dividend policy.

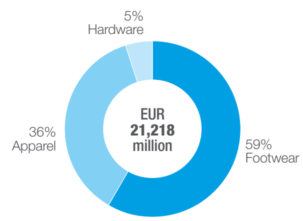
In addition, adidas decided to launch a multi-year share buyback program of up to EUR 3.0 billion in total until 11 May 2021. Starting on 22 March, the company plans to buy back shares worth up to EUR 1.0 billion in 2018.

adidas in figures

Geographic breakdown of 2017 net sales



Breakdown of 2017 net sales per category



Key financial data

Simplified income statement (in EUR million)	2017 (1)	2016 (1)	2015 (2)
Net sales	**21,218**	18,483	16,915
Operating profit	**2,070**	1,582	1,094
Net income from continuing operations	**1,430** (3)	1,082	720
Net income (group's share)	**1,097**	1,017	634

(1) Restated to reflect continuing operations as a result of the divesture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey business
(2) Not restated
(3) Excluding a FY17 negative one-time tax impact

Simplified balance sheet (in EUR million)	2017	2016	2015
Shareholders' equity (group's share)	**6,450**	6,472	5,666
Non-controlling interests	**(15)**	(17)	(18)
Net cash/(net borrowings)	**484**	(103)	(460)
Debt-equity ratio (%)	**n.a.**	2	8

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adidas

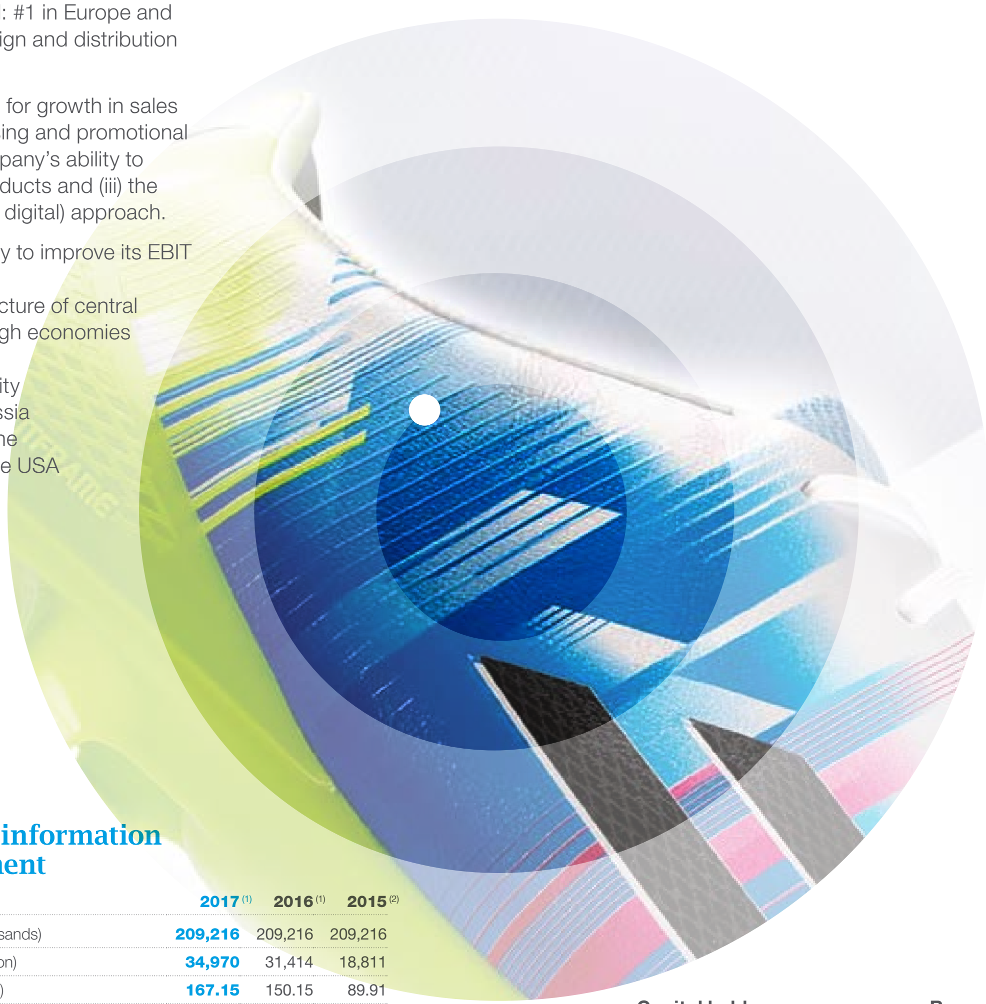
Investment case

adidas is a strong brand: #1 in Europe and #2 worldwide in the design and distribution of sporting goods.

There is strong potential for growth in sales supported by (i) advertising and promotional expenditure, (ii) the company's ability to introduce innovative products and (iii) the omni-channel (including digital) approach.

adidas has the possibility to improve its EBIT margin via:

- Optimising the structure of central costs, mainly through economies of scale
- Increased profitability in the USA and Russia
- A restructuring of the brand Reebok in the USA



Market data and information on GBL's investment

Stock market data	2017 [1]	2016 [1]	2015 [2]
Number of shares issued (in thousands)	**209,216**	209,216	209,216
Market capitalisation (in EUR million)	**34,970**	31,414	18,811
Closing share price (in EUR/share)	**167.15**	150.15	89.91
Basic earnings from continuing operations (in EUR/share)	**7.05** [3]	5.39	3.37
Dividend (in EUR/share)	**2.6** [4]	2.0	1.6

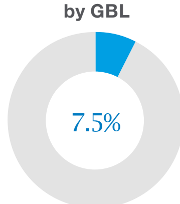
GBL's investment	2017 [1]	2016 [1]	2015 [2]
Percentage of share capital (in %)	**7.5**	7.5	4.7
Percentage of voting rights (in %)	**7.5**	7.5	4.7
Market value of the investment (in EUR million)	**2,623**	2,356	890
Dividends collected by GBL (in EUR million)	**27**	19	3
Representatives in statutory bodies	**1**	1	0

(1) Restated to reflect continuing operations as a result of the divesture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey business
(2) Not restated
(3) Excluding a FY17 negative one-time tax impact
(4) Subject to the approval of the General Shareholders' Meeting

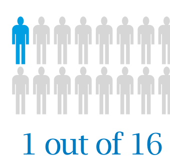
TSR annualised (%)

	1 year	3 years	5 years
adidas	**12.6**	44.8	21.9
STOXX Europe 600 Consumer Goods	**13.1**	11.3	12.7

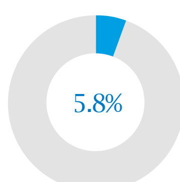
Capital held by GBL



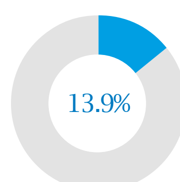
Representatives in statutory bodies



adidas's contribution to the net dividends collected on GBL's investments



adidas's contribution to GBL's portfolio



Umicore is a leader in materials technology and recycling of precious metals

Profile

Umicore is a global group specialised in materials technology and the recycling of precious metals. Its activity is focused on application fields where its expertise in materials science, chemistry and metallurgy is widely recognized. It is centered on three business groups: Catalysis, Energy & Surface Technologies and Recycling.

#1
Global leader in precious metals recycling

51
industrial sites

9,700
employees

23
countries where Umicore is present

Performance in 2017

Umicore had an outstanding performance in 2017, driven, among others, by strong growth in Energy & Surface Technologies benefiting from high demand and the ramp-up of new production capacity for cathode materials.

Revenues and recurring EBIT for continued activities increased by 16% and 24% respectively.

Revenues, including discontinued activities, grew by 9% and recurring EBIT rose by 17%. Recurring net profit (group's share) was up by 15%.

Net financial indebtedness increased to EUR 840 million, largely driven by Umicore's capital expenditures and net working capital spending as well as the acquisitions in Automotive Catalysts and Cobalt & Specialty Materials.

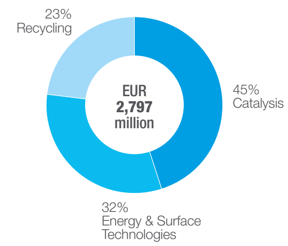
2017 saw significant progress in reshaping the group:

- completion of the portfolio realignment announced in 2015: divestments of Building Products, large area coatings activity of Thin Film Products and European operations of Technical Materials;
- selective acquisitions to strengthen the positioning in Catalysis and Cobalt & Specialty Materials.

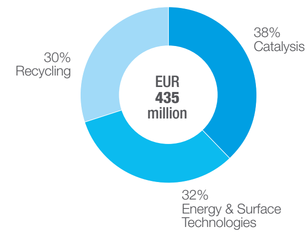
On 8 February 2018, Umicore completed a EUR 892 million capital increase, placing new ordinary shares through an accelerated bookbuild. The proceeds will be used to fund growth investments, particularly in cathode materials and will provide more financial flexibility to pursue potential acquisitions and partnerships that would further strengthen Umicore's offering in clean mobility materials and recycling.

Umicore in figures

Segment split of 2017 revenues excluding metals (corporate not included)



Segment split of 2017 recurring EBIT (corporate not included)



Key financial data

Simplified income statement (in EUR million)	**2017**	**2016**	**2015**
Turnover [(1)]	**12,277**	11,086	10,442
Revenues (excluding metal)	**2,916**	2,668	2,629
Recurring EBITDA	**599**	527	505
Recurring EBIT	**410**	351	330
Recurring net profit (group's share)	**267**	233	246

(1) Including the elimination of the transactions between continued and discontinued operations

Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	**1,803**	1,829	1,699
Non-controlling interests	**60**	58	53
Net financial debt	**840**	296	321
Debt-equity ratio (%)	**45**	16	18
Average net debt/EBITDA (x)	**0.9**	0.6	0.6

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umicore

Investment case

Umicore has a business model geared towards clean technologies that are benefiting from favourable long-term trends, namely through activities in automotive catalysts, batteries for electric cars and precious metals recycling.

In these areas, Umicore enjoys a global leadership position, along with solid know-how, high-quality means of production and a talented management team.

Market data and information on GBL's investment

Stock market data [1]	2017	2016	2015
Number of shares issued (in thousands)	**224,000**	224,000	224,000
Market capitalisation (in EUR million)	**8,838**	6,065	4,330
Closing share price (in EUR/share)	**39.46**	27.08	19.34
Net income from current operations (in EUR/share)	**1.22**	1.07	1.14
Diluted net income (in EUR/share)	**0.96**	0.60	0.78
Dividend (in EUR/share)	**0.70** [2]	0.65	0.60

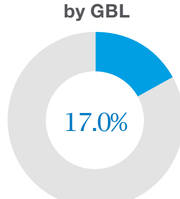
GBL's investment	2017	2016	2015
Percentage of share capital (in %)	**17.0**	17.0	16.6
Percentage of voting rights (in %)	**17.0**	17.0	16.6
Market value of the investment (in EUR million)	**1,503**	1,032	720
Dividends collected by GBL (in EUR million)	**26**	25	15
Representatives in statutory bodies	**2**	2	1

(1) Pro-forma figures, adjusted for Umicore's share split in October 2017
(2) Subject to the approval of the General Shareholders' Meeting

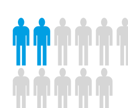
TSR annualised (%)

	1 year	3 years	5 years
Umicore	**49.3**	36.7	16.7
STOXX Europe 600 Chemicals	**13.7**	9.3	10.2

Capital held by GBL

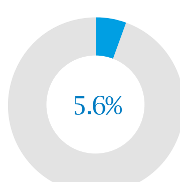


Representatives in statutory bodies

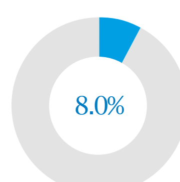


2 out of 11

Umicore's contribution to the net dividends collected on GBL's investments



Umicore's contribution to GBL's portfolio



Total is an integrated global oil and gas group with a presence in chemicals

Profile

Total is one of the leading global oil and gas groups. The company operates in more than 130 countries and covers every oil industry segment, from Upstream to Downstream. Total is also a major player in chemicals and is committed to the development of renewable energy.

(1) boe = barrel of oil equivalent

Performance in 2017

Brent rose to USD 54/b on average in 2017 from USD 44/b in 2016 while remaining volatile. The group demonstrated its ability to capture the benefit of higher prices by reporting adjusted net income of USD 10.6 billion, a 28% increase (compared to a 24% increase in Brent), and a return on equity above 10%, the highest among the majors. The Upstream, in particular, increased its results by more than 80% and its operating cash flow by close to 40%.

Financial discipline was successfully maintained. Organic investments were USD 14.4 billion, in line with guidance of USD 13-15 billion, and cost savings reached USD 3.7 billion in 2017, exceeding the target of USD 3.5 billion. Production costs fell to USD 5.4/boe in 2017 from USD 9.9/boe in 2014.

These strong results were driven by production growth (5% in 2017), notably the start-up of Moho-Nord in the Republic of Congo, the ramp-up of Kashagan in Kazakhstan and the entry into Al-Shaheen in Qatar. The Downstream confirmed its ability to generate around USD 7 billion of operating cash flow and reported a return on capital employed of more than 30%.

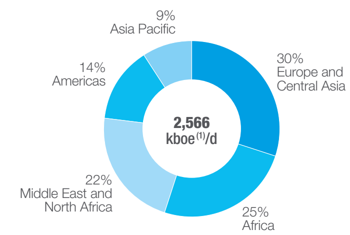
In Exploration & Production, the group is preparing for future growth with the announced acquisition of Maersk Oil. In the framework of its integrated gas strategy, it announced the acquisition of the LNG business of ENGIE to take full advantage of the fast-growing LNG market.

The strategy implemented since 2015 has enabled the group to reduce, in 2017, its pre-dividend organic breakeven to USD 27/b and generate USD 22 billion of debt-adjusted cash flow. The group continued to strengthen its balance sheet, ending the year with a 14% gearing, a significant decrease compared to 2016.

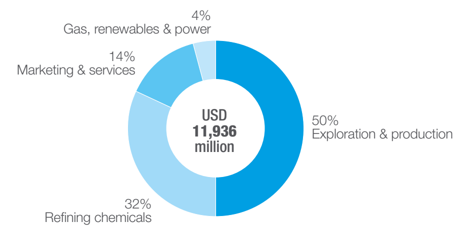
In this context, the Board of Directors decided to eliminate the discount on the scrip dividend and to propose a new attractive shareholder return policy for the coming three years.

Total in figures

Hydrocarbon production by geographic area



Adjusted net operating income from business segments



Key financial data

Simplified income statement (in USD million)	**2017**	**2016**	**2015**
Sales	**171,493**	149,743	165,357
Adjusted net operating income from business segments	**11,936**	9,410	11,362
Adjusted net income (group's share)	**10,578**	8,287	10,518
Net income (group's share)	**8,631**	6,196	5,087

Simplified balance sheet (in USD million)			
Shareholders' equity (group's share)	**111,556**	98,680	92,494
Non-controlling interests	**2,481**	2,894	2,915
Net financial debt	**15,424**	27,121	26,586
Debt-equity ratio (%)	**14**	27	28

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Investment case

Total outperformed its peers and demonstrated its resilience in a difficult environment:

- Integrated model, from exploration to the final customer
- Operational excellence for all its activities
- Disciplined approach to costs and investments
- Oil activity with low breakeven point
- Development of gas activities
- Objective of becoming the major player in responsible energy to meet energy challenges

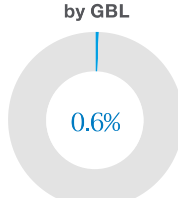
Market data and information on GBL's investment

Stock market data	2017	2016	2015
Number of shares issued (in thousands)	**2,528,990**	2,430,366	2,440,058
Market capitalisation (in EUR million)	**116,447**	118,376	100,689
Closing share price (in EUR/share)	**46.05**	48.72	41.27
Adjusted fully-diluted net income (in EUR/share)	**3.65**	3.06	4.51
Dividend (in EUR/share)	**2.48** (1)	2.45	2.44

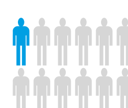
GBL's investment	2017	2016	2015
Percentage of share capital (in %)	**0.6**	0.7	2.4
Percentage of voting rights (in %)	**1.2**	1.3	2.2
Market value of the investment (in EUR million)	**746**	789	2,463
Dividends collected by GBL (in EUR million)	**36**	75	157
Representatives in statutory bodies	**1**	2	2

(1) Subject to the approval of the General Shareholders' Meeting

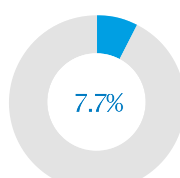
Capital held by GBL



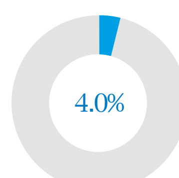
Representatives in statutory bodies



Total's contribution to the net dividends collected on GBL's investments



Total's contribution to GBL's portfolio



TSR annualised (%)

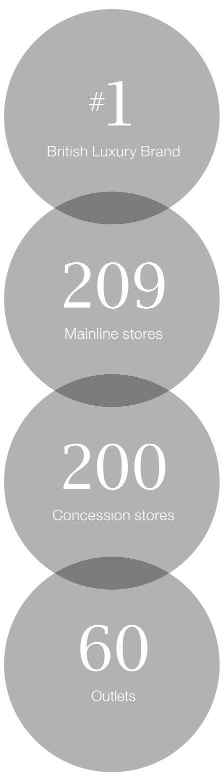
	1 year	3 years	5 years
Total	**(0.3)**	8.6	9.3
STOXX Europe 600 Oil & Gas	**2.9**	9.2	4.7

Burberry is a global luxury brand with a distinctive British heritage

Profile

Founded in 1856, Burberry is a global luxury brand with a diversified product offering across apparel, accessories and leather goods. The company designs and manufactures its products, selling them through a diversified network of retail, wholesale, franchisees and licensing channels.

The company further developed its brand image over the last 20 years, by streamlining its product range, building on iconic items and expanding into the digital area.



Performance in 2017

2016/2017 was a year of transition during which Burberry took strategic actions to strengthen the long-term success of its brand.

Revenue stood at GBP 2.8 billion, down by 2% underlying but up by 10% reported, positively impacted by the GBP devaluation post Brexit.

Adjusted operating profit was down by 21% underlying to GBP 459 million (up by 10% reported), in part due to taking strategic actions to elevate the brand.

Net cash at 31 March 2017 was GBP 809 million, up by GBP 149 million compared to 31 March 2016 after a share buyback program of GBP 97 million, driven by the decrease in investments and the positive impact of the variation in working capital requirements.

In November 2017, Burberry released its new strategy focusing on elevating the brand towards luxury fashion, underpinned by:

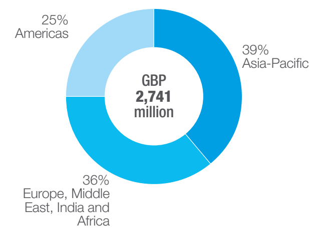
- focusing on product, which is at the heart of the transformation;
- putting product at the center of its communication, reinventing digital content and experiences in stores;
- ensuring alignment between brand positioning and distribution, through the rationalization of channels (e.g. closing of non-luxury wholesale and retail doors, mainly in the USA and EMEIA).

This reset has had an impact on the near term guidance. For FY 2018/2019 & 2019/2020, Burberry is expecting stable revenues and operating margin. During this period, Burberry will remain strongly cash generative and is committed to its capital allocation framework (dividend and share buyback).

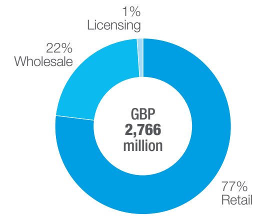
After this transition period (as from 2020/2021), Burberry is expecting high single digit growth and margin improvement.

Burberry in figures

Geographic breakdown of FY17 retail/wholesale revenue



Breakdown of FY17 revenue by channel



Key financial data

Simplified income statement (in GBP million)	31/03/ 2017	31/03/ 2016	31/03/ 2015
Revenue	**2,766**	2,515	2,523
Gross Margin (%)	**70**	70	70
Adjusted operating profit	**459**	418	455
Attributable profit	**287**	310	336

Simplified balance sheet (in GBP million)	31/03/ 2017	31/03/ 2016	31/03/ 2015
Shareholders' equity (group's share)	**1,693**	1,565	1,401
Non-controlling interests	**5**	56	51
Net cash/(net debt)	**809**	660	552
Debt-equity ratio (%)	**n.a.**	n.a.	n.a.
Net debt/EBITDA (x)	**n.a.**	n.a.	n.a.

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Investment case

- Luxury goods industry is expected to grow by 3-4% p.a. in the coming years, driven by demographics, increasing wealth and travel
- Burberry is a globally recognized brand, considered as the best-in-class digital player in the industry
- Burberry offers an attractive shareholders' cash return thanks to its solid balance sheet and strong cash conversion
- The company is committed to applying its capital allocation policy (dividend distribution and a share buyback)

Market data and information on GBL's investment

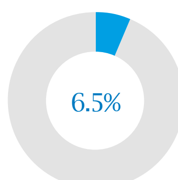
Stock market data	31/03/ 2017	31/03/ 2016	31/03/ 2015
Number of shares (in thousands)	**445,173**	445,037	444,744
Market capitalisation (in GBP million)	**7,675**	6,075	7,707
Closing price (in GBP per share)	**17.24**	13.65	17.33
Adj. diluted EPS (in GBp per share)	**77.4**	69.9	76.9
Dividend (in GBp per share)	**38.9**	37.0	35.2

GBL's investment	31/12/ 2017	31/12/ 2016	31/12/ 2015
Percentage of share capital (%)	**6.5**	3.0	-
Percentage of voting rights (%)	**6.5**	3.0	-
Market value of investment (in EUR million)	**557**	230	2
Dividends collected by GBL (in EUR million)	**9**	6	-
Representatives in statutory bodies	**0**	0	0

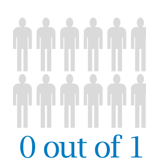
TSR annualised (%)

	1 year	3 years	5 years
Burberry	**17.9**	1.1	8.6
STOXX Europe 600 Personal & Household goods	**12.5**	13.0	13.7

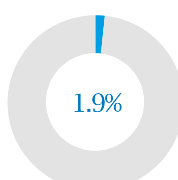
Capital held by GBL



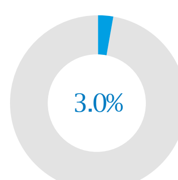
Representatives in statutory bodies



Burberry's contribution to the net dividends collected on GBL's investments



Burberry's contribution to GBL's portfolio



Ontex is a leading international personal hygiene solutions provider

Profile

Ontex is a growing international group specialised in hygienic products for baby, adult and feminine care. Ontex products are distributed in more than 110 countries under the company's own brands and retailer brands. The main sales channels are retail trade, medical institutions and pharmacies.

Over
2
EUR billion turnover

7
R&D centers

Over
11,000
employees

19
production sites

Performance in 2017

Ontex total revenues for 2017 is EUR 2.36 billion, up by 18.2% on a reported basis and by 5.5% on a Like-For-Like ("LFL") basis, outperforming the broadly flat personal hygiene market. In 2017, Ontex delivered revenue growth across all three categories (baby care, adult care and feminine care). This demonstrated strong consumer demand for Ontex's products, resulting in market share gains across most divisions.

FY 2017 revenue was broad-based with most geographies delivering higher LFL revenue. As a result of double-digit LFL growth and the Brazil acquisition, sales in the Americas rose to 27% of group sales, while the proportion of group sales in Western Europe was less than 50% for the first time ever, despite the solid increase in this region.

Adjusted EBITDA of EUR 266.4 million (margin of 11.3%) was 7.1% higher year-on-year despite EUR 7.8 million FX headwind.

Adjusted EBITDA margins of the group excluding Brazil proved robust at 12.0% compared to 12.5% in 2016. This was a resilient performance, with Ontex's cost savings and efficiencies programs largely offsetting significant external headwinds, and some capacity constraints that limited Ontex's profitability in the near term.

The overall performance of the Brazilian business acquired in March 2017 fell well short of Ontex's expectations. Challenging market conditions provided a difficult backdrop.

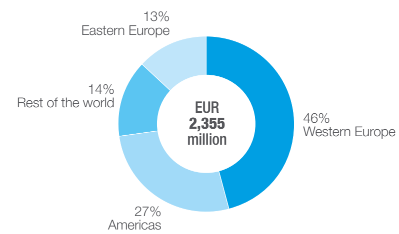
Significant actions have already been taken to address the issues in Brazil, including some changes in the sales incentive system, reinforced processes and controls. Ontex is reviewing ways in which the company can sustainably improve the business performance on the top and bottom line.

The refinancing of debt in the second half of 2017 resulted in a meaningful extension of debt maturities to 2022 and 2024, and a lower average cost of debt with the interest rate risk largely hedged, in line with the group's hedging policy. Estimated annual savings before tax are expected to be approximately EUR 10 million.

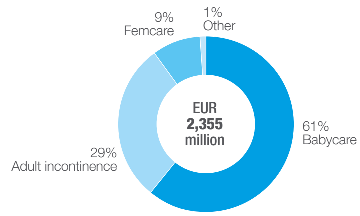
The Board of Directors proposes to pay a gross dividend of EUR 0.60 per share, an increase of EUR 0.05 per share subject to approval by shareholders at the next Annual General Meeting.

Ontex in figures

Geographic breakdown of 2017 revenue



Breakdown of 2017 revenue per category



Key financial data

Simplified income statement (in EUR million)	2017	2016	2015
Reported revenue	**2,355**	1,993	1,689
Adjusted EBITDA	**266**	249	209
Adjusted profit/(loss)	**131**	132	103
Profit/(loss) (group's share)	**128**	120	99

Simplified balance sheet (in EUR million)	2017	2016	2015
Shareholders' equity (group's share)	**1,178**	999	852
Non-controlling interests	**0**	0	0
Net financial debt	**744**	665	410
Debt-equity ratio (%)	**63**	67	48
Net financial debt/Adjusted EBITDA (x)	**2.8**	2.7	2.0

Financial communication
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Investment case

The growth of the industry is supported by (i) the resilience of the business (hygiene basics), (ii) an ageing population in mature countries and (iii) the growth in population and product adoption rates for hygiene products in emerging countries.

Ontex should be able to continue to outperform the market thanks to (i) increases in market share in retailer brands, (ii) increases in share of its own brands, including premiumisation, and (iii) its greater exposure to emerging countries and adult incontinence products.

Market data and information on GBL's investment

Stock market data	2017	2016	2015
Number of shares issued (in thousands)	82,347	74,861	72,139
Market capitalisation (in EUR million)	2,271	2,115	2,363
Closing share price (in EUR/share)	27.58	28.25	32.76
Adjusted EPS (in EUR/share)	1.65	1.77	1.50
Dividend (in EUR/share)	0.60 (1)	0.55	0.46

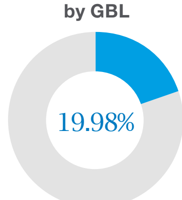
GBL's investment	2017	2016	2015
Percentage of share capital (in %)	19.98	19.98	7.6
Percentage of voting rights (in %)	19.98	19.98	7.6
Market value of the investment (in EUR million)	454	423	181
Dividends collected by GBL (in EUR million)	9	5	1
Representatives in statutory bodies	1	0	0

(1) Subject to the approval of the General Shareholders' Meeting

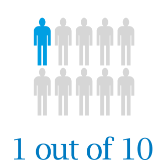
TSR annualised (%)

	1 year	3 years	5 years
Ontex	(0.7)	6.6	n.a.
STOXX Europe 600 Personal & Household Goods	12.5	13.0	13.7

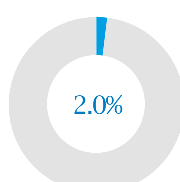
Capital held by GBL



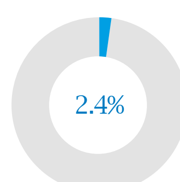
Representatives in statutory bodies



Ontex's contribution to the net dividends collected on GBL's investments



Ontex's contribution to GBL's portfolio



GEA is one of the largest suppliers of process technology to the food industry

Profile

GEA is a world leader in the supply of equipment and project management for a wide range of processing industries. Its technology focuses on components and production processes for various markets, particularly in the Food & Beverage sectors. The company employs almost 18,000 people worldwide.

Performance in 2017

The group's order intake (including acquisitions) rose by 1.7% compared with 2016 to EUR 4.8 billion, a new record for GEA. A market reticent approach to investment was noted in the dairy processing customer industry and, to a lesser extent, in the beverage customer industry. This was more than compensated however by double digit growth in the dairy farming and growth of more than 5% in food and pharma/chemical industries.

In 2017, GEA generated consolidated revenues of around EUR 4.6 billion, up by 2.5% like-for-like compared to 2016.

Revenue in the Business Area Equipment increased by 4.9% like-for-like, primarily thanks to developments in the dairy processing, dairy farming and food customer industries.

Revenue in the Business Area Solutions was slightly up by 0.6% like-for-like. Although revenues in the pharma/chemical customer industry and in beverages fell, they rose significantly in food.

At EUR 564 million, operating EBITDA was slightly below prior-year. This corresponds to a margin of 12.2%. It includes additional costs for filling machines of EUR 20 million incurred by the Business Area Solutions.

Consolidated profit for the year amounted to EUR 243 million, compared to EUR 285 million in 2016, in large part due to the remeasurement of deferred taxes following the cut in the US corporate income tax rate.

Thanks to the share buyback program of EUR 450 million launched in March 2017, the average number of shares in circulation was reduced by 3%, resulting into an EPS of EUR 1.31 per share compared to EUR 1.48 per share last year.

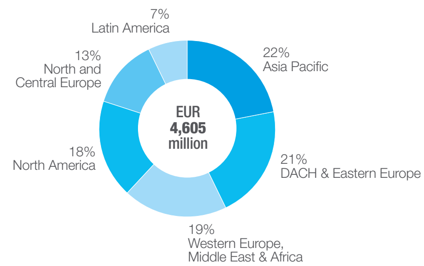
Cash flow from operating activities amounted to EUR 270 million, up EUR 108 million on the previous year, thanks to the decrease in working capital. GEA spent EUR 119 million in capital expenditure and EUR 234 million in acquisitions.

After payment of the dividend and the repurchase of treasury shares, the net liquidity decreased from EUR 783 million end 2016 to EUR 6 million end 2017.

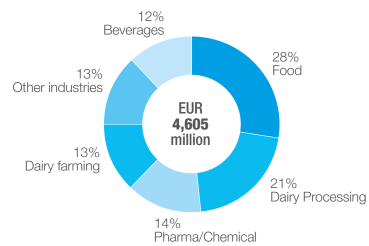
A dividend of EUR 0.85 per share, i.e. an increase by 6.25% compared to last year, will be proposed at the Annual General Meeting on 19 April.

GEA in figures

Revenue split by geography



Revenue split by end markets



Key financial data

Simplified income statement (in EUR million)	2017	2016	2015
Order intake	**4,751**	4,674	4,590
Revenue	**4,605**	4,492	4,599
Operating EBITDA (1)	**564**	566	621
Operating EBIT (1)	**478**	485	539
Consolidated profit	**243**	285	362

(1) Before purchase price allocations and adjustments

Simplified balance sheet (in EUR million)	2017	2016	2015
Shareholders' equity (group's share)	**2,502**	2,995	2,843
Non-controlling interests	**1**	1	1
Net liquidity/(net debt)	**6**	783	982
Debt-equity ratio (%)	**n.a.**	n.a.	n.a.
Net debt/Operating EBITDA (x)	**n.a.**	n.a.	n.a.

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engineering for
a better world

Investment case

GEA is a global leader, exposed to favourable long-term market trends with financial performances that offer upside potential:

- Attractive end markets and high barriers to entry
- Global leader with #1 or #2 positions in most of its markets
- Unique technology, know-how and innovation power
- Solid cash generation and balance sheet profile
- Good positioning to seize consolidation opportunities

Market data and information on GBL's investment

Stock market data	2017	2016	2015
Number of shares (in thousands)	192,496	192,496	192,496
Market capitalisation (in EUR million)	7,702	7,359	7,199
Closing price (in EUR/share)	40.01	38.23	37.40
Basic EPS (in EUR/share)	1.31 [1]	1.48	1.88
Diluted EPS (in EUR/share)	1.31 [1]	1.48	1.88
Dividend (in EUR/share)	0.85 [2]	0.80	0.80

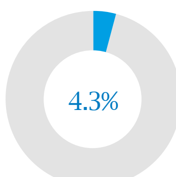
GBL's investment	2017	2016	2015
Percentage of share capital (in %)	4.3	-	-
Percentage of voting rights (in %)	4.3	-	-
Market value of the investment (in EUR million)	328	-	-
Dividends collected by GBL (in EUR million)	2	-	-
Representatives in statutory bodies	0	0	0

(1) Based and diluted EPS computed based on the weighted average number of shares outstanding (186.3 million shares at year-end 2017)
(2) Dividend per share distributed to a total of 180.5 million shares entitled to dividends, i.e. excluding treasury shares (to be cancelled after the General Shareholders' Meeting) Subject to the approval of the General Shareholders' Meeting

TSR annualised (%)

	1 year	3 years	5 years
GEA	6.9	4.9	12.4
STOXX Europe Industrial Engineering	22.6	14.9	10.9

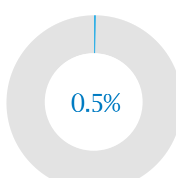
Capital held by GBL



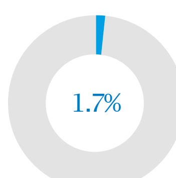
Representatives in statutory bodies

0 out of 12

GEA's contribution to the net dividends collected on GBL's investments



GEA's contribution to GBL's portfolio



Parques Reunidos is a leading operator of leisure parks with a global presence

Profile

Since its inception in 1967 as a small-sized Spanish operator, Parques Reunidos has become one of the leading operators of leisure parks in Europe and the US, through organic growth and multiple acquisitions, including Bobbejaanland (Belgium, 2004), Mirabilandia (Italy, 2006), Warner (Spain, 2007) and Palace Entertainment (US, 2007).

The company operates amusement, animal and water parks with a portfolio of regional and local parks, which have strong local brands.

Performance in 2017

Parques Reunidos' performance in FY17 (ended on 30 September 2017) has been negatively affected by (i) adverse weather conditions particularly in Central Europe and the USA, (ii) the anticipated recovery of the Marineland park which is requiring more time than expected and (iii) the negative impact of Hurricanes Irma and Harvey. These adverse events significantly offset the strong underlying performance achieved in Spain and during the low season.

As a result, the group reached revenues and EBITDA in FY17 of EUR 579 million and EUR 174 million, respectively, down by 0.8% and 7.5% compared to prior year. The group has still been able to generate positive free cash flow and proposed to distribute EUR 20 million of dividends, in line with FY16, and corresponding to a payout of 39% based on proforma net income.

In addition, Parques Reunidos announced a number of initiatives in FY17, including:

- opening of theme parks in Dubaï and Vietnam which will be managed by Parques Reunidos;
- development of an indoor entertainment center "Lionsgate Entertainment City" in Times Square, New York;
- partnership signed with Discovery Communications to develop entertainment centers;
- development of Ducati World park at Mirabilandia, Italy;
- opening of the first Nickelodeon-branded indoor entertainment center in Murcia, Spain.

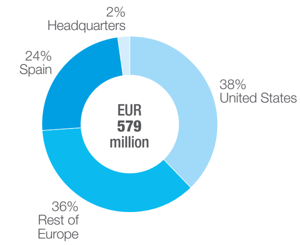
These actions were in line with the company's strategy to grow through external avenues in order to further diversify the portfolio.

Finally, the Board appointed three new directors in 2017, including:

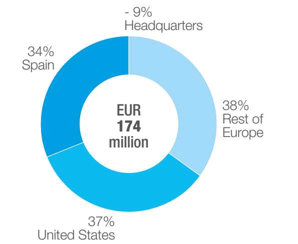
- Colin Hall (GBL representative);
- Javier Fernandez Alonso (Corporacion Alba representative);
- Ana Bolado (independent).

Parques Reunidos in figures

Geographic breakdown of FY17 revenues



Geographic breakdown of FY17 EBITDA



Key financial data

Simplified income statement (in EUR million)	30/09/ 2017	30/09/ 2016	30/09/ 2015
Revenue	**579**	584	591
Recurrent EBITDA	**174**	188	194
EBIT	**102**	120	127
Proforma net income (group's share)	**51**	61	20
Net income (group's share)	**11**	4	20

Simplified balance sheet (in EUR million)	30/09/ 2017	30/09/ 2016	30/09/ 2015
Shareholders' equity (group's share)	**1,108**	1,132	609
Non-controlling interests	**1**	0	1
Net financial debt	**516**	540	1,047
Debt-equity ratio (%)	**47**	48	172
Net financial debt/EBITDA (x)	**3.0**	2.9	5.4

Financial communication
Juan Barbolla
Chief Strategy and IR Officer
Tel.: +34 91 526 97 00
investor@grpr.com
www.parquesreunidos.com

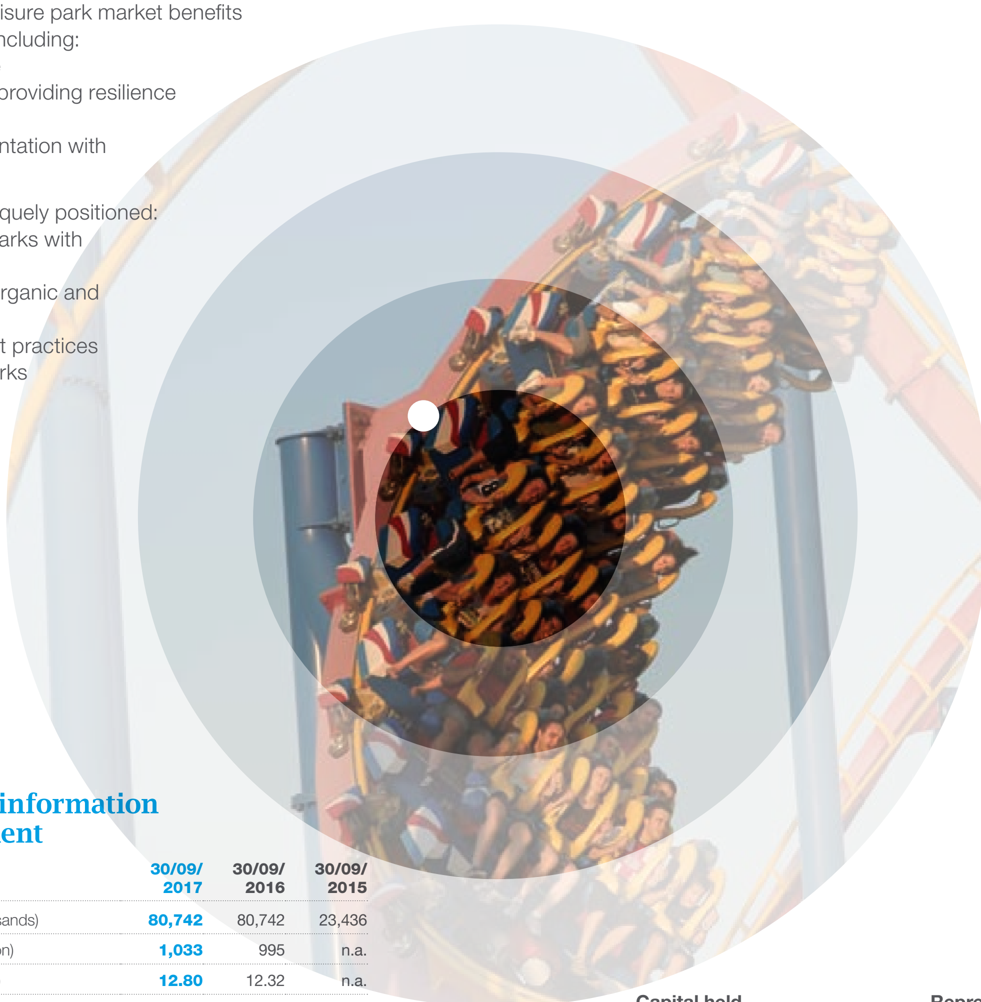
Investment case

The local and regional leisure park market benefits from structural factors, including:

- Appeal of experience
- "Staycation" (1) effect providing resilience during downturn
- High industry fragmentation with build-up potential

Parques Reunidos is uniquely positioned:

- Portfolio of over 60 parks with well-known brands
- Multiple avenues of organic and external growth
- Ability to transfer best practices to newly-acquired parks



Market data and information on GBL's investment

Stock market data	30/09/2017	30/09/2016	30/09/2015
Number of shares issued (in thousands)	**80,742**	80,742	23,436
Market capitalisation (in EUR million)	**1,033**	995	n.a.
Closing share price (in EUR/share)	**12.80**	12.32	n.a.
Proforma earnings per share (in EUR/share)	**0.64**	0.76	n.a.
Diluted proforma earnings per share (in EUR/share)	**0.64**	0.76	n.a.
Dividend (in EUR/share)	**0.25**	0.25	0.00

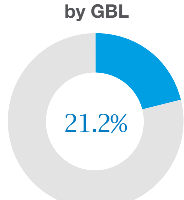
GBL's investment	31/12/2017	31/12/2016	31/12/2015
Percentage of share capital (%)	**21.2**	-	-
Percentage of voting rights (%)	**21.2**	-	-
Market value of the investment (in EUR million)	**254**	-	-
Dividends collected by GBL (in EUR million)	**3**	-	-
Representatives in statutory bodies	**1**	-	-

TSR annualised (%)

	1 year	3 years	5 years
Parques Reunidos	**(1.2)**	n.a.	n.a.
STOXX Europe 600 Travel & Leisure	**17.4**	9.9	16.4

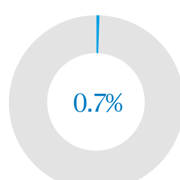
(1) Vacation where one returns at home each night

Capital held by GBL

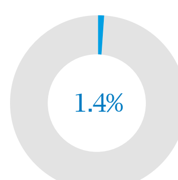


Representatives in statutory bodies

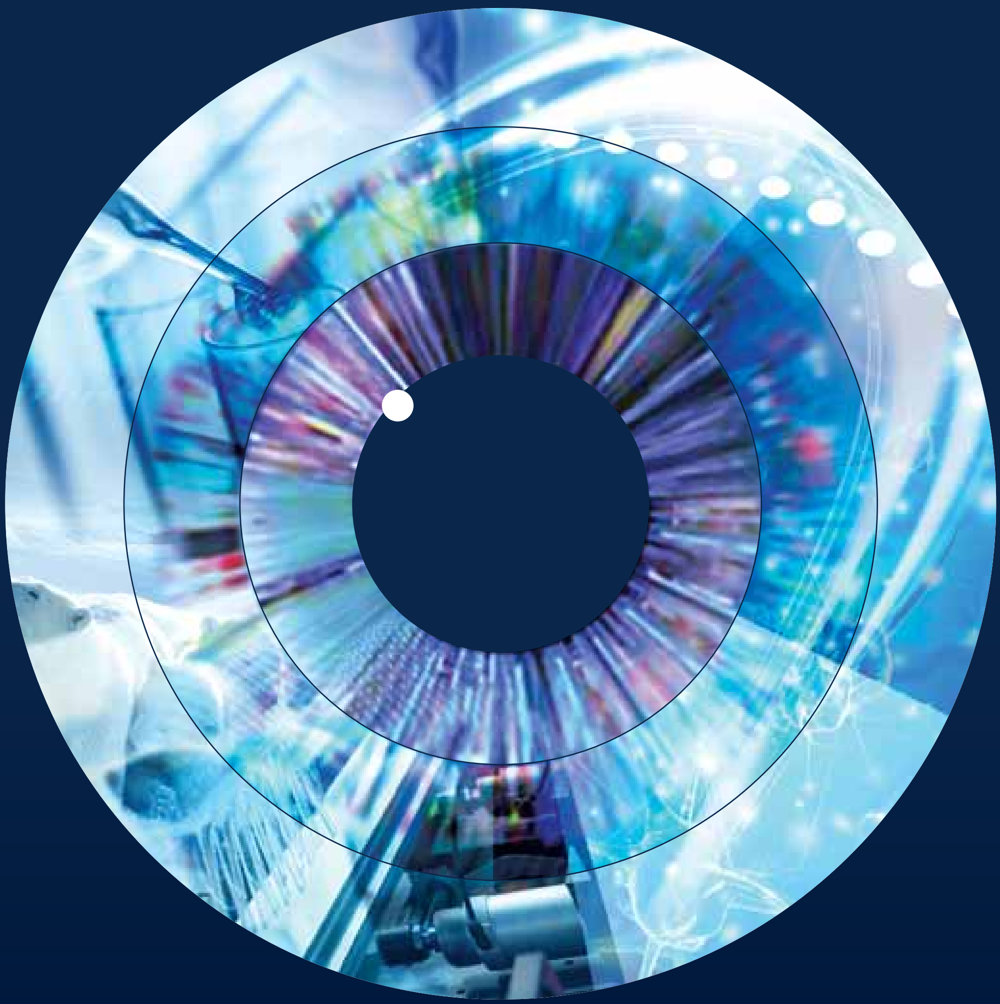
Parques Reunidos' contribution to the net dividends collected on GBL's investments



Parques Reunidos' contribution to GBL's portfolio



SIENNA CAPITAL



GBL intends to reinforce the diversification of its portfolio and achieve its value creation objectives by pursuing the development of its alternative investments within its subsidiary Sienna Capital.

Sienna Capital aims at generating attractive risk-adjusted returns by building a diversified portfolio of investment managers delivering a strong performance in their area of expertise (e.g. private equity, debt and specific thematic funds).

Sienna Capital is an active and involved partner for the managers it invests in. it supports them by helping to raise funds, attract talent and source investment opportunities as well as by providing advice on good governance and best practices.

Sienna Capital offers a differentiated proposition to investment managers deploying long-term patient capital enabling to secure both attractive financial terms and a role as an active, value-added partner.

Its development and diversification strategy consists of supporting the launch of new funds, as well as examining opportunities for direct commitments into additional investment managers.

Sienna Capital generates revenue via capital gains, interest income, dividends and fees earned through revenue-sharing agreements with its underlying managers.

Sienna Capital in 2017

SIENNA CAPITAL

Key figures

In EUR million	Ergon Capital Partners	Sagard	Kartesia	Mérieux Développement	PrimeStone	BDT Capital Partners	Backed	Total
New commitments	200	-	-	-	-	-	25	**225**
Capital invested	38	16	13	10	-	8	8	**92**
Distribution	271	4	43	0	-	-	-	**318**

Key highlights

ERGON CAPITAL PARTNERS

Disposal of Golden Goose and ELITech

- Sale of the majority stakes held by Ergon Capital Parners III ("ECP III") in Golden Goose (an Italian designer of contemporary footwear, clothing and accessories) to Carlyle and in ELITech Group (a manufacturer of specialty in-vitro diagnostics equipment and reagents) to PAI Partners.
- Total net consolidated capital gain on disposal of EUR 216 million (GBL's share).

Acquisition of a majority stake in Keesing Media Group

- ECP III acquired, from Telegraaf Media Group, a majority stake in Keesing Media Group, the leading European publisher of games and puzzle magazines, representing an investment of EUR 30 million for Sienna Capital.

Launch of ECP IV

- Commitment from Sienna Capital of EUR 200 million.

KARTESIA ADVISOR

Performance of KCO III in line with target returns

- At year-end 2017, Kartesia Credit Opportunities III ("KCO III") is fully invested in primary and secondary transactions and has distributed to its investors a total amount of EUR 181 million, representing c.36% of the total commitment.

Successful closing of KCO IV

- Total commitment of EUR 870 million, of which Sienna Capital is committed EUR 150 million.

BACKED

Commitment to new fund

- Commitment from Sienna Capital of EUR 25 million into Backed, a venture capital fund specialized in new digital technologies.

Performance

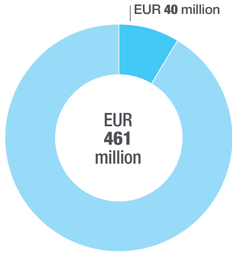
In 2017, through its underlying managers, Sienna Capital has indirectly invested EUR 92 million. This amount mainly includes (i) the investment in Keesing Media Group by ECP III, (ii) some add-ons on existing investments by Sagard 3, (iii) the investments notably in Xeris and Ineldea by Mérieux Participations 2, as well as (iv) new transactions completed by Kartesia, PrimeStone and BDT Capital Partners.

Sienna Capital received EUR 318 million, primarily from the sale of Golden Goose and ELITech by ECP III and from the distributions from KCO III.

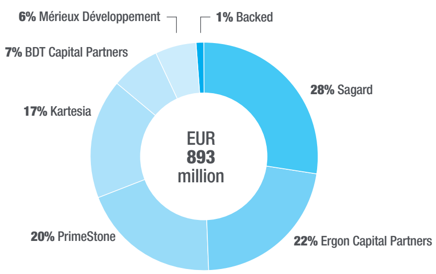
In September 2017, Sienna Capital committed an amount of EUR 25 million into Backed. In December 2017, Sienna Capital committed EUR 200 million into ECP IV.

In 2017, Sienna Capital's contribution to GBL's net dividends amounted to EUR 40 million.

Sienna Capital's share of the net dividends collected by GBL



Breakdown of Sienna Capital's portfolio



Fund/ year of initial investment	Commitment	Capital invested	Remaining callable capital	Distribution received to date	Stake value
In EUR million					
ERGON CAPITAL PARTNERS 2005	863	517	345	593	199
SAGARD 2002	398	266	131	199	246
KARTESIA ADVISOR 2013	300	151	149	53	150
MERIEUX DEVELOPPEMENT 2014	75	43	32	0	50
PrimeStone 2015	150	150	-	-	178
BDT CAPITAL PARTNERS 2015	113	56	57	-	62
BACKED 2017	25	8	17	-	8
Cumulative	**1,924**	**1,190**	**733**	**844**	**893**

ERGON CAPITAL PARTNERS

John Mansvelt
Chief Financial Officer
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www.ergoncapital.com

Profile

Created in 2005, Ergon Capital Partners ("ECP") is a private equity fund operating in the mid-market segment. It makes equity investments from EUR 25 million up to EUR 75 million in leading companies with a sustainable competitive position in attractive niche markets located in the Benelux, Italy, Iberia, France, Germany and Switzerland.

Sienna Capital & Ergon

ECP I was founded in 2005 with shareholders consisting of GBL and Parcom Capital, a subsidiary of ING. The first fund had EUR 150 million in assets under management. In 2007, these same shareholders backed a second fund, ECP II, in the amount of EUR 275 million. In 2010, GBL supported a third fund of initially EUR 350 million, ECP III. In July 2016, the size of ECP III was successfully increased by EUR 150 million bringing the total commitment to EUR 500 million. In 2017, Ergon launched ECP IV in which Sienna Capital committed EUR 200 million. Sienna Capital receives certain favourable financial terms for its support of Ergon.

Financial year 2017

During the year, ECP III completed the sale of its majority stakes held in Golden Goose and ELITech and invested in Keesing Media Group. In December 2017, ECP IV has been launched with a final closing expected in 2018 and a target of EUR 500 million.

SAGARD PRIVATE EQUITY PARTNERS

Mariane Le Bourdiec
General Secretary
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www.sagard.com

Profile

Created in 2002 on the initiative of Power Corporation of Canada, Sagard invests in companies valued at more than EUR 100 million that are leaders in their markets, primarily in French-speaking European countries. Working with company management, it supports them in their growth.

Sienna Capital & Sagard

GBL agreed to invest in the first Sagard fund (Sagard I) for an amount of EUR 50 million. During the financial year 2006, GBL invested an initial amount of EUR 150 million in the fund's successor, Sagard II, reduced in 2014 to EUR 113 million.

In 2013, Sienna Capital participated in the launch of Sagard 3 by committing EUR 218 million.

Sienna Capital receives certain preferential financial terms in relation to its support of Sagard 3.

Financial year 2017

During the year, Sagard 3 invested in Ipackchem, one of the global leaders in the manufacturing of "barrier" packaging, and completed add-ons on existing investments.

KARTESIA ADVISOR

Frantz Paulus
Head of Investor Relations
Tel.: +32 2 588 73 39
www.kartesia.com

Profile

Kartesia offers liquidity and credit solutions to mid-sized European companies, while providing a higher stable return to its investors. More generally, Kartesia wishes to facilitate the participation of institutional investors and major individual investors in the European LBO debt market, by offering them exposure to highly rated, resilient and diversified credit through primary, secondary or rescue financing operations carried out with duly selected mid-sized companies.

Sienna Capital & Kartesia

KCO III (previously named KCO I) successfully closed at EUR 507.5 million, of which EUR 150 million from Sienna Capital. In exchange for providing Day 1 capital to support the launch of Kartesia, Sienna Capital receives certain preferred economics.

Kartesia successfully launched a new fund, KCO IV, in which Sienna Capital committed EUR 150 million.

Financial year 2017

At 31 December 2017, KCO III and KCO IV have invested EUR 112 million and EUR 302 million respectively in primary and secondary transactions. In 2017, KCO III has distributed to its investors an amount of EUR 147 million.

MERIEUX DEVELOPPEMENT

Christine Demode
Chief Financial Officer
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www.mérieux-développement.com

Profile
Established in 2009, Mérieux Developpement invests in growth equity and venture capital within the healthcare and nutrition sectors, working alongside entrepreneurs whose products and services can bring genuine advances to patients and consumers worldwide. Merieux Developpement is the investment arm of Institut Mérieux, which employs 15,000 people worldwide and generated revenues in excess of USD 3 billion in 2017.

Sienna Capital & Mérieux Développement
In 2014, Sienna Capital committed an amount of EUR 75 million dedicated to the two funds managed by Mérieux Développement: Mérieux Participations I and Mérieux Participations 2. Sienna Capital benefits from certain favourable financial terms for its support of Mérieux Participations 2.

Financial year 2017
In 2017, Mérieux Participations 2 has invested in 4 new companies for a total amount of EUR 26 million.

PrimeStone

Martin Donnelly
Chief Operating Officer
Tel.: +44 20 7072 3150
www.primestonecapital.com

Profile
PrimeStone was established in 2014 by three former partners from The Carlyle Group, specialising in buy-outs, and who have worked and invested together across Europe for more than 15 years. PrimeStone has a strategy of constructive and active management in mid-sized listed European companies that have significant value creation potential through strategic, operational or financial improvement. PrimeStone creates value by taking a long-term perspective, adopting an active approach and having a significant influence over its underlying investments through a constructive dialogue with boards and management teams.

Sienna Capital & PrimeStone
As part of a long-term agreement, Sienna Capital invested EUR 150 million in February 2015. In exchange for its support of PrimeStone, Sienna Capital benefits from certain favourable financial terms.

Financial year 2017
In 2017, PrimeStone completed 2 new investments.

BDT CAPITAL PARTNERS

Jennifer Dunne
Director of Communication
Tel.: +1 312 660 7314

Profile
BDT Capital Partners was created in 2009 by Byron Trott, a long-standing partner of Goldman Sachs, with the aim of meeting the strategic and financial needs of families and/or company founders around the globe. BDT Capital Partners successfully raised USD 3 billion over 2 fundraisings in 2010 and 2012, and then a second fund in 2014, BDT Capital Partners Fund II (“BDTCP II”), amounting to USD 5.2 billion. In 2015, BDTCP II was reopened to new investors, in order to raise USD 1 billion of new capital.

Sienna Capital & BDT Capital Partners
In 2015, in the context of the reopening of BDTCP II, Sienna Capital committed to invest EUR 113 million.

Financial year 2017
In 2017, BDTCP II completed an additional investment for a total of USD 518 million.

BACKED

Andre De Haes
Founding Partner
info@backed.vc
www.backed.vc

Profile
Backed is a venture capital fund and has a unique investment proposition, as an investment team of millennials is targeting millennials entrepreneurs who create products and offer services for millennials. Backed was launched in 2015 by a 29 years old talented investment professional. The fund invests in seed/series A deals.

Sienna Capital & Backed
As part of a long-term agreement, Sienna Capital has committed EUR 25 million in September 2017. In exchange for its support of Backed, Sienna Capital benefits from certain favourable financial terms.

Financial year 2017
Since inception, Backed invested EUR 13 million across 23 transactions, out of which 6 have been done in 2017.

Environmental, social and governance (ESG) responsibility

1. Our management approach

1.1. Our commitment

As a patrimonial and active investor, GBL believes that responsible management is key to fulfil its role as a professional shareholder in order to ensure its best interests of its shareholders, translating into long-term sustainable growth in earnings and dividends from its portfolio assets and long-term value creation.

While GBL's main concern is to carry out profitable and sustainable activities, it must also play a role within the broader society in which it operates. Given the essential link between successful business and strong communities, GBL's responsible management approach must benefit all stakeholders.

1.2. Our responsible management approach

Environmental, social and governance ("ESG") considerations are fundamental to the way GBL conducts business, not only in its investment activities, but also as a company, and notably an employer and a contributor to the communities in which it operates.

As a responsible company

The group has a long history of being a responsible employer and consistently demonstrates integrity and high ethical standards. As an investment holding company, without any production or distribution operations and with a limited headcount below 50 people, GBL's own impact in terms of social and environmental factors is limited. However, responsible management is an intrinsic corporate value at GBL. Section 2 hereafter describes GBL's responsible management philosophy and commitments at its own level.

As a responsible investor

GBL recognizes its ESG responsibilities through its investment decisions and its portfolio monitoring, i.e. at the portfolio level. GBL thus takes an active ownership approach in the companies in which it invests and ensures through their governance bodies that its investments continue to be managed in a manner consistent with its responsible management philosophy. GBL therefore invests in companies that share its principles and commitment with regards to the imperative need to behave responsibly and ethically and serve the whole of the community. This is further described in section 3 hereafter.

1.3. Policies and reporting framework

As a long-term listed investor, GBL has developed (i) an ESG Statement, (ii) a Diversity & Inclusion Policy, (iii) a Code of Ethics and (iv) a Corporate Governance Charter (the "Charter").

- The ESG Statement reflects the core values that guide GBL and its Executive Management as a company and as an investor on environmental, social and governance issues. It presents the company's commitments and implementation guidelines regarding all three ESG pillars and constitutes the base of our reporting in section 2.
- The Diversity & Inclusion policy supports and facilitates at GBL a diverse and inclusive environment that embraces differences and recognizes their benefits. These differences can be age, gender (identity), sexual orientation, disability, ethnicity, cultural and religious backgrounds and other areas of potential difference.
- The Code of Ethics provides guidance in conducting business activities in accordance with the highest legal, ethical and professional standards. It is made available to all employees and members of the Board of Directors (the "Directors"), and covers compliance, responsible management, conflicts of interest, anti-corruption and anti-bribery, relations with third parties, respect at work and non-discrimination.
- GBL has adopted the Charter that brings together all of the company's corporate governance rules and particularly the principles governing the conduct of GBL's Directors and its specialised committees, as well as these bodies' operating rules. This document also includes the dealing code, which defines the rules applicable to transactions in GBL shares (the "Dealing Code").

GBL is committed to responsible communication and transparency towards its stakeholders. The ESG Statement and the Charter are available on its website and form the reference framework applicable to GBL and its holdings.

GBL's non-financial reporting is inspired by the UN Global Compact framework, which sets out the principles on Human Rights, Labour, Environment and Anti-Corruption, all of which are addressed further in these sections.

1.4. Responsibilities

Co-CEOs and the Board of Directors

The Board of Directors reviews and approves the ESG strategic orientations, performance and reporting, whilst:

- the Co-CEOs are responsible for the monitoring of the compliance with the ESG Statement through a yearly assessment of the performance and efficiency of the actions undertaken to pursue GBL's long-term commitments and objectives; and
- the Audit Committee reviews and assesses on a yearly basis the risks inherent to GBL.

ESG Lead

The formal responsibility for the ESG program has been delegated to the General Secretary who is the assigned "ESG Lead". The latter is supported by all the corporate functions responsible for executing the ESG program, i.e. primarily:

- the legal and human resources departments in charge of social and governance matters at GBL holding level (see section 2);
- the investment team in charge of deploying the ESG program at each stage of the investment cycle (see section 3); and
- the communication team.

1.5. Scope

GBL's ESG approach described in this section applies to Groupe Bruxelles Lambert and its subsidiaries:

- whose principal activities are investing, reinvesting, owning, holding, managing or trading in shareholdings in other companies, or proposing to do so, and/or engaging in treasury management activities;
- other than Sienna Capital's direct or indirect subsidiaries;

together being the "GBL group" or "GBL".

This consequently excludes from the considered scope (the "ESG Scope"):

- the participations of GBL's portfolio (whether controlled or not) into which GBL is an active shareholder through their governance bodies; and
- all the investment fund managers into which Sienna Capital invests.

Those companies identify and address their ESG impacts and associated risks within the framework of their own internal control.

Section 3 hereafter provides an overview of the key sustainability commitments of GBL's portfolio companies, and notably their long-term vision and strategy.

We highlight the fact that the European Directive on non-financial reporting (transposed into Belgian law on 3 September 2017) covers the GBL group and its consolidated operating activities (detailed in page 92). As the consolidated operating activities are excluded from the ESG Scope (see above), please refer to their own ESG analysis and reporting on their website:

Imerys "Sustainable Development" on www.imerys.com
ECP III www.ergoncapital.com/strategy.php

2. A responsible company

As an investment holding company, with a limited headcount below 50 people and without any production or distribution operations:

- GBL's stakeholders are primarily (i) its employees, (ii) its shareholders, (iii) the portfolio companies, (iv) institutional investors and (v) the communities in which the company is established; and
- GBL's own impact in terms of social and especially environmental factors is limited.

However, responsible management has always been an intrinsic corporate value at GBL.

During the year, GBL focused its efforts on improving and strengthening its Corporate Social Responsibility ("CSR") by incorporating ESG factors in order to further increase awareness of sustainability challenges within the group. Specific commitments have been structured around the three ESG pillars:

Social
- Employee-related matters
- Community involvement
- Human rights

Governance
- Board diversity
- Robust corporate governance
- Ethics & Integrity

Environment

As a result of this review, GBL's CSR Statement has been replaced by an ESG Statement, available at www.gbl.be/ESG_En.

2.1. Social

a) Employee-related matters

Commitment

As an employer, GBL believes that value creation derives, among other things, from its ability to attract and retain talented people with diverse backgrounds, skills and ethical values.

GBL strives to create an environment where people are valued, supported and empowered to be successful both personally and professionally. The group gives individuals the resources to develop their expertise and leadership skills.

The group actively supports a culture of development and performance and recognizes the value of diversity and personal well-being.

Implementation

GBL complies with the relevant labour laws and aims at:

- creating a positive working relationship with its employees;
- providing a diverse and inclusive workplace in which people are treated with mutual respect and dignity as well as fairly;
- providing opportunities for growth in the careers of its employees;
- ensuring a safe and healthy workplace environment.

In practice, GBL provides health insurance to its employees and their families. All employees are given access to the Code of Ethics in order to ensure awareness and adherence to shared corporate values. The company also supports and provides training opportunities for its employees' development.

GBL's philosophy on ensuring a diverse workforce free of discrimination is furthermore outlined in its Diversity & Inclusion Policy. The diversity criteria included in GBL's policy are taken into consideration in terms of recruitment.

GBL monitors the following key performance indicators in this regard:

% of women in 2017 full time equivalent	**45.0** (1)
% of permanent contracts at year-end 2017	**97.1** (1)
Average number of training hours per employee in 2017	**6.7** (1)
% employees with private health insurance	**100**
% university-level education background at year-end 2017	**57.1** (1)

(1) Source: GBL S.A.'s statutory financial statements at 31/12/2017

GBL's assessment of the risk related to human resources is described in the Risk management section (see page 58 to 65).

b) Community involvement

Commitment

GBL is convinced that it can be successful as a business and create shareholder value only if it seeks to serve all of its stakeholders and create value for them as well. This involves conducting the business in a way that benefits the communities where GBL is established.

Implementation

GBL is committed to making a positive contribution to the communities in which it operates, by way of its sponsorship policy which focuses on the following areas: scientific research, charitable contributions, and culture and education.

In 2017, GBL has allocated the following sponsorships:

Total contributions in 2017	**EUR 1.4 million**
Number of supported projects	**80**

in the following areas:

- the medical world: GBL is financially supporting several hospitals and laboratories with the objective of promoting medical research and financing the acquisition of equipment;
- charitable contributions: GBL supports the organisations and persons which are active within the community, notably by helping people suffering from physical, mental or social disabilities;
- culture and education: various private and public organisations have benefited from GBL's support to set up both cultural (artistic and educational) and academic programs.

Illustrations of GBL's community involvement

In the medical world, the Fondation Saint-Luc
Since 1986, the Fondation Saint-Luc, the first private sponsor of Cliniques Universitaires Saint-Luc, has funded high-level clinical research and the training of medical and paramedical teams in renowned centers in Belgium and abroad. It also invests in the acquisition of state-of-the-art equipment and technology. Its actions enable it to contribute actively to the continuous improvement of patient care and to give hospitalization a more human touch.

In 2017, GBL's Sponsor Committee decided to respond to a call for funds launched by the Saint-Luc Foundation to create a new infrastructure for the King Albert II Institute (Cancer and Hematology), entirely dedicated to the fight against cancer and which will bring together researchers, caregivers, patients and family in a single place. This establishment will be set up at the beginning of 2020 at the Woluwé site.

In the culture field, Musica Mundi
Musica Mundi's mission is to develop the musical and human potential of young talents from all over the world by offering them the opportunity to meet their peers and work with other young musicians and some of the greatest pedagogues and artists of our time during internships and summer festivals.

With growing success, Musica Mundi has become aware of the urgent need to provide young talents with a structure enabling them to receive - from 10 to 18 years of age - a quality musical training and general education under one roof.

In 2017, GBL's Sponsor Committee decided to support this educational project which will endow Brussels, as of September 2018, with a pole of excellence that is unique in continental Europe.

In the education field, École 19
École 19 is a private, non-profit, tuition-free and teacher-less computer programming school. It was created in February 2018 with the support of the École 42 (created by French entrepreneur Xavier Niel) for students aged between 18 and 30.

In 2017, GBL's Sponsor Committee decided to support this project which aims at providing coding education to 450 students in the coming 3 years.

c) Human rights

Commitment
As a diversified holding company, GBL recognizes the role it can play in supporting and respecting the universal protection of human rights. It believes that respecting and protecting human rights is fundamental to creating long-term sustainable value.

GBL's commitment to respect human rights is defined in its ESG Statement, its Diversity & Inclusion Policy and its Code of Ethics.

Implementation
As a matter of principle, respect for human rights has always been embedded into GBL's responsible management philosophy. The whole of the company must defend this commitment. Direct and indirect human rights impacts are considered during dealings with business partners and within the investment analysis process, where material and relevant.

Implementation efforts at group level include raising awareness of all employees with regards to corporate values and related human rights aspects.

As a key performance indicator, GBL monitors that access is given to all employees and Directors to the ESG Statement, the Diversity & Inclusion Policy, the Code of Ethics and the Charter as they take office.

GBL's assessment of risks related to human rights is further considered in the Risk management section (see pages 58 to 65) as part of the risk of non-compliance with professional practices and ethics standards as well as the risk related to human resources.

2.2. Governance

a) Board and Executive Management diversity

Commitment
GBL is committed to the proper application of the corporate governance provisions. This includes a diverse composition of the Board of Directors and the Executive Management (i.e. the Co-CEOs) contributing to good governance. GBL strives to apply the principle of diversity to the composition of its governance bodies and this notwithstanding the presence of a controlling shareholder.

Therefore, with regards to the selection of new Directors and Co-CEOs, GBL applies diversity criteria and does not tolerate discrimination of any kind.

Accordingly, the Company strives to ensure that members of the Board of Directors and the Executive Management have various complementary backgrounds in the financial, industry and services sectors and from the national and international academic world.

In addition, the Board of Directors ensures the presence and contribution of independent Directors in sufficient number and quality, thus ensuring the respect of all shareholders' interests.

Implementation
For some years now, GBL has gradually strengthened the presence of women in its Board of Directors which counts six women out of a total of eighteen members following the appointment of Laurence Danon Arnaud as Director by the General Meeting of 25 April 2017. GBL thus respects the quota of a third of its Directors of a different gender that of the rest of the Board. GBL thus also complies with the requirements of the law of 28 July 2011, which aims at ensuring diversity within the Boards of Directors of listed companies.

GBL has otherwise also rejuvenated its Board of Directors in recent years, with the average age of Directors falling from 64 years (end of 2013) to 59 years (end of 2017).

b) Corporate governance

GBL believes that sound corporate governance is essential to the ability to generate long-term sustainable returns and is committed to the highest standards of governance. Responsibility for ESG has been assigned to the Board of Directors, which supervises the implementation of the ESG Declaration on the basis of the annual report prepared by the ESG Lead.

The rules of conduct for the members of GBL's Board of Directors and of its specialised Committees, as well as the rules governing the functioning of these bodies, are laid out in the Charter (see page 149).

The composition of GBL's Board of Directors reflects the Company's controlling shareholder structure, that is controlled by Pargesa Holding S.A. (through its wholly-owned subsidiary Pargesa Netherlands B.V.). Pargesa Holding S.A., incorporated under Swiss law, is itself controlled by Parjointco N.V., incorporated under the laws of the Netherlands and equally controlled by the Frère and Power Corporation of Canada groups.

At 31 December 2017, out of a total of eighteen members, GBL's Board includes ten representatives proposed by the controlling shareholder, Pargesa Holding S.A. This control situation also justifies the presence of representatives proposed by the controlling shareholder, Pargesa Holding S.A., on the Audit Committee (two members out of five) and the Standing Committee (ten members out of thirteen).

Finally, GBL's corporate governance footprint is strengthened by the assessment of both its Board of Directors and its Executive Management:

- In accordance with its internal rules and regulations, the Board of Directors assesses its own performance every three years based on an individual questionnaire. This questionnaire concerns the size, composition and collective performance of the Board of Directors, as well as the actual contribution of each Director and the Board of Directors' interaction with the Executive Management.
- The internal rules and regulations do not stipulate any specific procedures for assessing the performance of the Executive Management. This assessment occurs on an ongoing and informal basis within the framework of meetings of the Board and its Committees and more formally through the triennial assessment of the Board of Directors' performance. Furthermore, the non-executive Directors meet annually, in the absence of the Executive Management, to review the interaction between the non-executive Directors and the Executive Management.

c) Ethics & Integrity

Commitment

GBL is committed to carrying out its business worldwide ethically and in accordance with all applicable laws. This includes a prohibition on the use of corrupt and illegal practices, including bribery, to obtain or retain a commercial advantage.

Accordingly, GBL does not tolerate any corruption and bribery within GBL's business activities. GBL's core values and business principles are specified in the Code of Ethics which further indicates who all employee can refer to should any question or insecurity arise.

Implementation

Implementation efforts at group level include raising employee awareness to GBL's corporate values and related anti-corruption practices.

As a key performance indicator, GBL monitors that access is given to all employees and Directors to the ESG Statement, the Diversity & Inclusion Policy, the Code of Ethics and the Charter.

The Code of Ethics indicates limits and elements to be considered for the full compliance to local regulations as well as anti-corruption practices supported by the group.

In practice, GBL will organize yearly training courses for its employees to raise their awareness and encourage them to comply with this policy.

GBL's assessment of risks related to ethics and integrity is further considered in the Risk management section (see pages 58 to 65) as part of the risk of non-compliance with professional practices and ethics standards.

2.3. Environment

Commitment

As a holding company without any production or distribution activities, GBL has a limited direct environmental impact. In spite of this limited environmental footprint, GBL recognizes its role in:

- promoting environmental values in its operations and in limiting any negative impact within its own scope, and
- acting as a professional investor by embedding in its investment cycle all ESG aspects and notably the environmental one at the level of the portfolio, as described in section 3.

GBL is committed to complying with applicable environmental laws and regulations, and to assess and address, where relevant and applicable, the foreseeable environmental impacts associated with its activities.

Over the years, GBL has focused its efforts on resource conservation, energy efficiency and waste management. It remains committed to continually reducing its low direct impact on the environment by looking for available improvements and supports the environmental management initiatives of the companies in the portfolio (as described in section 3).

Implementation

All employees of GBL are expected to be mindful of the environmental impact of the company and to respect the commitments made in this area. They are expected to act in respect of the company's environmental commitment and corporate values.

In addition, GBL promotes leading energy efficiency and waste management practices at its head office. As an illustration, its premises in Brussels and Luxembourg have been fully renovated in 2013 to reduce their energy consumption.

3. A responsible investor

Commitment

As a patrimonial and active investor, GBL recognizes that the effective management of ESG aspects can have a positive impact on the company's long-term performance and ability to create value in a sustainable manner. It consequently embeds ESG at all stages of its investment process and portfolio monitoring.

Investment process

In practice, this translates into in-depth analysis of new investments notably under the ESG angle as part of GBL's strategic investment criteria (refer to the Strategy section in pages 10 to 15).

GBL takes a prudent approach to risk and incorporates the analysis of ESG aspects into its investment process which leads to invest in companies with sustainable business models. Responsible investing is a mean to mitigate potential risks and identify valuable investment opportunities. ESG aspects indeed strengthen and enrich the analysis performed by GBL's investment team of trends and sectors, by contributing to the identification of opportunities in different areas such as energy, recycling, etc. ESG aspects also allow for a more comprehensive understanding of the risks and value creation opportunities of a potential investee company, as GBL believes that ESG compliance and commitments are drivers of long-term value creation and sustainable growth for the portfolio companies.

Portfolio monitoring

GBL takes an active ownership approach in the companies in which it invests and ensures through their governance bodies that its investments are managed in a manner consistent with its responsible management philosophy, including its Code of Ethics and its ESG Statement. GBL thus invests in companies that share its principles and commitment with regards to the imperative need to (i) behave responsibly and ethically and (ii) serve the whole of the community.

The portfolio companies and the difficulties and opportunities they present are diverse. Each company remains responsible for developing its own policies and programs. GBL believes, however, that it is necessary to promote common guidelines on sustainable development and responsible management within its various shareholdings. ESG issues are addressed by the management teams during the Board meetings. GBL also follows a series of key performance indicators (see below).

Implementation

ESG aspects are embedded at all stages of:

- **The investment process, which is an integral part of GBL's strategic investment criteria:**
  The investment team plays a direct role in assessing investment opportunities and in regularly updating and monitoring portfolio companies. It ensures that ESG factors are also an integral part of due diligence and research reports provided by external specialists during the investment process.
- **The monitoring carried out on participations of the portfolio:**
  As an active shareholder and through its representation on the Board of Directors of the major investments, GBL further exercises its role through regular engagement with other board members and Executive Management of its portfolio companies. This is notably carried out on the basis of a questionnaire (i) sent yearly to the portfolio companies by GBL's representatives on their Board of Directors and (ii) which covers a broad range of ESG topics and whose content may evolve over time.

Key performance indicators for responsible investment are:

1. GBL employees involved in the investment process and portfolio monitoring participate to annual ESG awareness training over the 2017-2018 period.
2. For all listed portfolio companies:
   - a CSR/ESG strategy has been defined;
   - regular CSR/ESG standardised reporting is in place;
   - ESG aspects are integrated within annual financial reports;
   - efficient governance bodies are and remain in place, including the Audit Committee, through which GBL seeks appropriate disclosure on ESG issues by the investee companies.

Key ESG commitments of portfolio companies

As highlighted before, the portfolio companies identify and address their ESG impact and associated risks within the framework of their own internal control.

Summarised below are their strategic commitments and objectives in the ESG field, as well as their CDP scoring (when available). The CDP (formerly Carbon Disclosure Project) is a not-for-profit organisation which supports companies and cities to disclose their environmental impact with the aim of building a more sustainable economy through in-depth understanding and measurement of environmental impacts. The CDP is recognized as a leading and powerful tool used by investors and analysts when assessing environmental performance and sustainability programs put in place by companies.

IMERYS

ESG commitments
Corporate Social Responsibility has been identified as an essential element of the company's long-term strategy as a support to growth by reducing risks, unlocking opportunities and building capacity for long term value creation.
It includes ESG elements around six pillars: business conduct, product management, human capital, safety and health, climate change and natural resources management.

Yearly ESG reporting Yes

CDP score at 31/12/17 B

Additional information
"Sustainable Development" on: www.imerys.com

SGS

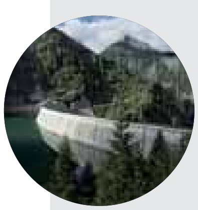
ESG commitments
The company based its 2020 Sustainability ambitions around 4 pillars: professional excellence, people, environment and community.

Yearly ESG reporting Yes

CDP score at 31/12/17 B

Additional information
www.sgs.com/en/our-company/corporate-sustainability/sustainability-at-sgs

LafargeHolcim



ESG commitments
The LafargeHolcim sustainability strategy - the 2030 Plan - has been built around 4 pillars and embraces ESG elements such as climate, circular economy, water & nature, people and communities.

Yearly ESG reporting Yes

CDP score at 31/12/17 A-

Additional information
www.lafargeholcim.com/sustainable-development

Pernod Ricard

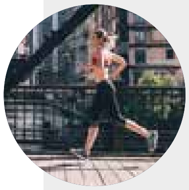
ESG commitments
The company's strategy is defined around a consumer-centric strategic model, which is based on 4 Essentials & 4 Accelerators. One of the essentials is Sustainability & Responsibility. This essential is seen as an integral part of business and is based around 4 commitments, all linked to ESG topics: to promote responsible drinking, to develop communities and engage partners, to empower employees and to protect the planet.

Yearly ESG reporting Yes

CDP score at 31/12/17 B

Additional information
www.pernod-ricard.com/en/our-commitments/our-model-our-4-commitments/

adidas



ESG commitments
2 pillars and 6 strategic priorities for 2020 have been defined and include environmental product targets, people empowerment and health targets, directly related and in line with ESG concepts.

Yearly ESG reporting Yes

CDP score at 31/12/17 Climate: B / Water: A-

Additional information
www.adidas-group.com/en/sustainability/managing-sustainability/general-approach/

umicore

ESG commitments
Umicore commits to ethical and sustainable sourcing and plays a key role in the transition to a low-carbon society, by producing rechargeable battery materials for EVs and catalysts for reducing transport and industrial emissions, and contributing to resource stewardship by recycling metals and end-of-life products in a closed loop.

Yearly ESG reporting Yes

CDP score at 31/12/17 Not disclosed

Additional information
www.umicore.com/en/about/about-umicore/sustainability/

TOTAL

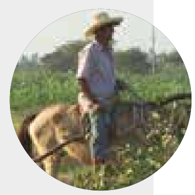
ESG commitments
The company's ambition is to become the responsible energy major and is articulated around 3 pillars ("Supplying Energy that Contributes to Economic and Social Development", "Integrating Climate Into our Strategy", and "Continually Reinventing the Customer Relationship") which translate into 3 objectives to be met over the next 20 years and are directly linked to ESG topics.

Yearly ESG reporting Yes

CDP score at 31/12/17 A-

Additional information
www.total.com/en/commitment

BURBERRY London, England



ESG commitments
Burberry has defined goals for 2022 based around 3 headlines: positively impact 1 million people, drive positive change through all products, and be carbon neutral and revalue waste. These 3 axes (communities, product and company) encompass aspects related to all 3 ESG pillars.

Yearly ESG reporting Yes

CDP score at 31/12/17
Climate: A- / Water: A / Forests: A-/C/A

Additional information
www.burberryplc.com/en/responsibility.html

Ontex

ESG commitments
Three pillars (responsible production, sustainable growth and people at the heart) have been defined within 2020 sustainability commitments.

Yearly ESG reporting Yes

CDP score at 31/12/17 C

Additional information
www.ontexglobal.com/sustainability

GEA

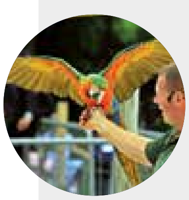
ESG commitments
ESG topics are an integral part of GEA's vision and values, with the efficient use of energy resources being part of the company's vision statement and integrity, responsibility and diversity included in its values.

Yearly ESG reporting Yes

CDP score at 31/12/17 C

Additional information
www.gea.com/en/company/responsibility/our_approach/index.jsp

Parques Reunidos



ESG commitments
The group summarizes its main values in its 5S policy: safety, services, sales, savings and smile. ESG aspects are not specifically identified as such but included in those values and in accordance with Parques Reunidos' CSR policy.

Yearly ESG reporting In progress

CDP score at 31/12/17 n.a.

Additional information
www.parquesreunidos.com/en/commitment/

Risk management

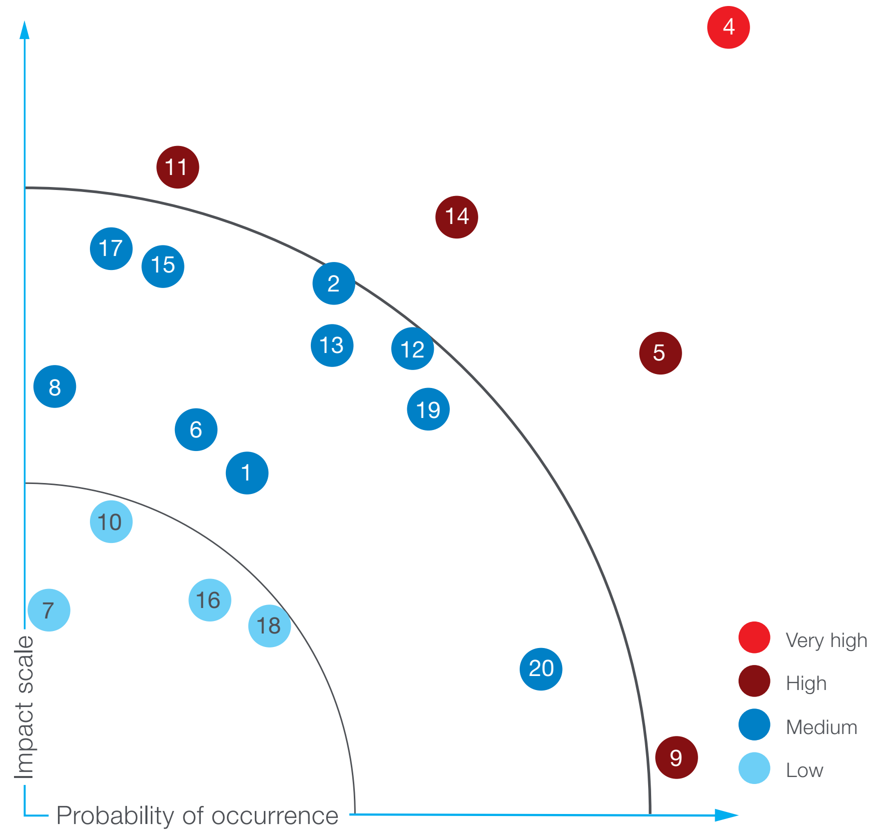
This section presents a summary table that categorises the main risks related to GBL's activities and the various factors and measures mitigating their potential negative impact.

The risk mapping and a schematic representation of the risk identification, assessment and control process can be found on page 60. The section ends with a detailed description of the internal control and risk management system's formalisation based on the COSO model.

Main risks	Risk factors	Mitigants
Exogenous Risks associated with shifts in external factors such as economic, political or legislative change	• Changes in financial markets, notably with regards to the volatility of share price and interest and foreign exchange rates • Changes in macroeconomic variables (growth rates, monetary policy, inflation, commodity prices, etc.) • Regulatory or budgetary policy changes involving , for example, tax reform or new legal obligations • Specific developments affecting certain geographic areas (Eurozone, emerging countries, etc.)	• Geographic and sector diversification of the portfolio with differentiated cyclical exposure • Ongoing legislative monitoring • Systematic monitoring and analysis of macroeconomic scenarii, markets and investment thesis
Strategy Risks resulting from the definition, implementation and continuation of the group's guidelines and strategic developments	• Differing visions or understanding of the assessment of strategic priorities and inherent risks • Validity of the parameters underlying investment thesis • Geographic or sector concentration of investments	• Formal decision-making process involving all governance bodies and the management • Ongoing monitoring of key performance indicators and regular updates of assumptions and forecasts • Periodic portfolio review at different hierarchical levels • Portfolio diversification
Cash and cash equivalents, financial instruments and financing Risks associated with the management of cash and cash equivalents, financial instruments and financing	• Access to liquidity • Debt leverage and maturity profile • Quality of counterparties • Relevance of forecasts or expectations • Interest rate exposure • Developments in financial markets • Volatility of derivative instruments	• Rigorous and systematic analysis of considered transactions • Definition of trading limits • Diversification of investment types and counterparties • Strict counterparty selection process • Monitoring of the liquidity profile and limitation of net indebtedness • Formal delegations of authority with the aim to achieve appropriate segregation of duties • Systematic reconciliation of cash data and the accounting
Operations Risks resulting from inadequacies or failures in internal procedures, staff management or systems in place. Risk of non-compliance with quality standards, contractual and legal provisions and ethical norms	• Complexity of the regulatory environment • Adequacy of systems and procedures • Exposure to fraud and litigation • Retention and development of employees' skills	• Internal procedures and control activities regularly reviewed • Implementation of delegations of authority to ensure an appropriate segregation of duties • Maintenance of and investments in IT systems • Hiring, retention and training of qualified staff • Internal Code of Conduct and Corporate Governance Charter

Specific risks related to the participations	GBL indirectly faces specific risks related to the participations, which are identified and addressed by the companies themselves within the framework of their own internal control. The analysis conducted by these companies in terms of risk identification and internal control is described in the reference documents available on their website.	**Imerys**: www.imerys.com **SGS**: www.sgs.com **LafargeHolcim**: www.lafargeholcim.com **Pernod Ricard**: www.pernod-ricard.com **adidas**: www.adidas-group.com **Umicore**: www.umicore.com **Total**: www.total.com **Burberry**: www.burberryplc.com **Ontex**: www.ontexglobal.com **GEA**: www.gea.com **Parques Reunidos**: www.parquesreunidos.com

Risk mapping 2017

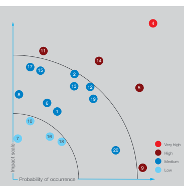


1. Risk related to strategy implementation
2. Portfolio risk
3. ESG risk (1)
4. Stock market risk
5. Change risk
6. Counterparty risk
7. Treasury risk
8. Liquidity risk
9. Interest rate risk
10. Risk related to derivative financial instruments
11. Eurozone risk
12. Legal risk
13. Tax risk related to regulatory changes
14. Tax risk in the current legal and economic environment
15. Risk related to financial reporting
16. Authority delegation risk
17. Risk of non-compliance with professional practices and ethics standards
18. Risk related to IT infrastructure
19. Risk related to information access management (IT and non IT)
20. Risk related to human resources

Risk mapping provides indicative information, which may change at any time, particularly depending on market conditions. GBL makes no declarations or warranty and takes no undertaking as to the relevance, accuracy or completeness of the information that it contains.

(1) The ESG risk has been isolated in 2017, having historically been analysed and assessed through the following risks: risk related to strategy implementation, portfolio risk, risk of non-compliance with professional practices and ethics standards and risk related to human resources. It remains indirectly assessed through those risks in relation to the 2017 financial year and will be directly assessed in terms of impact scale and probability of occurrence as from the next exercise of thorough reassessment of risks which is conducted every three years and will be carried out in relation to the 2018 financial year.

Identification, assessment and control of risks at GBL

Identification	Assessment	Mitigants and procedures	Control
Identifying and validating the list of risks	**Assessing risks**	**Responses to risks and control procedures**	**Verifying and controlling risks**
Desk research	Risk appetite	Accepting / mitigating / rejecting / transferring risks	Board of Directors
Update of the list of risks	Definition of assessment scales	Implementing / adapting / testing control activities	Audit Committee
Internal meeting	Assessment workshop		**Verification of control systems**
List	Risk mapping		**Whistle blowing procedure**
Validation			**Assessment of applicable risks and their level of control**
Workshops with GBL's key people			

Risk management and internal control

GBL's Board of Directors is responsible for assessing the risks inherent to the GBL group and the effectiveness of the internal control system. With regards to risk management and internal control, the Belgian legislative framework consists of the law of 17 December 2008 (application of European Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts) and the law of 6 April 2010 (the so-called "Corporate Governance" Law). The 2009 Belgian Corporate Governance Code also includes provisions on that topic. Besides, the IFRS 7 standard defines additional requirements for the management of risks related to financial instruments. Since 2006, GBL has formalised its internal control and risk management system based on the COSO model [(1)]. The COSO methodology is based on five areas: the control environment, risk assessment, control activities, information and communication, and supervision and monitoring.

1. Control environment

1.1. The company's objective

GBL's primary objective is to create, over the long term, value for its shareholders. GBL strives to develop a quality portfolio focused on a targeted number of companies that are leaders in their market and in which it can play an active role as a professional shareholder over the long term. The portfolio will evolve over time while remaining balanced in terms of sectorial and geographic diversification. GBL invests and divests depending on companies' development and market opportunities in order to achieve its objective of value creation, while maintaining a solid financial structure. Internal control at GBL contributes to the safeguarding of assets and the control and optimisation of transactions. It aims at providing reasonable assurance about achievement of the objectives of compliance with laws and regulations in force and the reliability of accounting information and financial reporting. Like any control system, it can only provide a reasonable assurance that the risks of errors or fraud are totally controlled or eliminated.

1.2. Role of the governance bodies

GBL has a Board of Directors, a Standing Committee, a Nomination and Remuneration Committee and an Audit Committee. Their respective modes of operation are described from page 159 to page 161. The Audit Committee is in charge in particular of checking the effectiveness of the company's internal control and risk management systems. In this context, the Audit Committee also monitors the proper application of a whistle blowing procedure. The majority of its members, all of whom are designated by the Board, are independent Directors. The Chairman of the Audit Committee is appointed by the members of the Committee and cannot be the Chairman of the Board of Directors.

1.3. Risk culture

GBL aims at investing in companies that offer potential for value creation in the long term. New opportunities and portfolio management are monitored continuously at the highest level (see "Portfolio risk" in page 62). The divestment policy (as detailed in page 12 of the Strategy section) aims at disposing of investments that no longer meet the group's investment criteria.

1.4. Professional ethics

GBL has adopted a Corporate Governance Charter and a Code of Conduct that are regularly updated and aim to ensure conduct that is honest, ethical and complies with the laws, regulations and principles of good governance, by the group's Directors and staff in the exercise of their duties. Pierre de Donnea serves as Compliance Officer.

1.5. Measures adapted to ensure appropriate competence

The Nomination and Remuneration Committee reviews candidacies and seeks to ensure that a satisfactory balance is maintained within the Board of Directors in terms of its members' competences, knowledge and experience, particularly in the fields of finance, accounting and investment. The Board of Directors conducts on a regular basis, at intervals of no more than three years, assessments of itself and its Committees in terms of size, composition and performance. In this context, it also examines regularly the interaction between non-executive Directors and the Executive Management. A recruitment process suited to the profiles sought, appropriate training and a remuneration and evaluation policy based on the achievement of targets enable to ensure the competence of GBL's staff.

2. Risk analysis

GBL has set up a formal risk analysis and assessment process since 2006.

The Audit Committee carries out a thorough exercise for the identification of risks faced by GBL and their ranking every three years. The risks identified during the last assessment carried out in 2015 are presented on pages 61 to 63.

Furthermore, the Committee annually reassesses the risks and their level of control, notably based on changes in the portfolio, economic parameters or the control environment. When necessary, it ensures that the Executive Management implements a corrective action plan.

The current level of control of these risks (see "Control activities" below) appears sufficient and no additional measures are required to be implemented.

Specific risks related to GBL's participations

Each of GBL's strategic investments is exposed to specific risks which, if they were to materialise, could lead to a change in the overall value of GBL's portfolio, its distribution capacity or its results profile. The bulk (95%) of GBL's portfolio at year-end 2017 was composed of eleven participations in major listed groups which themselves analyse their risk environment. These are described and analysed in their respective management reports and registration documents in accordance with legislation in force.

GBL is also exposed to risks related to its investments carried out through Sienna Capital which nevertheless currently account for 5% of the portfolio value.

Risks specific to GBL

1. Risk related to strategy implementation

The strategy must reflect a clear vision that addresses shareholders' expectations. It must be shared by the members of the management and carried out through operational action plans, based on appropriate assumptions, in order to avoid the risk of inefficient implementation and failure to comply with the value creation objectives.

(1) The COSO (Committee of Sponsoring Organisations of the Treadway Commission) is a recognised private, international, non-governmental organisation active in the areas of governance, internal control, risk management and financial reporting

2. Portfolio risk
The composition of the portfolio, determined by the investment and divestment decisions, may involve a particular exposure to certain sectors, certain geographic areas or certain regulations. Decisions related to portfolio changes must be based on sufficient and adequate analyses in order to avoid an imbalance in GBL's portfolio in terms of risks and/or expected return.

3. ESG risk
GBL is directly exposed to ESG-related risks, notably as an employer and a contributor to the communities in which it operates. As a holding company, with a limited headcount below 50 people and without any production or distribution operations, GBL's own impact in terms of social and especially environmental factors is limited. Most of the ESG-related risks are consequently indirect as they are at the portfolio's level and pertain to GBL in its quality of responsible investor.

4. Stock market risk
GBL is exposed, given the nature of its activities, to stock market fluctuations within its portfolio. Moreover, stock market volatility may impact GBL's share price.

5. Foreign exchange risk
GBL is exposed to foreign exchange risk that may have an impact on its portfolio value through investments listed in foreign currencies, as well as on the dividend flows it receives.

6. Counterparty risk
Counterparty default risk occurs primarily within the framework of deposit, drawdown under the credit lines, hedge transactions, purchase/sale of listed shares, derivative financial instruments or other transactions carried out with banks or financial intermediaries, including collateral transactions.

7. Treasury risk
A lack of control over cash inflows, outflows and investments in money market instruments may have significant financial consequences.

8. Liquidity risk
GBL must at all times have sufficient financial resources that can be readily mobilized notably in order to implement its investment strategy and to meet its debt servicing requirements.

9. Interest rate risk
GBL is exposed, given its financial position, to changes in interest rates that could have an impact on both its debt and its cash.

10. Risk related to derivative financial instruments
The value of derivative financial instruments evolves depending on market conditions. Use of such instruments must comply with the prerequisites in terms of technical analysis as well as legal documentation to ensure that these instruments are effective and meet GBL's strategy.

11. Eurozone risk
The transactions carried out by GBL are mainly denominated in euros. The European Union and the Eurozone have been weakened over the past years in particular by the level of sovereign debt, the tensions arisen in 2015 related to the risk of Greece's exit from the Eurozone and, more recently, by the Brexit process in progress.

12. Legal risk
As a company listed on a regulated market and as an investor in industrial, consumer goods and business services companies, GBL is subject to many statutory and regulatory provisions. In the course of its activities and through its strategy, in addition to complying with those rules, GBL must also monitor them so that changes therein are appropriately taken into account in the management of its activities and governance. Moreover, GBL promotes contractual discipline which is a general matter and is notably applied to the agreements in relation to transactions of financing and cash management, acquisition or disposal as well as derivative instrument contracts. GBL must also manage, in an appropriate manner, litigation in the context of its own activities.

13 - 14. Tax risk related to current legal and regulatory framework and related to legal and regulatory changes
GBL must manage and foresee the tax implications of all its strategic decisions, comply with its legal and tax reporting obligations and monitor potential changes in the Belgian and international legal framework to avoid any risk of non-compliance that could have negative effects. Given the complexity of the current and constantly changing environment, it is all the more important that GBL controls and effectively monitors this tax risk.

15. Risk related to financial reporting
Complete, reliable and relevant information is a key element of management and governance and is also central to GBL's communication. Competent teams in charge of producing that information and appropriate information systems must enable to control the risk that financial information is not prepared in a timely manner, is incomplete or is not understandable to the reader. Budgets and projections are supports to decision-making and management control. Their reliability and relevance can influence the group's performance.

16. Risk of delegation of authority
An inappropriate definition or the failure to comply with signing authority and delegation of authority could commit GBL to unauthorised transactions. A control environment that fails to ensure the segregation of duties and to preserve the group from fraud could result in financial losses and harm its image.

17. Risk of non-compliance with professional practices and ethics standards
GBL is exposed to the risk that behaviour and decisions of its managers or employees, whether individually or collectively, may not comply with professional practices and ethics standards it endorses. GBL's historic performance, its investment policy, its behaviour as a shareholder and its approach to ethics and governance contribute to the group's renown. Preserving this is essential, as a failure to do so could trigger financial losses and harm the group's image.

18. Risk related to IT infrastructure
This risk relates to the general IT environment (including hardware, network, back-up system, software, etc.). The infrastructure and developed tools must address GBL's operational needs in an appropriate manner.
Any failure must be anticipated or resolved without any impact on the group's activities.

19. Risk related to information access management

The security of the systems and information access management must ensure that no transaction violates the existing control procedures and that no information is used by unauthorised persons.

20. Risk related to human resources

The group has to recruit and retain the human resources required to ensure that it operates effectively and achieves its objectives.

3. Control activities

Control activities encompass all measures taken by GBL to ensure that the identified key risks are appropriately controlled.

Risk prioritisation has been carried out based on impact (financial, reputational, legal or operational) and occurrence criteria.

This analysis revealed that GBL is exposed simultaneously to:
- exogenous risks, whose materialisation depends on factors outside its control but whose impact the group aims at limiting;
- endogenous risks that arise from its own environment.

The specific risks related to the participations are identified and addressed by the companies themselves within the framework of their own risk management and internal control. The table on page 59 mentions links to the websites where these companies' analyses conducted on risk identification and internal control can be found.

Exogenous risks

Exogenous risks related to external factors, such as market developments and economic, political and regulatory changes, may have a major impact on GBL's operating environment and performance. Exogenous risk factors are, by definition, generated outside the company's scope of control and therefore their occurrence cannot be controlled. However, these risks can be assessed in order to find solutions that mitigate their impacts.

- Stock market risk: stock market fluctuations are inherent to the company's activity and may be mitigated only by adequate diversification, thoughtful investment or divestment decisions and ongoing anticipation of market expectations. This risk and the related mitigants are closely tied to the portfolio risk referred to below.
- Eurozone risk: changes to the economic and political context in the group's areas of activities are monitored particularly closely in terms of exposure and assessment of potential impacts, and the group's needs to adapt its investment strategy or implement specific action plans.
- Regulatory changes: with skilled teams both internally and externally, GBL strives to anticipate the regulatory changes to which it is subject in order to avoid any risk of non-compliance and to take such changes into account in its objectives in terms of performance and respect of shareholders and third parties.
- Interest rate risk: GBL's gross indebtedness is mainly at fixed rate. Regarding its cash position, GBL has chosen, despite the negative interest rate environment imposed by the European Central Bank, to continue to favor liquidity while limiting counterparty risk.
  The cash is therefore placed at very short term in order to remain available at any time so as to contribute to ensuring the flexibility and securing the group in case of investment or materialisation of exogenous risks. It is also subject to precise monitoring depending on changes in market conditions and constraints specific to GBL. In this regard, the group remains attentive to the evolution of rates and their relevance in the general economic context.
- Foreign exchange risk: GBL hedges this risk for declared dividends while it remains exposed to foreign exchange fluctuations directly impacting its portfolio value. Nevertheless, geographic and sector diversification makes it possible to reduce the risk of exposure to a particular foreign currency.

Endogenous risks

The endogenous risks related to GBL's activities are the following:
- Risk related to strategy implementation
- Portfolio risk
- ESG risk
- Counterparty risk
- Treasury risk
- Liquidity risk
- Risk related to derivative financial instruments
- Risk related to financial reporting
- Risk of delegation of authority
- Risk of non-compliance with professional practices and ethics standards
- Risk related to IT infrastructure
- Risk related to information access management
- Risk related to human resources

Risk related to strategy implementation

The composition of the portfolio resulting from the implemented strategy is a key performance element for GBL with a view to creating value for its shareholders. The related decisions are analysed and approved in accordance with the process described below (see "Portfolio risk") by various governance bodies which ensure that they are in line with the group's strategic direction. Furthermore, the assumptions on which the analyses are based and the underlying forecasts are regularly assessed and adjusted when necessary.

Portfolio risk

GBL seeks to mitigate this risk by diversifying its portfolio, analysing investments and monitoring its participations. Every investment or divestment is the subject of in-depth analyses which are reviewed by the Executive Management and the Standing Committee and then approved by the Board of Directors. Investments are monitored through a systematic portfolio review carried out by the various relevant reporting levels at GBL and at every meeting of the Board of Directors. The direction of the Participations department is regularly invited to the Board meeting to present the development strategy.

GBL's managers regularly meet the management of the companies in portfolio and usually sit on their Committees and Boards of Directors. A continuous dialogue is also maintained with professionals specialised in the companies within GBL's portfolio or in their sectors of activity.

ESG risk

As a patrimonial and listed investor, GBL has developed an ESG Statement, a Diversity & Inclusion Policy, a Code of Ethics and a Corporate Governance Charter. Such documents are regularly updated and are made available to GBL's employees and Directors. GBL believes that the identification and communication on ESG risks can drive corporate performance and protect the group's image and reputation.

GBL, as a responsible investor, embeds ESG at all stages of its investment process and portfolio monitoring. This prudent approach to risk translates into the inclusion of ESG aspects into its investment process (as a strategic investment criterion) which enables GBL to invest in companies with sustainable business models. GBL additionally takes an active ownership approach in the companies in which it invests and ensures, through their governance bodies, that its investments are managed in a manner consistent with its responsible management philosophy, including its Code of Ethics and its ESG Statement. In this context, GBL requires that practices in relation to environmental, social and governance responsibility are ensured at portfolio companies' level, consistently with the best international standards.

Counterparty risk

GBL mitigates this risk by diversifying its types of investments and counterparties and by continuously reviewing their financial position. In this regard, at 31 December 2017, most of the cash was placed in money market funds (SICAVs) selected on the basis of their size, volatility and liquidity, and in current account deposits with a limited number of tier 1 banks. All financial contracts (including ISDAs) are internally reviewed by the legal department.

Treasury risk

Treasury transactions are subject to documented limits and rules, formal delegations of authority, segregation of duties at the payment level and reconciliation of treasury data with the accounting. Appropriate IT tools are used, notably enabling to monitor cash positions, carry out cash flow projections, assess return on cash placements and monitor counterparty quality.

Liquidity risk

GBL has a solid liquidity profile ensuring it has readily available resources to quickly seize investment opportunities and meet its requirements in terms of debt service. GBL also maintains a limited net indebtedness in comparison to its portfolio value.

GBL's financial flexibility is in particular ensured by the group's cash management policy which is conservative in terms of investment horizon and by its committed credit lines, whose undrawn amount and maturity profile are maintained at appropriate levels.

Risk related to derivative financial instruments

Transactions in this field require the approval of the Board of Directors, which may delegate execution to GBL's Executive Management. The transactions are carried out within the framework of well-established documentation and predefined budgets. They are subject to specific and appropriate prior analysis, systematic monitoring and dynamic management. GBL has also put in place strict rules in terms of appropriate segregation of duties and internal approval processes. Every financial transaction requires two signatures and is systematically reviewed by the finance and legal departments.

Risk related to financial reporting

GBL publishes consolidated financial statements four times a year. These are reviewed by internal committees and then by the Audit Committee before being approved by the Board of Directors.

Complex accounting subjects, notably in relation to the appropriate application of IFRS and to the standards' changes, are identified and discussed with the Statutory Auditor and in Audit Committee. The analysis also covers significant transactions and key events of the period under review. In addition to the financial statements and those specific transactions, key financial data, such as the budget and the revised projections, the financing means, the cash management and the access to liquidities, are presented and are discussed in-depth during those meetings.

The consolidation process is based on a centralised accounting IT system in place in the group's subsidiaries which ensures consistency and comparability of the chart of accounts and accounting treatments. Transaction's accounting recording is based on an appropriate segregation of duties, a review of non-recurring operations by the financial department, an appropriate documentation of operations carried out in relation to treasury and investments, and a documentation of the reconciliation process for the accounting.

Lastly, the Statutory Auditor (Deloitte Reviseurs d'Entreprises) carries out its audit procedures, comments on the way its assignment is proceeding and presents its conclusions to the Audit Committee.

Risk of delegation of authority

The company relies on a system of internal authorities adapted to its operations. The Articles of Association provide that the company can be validly represented by two Directors. In the context of day-to-day management, which is not limited to the execution of the decisions of the Board of Directors but encompasses all acts necessary to ensure GBL's normal course of business, the Co-CEOs have a large degree of autonomy and act jointly. Finally the Board of Directors can assign special mandates which require the prior approval of at least two individuals to represent validly GBL vis-à-vis third parties.

Risk of non-compliance with professional practices and ethics standards

GBL seeks to play a leading role in promoting and implementing good professional practices and ethics standards. The group intends to achieve its objective of value creation through a long-term strategy in strict compliance with the ethical principles set out in the Code of Conduct and the Corporate Governance Charter which apply to the group's Directors and staff. The control system that has been put in place takes into account the control activities carried out to prevent the risk of inappropriate behaviour within the company's various operating cycles (including segregation of duties, formal delegation of authority, effective IT and information management systems as well as hiring and retention of qualified employees, etc.).

Risk related to IT infrastructure

An appropriate IT infrastructure has been put in place that meets GBL's needs in terms of functionalities, security and flexibility. Computerised data backup operations and data storage are organised to ensure the recoverability of information and the continuity of operations in the event of a system failure. Furthermore, a thorough analysis of the risks associated with the infrastructure is carried out at regular intervals. to ensure its effective operation and its consistency with technological developments and, when necessary, to put in place corrective action plans.

Risk related to information access management

Controls are in place to ensure compliance with information access and data protection procedures. Intrusion or cyber attack risks are continually analysed and assessed in order to provide appropriate responses.

Risk related to human resources

GBL strives to have skilled and sufficiently resourced teams in relation to the company's operational needs and conducts, if required, the necessary reinforcements. Trainings are also proposed to employees based on their field of expertise in order to update and develop their knowledge. An annual evaluation process based on the achievement of objectives enables to ensure an appropriate assessment of the competence of GBL's employees. Finally, GBL grants to its employees a fulfilling working environment and a remuneration policy being commensurate with the qualifications of each of them.

4. Information and communication

GBL has developed a standardised information flow process in order to communicate reliable financial information to shareholders in a timely manner. GBL has been applying IFRS requirements since 2000.

Its assessment rules and accounting principles are published every year in its annual report. Standardised financial reporting is used both upstream and downstream within GBL group in order to ensure the consistency of data and to detect potential anomalies.

A financial calendar for this reporting is established every year in consultation with the controlling shareholder, the subsidiaries and the associated companies based on the publication dates.

The Investor Relations department ensures that significant transactions and important changes within the group are communicated in an accurate and timely manner.

5. Supervision and monitoring

Supervision is exercised by the Board of Directors through the Audit Committee. Given the structure and nature of GBL's activities, there is no internal auditor's function. This situation is assessed on a yearly basis and has so far been deemed appropriate.

The Statutory Auditor (Deloitte Reviseurs d'Entreprises) also reviews on a yearly basis the internal control on the risks related to GBL's financial statements. This review of internal control forms part of its assignment of certifying GBL's statutory and consolidated financial statements in compliance with audit standards applicable in Belgium.

More specifically, the Statutory Auditor tests, on the basis of a triennial rotation plan, the operational effectiveness of internal control with regards to risks that are deemed critical in relation to the financial statements. Its work consists of discussions with members of the organisation while testing a given number of transactions.

The conclusions of this work are presented in a report submitted to GBL and do not reveal any major deficiencies in the internal control. The report is submitted to the members of the Audit Committee.

GBL share

Key share information

(situation at 31 December 2017)

- Total number of shares issued and outstanding: 161,358,287
- Fully paid-up share capital: EUR 653.1 million
- One class of shares: all shares have the same rights to dividends and voting rights. Voting rights linked to GBL shares held by the company itself or by its direct and indirect subsidiaries are suspended.
- Market capitalisation: EUR 14.5 billion
- Second largest holding company in Europe
- Listed on the Euronext Brussels stock exchange
- Included in the BEL20 index, which represents the 20 largest listed companies in Belgium. GBL is the 9th largest company in the index, with a weight of 5.6%.
- Included in the STOXX 600 Financial Services index. GBL is the 7th largest company in the index, with a weight of 4.3%.
- RIC: GBLB.BR
- Bloomberg: GBLB BB

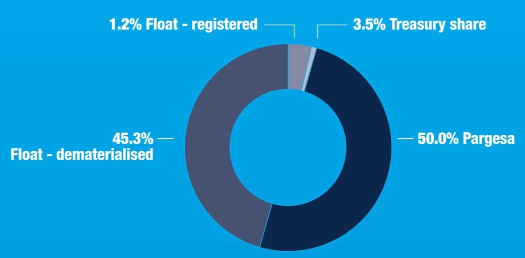
Market capitalisation over 10 years

In EUR million

Shareholding structure

At year-end 2017, GBL's share capital totalled EUR 653.1 million, representing 161,358,287 shares. GBL's shareholding is characterised by a controlling shareholder, Pargesa Holding S.A., which holds 50.0% of the outstanding shares and 51.9% of the voting rights (1). Pargesa Holding S.A. itself is held jointly by the Power Corporation of Canada (Canada) and Frère (Belgium) groups, providing GBL with a stable, solid shareholder base. Since 1990, the two groups have been bound by a shareholders agreement. This agreement, which was extended in December 2012 to 2029, may be further extended. The chain of control is presented in detail and illustrated on page 170. At 31 December 2017, GBL held 5,660,482 GBL shares directly and through its subsidiaries, representing 3.5% of the issued capital. The company concluded an agreement with a third party to improve the market liquidity of the GBL share. This liquidity agreement is executed on a discretionary basis on behalf of GBL within the limits of the authorisation granted by the General Shareholders' Meeting of 25 April 2017 and in accordance with the applicable rules. GBL did not hold shares in that respect in its portfolio at 31 December 2017. For further information about this authorisation, please see pages 173 and 174 of this report.

Shareholding structure
(at 31 December 2017)



Employee and management incentive scheme

GBL has set up a long-term incentive scheme, tied to the company's performance. To this end, various employee incentive plans have been granted to employees and the Executive Management from 2007 to 2012 offering entitlement, when exercised, to 288,013 GBL shares (0.2% of the issued capital). Since 2013, plans have been set up that are a variant of the GBL stock option plans used in previous years. For more information, please see pages 125 to 127 and 166.

Shares held by GBL Directors

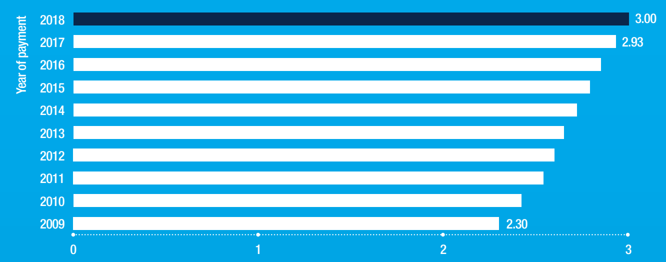
For information on the shares and options held by members of GBL's Board of Directors and Executive Management, please see pages 162 and 163.

2017 proposed dividend distribution

The proposed dividend distribution for the 2017 financial year of a gross amount of EUR 3.00 per GBL share, which represents a 2.4% increase on the amount of EUR 2.93 paid for the previous financial year, will be submitted for approval to the Ordinary General Meeting on 24 April 2018. This dividend is equal to EUR 2.10 net per share (after a 30% withholding tax).

Based on the number of shares entitled to dividend (161,358,287), the total distribution for the 2017 financial year should amount to EUR 484.1 million compared with EUR 472.8 million in 2016. As a reminder, the withholding tax rate has been uniformly set at 30% for the GBL dividend since 1 January 2016 (27% for the 2015 financial year).

Evolution of the gross dividend per share over the last 10 years
(in EUR)



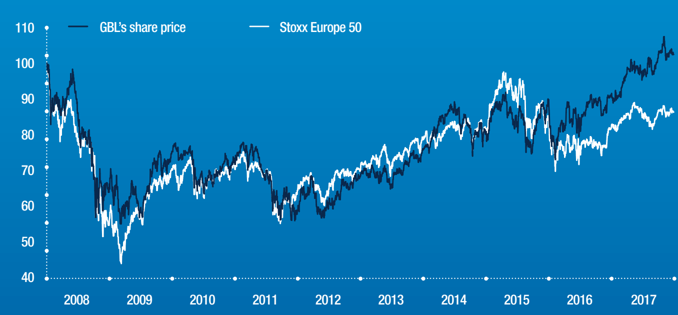
Analyst coverage of GBL

AlphaValue, Bank of America Merrill Lynch, Bank Degroof Petercam, Citi, HSBC, ING Bank, KBC Securities, Kepler Cheuvreux, Société Générale.

Change in the share price in 2017

The GBL share price ended last year at EUR 79.72 and ended 2017 at EUR 89.99, corresponding to a 12.9% increase. It reached a high at EUR 94.39 (6 November 2017) and a low at EUR 78.05 (12 January 2017). The volume of transactions reached EUR 4.4 billion, while the number of traded shares totalled nearly 51 million, with a daily average of 201,657. The velocity on free float was 64% (2). GBL's market capitalisation at 31 December 2017 was EUR 14.5 billion.

Evolution of the share price over 10 years
(In base 100)



(1) Taking into account the treasury shares, whose voting rights are suspended
(2) Source: Bloomberg, EU ticker

Stock data

	2017	2016	2015	2014	2013
Stock price (in EUR)					
At the end of the year	**89.99**	79.72	78.83	70.75	66.73
Maximum	**94.39**	80.11	80.66	78.32	66.75
Minimum	**78.05**	64.10	65.52	64.10	56.86
Yearly average	**86.32**	74.30	74.25	72.22	61.42
Dividend (in EUR)					
Gross dividend	**3.00**	2.93	2.86	2.79	2.72
Net dividend	**2.10**	2.05	2.09	2.09	2.04
Variation (in %)	**+ 2.4**	+ 2.4	+ 2.5	+ 2.6	+ 2.6
Ratios (in %)					
Dividend yield	**3.3**	3.7	3.6	3.9	4.1
Total Shareholder Return	**16.8**	5.1	15.6	10.0	16.0
Number of shares at 31 December					
Issued	**161,358,287**	161,358,287	161,358,287	161,358,287	161,358,287
Treasury shares	**5,660,482**	5,924,416	6,079,926	6,147,123	6,308,090
Net asset value (in EUR million)	**18,888.0**	16,992.2	15,188.0	15,261.0	14,917.4
Market capitalisation (in EUR million)	**14,520.6**	12,863.5	12,719.9	11,416.1	10,767.4
Variation (in %)	**+ 12.9**	+ 1.1	+ 11.4	+ 6.0	+ 11.0

Stock market indicators (1)

GBL is listed on the Euronext Brussels stock exchange and is part of the BEL 20 and the STOXX 600 Financial Services indexes.

	2017	2016	2015	2014	2013
Traded volume (in EUR billion)	**4.4**	4.2	4.1	2.8	2.5
Number of traded shares (in thousands)	**51,422**	57,057	55,116	38,407	41,510
Average number of traded shares on a daily basis	**201,657**	222,013	215,299	150,616	162,786
Capital traded on the stock exchange (in %)	**31.9**	35.4	34.2	23.8	25.7
Velocity on free float (in %)	**64**	71	68	48	51
Weight in the BEL 20 (in %)	**5.6**	5.0	6.1	6.0	6.5
Ranking in the BEL 20	**9**	9	8	8	7
Weight in the STOXX 600 Financial Services (in %)	**4.3**	4.9	4.4	4.7	4.8
Ranking in the STOXX 600 Financial Services	**7**	6	6	5	5

(1) Source: Bloomberg, EU ticker

Resolutions proposed to shareholders

Ordinary General Shareholders' Meeting of 24 April 2018

1. Management report of the Board of Directors and reports of the Statutory Auditor on the 2017 financial year

2. Financial statements for the year ended 31 December 2017

2.1. Presentation of the consolidated financial statements for the year ended 31 December 2017.

2.2. Approval of annual accounts for the year ended 31 December 2017.

3. Discharge of the Directors

Proposal for the discharge to be granted to the Directors for duties performed during the year ended 31 December 2017.

4. Discharge of the Statutory Auditor

Proposal for the discharge to be granted to the Statutory Auditor for duties performed during the year ended 31 December 2017.

5. Renewal of a Director's term of office

Proposal to re-elect for a four-year term, in his capacity as Director, Paul Desmarais III, whose current term of office expires at the conclusion of this General Shareholders' Meeting.

6. Remuneration report

Proposal to approve the Board of Directors' remuneration report for the 2017 financial year.

7. Long term incentive

7.1. Proposal to approve the option plan on shares, referred to in the remuneration report by which the members of the Executive Management may receive in 2018, options relating to existing shares of a sub-subsidiary of the company. These options may be exercised upon the expiration of a period of three years after their granting pursuant to Article 520ter of the Companies Code and if the TSR at this anniversary date reaches at least 5% per year on average for the period since the grant. This condition will have to be met at each further anniversary date for the exercises of each subsequent year, the TSR relating each time to the period since the grant. The 2018 option plan will also benefit to the staff.

7.2. To the extent necessary, proposal to approve all clauses of the aforementioned plan and all agreements between the company and the holders of options, giving these holders the right to exercise their options prior to the expiration of the aforementioned period of three years in case of a change of control of the company, pursuant to Articles 520ter and 556 of the Companies Code.

7.3. Proposal to set the maximum value of the underlying shares to be granted to the Executive Management in 2018, in the framework of the aforementioned plan, at EUR 3.87 million per Co-CEO.

7.4. Report of the Board of Directors drawn up pursuant to Article 629 of the Companies Code with respect to the security referred to in the proposal of the following resolution.

7.5. Pursuant to Article 629 of the Companies Code, to the extent necessary, proposal to approve the grant by GBL of a guarantee to a bank with respect to the credit granted by that bank to the subsubsidiary of GBL, permitting the latter to acquire GBL shares in the framework of the aforementioned plan.

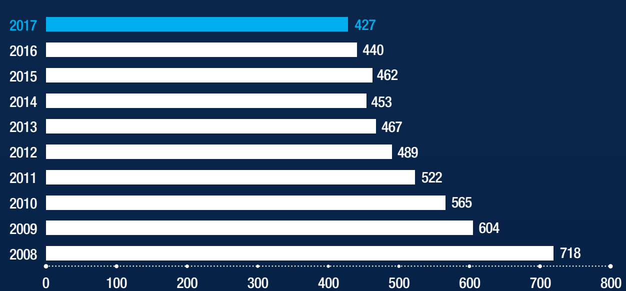
8. Miscellaneous

Economic presentation of the consolidated result and the financial position

Key figures

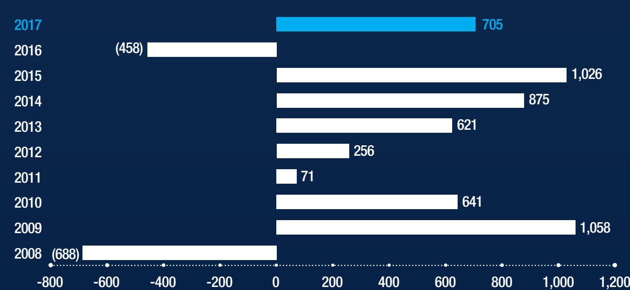
Cash earnings

In EUR million



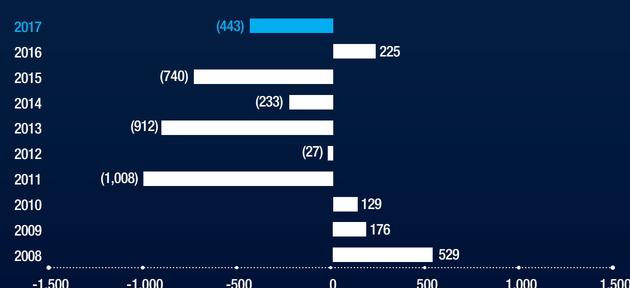
Net result (group's share)

In EUR million



Net cash/(net debt)

In EUR million



Economic presentation of the consolidated result

In EUR million				31 December 2017		31 December 2016[1]
Group's share	Cash earnings	Mark to market and other non-cash items	Operating companies (associates or consolidated) and Sienna Capital	Eliminations, capital gains, impairment and reversals	Consolidated	Consolidated
Profit (loss) of associates and consolidated operating companies	**-**	**-**	**219.7**	**-**	**219.7**	186.6
Net dividends from investments	**461.2**	**(0.4)**	**-**	**(120.1)**	**340.7**	338.4
Interest income (expenses)	**(23.5)**	**(4.1)**	**(2.0)**	**-**	**(29.6)**	(34.7)
Other financial income (expenses)	**24.2**	**4.9**	**-**	**(16.9)**	**12.2**	72.3
Other operating income (expenses)	**(35.4)**	**(5.6)**	**(17.5)**	**-**	**(58.5)**	(47.6)
Gains (losses) on disposals, impairments and reversals of non-current assets	**-**	**-**	**213.8**	**7.7**	**221.5**	(972.5)
Taxes	**-**	**-**	**(0.6)**	**-**	**(0.6)**	(0.2)
IFRS consolidated net result (2017)	**426.5**	**(5.2)**	**413.4**	**(129.3)**	**705.4**	
IFRS consolidated net result (2016)[1]	440.4	14.4	223.1	(1,135.6)		(457.7)

The **consolidated net result, group's share**, at 31 December 2017, stands at EUR 705 million, compared with EUR - 458 million at 31 December 2016.

This result is primarily affected by:

- the net dividends from investments amounting to EUR 341 million;
- the net capital gains made on the sale of the participations in Golden Goose and ELITech by ECP III for EUR 216 million (GBL's share); and
- Imerys' contribution amounting to EUR 200 million.

A. Cash earnings
(EUR 427 million compared with EUR 440 million)

In EUR million	31 December 2017	31 December 2016
Net dividends from investments	**461.2**	457.6
Interest income (expenses)	**(23.5)**	(15.9)
Other income (expenses):		
financial	**24.2**	38.1
operating	**(35.4)**	(29.3)
Gains (losses) from disposals, impairments and reversals of non-current assets	**-**	(10.0)
Taxes	**-**	(0.1)
Total	**426.5**	**440.4**

Net dividends from investments increase by EUR 4 million compared with 2016.

In EUR million	31 December 2017	31 December 2016
LafargeHolcim	**107.0**	77.9
SGS	**82.8**	72.9
Imerys	**80.1**	75.0
Pernod Ricard	**40.2**	37.4
Total	**35.5**	75.1
adidas	**26.7**	18.8
Umicore	**25.7**	24.8
Ontex	**9.0**	5.2
Burberry	**8.9**	5.8
Parques Reunidos	**3.0**	-
GEA	**2.2**	-
ENGIE	**0.1**	46.5
Listed investments	**421.2**	**439.4**
Sienna Capital	**40.0**	**18.2**
Total	**461.2**	**457.6**

The increase in net dividends from investments is derived from the rise in dividends from LafargeHolcim, SGS, adidas, Imerys and Sienna Capital primarily as a result of the growth in unit dividends as well as contributions from recent investments (Ontex, Burberry, Parques Reunidos and GEA). This positive change is partly offset by the decrease in dividends from Total and ENGIE consecutive to the partial disposals carried out in 2016 and 2017[2].

LafargeHolcim distributed, for the 2016 financial year, a dividend of CHF 2.00 per share (CHF 1.50 in 2016), contributing EUR 107 million to the result at 31 December 2017.

SGS paid an annual dividend of CHF 70.00 per share (CHF 68.00 in 2016), representing EUR 83 million in 2017.

In the second quarter of 2017, Imerys approved an annual dividend of EUR 1.87 par action (EUR 1.75 in 2016), corresponding to a collection of EUR 80 million for GBL.

(1) The figures presented for comparative purposes have been restated in order to take into account the reclassification of the net capital gain on the disposal by ECP III of the activities of De Boeck for EUR 51 million GBL's share from the item "Profit (loss) of associates and consolidated operating companies" to the item "Gains (losses) from disposals, impairments and reversals of non-current assets"
(2) If the forward sales contracts entered into by GBL in relation to ENGIE and Total shares, which were executed and matured during the 2016 financial year, had been executed spot during the second and third quarters of 2016, cash earnings at 31 December 2016 would have been negatively impacted by EUR 38 million

Pernod Ricard declared in the second quarter of 2017 an interim dividend of EUR 0.94 per share (EUR 0.90 in 2016) and paid the balance during the fourth quarter (EUR 1.08 per share, compared with EUR 0.98 in 2016), corresponding to a total amount of EUR 40 million for GBL in 2017.

Total approved a dividend of EUR 2.45 per share for 2016 and paid, during 2017, the last quarterly interim dividend, the balance of the 2016 dividend and the first quarterly interim dividend related to the 2017 financial year, i.e. EUR 0.61, EUR 0.62 and EUR 0.62 per share respectively. Total has also announced the distribution of its second interim dividend for EUR 0.62 per share. Total's contribution to the result of the 2017 financial year amounts to EUR 36 million.

adidas distributed a dividend of EUR 2.00 per share in the second quarter of 2017 (EUR 1.60 in 2016), representing EUR 27 million in 2017.

Umicore approved during the second quarter of 2017 the balance of its 2016 dividend of EUR 0,70[(1)] per share (unchanged compared with 2016) and paid, in the third quarter of 2017, an interim dividend of EUR 0,65[(1)] per share (EUR 0,60[(1)] in 2016). Umicore's contribution amounts to EUR 26 million in the 2017 financial year.

Ontex distributed in the first half of 2017 a dividend of EUR 0.55 per share in relation to the 2016 financial year (EUR 0.46 in 2016), corresponding to an amount of EUR 9 million for GBL.

Burberry approved in 2017 the payment of the balance of its dividend (GBP 0.284 per share) and announced during the fourth quarter of 2017 an interim dividend of GBP 0.110 per share contributing EUR 9 million to GBL's result.

Parques Reunidos paid in 2017 a dividend of EUR 0.2477 per share, representing a contribution of EUR 3 million.

GEA paid in 2017 a dividend of EUR 0.80 per share corresponding to a contribution of EUR 2 million for GBL.

Sienna Capital paid during the last quarter of 2017 a dividend of EUR 40 million (compared with EUR 18 million in 2016).

Net interest expenses (EUR - 24 million) are negatively impacted by the lower contribution, this year, of interest income from Sienna Capital. Besides, net interest expenses benefited in 2017 from the partial buyback of bonds exchangeable into ENGIE shares, with consecutive cancellation of the repurchased bonds, carried out in the course of 2016 and the repayment, on 7 February 2017, of the residual bonds. This impact is partially offset by the interest expenses related to the new institutional bond issued in 2017.

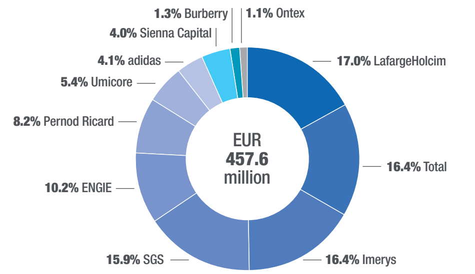
Other financial income (expenses)) (EUR 24 million) primarily comprise yield enhancement income of EUR 13 million (EUR 26 million in 2016) and dividends collected on treasury shares (EUR 17 million, unchanged compared with 2016).

Other operating income (expenses) amount to EUR - 35 million in 2017. Their increase compared with 2016 stems from non-recurring items.

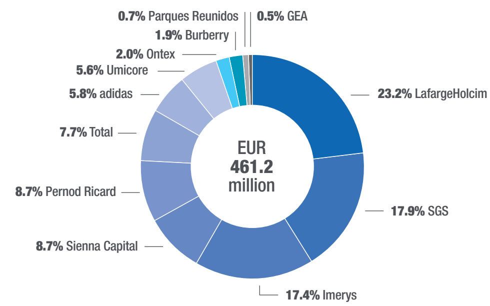
Gains (losses) from disposals, impairments and reversals of non-current assets of EUR - 10 million in 2016 included the total cost relating to the early buybacks of exchangeable bonds into ENGIE shares (including banking fees).

Contribution of investments to net collected dividends

2016



2017



B. Mark to market and other non-cash
(EUR - 5 million compared with EUR 14 million)

In EUR million	31 December 2017	31 December 2016
Net dividends from investments	**(0.4)**	(26.0)
Interest income (expenses)	**(4.1)**	(7.3)
Other financial income (expenses)	**4.9**	51.2
Other operating income (expenses)	**(5.6)**	(1.0)
Gains (losses) from disposals, impairments and reversals of non-current assets	**-**	(2.5)
Total	**(5.2)**	**14.4**

Net dividends from investments included at 31 December 2016, 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 the third interim dividend of 2016, announced in October 2016 and which had been paid in April 2017.

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 - 4 million compared with EUR - 7 million last year).

(1) Dividend per share not taking into account the two-for-one share split, effective as from 16 October 2017, in accordance with the decision taken at the General Shareholders' Meeting of 7 September 2017

The **other financial income (expenses)** notably include the mark to market of the trading portfolio and derivative instruments (EUR 15 million compared with EUR - 21 million in 2016), as well as the derivative component embedded in the exchangeable and convertible bonds for EUR - 11 million (compared with EUR 72 million in 2016). This non-monetary loss of EUR 11 million includes the change in the value of the call options on underlying securities implicitly embedded in the convertible bonds issued in 2013. In 2017, the change in value of these derivative instruments was primarily attributable to the change since 1 January 2017 of GBL's stock price.

The 2017 result illustrates, as commented on in previous closings, the accounting asymmetry and volatility of periodic results, which will persist throughout the lifetime of the convertible bonds.

C. Operating companies (associates or consolidated) and Sienna Capital

(EUR 413 million compared with EUR 223 million)

In EUR million	31 December 2017	31 December 2016 (1)
Profit (loss) of associates and consolidated operating companies	**219.7**	186.6
Interest income (expenses)	**(2.0)**	(11.5)
Other operating income (expenses)	**(17.5)**	(17.3)
Gains (losses) from disposals, impairments and reversals of non-current assets	**213.8**	65.4
Taxes	**(0.6)**	(0.1)
Total	**413.4**	**223.1**

(1) The figures presented for comparative purposes have been restated in order to take into account the reclassification of the net capital gain on the disposal by ECP III of the activities of De Boeck for EUR 51 million GBL's share from the item "Profit (loss) of associates and consolidated operating companies" to the item "Gains (losses) from disposals, impairments and reversals of non-current assets"

Net profit (loss) of associates and consolidated operating companies amounts to EUR 220 million compared with EUR 187 million in 2016:

In EUR million	31 December 2017	31 December 2016 (1)
Imerys	**199.8**	159.6
Sienna Capital	**19.9**	27.0
ECP I & II	***(7.7)***	*(0.6)*
Operating subsidiaries of ECP III	***(4.0)***	*2.8*
Kartesia	***24.2***	*22.2*
Mérieux Participations 2	***7.4***	*2.6*
Total	**219.7**	**186.6**

(1) The figures presented for comparative purposes have been restated in order to take into account the reclassification of the net capital gain on the disposal by ECP III of the activities of De Boeck for EUR 51 million GBL's share from the item "Profit (loss) of associates and consolidated operating companies" to the item "Gains (losses) from disposals, impairments and reversals of non-current assets"

Imerys
(EUR 200 million compared with EUR 160 million)

Net current income increases by 11.4% to EUR 403 million at 31 December 2017 (EUR 362 million at 31 December 2016), as a result of the improved current operating income, at EUR 648 million (EUR 582 million at 31 December 2016). The net result, group's share, amounts to EUR 368 million at 31 December 2017 (EUR 293 million at 31 December 2016).

Imerys contributed EUR 200 million to GBL's result in 2017 (EUR 160 million in 2016), reflecting the increase in the net result, group's share, and the 54.3% consolidation rate for Imerys in 2017 (54.5% in 2016).

The press release relating to Imerys' results for 2017 is available at **www.imerys.com**.

Sienna Capital
(EUR 20 million compared with EUR 27 million)

Net profit (loss) of associates and consolidated operating companies at Sienna Capital stands at EUR 20 million, compared with EUR 27 million a year earlier. The result of the period includes mainly the share of Kartesia's result attributable to GBL (EUR 24 million in 2017 compared with EUR 22 million in 2016).

The **gains (losses) from disposals, impairments and reversals of non-current assets** mainly consist of the net capital gain of the disposals by ECP III of Golden Goose (EUR 112 million) and ELITech (EUR 104 million). In 2016, this item consisted primarily of the net capital gain on the disposal of De Boeck's activities by ECP III (EUR 51 million GBL's share) as well as the capital gain on the disposal of FläktWoods by Sagard II (EUR 12 million).

D. Eliminations, capital gains, impairments and reversals

(EUR - 129 million compared with EUR - 1,136 million)

In EUR million	31 December 2017	31 December 2016
Elimination of dividends *(Imerys and Sienna Capital)*	**(120.1)**	(93.2)
Other financial income (expenses) *(GBL)*	**(16.9)**	(17.0)
Gains (losses) on disposals *(Total, ENGIE and others)*	**8.1**	720.9
Impairments on AFS investments and reversals of non-current assets *(LafargeHolcim, ENGIE and others)*	**(0.4)**	(1,746.3)
Total	**(129.3)**	**(1,135.6)**

Elimination of dividends

Net dividends from operating investments (associates or consolidated companies) are eliminated and represent EUR 120 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.

Capital gains on disposals

In 2017, the capital gains are not significant. This item included in 2016 the capital gain from the sale of 1.8% of Total's capital for EUR 732 million, as well as the consolidated capital loss on the sale of 1.8% of ENGIE for EUR 11 million.

Impairments on AFS investments and reversals of non-current assets

At 31 December 2016, this item was mainly composed of:

- an impairment of EUR 1,682 million on the LafargeHolcim stake, 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 stake during the first and fourth quarters of 2016, adjusting the book value of these securities (EUR 14.44 per share at end December 2015) to their market value at 31 December 2016 (EUR 12.12 per share).

E. Comprehensive income 2017 – group's share

In accordance with IAS 1 - *Presentation of financial statements*, GBL publishes its consolidated comprehensive income as an integral part of the consolidated financial statements. This income, group's share, amounted to EUR 2,071 million in 2017 compared with EUR 2,057 million the previous year. This change is mainly the result of the change in the market prices of the investments held in the portfolio.

This income of EUR 2,071 million gives an indication of the value creation achieved by the company in 2017. It is based on the consolidated result, group's share, for the period (EUR 705 million), plus the market value impact on the available for sale investments (LafargeHolcim, adidas, Total, etc.), i.e. EUR 1,554 million, and the changes in the equity of associates and consolidated companies, group's share, amounting to EUR - 189 million. The consolidated comprehensive income, group's share, shown in the table below, is broken down according to each investment's contribution.

In EUR million				2017	2016
	Result of the period	Elements entered directly in shareholders' equity		Comprehensive income	Comprehensive income
Group's share		Mark to market	Associated and consolidated companies		
Investments' contribution	**781.9**	**1,554.4**	**(188.6)**	**2,147.7**	**2,049.4**
Total	35.1	(42.9)	-	(7.8)	117.3
ENGIE	1.3	0.2	-	1.5	(129.7)
LafargeHolcim	107.0	(164.6)	-	(57.6)	260.8
Pernod Ricard	40.2	579.9	-	620.1	(7.1)
Imerys	199.8	-	(145.2)	54.6	213.5
SGS	82.8	306.6	-	389.4	281.2
Umicore	25.8	473.1	-	498.9	320.6
adidas	26.7	270.7	-	297.4	877.0
Ontex	9.0	(12.9)	-	(3.9)	(19.6)
Burberry	8.4	33.8	-	42.2	-
Parques Reunidos	3.0	-	(41.2)	(38.2)	-
GEA	2.2	8.8	-	11.0	-
Sienna Capital	233.7	103.9	(4.0)	333.6	135.7
Other	6.9	(2.2)	1.8	6.5	(0.3)
Other income (expenses)	**(76.5)**	**-**	**-**	**(76.5)**	**7.4**
31 December 2017	**705.4**	**1,554.4**	**(188.6)**	**2,071.2**	
31 December 2016	(457.7)	2,460.9	53.6		**2,056.8**

Economic presentation of the financial position

At 31 December 2017, GBL presents a net debt position of EUR 443 million.

It is characterised by:

- gross cash excluding treasury shares of EUR 564 million (EUR 1,375 million at year-end 2016); and
- gross debt of EUR 1,007 million (EUR 1,150 million at year-end 2016).

The weighted average maturity of the gross debt is 4.0 years at the end of December 2017 (1.3 year at year-end 2016).

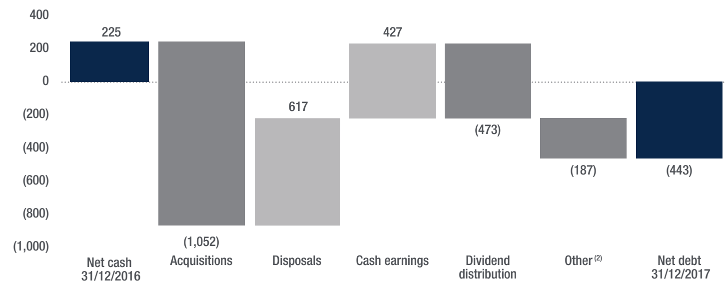
At 31 December 2017, committed credit lines total EUR 2,150 million (entirely undrawn) and mature in 2022.

This position does not include the company's commitments in respect of Sienna Capital, which total EUR 733 million at the end of December 2017 (EUR 601 million at 31 December 2016).

Finally, the 5,660,482 treasury shares [(1)] represents 3.5% of the issued capital and are valued at EUR 505 million, compared with 3.7% and EUR 467 million respectively at the end of the previous year.

Net debt: change over 1 year

In EUR million



Gross cash

At 31 December 2017, gross cash excluding treasury shares stands at EUR 564 million (1,375 million at 31 December 2016). The following table presents its components in correlation with GBL's consolidated financial statements:

In EUR million	Notes	31 December 2017	31 December 2016
Gross cash as presented in:			
Net asset value		**564**	1,375
Segment information (Holding) - pages 98 and 99		**555**	1,235
- Trading financial assets		**485**	1,020
- Cash and cash equivalents		**82**	213
- Other current assets	18	**33**	42
- Trade payables		**(3)**	(2)
- Tax liabilities		**(4)**	(8)
- Other current liabilities	23	**(38)**	(30)
Reconciliation items		**9**	140
Reclassification of ENGIE shares previously taken into account in the net asset value and included since 2016 in gross cash		**1**	145
Other		**8**	(5)

Gross debt

At 31 December 2017, gross debt of EUR 1,007 million (EUR 1,150 million at 31 December 2016) breaks down as follows:

In EUR million	31 December 2017	31 December 2016
Retail and institutional bonds	**500**	350
ENGIE exchangeable bonds	**-**	306
GBL convertible bonds	**450**	450
Others	**57**	43
Gross debt	**1,007**	**1,150**

(1) Including 5 million of treasury shares underlying GBL convertible bonds
(2) Corresponding mainly to the elimination of the disposal of ENGIE shares (reclassified in cash at 31/12/2016) and Sienna Capital's dividend

The following table presents the components of the gross debt in correlation with the IFRS consolidated financial statements:

In EUR million	31 December 2017	31 December 2016
Gross debt, included in the segment information (Holding) - pages 98 and 99:	**996**	**1,133**
Non-current financial liabilities	**553**	477
Current financial liabilities	**443**	656
Reconciliation items	**11**	17
Impact of the recognition of financial liabilities at amortised cost in IFRS	**11**	17

Net debt

At 31 December 2017, GBL presents a net debt position of EUR 443 million. The net debt presents the following Loan To Value ratio:

In EUR million	31 December 2017	31 December 2016
Net debt (excluding treasury shares)	**443**	n.a.
Market value of the portfolio	**18,826**	n.a.
Market value of the treasury shares underlying the bonds convertible into GBL shares	**450**	n.a.
Loan To Value	**2.3%**	-

Treasury shares

Treasury shares, valued at their historic value, are recorded as a deduction from shareholders' equity in IFRS. The treasury shares (EUR 505 million at 31 December 2017 and EUR 467 million at 31 December 2016) are valued by applying the following valuation principles set out in the glossary in page 181.

Historical data over 10 years

In EUR million	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Consolidated result										
Cash earnings	**426.5**	440.4	461.6	452.8	467.0	489.3	522.3	565.0	603.5	718.1
Mark to market and other non-cash items	**(5.2)**	14.4	90.9	(27.8)	(167.4)	(25.7)	18.9	(20.0)	4.7	(117.8)
Operating companies (associated or consolidated) and Sienna Capital	**413.4**	223.1	(45.2)	225.0	256.0	189.0	284.4	260.2	135.5	337.7
Eliminations, gains (losses) on disposals, impairments and reversals	**(129.3)**	(1,135.6)	519.1	225.3	65.0	(397.0)	(750.6)	(164.4)	314.0	(1,625.5)
Consolidated result (group's share)	**705.4**	**(457.7)**	**1,026.4**	**875.3**	**620.6**	**255.6**	**75.0**	**640.8**	**1,057.7**	**(687.5)**
Consolidated result of the period	**891.1**	**(310.9)**	**1,055.9**	**993.1**	**724.7**	**375.5**	**167.3**	**638.4**	**1,057.7**	**(687.5)**
Total distribution	**484.1**	**472.8**	**461.5**	**450.2**	**438.9**	**427.6**	**419.5**	**409.9**	**390.5**	**371.1**
Number of shares at the end of the year (1)										
Basic	**155,607,490**	155,374,131	155,243,926	155,139,245	155,060,703	155,253,541	155,258,843	155,223,385	155,641,380	155,849,909
Diluted	**160,785,245**	160,815,820	160,841,125	160,649,657	156,869,069	156,324,572	157,431,914	158,721,241	161,202,533	155,849,909
Payout (in %)										
Dividend/cash earnings	**113.5**	107.4	100.0	99.4	94.0	87.4	80.3	72.5	64.7	51.7
Consolidated result per share (2) (group's share)	**4.53**	**(2.95)**	**6.61**	**5.64**	**4.00**	**1.65**	**0.48**	**4.13**	**6.80**	**(4.41)**
Consolidated cash earnings per share (3) (group's share)	**2.64**	**2.73**	**2.86**	**2.81**	**2.89**	**3.03**	**3.24**	**3.50**	**3.74**	**4.45**

(1) The calculation of the number of basic and diluted shares is detailed on page 127
(2) The calculation of the consolidated result per share takes into account the basic number of shares
(3) The calculation of the consolidated cash earnings per share takes into account the number of shares issued

Accounts at 31 December 2017

Consolidated financial statements

Consolidated balance sheet at 31 December

In EUR million	Notes	2017	2016
Non-current assets		**21,098.5**	**17,945.3**
Intangible assets	9	**483.1**	288.4
Goodwill	10	**2,398.6**	1,928.7
Property, plant and equipment	11	**2,621.6**	2,392.5
Investments		**15,390.3**	13,137.5
Investments in associates	*2*	***605.2***	*360.5*
Available-for-sale investments	*3*	***14,785.1***	*12,777.0*
Other non-current assets	12	**116.1**	99.6
Deferred tax assets	13	**88.8**	98.6
Current assets		**2,960.1**	**3,927.5**
Inventories	14	**852.7**	749.2
Trade receivables	15	**728.0**	685.1
Trading financial assets	16	**524.3**	1,023.5
Cash and cash equivalents	17	**491.9**	1,086.1
Other current assets	18	**363.2**	383.6
Total assets		**24,058.6**	**21,872.8**

Shareholders' equity		**17,936.4**	**16,374.2**
Share capital	19	**653.1**	653.1
Share premium		**3,815.8**	3,815.8
Reserves		**12,036.1**	10,398.1
Non-controlling interests	29	**1,431.4**	1,507.2
Non-current liabilities		**3,773.9**	**3,226.5**
Financial liabilities	17	**2,834.9**	2,383.5
Provisions	20	**396.8**	345.8
Pensions and post-employment benefits	21	**327.3**	304.5
Other non-current liabilities	22	**34.1**	63.1
Deferred tax liabilities	13	**180.8**	129.6
Current liabilities		**2,348.3**	**2,272.1**
Financial liabilities	17	**1,152.7**	1,270.2
Trade payables		**540.0**	483.3
Provisions	20	**35.2**	23.6
Tax liabilities		**107.3**	104.6
Other current liabilities	23	**513.1**	390.4
Total shareholders' equity and liabilities		**24,058.6**	**21,872.8**

Consolidated statement of comprehensive income at 31 December

In EUR million	Notes	2017	2016 (2)
Share of profit (loss) of associates	2	**23.9**	24.2
Net dividends from investments	3	**340.7**	338.4
Other operating income (expenses) from investing activities	5	**(59.4)**	(48.2)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities		**245.7**	(968.0)
Investments in equity-accounted entities	*3*	***6.9***	*(1,023.5)*
Available-for-sale investments	*4*	***240.3***	*55.9*
Other non-current assets		***(1.5)***	*(0.4)*
Financial income (expenses) from investing activities	7	**(17.4)**	37.5
Profit (loss) from investing activities		**533.5**	**(616.1)**
Turnover	8	**4.925.7**	4,531.7
Raw materials and consumables		**(1,512.6)**	(1,434.2)
Employee expenses	5	**(1,121.7)**	(982.2)
Depreciation/amortisation of property, plant, equipment and intangible assets		**(294.4)**	(261.8)
Other operating income (expenses) from operating activities	5	**(1,386.1)**	(1,299.5)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	6	**(6.6)**	(25.2)
Financial income (expenses) from operating activities	7	**(98.0)**	(73.9)
Profit (loss) from consolidated operating activities		**506.3**	**454.9**
Income taxes	13	**(148.7)**	**(149.7)**
Consolidated profit (loss) for the year		**891.1**	**(310.9)**
Attributable to owners of the Company		**705.4**	(457.7)
Attributable to non-controlling interests	29	**185.7**	146.8
Other comprehensive income (1)			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains (losses)	21	**(12.0)**	9.4
Total items that will not be reclassified to profit or loss		**(12.0)**	**9.4**
Items that may be reclassified subsequently to profit or loss			
Available-for-sale investments - change in revaluation reserves	3	**1,515.3**	1,581.7
- recycling in result on disposals/impairment	3	**(2.2)**	879.2
Currency translation adjustments for consolidated companies		**(257.3)**	76.0
Cash flow hedges		**(3.7)**	16.8
Total items that may be reclassified to profit or loss		**1,252.1**	**2,553.7**
Other comprehensive income (loss) after tax		**1,240.1**	**2,563.1**
Comprehensive income (loss)		**2,131.2**	**2,252.2**
Attributable to owners of the Company		**2,071.2**	2,056.8
Attributable to non-controlling interests	29	**60.0**	195.4
Consolidated earnings per share	27		
Basic		***4.53***	*(2.95)*
Diluted		***4.52***	*(2.95)*

(1) These items are presented net of tax. The tax impacts are described in Note 13
(2) The figures presented for comparative purposes have been restated in order to take into account the reclassification of the net capital gain on the disposal by ECP III of the activities of De Boeck for EUR 56 million from the item "Gains (losses) on disposals, impairments and reversals of non-current assets from operating companies" to the item "Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities"

Consolidated statement of changes in shareholders' equity

In EUR million	Capital	Share premium	Revaluation reserves	Treasury shares	Currency translation adjustments	Retained earnings	Shareholders' equity – group's share	Non-controlling interests	Shareholders' equity
At 31 December 2015	**653.1**	**3,815.8**	**1,728.9**	**(244.8)**	**(72.9)**	**7,365.5**	**13,245.6**	**1,297.9**	**14,543.5**
Consolidated profit (loss) for the year	-	-	-	-	-	(457.7)	(457.7)	146.8	(310.9)
Other comprehensive income (loss)	-	-	2,460.9	-	39.4	14.2	2,514.5	48.6	2,563.1
Total comprehensive income (loss)	**-**	**-**	**2,460.9**	**-**	**39.4**	**(443.5)**	**2,056.8**	**195.4**	**2,252.2**
Dividends	-	-	-	-	-	(444.5)	(444.5)	(64.5)	(509.0)
Treasury share transactions	-	-	-	8.8	-	-	8.8	-	8.8
Other movements	-	-	-	-	-	0.3	0.3	78.4	78.7
At 31 December 2016	**653.1**	**3,815.8**	**4,189.8**	**(236.0)**	**(33.5)**	**6,477.8**	**14,867.0**	**1,507.2**	**16,374.2**
Consolidated profit (loss) for the year	-	-	-	-	-	705.4	705.4	185.7	891.1
Other comprehensive income (loss)	-	-	1,554.4	-	(140.1)	(48.5)	1,365.8	(125.7)	1,240.1
Total comprehensive income (loss)	**-**	**-**	**1,554.4**	**-**	**(140.1)**	**656.9**	**2,071.2**	**60.0**	**2,131.2**
Dividends	-	-	-	-	-	(455.9)	(455.9)	(94.2)	(550.1)
Treasury share transactions	-	-	-	11.3	-	7.2	18.5	-	18.5
Other movements	-	-	-	-	-	4.2	4.2	(41.6)	(37.4)
At 31 December 2017	**653.1**	**3,815.8**	**5,744.2**	**(224.7)**	**(173.6)**	**6,690.2**	**16,505.0**	**1,431.4**	**17,936.4**

During 2017, shareholders' equity was mainly impacted by:

- the distribution of GBL's gross dividend of EUR 2.93 per share (EUR 2.86 in 2016), less treasury shares, for a net total amount of EUR - 456 million (see Note 19);
- the increase in revaluation reserves by EUR 1,554 million (see Note 3);
- the negative change in foreign currency translation adjustments; and
- the consolidated net result for the period of EUR 891 million.

Consolidated statement of cash flows

In EUR million	Notes	2017	2016
Net cash from (used in) operating activities		**1,484.9**	**551.1**
Consolidated profit (loss) for the year		**891.1**	(310.9)
Adjustments for non-cash items:			
Income taxes	13	**148.7**	149.7
Interest income (expenses)	7	**96.3**	105.0
Share of profit (loss) of associates	2	**(32.7)**	(28.6)
Dividends from investments in non-consolidated companies	3	**(340.7)**	(338.4)
Net depreciation and amortisation expense	9, 11	**297.4**	263.9
Gains (losses) on disposals, impairment and reversals of non-current assets		**(244.5)**	974.7
Other (1)		**10.7**	(47.2)
Interest received		**20.5**	18.1
Interest paid		**(121.1)**	(102.4)
Dividends received from investments in non-consolidated companies		**348.2**	386.2
Dividends received from investments in associates	2	**5.9**	23.8
Income taxes paid		**(125.0)**	(101.8)
Changes in working capital		**(10.6)**	15.8
Changes in trading financial assets (2)		**509.6**	(386.8)
Changes in other receivables and payables (3)		**31.1**	(70.0)
Net cash from (used in) investing activities		**(1,229.1)**	**549.7**
Acquisitions of:			
Investments		**(1,005.2)**	(1,458.4)
Subsidiaries, net of cash acquired (4)		**(443.6)**	(213.1)
Property, plant and equipment and intangible assets	9, 11	**(360.4)**	(301.2)
Disposals/divestments of:			
Investments		**278.1**	2,398.5
Subsidiaries, net of cash paid		**282.0**	97.9
Property, plant and equipment and intangible assets		**19.9**	30.6
Other financial assets		**0.1**	(4.6)
Net cash from (used in) financing activities		**(829.0)**	**(938.6)**
Capital increase from non-controlling interests		**19.5**	58.1
Dividends paid by the parent company to its shareholders		**(455.9)**	(444.5)
Dividends paid by the subsidiaries to non-controlling interests		**(94.2)**	(64.5)
Proceeds from financial liabilities	17	**1,560.9**	702.8
Repayments of financial liabilities	17	**(1,870.4)**	(1,144.2)
Net change in treasury shares		**18.5**	8.8
Other		**(7.4)**	(55.1)
Effect of exchange rate fluctuations on funds held		**(21.0)**	**25.9**
Net increase (decrease) in cash and cash equivalents		**(594.2)**	**188.1**
Cash and cash equivalents at 1 January	17	**1,086.1**	898.0
Cash and cash equivalents at 31 December	17	**491.9**	1,086.1

(1) Includes the non-monetary impact relating to convertible and exchangeable bonds (EUR 11 millions and EUR - 72 million in 2017 and 2016 respectively)
(2) Change linked to the evolution of money market funds (EUR 497 million, EUR 975 million and EUR 586 million at 31 December 2017, 2016 and 2015, respectively) – see Note 16
(3) Inluded last year the negative cash flow linked to receivables on private equity funds (EUR - 71 million)
(4) Of which EUR 12 million related to cash paid for acquisitions of subsidiaries from previous years and EUR - 1 million adjustment for the recognition of debt on acquisitions of securities

Accounting policies

Groupe Bruxelles Lambert SA ("GBL") is a Belgian holding company listed on Euronext Brussels. Its consolidated financial statements cover a period of 12 months ended 31 December 2017. They were approved by its Board of Directors on 15 March 2018 on a going concern basis, in millions of euros, to one decimal place and rounded to the nearest hundred thousand euros.

General accounting principles and applicable standards

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Mandatory changes in accounting policies

The following new and amended standards and interpretations have been applied since 2017:

- amendments to IAS 7 *Statement of Cash Flows – Disclosure Initiative* (applicable for annual periods beginning on or after 1 January 2017). The purpose of these amendments is to improve the disclosure of cash and non-cash changes of financial liabilities (see Note 17.3 - Change of financial liabilities). As allowed in the transitional provisions of these amendments, the group did not mention any comparative information for the previous period;
- amendments to IAS 12 *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses* (applicable for annual periods beginning on or after 1 January 2017). The application of these amendments had no impact on GBL's consolidated financial statements; and
- improvements to the IFRS (2014-2016): amendments to IFRS 12 (applicable for annual periods beginning on or after 1 January 2017). The application of these improvements had no impact on group's consolidated financial statements.

Texts in force after the reporting date

GBL did not opt for the early application of the new and amended standards and interpretations which entered into force after 31 December 2017, namely:

- IFRS 9 *Financial Instruments* and subsequent amendments (applicable for annual periods beginning on or after 1 January 2018);
- IFRS 15 *Revenue from Contracts with Customers* (applicable for annual periods beginning on or after 1 January 2018);
- IFRS 16 *Leases* (applicable for annual periods beginning on or after 1 January 2019);
- IFRS 17 *Insurance Contracts* (applicable for annual periods beginning on or after 1 January 2021, but not yet adopted at European level);
- improvements to the IFRS (2014-2016): amendments to IFRS 1 and IAS 28 (applicable for annual periods beginning on or after 1 January 2018, but not yet adopted at European level);
- improvements to the IFRS (2015-2017) (applicable for annual periods beginning on or after 1 January 2019, but not yet adopted at European level);
- amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions* (applicable for annual periods beginning on or after 1 January 2018, but not yet adopted at European level);
- amendments to IFRS 4 I*nsurance Contracts* – Applying IFRS 9 *Financial Instruments* with IFRS 4 (applicable for annual periods beginning on or after 1 January 2018);
- amendments to IFRS 9 *Prepayment Features with Negative Compensation* (applicable for annual periods beginning on or after 1 January 2019, but not yet adopted at European level);
- amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (the date of entry into force has been deferred indefinitely, and therefore the adoption at European level has been postponed);
- amendments to IAS 19 *Plan Amendment, Curtailment or Settlement* (applicable for annual periods beginning on or after 1 January 2019, but not yet adopted at European level);
- amendments to IAS 28 *Long term interests in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2019, but not yet adopted at European level);
- amendments to IAS 40 *Transfers of Investment Property* (applicable for annual periods beginning on or after 1 January 2018, but not yet adopted at European level);
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (applicable for annual periods beginning on or after 1 January 2018, but not yet adopted at European level); and
- IFRIC 23 *Uncertainty over Income Tax Treatments* (applicable for annual periods beginning on or after 1 January 2019, but not yet adopted at European level).

Except for what is mentioned here below, the future application of these new and amended standards and interpretations is not expected to significantly affect the consolidated financial statements.

IFRS 9 Financial instruments

IFRS 9 is intended to replace current standard IAS 39 *Financial Instruments*. The improvements introduced by IFRS 9 include (i) a classification and measurement model of financial instruments, (ii) an impairment loss model based upon expected losses and no longer upon past credit events, as well as (iii) a new approach to hedge accounting. The classification and measurement model of financial instruments introduced by IFRS 9, simpler than that of current standard IAS 39, will improve the readability of disclosures in notes. IFRS 9 will influence, among other things, the treatment of Available-for-sale investments. These assets will continue to be valued at fair value. GBL has chosen to recognize all gains and losses on investments in listed companies in equity (in "Other comprehensive income"). These amounts will never again be recycled in profit or loss, even in the event of sales or impairment. With respect to investment funds, GBL determined that the characteristics of these investments did not allow, in accordance with IFRS 9, the recognition of gains and losses in equity, but only in profit or loss.

Besides, no material impact is expected from the change from an incurred loss model to an expected loss model as a consequence of the limited exposure of the group to credit risk.

In terms of hedge accounting, Imerys could consider the possibility to expand the scope of hedged items beyond its current state. Indeed, IFRS 9 offers broader possibilities than IAS 39 in terms of designation of items eligible to hedge accounting. Finally, as a result of the derivative instruments used as part of its hedging policy, Imerys will be affected by the new recognition requirements applicable to changes in the time value of options. The latter shall be recognized in equity instead of profit or loss as is currently the case.

GBL has decided to adopt IFRS 9 as of 1 January 2018 without restating the comparative year. The transition from IAS 39 to IFRS 9 has no impact on the group's shareholders' equity at 1 January 2018.

IFRS 15 Revenue from Contracts with Customers

This new standard, whose objective is to replace the current standard on revenue, is based upon two principles: recognition of the sale when the customer obtains control over the good or service and measurement for the amount of the expected payment.

At Imerys' level, for sales of goods, the specific analysis carried out on transactions combining a sale of goods and a transport-on-sale service led to a revision of the cut-off analysis procedures without, however, identifying any significant impact. For service contracts, the analysis specifically examined how the notion of control could affect the timing of revenue recognition, depending on whether the client's takeover of the service was on an ad hoc or continuous basis. The analysis of the different types of Monolithic Refractories contracts, the main activity concerned by the subject, led to the conclusion that the provisions of the new standard did not have a significant impact.

At Sienna Capital's level, the analysis of the main activities affected by this standard also led to the conclusion that the application of this new standard has non-significant impacts.

IFRS 16 Leases

This standard abolishes, for the lessee, the current distinction between operating leases, recorded in expenses, and finance leases, recorded in property, plant and equipment against a financial liability, and instead requires, for all leases, the recognition of a right of use against a financial liability. The application of this standard will primarily affect Imerys and its level of capital invested, its depreciation costs recorded in operating result, its interest costs recorded in financial result, its impairment tests, the financial ratios that Imerys is obliged to comply with for a part of its financing transactions and the level of commitments given under current operating leases. This standard has been monitored by Imerys since the publication of the initial exposure draft in August 2010. The work carried out since 2014 to gradually limit the contracts falling within the scope of the standard was extended during the second semester of 2016 with the objective of picking an IT solution for the management of the volume of contracts identified. The IT solution chosen in the first half of 2017 helped to recover the contract histories in the second half of the year. This database is currently being analyzed and validated, particularly in terms of completeness and compliance with the provisions of the standard.

Basis and scope of consolidation

The consolidated financial statements, prepared before appropriation of result, include those of GBL and its subsidiaries (the "group") and the interests of the group in joint ventures and associates accounted for using the equity method. The important subsidiaries, joint ventures and associates close their accounts on 31 December or 30 September (Parques Reunidos).

Controlled companies

Controlled companies are entities for which GBL is exposed to variable returns because of ties to these entities and has the capacity to influence these returns because of the control that GBL has over these entities. Controlled companies are consolidated.

Intra-group balances and transactions as well as unrealised gains (losses) have been eliminated. Newly acquired companies are consolidated as from the date of acquisition.

Jointly controlled companies (joint ventures)

A joint venture is a company over which GBL has joint control with one or more other parties and for which the parties have a claim to the company's net assets. Joint control is the contractually agreed sharing of the control exercised over a company, which only exists in cases where decisions regarding the relevant operations require the unanimous consent of the parties sharing control. These joint ventures are accounted for in the consolidated financial statements using the equity method.

Associates

If the group has a significant influence in a company, the investment it holds in that company is considered as an associate company. Notable influence is the power to participate in decisions about financial and operational policies, but without exercising control or joint control over these policies.

Associates are accounted for in the consolidated financial statements using the equity method.

An investment is accounted for using the equity method from the date it becomes an investment in an associate or joint venture. Under the equity method, the investment in an associate or joint venture is recorded at cost on initial recognition. In the absence of definition in the standards of the notion of cost, the group considers, in the event of a change from an available-for-sale interest to an associate, the fair value at the date of the first equity method as the cost. The revaluation reserve accounted for until that date is transferred to consolidated reserves.

Intangible assets

Intangible assets are recorded at cost less any accumulated amortisation and impairment losses.

Intangible assets with a finite useful life are amortised using the straight-line method over their estimated useful life.

Intangible assets with an indefinite useful life are not amortised but are tested for impairment annually at the close of the financial year (or at an earlier date should there be an indication of impairment). When the recoverable amount of an asset is less than its carrying amount, this carrying amount is reduced to reflect the loss of value.

If there is no applicable standard or interpretation, Imerys treats greenhouse gas emission credits as intangible assets. Imerys holds these credits solely to prove the volume of its emissions and does not trade them, for example through forward purchases or sales. The recognised value of credits received free of charge is zero and credits purchased on the market are recognised at their purchase price. If the credits held are less than the actual emissions at the reporting date, a provision is recognised in profit or loss that is equal to the value of the credits to be purchased, measured at their market value (net liability method). Only surplus credits are sold and are recognised in profit or loss as asset disposals.

Business combinations and goodwill

When the group acquires a business, the identifiable assets and liabilities of the acquired entity are recorded at fair value on the acquisition date.

The counterparty transferred to a business combination corresponds to the fair value of the transferred assets (including cash), the assumed liabilities and the shareholders' equity instruments issued by the group in exchange for the control of the acquired entity. The costs directly related to the acquisition are generally recognised in profit or loss.

Goodwill is calculated as the positive difference between the following two elements:

- the sum of (i) the counterparty transferred and, where appropriate, (ii) the amount of the non-controlling interests (minority interests) in the acquired entity, and (iii) the fair value of interests already held by the group prior to acquiring the controlling interest; and
- the net amount on the date of acquisition of the identifiable assets and liabilities acquired and assumed.

If, after confirmation of the values, this difference proves to be negative, this amount is immediately recorded in the income statement as a gain from a bargain purchase.

Goodwill is accounted for as an asset in the balance sheet under the heading "Goodwill" and subject to an annual impairment test, which consists in comparing the recoverable amount of the cash generating units ("CGU") to which the goodwill has been allocated with their carrying amount (including the goodwill). If the latter is higher, an impairment loss must be recorded in the income statement.

In addition, in valuing goodwill as outlined above, the amount of the non-controlling interests can be valued on a case by case basis and at GBL's choice, either at fair value (the so-called "full goodwill" option) or at the share of the identifiable net asset in the acquired entity.

Property, plant and equipment

Items of property, plant and equipment are recorded under assets if they are controlled as a result of a deed of ownership or a finance lease contract that transfers the risks and rewards incident to ownership. Items of property, plant and equipment are initially valued at acquisition or production cost.

The initial cost of property, plant and equipment under finance lease is the lower of the fair value of the asset and the present value of future minimum payments. The cost of property, plant and equipment includes the cost of loans contracted to finance their construction or production when they necessitate a substantial period of time. The cost of the assets is reduced, where appropriate, by the amount of public subsidies used to finance their acquisition or construction.

Maintenance and repair costs are immediately expensed under "Other operating income (expenses) from operating activities". The cost of property, plant and equipment includes, in particular for satellite industrial installations built on clients' land, the present value of the rehabilitation or dismantling obligation, where such an obligation exists. Property, plant and equipment are subsequently valued at cost less accumulated depreciation and any accumulated impairment losses.

Imerys has defined the following accounting and valuation policies for mineral assets where there are no standards that specifically apply.

Exploration expenses, i.e. research of new knowledge on the mining potential, technical feasibility and commercial viability of a geographic region are immediately expensed when incurred under "Other operating income (expenses) from operating activities". Mineral reserves constitute property, plant and equipment and are initially valued at acquisition cost excluding subsoil and increased by expenditure incurred to determine the tonnage of ore present in the deposit. Overburden works, i.e. works to remove the topsoil to enable access to the deposit, are included in the mineral reserve assets.

Their initial valuation includes the production cost and present value of the rehabilitation obligation resulting from degradations caused by their construction. Mineral reserves and overburden works are recorded under "Property, plant and equipment".
Mineral assets are subsequently valued at cost less accumulated depreciation and any accumulated impairment losses. Depreciation expense is spread over the expected useful life of the different categories of property, plant and equipment using the straight-line method. The estimated useful lives of the most significant items of property, plant and equipment fall into the following ranges:

- buildings: 10 to 50 years;
- industrial constructions: 10 to 30 years;
- fixtures and fittings of buildings and constructions: 5 to 15 years;
- machinery, equipment and technical fittings: 5 to 20 years;
- vehicles: 2 to 5 years;
- other property, plant and equipment: 10 to 20 years.

Land is not depreciated.

Imerys considers that straight-line depreciation is unsuited to the consumption of property, plant and equipment related to its mining activity, such as mineral reserves and overburden assets, and of certain industrial assets that are not used on a continuous basis. Their depreciation is therefore estimated in production units on the basis of real extraction for mineral assets or, for these industrial assets, operational follow-up units such as production or hours of use. A mineral reserve is depreciated over a quantity equal to the geological inventory of the deposit decreased by discounts representative of the geological uncertainty inherent to resources. Overburden assets that qualify as a component of the mineral reserve asset are depreciated over the quantity of reserve to which they specifically give access. The subsoil, i.e. the land surface excluding the deposit, is not depreciated because it is not consumed by the extracting activity.

Available-for-sale investments (AFS)

Available-for-sale investments include investments in companies in which the group does not exercise a significant influence, as defined above.

These investments are recorded at fair value based on the share price for listed companies.

Shares in the "Funds", namely Sagard, Sagard II and 3, PrimeStone, BDT Capital Partners II and Mérieux Participations I are revalued at their fair value, determined by the managers of the funds according to their investment portfolio.

Any changes between two reporting dates in the fair value of those investments are recorded in shareholders' equity. When an investment is sold, the difference between the net proceeds of the sale and the carrying amount (the accounting value of the asset on the date of sale, adjusted by the amount of shareholders' equity accumulated through periodic revaluation to fair value of the investment) is recorded as a credit or debit in the income statement.

Non-current assets held for sale and discontinued operations

When, at the reporting date, it is highly likely that non-current assets or groups of directly related assets and liabilities will be disposed of, they are designated as non-current assets or groups of assets held for sale. Their sale is considered highly likely if, on the reporting date, a plan to put them up for sale at a reasonable price in relation to their fair value has been organised in order to find a buyer and finalise their transfer within one year at most.Non-current assets or groups of assets held for sale are presented as separate items in the financial statements. They are no longer depreciated and are valued at the lower of carrying amount or fair value less costs to sell. Non-current assets or groups of assets that will be shut down and not sold constitute non-current assets that are to be abandoned. When non-current assets that are sold, held for sale or to be abandoned correspond to one or more CGUs (cash-generating units) and must be abandoned in the framework of a single and coordinated plan, they are considered discontinued operations and their related flows are placed in a separate presentation in the consolidated statement of comprehensive income and in the consolidated statement of cash flows.

Inventories

Inventories are recorded as assets at the date on which the risks, rewards and control are transferred to the group. At the time of sale, their disposal is accounted for through an expense at the same date as the corresponding gain. Inventories are valued at the lower of production cost or net realisable value. When production is less than normal capacity, fixed costs specifically exclude the share corresponding to the sub-activity. Inventories presenting similar characteristics are valued under the same method. The methods used in the group are FIFO - First-In, First-Out - and the weighted average unit cost. When production cost cannot be recovered, it is lowered to net realisation value under the conditions existing at the reporting date.

Trade receivables and turnover

The turnover is primarily generated from sales of goods. These sales are recognised upon transfer of the risks, rewards and control. Their incoterms are multiple due to the specificities of packaging and freight and represent the key indicator for the recognition of sales of goods. The services mainly consist of the reinvoicing of product transportation costs and this reinvoicing is usually recognised when the product transported is sold. Furthermore,for both goods and services, a sale is recognised only if the corresponding receivable is recoverable and if the amounts of the transaction and of the costs required for its completion can be valued reliably. Sales of goods and services rendered are valued at fair value of the transaction less trade and volume rebates, as well as discounts for early payment.

Subsequent to their initial recognition, trade receivables are valued at amortised cost. A receivable transferred to a banking institution for financing purposes is derecognised only if the factoring contract also transfers to the factor all risks and rewards inherent to the receivable.

Other financial assets

Bonds considered as investments held to maturity (if the group has the expressed intention and the ability to hold them to maturity) and the other loans and receivables issued by the group are valued at their amortised cost, i.e. the amount at which they were initially recognised in the accounting records plus or minus the accumulated amortisation of any difference between this initial amount and the amount at maturity, and less any amounts recorded for impairment or non-recoverability. These bonds and other loans and receivables are recorded under the heading “Other current assets” or “Other non-current assets” depending on their maturity.

Trading financial assets include other instruments held for transaction purposes and are valued at fair value at the reporting date. Changes in fair value between two reporting dates are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include bank deposits and fixed-term investments with a maturity date equal to or less than three months from the acquisition date.

Impairment of assets

Available-for-sale investments (AFS)

When there is an objective indication of impairment of an available-for-sale investment, an impairment test must be carried out. The group considers a significant (more than 30%) or prolonged (longer than one year) decline in fair value below cost as an objective indication of impairment. If the tested investment is considered as impaired, the impairment loss recorded in the revaluation reserves is reclassified to profit or loss. The amount of the impairment loss recorded is the difference between the acquisition cost of the investment and its fair value (based on share price) at the reporting date. From the first recorded impairment, each future negative change (stock price decline) will be recognised in profit or loss. In accordance with IFRS, any increase in value above the carrying amount may only be recognised in equity and cannot be recorded in profit or loss.

Investments in equity-accounted entities

When there is an objective indication of impairment of an available-for-sale investment, an impairment test must be carried out, in accordance with IAS 36 *Impairment of assets* and IAS 28 *Investments in Associates and Joint Ventures*. The recoverable amount of the asset is estimated in order to compare it to its carrying amount and, if need be, to recognise an impairment loss for the surplus. The recoverable amount is the highest of either the fair value less costs to sell or the value in use. The value in use corresponds to the future estimated discounted cash flows. When an impairment accounted for in an earlier period ceases to exist, the carrying amount is partially or totally restored. The reversal of an impairment loss is recorded immediately in profit.

Property, plant and equipment and intangible assets

At every reporting date, the group reviews the carrying amount of intangible assets and property, plant and equipment with finite useful life in order to assess whether there is any evidence of impairment of these assets.

If there is any evidence of impairment, the asset’s recoverable amount is estimated to compare it with its carrying amount. The recoverable amount is the higher of the asset’s net sale price or its value in use. The value in use is the present value of estimated future cash flows from the continuous use of an asset. Where it is not possible to estimate the recoverable amount of an asset individually, the group estimates the recoverable amount of the CGU to which the asset belongs. If the recoverable amount of the asset or of the CGU is estimated to be less than the carrying amount, the carrying value of the asset or of the CGU is lowered to its recoverable amount. An impairment loss is immediately recognised in expenses.

When an impairment recorded during past financial years is no longer justified, the impairment loss on this asset or CGU is reversed in order to bring the asset or CGU back to a value corresponding to the new valuation of its recoverable amount. However, the carrying value of an asset or CGU may not exceed, following reversal of an impairment loss, the carrying value it would have had if no impairment had been recognised for the asset or CGU in previous years. The reversal of an impairment loss is recognised immediately as income.

Trade receivables
When the occurrence of a credit event makes the carrying amount of a trade receivable partially or fully irrecoverable, it is individually written down to its recoverable value by means of a writedown in accordance with the conditions existing at the reporting date.

Other financial assets
For financial assets accounted for at amortised cost, the amount of the impairment loss is equal to the difference between the carrying amount and the present value of the estimated future cash flows at the financial asset's original effective interest rate.

Taxes
Income taxes of the financial year include both current and deferred taxes. They are recorded in the income statement unless they relate to items directly recorded in shareholders' equity, in which case they are also recorded in shareholders' equity.

Current taxes are the taxes to be paid on the taxable profit for the financial year and are calculated in accordance with the tax rates in effect or that will be in effect on the last day of the financial year, plus any adjustments relating to prior years.

Deferred taxes are calculated in accordance with the liability method, which is applied to the temporary differences between the carrying amounts and tax basis of the assets and liabilities recorded in the balance sheet.

The following tax differences are disregarded: non-tax-deductible goodwill and initial valuations of assets and liabilities not affecting the accounting and taxable profit.

Deferred taxes are calculated according to the manner in which the related assets and liabilities are expected to be realised or settled, based on the tax rates in effect or that will be in effect on the last day of the financial year.

Additionally, deferred tax liabilities related to investments in subsidiaries are not recorded when the group is able to control the date on which the temporary difference will reverse and when the group does not expect the temporary difference to reverse in the foreseeable future.

Deferred tax assets are recorded if the taxable profits are likely to materialise in such a manner as to allow them to be offset against tax losses and tax credits.

Treasury shares
When treasury shares are bought (or sold), the amount paid (or received) is recorded as a decrease (or increase) in shareholders' equity. Movements in these shares are shown in the consolidated statement of changes in shareholders' equity. No profits or losses on these movements are recorded in the income statement.

Appropriation of profit
Dividends paid by GBL to its shareholders are included as a reduction of shareholders' equity for their gross amount, i.e. before withholding tax. The financial statements are prepared before appropriation of profit.

Incentive plans
Equity-settled share-based payments
GBL and Imerys stock options granted prior to 7 November 2002 have not been recorded in the consolidated financial statements in accordance with the transitional provisions of IFRS 2 *Share-Based Payments*.

Incentive plans granted as from 7 November 2002 are accounted for in accordance with IFRS 2. In accordance with this standard, the fair value of the options on the date of allocation is recorded in the income statement for the period of acquisition of the rights ("vesting period"). The options are valued by means of a valuation model generally accepted based on the market conditions prevailing at the time of their grant.

Cash-settled share-based payments
If the arrangement is settled in cash, the group incurs a liability measured at fair value. Until the settlement of the liability, the fair value should be measured at each reporting date and at settlement date. The changes in fair value are recognised in the income statement of the period.

Retirement benefits
Defined benefit plans
Commitments for defined benefit pension plans and similar obligations are valued using the projected credit unit method, in accordance with IAS 19. This valuation uses financial and demographic actuarial assumptions. These are used to value services rendered during the year on the basis of an estimate of the end-of-career salary.

The provisions (or assets) recognised correspond to the present value of the obligation less the fair value of the plan's assets, which may be capped.

The discount rates used to discount the obligations and calculate the resulting normative return on the assets are determined by referring to the yields of bonds issued by AA (high quality) listed companies within the main iBoxx GBP and USD Corporate AA indexes.

Contributions to funds and direct payments to beneficiaries as well as contributions and payments related to restructuring are recorded under "Employee expenses" or "Other operating income (expenses) from investing activities". Contributions to closed deficit plans with compulsory funding are recorded under "Financial income (expenses) from operating activities". The effect of these contributions in income statement is neutralized by reversals of provisions recognized in each of the items mentioned above. Other elements of the change in post-employment benefit plans are recorded in "Employee expenses" or "Other operating income (expenses) from investing activities", with the exception of the accretion of obligations and normative return on assets that are recognized under "Financial income (expenses) from investing activities" or "Financial income (expenses) from operating activities". Administrative costs are recorded in "Employee expenses" or "Other operating income (expenses) from investing activities", except for the administrative expenses of the closed deficit plans with compulsory funding that are recorded under "Other operating income (expenses) from operational activities".

Plan amendments, reductions and liquidations are immediately recognised in profit or loss. Actuarial differences and caps relating to post-employment benefit plan assets are fully recognised in shareholders' equity, net of asset management fees, without reclassification to profit or loss in a subsequent period.

Defined contribution plans

The group participates, in accordance with the regulations and corporate practices of each country, in the creation of retirement reserves for its staff, paying contributions on a mandatory or voluntary basis to external bodies such as pension funds, insurance companies or financial institutions.

These plans are defined contribution plans, in other words they do not guarantee the level of benefits paid. These contributions are recorded under "Employee expenses" or "Other operating income (expenses) from investing activities".

Provisions

Provisions are recorded at the reporting date when a group entity has an actual legal or implicit obligation resulting from a past event, when it is probable that an amount will have to be paid out to settle this obligation, and if the amount of the obligation can be determined reliably.

The amount recorded as a provision should be the most accurate estimation of the expenditure required to meet the obligation existing at the reporting date.

Provisions are recognised in profit or loss, apart from provisions for decommissioning and some provisions for rehabilitation, whose counterpart is included in the cost of assets whose construction has created the obligation. This treatment applies in particular to some of Imerys' industrial installations and overburden mineral assets.

Provisions whose settlement is expected within twelve months after the reporting date or whose settlement may occur at any time are not discounted. Provisions whose settlement is expected more than twelve months after the reporting date are discounted.

Changes in discounted provisions resulting from a revision of the amount of the obligation, its calendar or its discount rate are recognised in profit or loss, or for provisions recognised against assets, as an adjustment of the cost of the assets. The discounting is recognised as a debit in Financial income (expenses).

Provisions for restructuring costs are not recorded unless the group has approved a detailed and formal restructuring plan and if the restructuring has either begun or been publicly announced. Costs relating to the group's continuing operations are not taken into account.

Current and non-current liabilities

Non-current liabilities (bank loans and bonds) and current liabilities (bank deposits) are initially recognised in the accounting records at their fair value less, in the case of a financial liability that has not been recorded at fair value through the income statement, the transaction costs that are directly imputed to the acquisition or release of the financial liability.

After initial recording, they are valued at their amortised cost (initial amount less repayments of principal plus or minus the accumulated amortisation of any difference between the initial amount and the value at maturity).

The exchangeable and convertible bonds issued by the group are considered as hybrid instruments. At the date of issue, the fair value of the bond component is estimated based on the prevailing market interest rate for similar non-exchangeable or non-convertible bonds. The difference between the proceeds of issuance of the exchangeable or convertible bond and the fair value assigned to the bond component, representing the embedded option to exchange the bonds for shares, is included, depending on the option's maturity, in the heading "Other current liabilities" or "Other non-current liabilities". The interest cost of the bond component is calculated by applying the prevailing interest market rate.

Trade payables and other liabilities are measured at amortised cost.

Derivative financial instruments

The group's consolidated operating companies use derivatives to reduce their exposure to various risks, in particular foreign exchange, interest rate and energy price risks. The purpose of these instruments is to hedge the economic risks to which they are exposed. Financial instruments are recognised at the transaction date, i.e. the date the hedge accounting contract is entered into. However, only those that fulfil the hedge accounting criteria laid down in IAS 39 *Financial Instruments* are given the accounting treatments described hereafter are given the accounting treatments described hereafter.

Changes in the fair value of financial instruments that do not qualify for hedge accounting are immediately recognised in profit or loss.

All transactions qualified as hedge accounting are documented by reference to the hedging strategy by identifying the hedged risk, the hedged item, the hedging instrument, the hedging relationship a nd the measurement method of the hedge relationship effectiveness. The measurement of the hedge relationship effectiveness is updated at every reporting date. Derivatives are measured at fair value on initial recognition. Fair value is subsequently remeasured at every reporting date by reference to market conditions.

Derivatives recorded as assets or liabilities are classified in the headings "Other non-current assets and liabilities" and "Other current assets and liabilities" depending on their maturity date and that of the underlying transactions. The recognition of hedging derivatives varies depending on whether they are designated as fair value hedges, cash flow hedges or hedges of net investments in foreign entities.

GBL also uses derivative instruments. It can carry out transactions using call or put options. These transactions are implemented with reference to thorough documentation and are monitored periodically and managed dynamically, as necessary.

Consolidated operating companies use different types of derivative financial instruments in various hedging strategies, as described below.

Fair value hedge

When changes in fair value of a recognised asset or liability or an unrecognised firm commitment may affect income, these changes may be covered by a fair value hedge. The hedged item and the hedging instrument are remeasured symmetrically in profit or loss at every reporting date. The impact in profit or loss is limited to the ineffective portion of the hedge.

Cash flow hedge

A cash flow hedge is used to cover unfavourable cash flow changes related to a recognised asset or liability or a highly likely future transaction when such changes are likely to affect profit or loss. At every reporting date, the effective share of the hedge is recognised in shareholders' equity and the ineffective portion in profit or loss. When the transaction is recognised, the effective portion in equity is reclassified as profit or loss simultaneously with the recognition of the hedged item.

Hedge of net investments in foreign operations

Foreign currency translation adjustments generated by net assets held by the group's consolidated operating companies in foreign currencies can be hedged. At every reporting date, the effective share of the hedge is recognised in shareholders' equity and the ineffective portion in profit or loss. The effective portion in shareholder's equity is only reclassified as profit or loss in the case of loss of control over a consolidated activity or reduction of an interest in an activity under significant influence.

Items denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies in the accounting records of group companies are translated into euro using the exchange rates of the last day of the financial year. Unrealised differences on translation resulting from the application of this methodology are recorded as gains or losses of the financial year.

Non-monetary assets and liabilities are recorded using the exchange rates applicable on the date of the transaction.

In the consolidated financial statements, the group's foreign assets and liabilities are converted at the closing rate. Items of income and expenses denominated in foreign currencies are converted into euro at the average exchange rate for the year. Foreign currency translation adjustments reflecting the difference between the average rate and the rate on the last day of the year, are recognised in shareholders' equity under "Foreign currency translation adjustments". These foreign currency translation adjustments are recorded in profit or loss when the group disposes of the entity concerned.

Interest

Interest income and expenses include interest to be paid on loans and interest to be received on investments. Interest income received is recorded prorata temporis in the consolidated statement of comprehensive income, taking into account the effective interest rate on the investment.

Dividends

Dividends relating to available-for-sale investments or trading securities are booked on the date on which their distribution is decided upon. The amount of withholding tax is recorded as a deduction of gross dividends.

Changes in accounting policies, errors and changes in accounting estimates/judgements

A change in the accounting policies is only applied to meet the requirements of a standard or an interpretation, or if it gives more reliable and more relevant information. Changes in accounting policies are recognised retrospectively, except when specific transitional provisions are stated in a standard or an interpretation. When an error is detected, it is also retrospectively adjusted.

Uncertainties inherent to the business require estimates to be made when preparing the financial statements. These estimates result from judgements aiming at providing a true and fair view based upon available and reliable information. An estimate is revised to reflect changes in circumstances, new information available and effects linked to experience.

When such estimates are established, they are explained in the notes on the items to which they relate. The principal estimates are as follows:

- the valuation of the assets and liabilities of an acquired business (section 'Scope of consolidation, associates and changes in group structure');
- the principal assumptions related to goodwill impairment testing (Note 10);
- an estimate of the useful life of intangible assets with limited life (Note 9) and property, plant and equipment (Note 11);
- assessment, as part of the recognition and measurement of provisions, of the probability of settlement and amount of the obligation, of the expected timing of future payments and of discount rates (Note 20); and
- actuarial assumptions for defined benefit plans (Note 21).

Ontex, Umicore and SGS

GBL analysed the accounting treatment to be applied to the investment in Ontex, Umicore and SGS and particularly the classification in (i) investments in associates (IAS 28), with the recognition of GBL's share in the profit or loss and shareholders' equity of Ontex, Umicore and SGS or in (ii) available-for-sale assets (IAS 39), with the recognition of the investment at its fair value and the recognition of the dividend through profit or loss.

In accordance with IAS 28, it is assumed that a group does not exercise significant influence if the percentage holding is less than 20.00%, unless it can be clearly demonstrated. According to this standard, significant influence is usually demonstrated in the case of (i) representation on the Board of Directors, (ii) participation in policy-making processes, (iii) material transactions between the investor and the company owned, (iv) the exchanging of management personnel or (v) the supplying of critical technical information.

At 31 December 2017, those three investments are held respectively at 19.98%, 17.01% and 16.60%. The representation on the Board of Directors of those companies is not sufficient to demonstrate the existence of significant influence. Moreover, representation on the Boards of Directors is limited to the mandates of the Directors and does not come from a contractual or legal right but from a resolution at General Shareholders' Meeting.

Taking these different factors into account, GBL has entered into the accounting treatment of its investments in Ontex, Umicore and SGS as available-for-sale financial assets at 31 December 2017.

Exchange rates used

	2017	2016
Closing rate		
US Dollar	**1.20**	**1.05**
Swiss franc	**1.17**	**1.07**
Average rate		
US Dollar	**1.13**	**1.11**

Presentation of the consolidated financial statements

The consolidated statement of comprehensive income separately presents:

- **Investing activities**
  Components of income resulting from investing activities, which includes the operations of GBL and of its subsidiaries whose main purpose is investment management. This includes Sienna Capital as well as the profit (loss) of operating associates (Parques Reunidos) and non-consolidated operating companies (SGS, Pernod Ricard, adidas, LafargeHolcim, Umicore, Burberry, Total, Ontex, …); and
- **Consolidated operating activities**
  Components of income from consolidated operating activities, i.e. from consolidated operating companies (Imerys as well as the sub-groups ELITech, Benito, Sausalitos, Looping, DIH, Keesing, ...).

Scope of consolidation, associates and changes in group structure

Fully consolidated subsidiaries

Name	Registered office	Interest and voting rights (in %) 2017	2016	Main activity
Belgian Securities B.V.	Amsterdam	**100.0**	100.0	Holding
Brussels Securities S.A.	Brussels	**100.0**	100.0	Holding
GBL Finance & Treasury S.A.	Brussels	**100.0**	100.0	Holding
Sagerpar S.A.	Brussels	**100.0**	100.0	Holding
GBL Participations S.A.	Brussels	**100.0**	100.0	Holding
Brussels Advisors S.A.	Brussels	**100.0**	-	Holding
URDAC S.A.	Brussels	**100.0**	100.0	Holding
FINPAR S.A.	Brussels	**100.0**	100.0	Holding
FINPAR II S.A.	Brussels	**100.0**	-	Holding
LTI One S.A.	Isnes	**100.0**	100.0	Holding
LTI Two S.A.	Isnes	**100.0**	100.0	Holding
GBL Verwaltung GmbH (in liquidation)	Gütersloh	**-**	100.0	Holding
GBL Verwaltung S.A.	Luxembourg	**100.0**	100.0	Holding
GBL Energy S.à r.l.	Luxembourg	**100.0**	100.0	Holding
GBL R S.à r.l.	Luxembourg	**100.0**	100.0	Holding
Serena S.à r.l.	Luxembourg	**100.0**	100.0	Holding
GBL Finance S.à.r.l.	Luxembourg	**100.0**	100.0	Holding
Eliott Capital S.à.r.l.	Luxembourg	**100.0**	100.0	Holding
Miles Capital S.à.r..l.	Luxembourg	**100.0**	-	Holding
Oliver Capital S.à.r.l.	Luxembourg	**100.0**	-	Holding
GBL Investments Limited	Dublin	**100.0**	100.0	Holding
Imerys S.A. (and subsidiaries)	Paris	**53.8**	53.9	Operational
Sienna Capital S.à r.l.	Luxembourg	**100.0**	100.0	Sienna Capital
Sienna Capital International Ltd	London	**100.0**	100.0	Sienna Capital
Ergon Capital Partners III S.A.	Brussels	**89.9**	89.9	Sienna Capital
E.V.E. S.A. (in liquidation)	Luxembourg	**100.0**	100.0	Holding
EVONG S.A.	Luxembourg	**-**	74.3	Holding
ELITech Group S.A.S. (and subsidiaries)	Puteaux	**-**	64.4	Operational
Publihold S.A.	Brussels	**-**	100.0	Holding
E.V.U. S.A.	Luxembourg	**100.0**	100.0	Holding
Urbe Group S.A.	Luxembourg	**100.0**	100.0	Holding
Benito Artis S.L. (and subsidiaries)	Barcelona	**99.1**	98.3	Operational
Egerton S.A.	Luxembourg	**98.2**	98.2	Holding
E.V.S. S.A.	Luxembourg	**96.2**	96.2	Holding
Frisco Bay Holding GmbH (group Sausalitos and subsidiaries)	Munich	**85.0**	77.2	Operational
E.V.G. S.A.	Luxembourg	**-**	84.5	Holding
G.G.D.B. Holding S.p.A.	Milan	**-**	65.3	Holding
Golden Goose S.p.A. (and subsidiaries)	Milan	**-**	86.7	Operational
E.V.R. S.A.	Luxembourg	**78.6**	78.6	Holding
Ride Holding S.A.S.	Saint-Malo	**45.5**	51.1	Holding
Financière Looping Holding S.A.S. (and subsidiaries)	Saint-Malo	**100.0**	100.0	Operational
E.V.C. S.A.	Luxembourg	**82.7**	86.6	Holding
Care Holding Luxembourg S.à.r.l.	Luxembourg	**60.8**	65.8	Holding
Care Holding Germany B.V. (group DIH and subsidiaries)	Amsterdam	**100.0**	100.0	Operational
E.V.P. S.A.	Luxembourg	**95.4**	-	Holding
Puzzle Holding B.V. (group Keesing and subsidiaries)	Amsterdam	**60.0**	-	Operational

The percentage of voting rights is identical to the percentage interest, with the exception of Imerys, for which the voting rights are 67.5%. An incentive plan has also been granted to the management of Ergon Capital Partners III ("ECP III"), covering 16.7% of the shares.

Associates

Percentage (in %)		Kartesia Management S.A.	Kartesia Credit Opportunities III S.C.A.	Kartesia Credit Opportunities IV S.C.S.	Parques Reunidos Servicios Centrales, S.A.	Backed 1 LP	Ergon Capital Partners S.A.	Ergon Capital Partners II S.A.	IPE S.R.L., subsidiary of ECP III	Mérieux Participations 2 S.A.S.
Office		**Luxembourg**	**Luxembourg**	**Luxembourg**	**Madrid**	**Jersey**	**Brussels**	**Brussels**	**Bologna**	**Lyon**
Activity		**Sienna Capital**	**Sienna Capital**	**Sienna Capital**	**Leisure parks**	**Sienna Capital**	**Sienna Capital**	**Sienna Capital**	**Home furnishing**	**Sienna Capital**
2017	**Ownership**	**22.2**	**29.6**	**17.2**	**21.2**	**48.6**	**50.0**	**42.4**	**65.6**	**37.8**
2016	Ownership	22.2	29.6	-	-	-	50.0	42.4	65.6	37.8

The percentage of voting rights is identical to the percentage interest.

In the rest of the notes, Ergon Capital Partners and Ergon Capital Partners II have been referred to together under the name “ECP I & II”, while the name “ECP” refers to these two companies referred to above and Ergon Capital Partners III. Similarly, the Kartesia entities will be referred to as “Kartesia”.

The group has analysed the accounting treatment to be applied to the recognition of its investment in I.P.E. S.R.L (Visionnaire group) and has concluded that it only has a significant influence despite its 65.6% interest, based on the existence of a shareholders’ agreement. The group has also concluded that it has a significant influence on Kartesia Credit Opportunities IV S.C.S., despite its ownership lower than 20.0%.

Lastly, GBL holds a 26.9% stake in the Sagard 3 fund and has determined that it has no significant influence over this investment. Sagard 3 was therefore reclassified as an available-for-sale investment and is measured at fair value at each reporting date.

Changes in group structure

Companies entering the group structure

In July 2017, Imerys acquired from the investment fund Astorg Partners 100.00% of the voting rights of the French group Kerneos, the world leader in calcium aluminate-based high-performance binders. The purchase price amounts to EUR 206 million. The fair value measurement of most identifiable assets and liabilities at the date of the acquisition of control was entrusted to independent experts. At 31 December 2017, intangible assets and provisions for employee benefits were re-estimated, while other assets and liabilities of the business were temporarily held at historical values pending the results of purchase price allocation. Provisional goodwill therefore amounted to an amount of EUR 441 million at 31 December 2017. Since its acquisition, the Kerneos Group has generated a contribution of EUR 196 million to turnover and of EUR 1 million to net income for the year (group share). If the acquisition had been completed on 1 January 2017, the contribution to turnover would have been EUR 445 million and EUR - 2 million to the net result (group share).

In September 2017, ECP III acquired a majority stake (60.00%) in Keesing Media Group (« Keesing »), the leading European publisher of games and puzzle magazines, from Telegraaf Media Group. The acquisition price amounts to EUR 84 million. The preliminary goodwill generated by this transaction is EUR 83 million. This acquisition contributed EUR - 1 million (group’s share) to the group’s net income for the financial year.

The assets and liabilities of the various acquisitions in 2017 as well as the net cash flow are detailed as follows:

In EUR million	Kerneos	Keesing	Other	Total
Non-current assets	1,104.7	89.3	72.4	1,266.4
Current assets	204.2	24.8	61.8	290.8
Non-current liabilities	1,447.3	89.4	23.6	1,560.3
Current liabilities	96.5	23.2	41.1	160.8
Net asset	**(234.9)**	**1.5**	**69.5**	**(163.9)**
Goodwill	441.0	82.7	113.6	637.3
Badwill	-	-	(4.1)	(4.1)
Purchase price	206.1	84.2	179.0	469.3
Of which *cash payment*	*206.1*	*84.2*	*177.5*	*467.8*
Of which *deferred payment*	-	-	*1.5*	*1.5*
Acquired cash and cash equivalents	17.3	4.9	12.6	34.8
Net cash outflow	188.8	79.3	164.9	433.0

On 12 April 2017, GBL announced the acquisition of a 15.0% stake in Parques Reunidos Servicios Centrales, S.A. During the fourth quarter of 2017, GBL crossed the 20.0% threshold and owns at 31 December 2017, 21.2% of the capital. GBL has concluded that it has significant influence and has therefore accounted for this investment according to the equity method since the end of 2017. The provisional goodwill amounts to EUR 10 million (see Note 2).

Companies leaving the group structure

In February 2017, Ergon Capital Partners III concluded an agreement relating to the sale of its majority stake in Golden Goose, an Italian designer of contemporary footwear, clothing and accessories. The net consolidated capital gain on disposal amounts to EUR 112 million (group’s share). The net cash inflow of this transaction amounts to EUR 147 million.

In July 2017, ECP III sold to PAI Partners its majority stake in ELITech, a manufacturer of specialty in-vitro diagnostics equipment and reagents. This transaction generated a net consolidated capital gain on disposal of EUR 104 million (GBL’s share). The net cash inflow of this transaction amounts to EUR 128 million.

Lastly, the group made other insignificant disposals in 2017. These disposals generated a net cash inflow of EUR 7 million.

Notes

For consistency purposes, the notes to the consolidated financial statements are grouped based on the nature of the items and not in the order they are presented in the consolidated balance sheet and consolidated statement of comprehensive income. This arrangement is meant to facilitate the analysis of all the factors of the same kind affecting the assets and liabilities in the financial statements.

1. Segment information

IFRS 8 Operating Segments requires that segments be identified based on internal reports which are regularly presented to the main operating decision-maker for the purpose of managing the allocation of resources to the segments and assessing their performance.

In conformity with IFRS 8, the group has identified three segments:

- **Holding:** comprising 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 Materials; and 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 LP, BDT Capital Partners II, Kartesia Credit Opportunities III and IV and Mérieux Participations I and 2 and, on the other, under consolidated operating activities, the operating subsidiaries of ECP III (sub-groups ELITech, Benito, Sausalitos, Looping, DIH, Keesing, etc.).

The results of a segment, its assets and its liabilities include all the items directly attributable to it. The accounting standards applied to these segments are the same as those described in the section entitled “Accounting Policies”.

1.1. Segment information - Consolidated income statement

For the period ended 31 December 2017

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates	-	-	23.9	23.9
Net dividends from investments	340.7	-	-	340.7
Other operating income (expenses) from investing activities	(41.0)	-	(18.4)	(59.4)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities	7.7	-	238.0	245.7
Financial income (expenses) from investing activities	(15.4)	-	(2.0)	(17.4)
Profit (loss) from investing activities	**292.0**	**-**	**241.5**	**533.5**
Turnover	-	4,598.4	327.3	4,925.7
Raw materials and consumables	-	(1,429.8)	(82.8)	(1,512.6)
Employee expenses	-	(987.5)	(134.2)	(1,121.7)
Depreciation/amortisation of property, plant, equipment and intangible assets	-	(266.2)	(28.2)	(294.4)
Other operating income (expenses) from operating activities	-	(1,314.8)	(71.3)	(1,386.1)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	-	(5.6)	(1.0)	(6.6)
Financial income (expenses) from operating activities	-	(79.2)	(18.8)	(98.0)
Profit (loss) from consolidated operating activities	**-**	**515.3**	**(9.0)**	**506.3**
Income taxes	**-**	**(146.2)**	**(2.5)**	**(148.7)**
Consolidated profit (loss) for the year	**292.0**	**369.1**	**230.0**	**891.1**
Attributable to the owners of the Company	**292.0**	**199.8**	**213.6**	**705.4**

Information by segment on other items of profit or loss is mentioned below:

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates and joint ventures	-	5.9	26.8	**32.7**
Depreciation/amortisation of property, plant, equipment and intangible assets	(3.0)	(266.2)	(28.2)	**(297.4)**
Impairment of non-current assets	(0.4)	(13.9)	(4.2)	**(18.5)**

For the period ended 31 December 2016

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates	-	-	24.2	24.2
Net dividends from investments	338.4	-	-	338.4
Other operating income (expenses) from investing activities	(30.3)	-	(17.9)	(48.2)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities	(1,037.9)	-	69.9	(968.0)
Financial income (expenses) from investing activities	49.1	-	(11.6)	37.5
Profit (loss) from investing activities	**(680.7)**	**-**	**64.6**	**(616.1)**
Turnover	-	4,165.2	366.5	4.531.7
Raw materials and consumables	-	(1,303.3)	(130.9)	(1,434.2)
Employee expenses	-	(898.6)	(83.6)	(982.2)
Depreciation/amortisation of property, plant, equipment and intangible assets	-	(232.7)	(29.1)	(261.8)
Other operating income (expenses) from operating activities	-	(1,213.4)	(86.1)	(1,299.5)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	-	(25.2)	-	(25.2)
Financial income (expenses) from operating activities	-	(55.1)	(18.8)	(73.9)
Profit (loss) from consolidated operating activities	**-**	**436.9**	**18.0**	**454.9**
Income taxes	**(0.1)**	**(142.2)**	**(7.4)**	**(149.7)**
Consolidated profit (loss) for the year	**(680.8)**	**294.7**	**75.2**	**(310.9)**
Attributable to the owners of the Company	(680.8)	159.6	63.5	(457.7)

Information by segment on other items of profit or loss is mentioned below:

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates and joint ventures	-	1.6	27.0	**28.6**
Depreciation/amortisation of property, plant, equipment and intangible assets	(2.1)	(232.7)	(29.1)	**(263.9)**
Impairment of non-current assets	(1,746.3)	(24.2)	(1.7)	**(1,772.2)**

1.2. Segment information - consolidated balance sheet

Consolidated balance sheet at 31 december 2017

In EUR million	Holding	Imerys	Sienna Capital	Total
Non-current assets	**14,528.2**	**5,251.5**	**1,318.8**	**21,098.5**
Intangible assets	-	305.5	177.6	483.1
Goodwill	-	2,135.5	263.1	2,398.6
Property, plant and equipment	9.3	2,488.6	123.7	2,621.6
Investments	14,518.9	127.5	743.9	15,390.3
Investments in associates	*238.0*	*115.5*	*251.7*	*605.2*
Available-for-sale investments	*14,280.9*	*12.0*	*492.2*	*14,785.1*
Other non-current assets	-	108.9	7.2	116.1
Deferred tax assets	-	85.5	3.3	88.8
Current assets	**599.9**	**2,216.5**	**143.7**	**2,960.1**
Inventories	-	840.2	12.5	852.7
Trade receivables	0.2	676.1	51.7	728.0
Trading financial assets	485.1	6.6	32.6	524.3
Cash and cash equivalents	81.5	382.0	28.4	491.9
Other current assets	33.1	311.6	18.5	363.2
Total assets	**15,128.1**	**7,468.0**	**1,462.5**	**24,058.6**
Non-current liabilities	**564.6**	**2,859.8**	**349.5**	**3,773.9**
Financial liabilities	552.8	1,986.3	295.8	2,834.9
Provisions	0.6	394.6	1.6	396.8
Pensions and post-employment benefits	3.5	321.3	2.5	327.3
Other non-current liabilities	7.7	22.9	3.5	34.1
Deferred tax liabilities	-	134.7	46.1	180.8
Current liabilities	**492.1**	**1,730.0**	**126.2**	**2,348.3**
Financial liabilities	443.3	667.9	41.5	1,152.7
Trade payables	3.0	510.9	26.1	540.0
Provisions	4.1	27.1	4.0	35.2
Tax liabilities	4.1	100.9	2.3	107.3
Other current liabilities	37.6	423.2	52.3	513.1
Total liabilities	**1,056.7**	**4,589.8**	**475.7**	**6,122.2**

All the assets and liabilities are allocated to the various segments.

Capital expenditure (property, plant and equipment and intangible assets) by segment is shown in the following table:

In EUR million	Holding	Imerys	Sienna Capital	Total
Capital expenditure	0.2	339.1	21.1	360.4

Consolidated balance sheet at 31 December 2016

In EUR million	Holding	Imerys	Sienna Capital	Total
Non-current assets	**12,413.0**	**4,343.3**	**1,189.0**	**17,945.3**
Intangible assets	-	81.6	206.8	288.4
Goodwill	-	1,674.7	254.0	1,928.7
Property, plant and equipment	12.1	2,271.9	108.5	2,392.5
Investments	12,400.9	130.6	606.0	13,137.5
Investments in associates	-	*122.5*	*238.0*	*360.5*
Available-for-sale investments	*12,400.9*	*8.1*	*368.0*	*12,777.0*
Other non-current assets	-	90.2	9.4	99.6
Deferred tax assets	-	94.3	4.3	98.6
Current assets	**1,273.9**	**2,389.1**	**264.5**	**3,927.5**
Inventories	-	712.5	36.7	749.2
Trade receivables	0.1	608.1	76.9	685.1
Trading financial assets	1,019.5	4.0	-	1,023.5
Cash and cash equivalents	212.5	809.6	64.0	1,086.1
Other current assets	41.8	254.9	86.9	383.6
Total assets	**13,686.9**	**6,732.4**	**1,453.5**	**21,872.8**
Non-current liabilities	**507.6**	**2,356.7**	**362.2**	**3,226.5**
Financial liabilities	477.4	1,601.7	304.4	2,383.5
Provisions	0.5	343.8	1.5	345.8
Pensions and post-employment benefits	4.7	295.4	4.4	304.5
Other non-current liabilities	16.4	43.1	3.6	63.1
Deferred tax liabilities	8.6	72.7	48.3	129.6
Current liabilities	**695.4**	**1,461.5**	**115.2**	**2,272.1**
Financial liabilities	655.8	595.4	19.0	1,270.2
Trade payables	2.1	422.7	58.5	483.3
Provisions	-	22.6	1.0	23.6
Tax liabilities	7.6	79.1	17.9	104.6
Other current liabilities	29.9	341.7	18.8	390.4
Total liabilities	**1,203.0**	**3,818.2**	**477.4**	**5,498.6**

All the assets and liabilities are allocated to the various segments.

Capital expenditure (property, plant and equipment and intangible assets) by segment is shown in the following table:

In EUR million	Holding	Imerys	Sienna Capital	Total
Capital expenditure	0.2	278.7	22.3	301.2

The breakdown of the group's non-current assets by geographic region is as follows:

In EUR millions	2017	2016
Non-current assets (1)		
Belgium	114.0	102.8
Other European countries	3,505.7	2,543.5
North America	1,047.7	1,209.3
Other	835.9	754.0
Total	**5,503.3**	**4,609.6**

(1) Intangible assets, property, plant and equipment and goodwill

2. Associates

2.1. Share of profit (loss)

Dividends received from equity-accounted entities have been eliminated and replaced by GBL's share of their profit or loss.

Dividends received

In EUR million	2017	2016
ECP II	-	18.2
Mérieux Participations 2	0.1	-
Other (Imerys)	5.8	5.6
Total	**5.9**	**23.8**

Profit (loss) of associates (GBL's share)

In EUR million	2017	2016
ECP I & II	(7.7)	(0.6)
Kartesia	24.2	22.2
Mérieux Participations 2	7.4	2.6
Share of profit (loss) of associates – investing activities	**23.9**	**24.2**
Associates related to consolidated operating activities (shown under "Other operating income (expenses)")	**8.8**	**4.4**
Total	**32.7**	**28.6**

2017

ECP I & II

The contribution of ECP I & II to the net result of GBL amounts to EUR - 8 million in 2017 and mainly includes an impairment on one investment held by one of these funds for EUR 5 millions (GBL's share).

Kartesia

The contribution of Kartesia in 2017 includes, on the on hand, interests on loans of EUR 24 million (GBL's share) and, on the other hand, gains on the revaluation to fair value of the loan portfolio of EUR 6 million (GBL's share), after deduction of incurred expenses of EUR - 6 million (GBL's share).

Mérieux Participations 2

The contribution of Mérieux Participations 2 in 2017 mainly includes gains on the revaluation to fair value of the share portfolio of EUR 9 million (GBL's share).

2016

ECP I & II

The contribution of ECP I & II is not significant in 2016.

Kartesia

The contribution of Kartesia in 2016 includes, on the on hand, interests on loans of EUR 9 million (GBL's share) and, on the other hand, gains on the revaluation to fair value of the loan portfolio of EUR 12 million (GBL's share).

Mérieux Participations 2

The contribution of Mérieux Participations 2 is not significant in 2016.

2.2. Value of investments (equity method)

In EUR million	Parques Reunidos	ECP I & II	Kartesia	Mérieux Participations 2	I.P.E.	Other	Total
At 31 December 2015	**-**	**42.6**	**116.1**	**8.6**	**36.4**	**126.2**	**329.9**
Investment	-	(4.6)	15.7	13.3	-	(4.4)	20.0
Profit (loss) for the year	-	(0.6)	22.2	2.6	2.8	1.6	28.6
Distribution	-	(18.2)	-	-	-	(5.6)	(23.8)
Other	-	-	1.1	-	-	4.7	5.8
At 31 December 2016	**-**	**19.2**	**155.1**	**24.5**	**39.2**	**122.5**	**360.5**
Investment	2.3	-	(22.0)	8.5	-	7.8	(3.4)
Profit (loss) for the year	-	(7.7)	24.2	7.4	2.9	5.9	32.7
Distribution	-	-	-	(0.1)	-	(5.8)	(5.9)
Transfer from available-for-sale investments	235.7	-	-	-	-	-	235.7
Other	-	-	(8.0)	-	-	(6.4)	(14.4)
At 31 December 2017	**238.0**	**11.5**	**149.3**	**40.3**	**42.1**	**124.0**	**605.2**
Of which: Holding	238.0	-	-	-	-	-	238.0
Imerys	-	-	-	-	-	115.5	115.5
Sienna Capital	-	11.5	149.3	40.3	42.1	8.5	251.7

On 12 April 2017, GBL announced the acquisition of a 15.0% participation in the capital of Parques Reunidos Servicios Centrales, S.A. On 25 April 2017, Parques Reunidos co-opted a representative of GBL in the Board of Directors. During the fourth quarter of 2017, GBL crossed the 20.0% treshold and holds 21.2% of the capital at 31 December 2017. GBL has concluded that it has significant influence and has therefore accounted for this investment according to the equity method since the end of 2017. The provisional goodwill that results from the difference between the share of the acquired net asset of Parques Reunidos at 31 December 2017 and the financial asset valued at fair value when the significant influence has been demonstrated (in accordance with group's accounting policies) amounts to EUR 10 million.

The market value of the investment in Parques Reunidos at 31 December 2017 stood at EUR 254 million. The other equity-accounted entities are not listed.

2.3. Other information on investments in equity-accounted entities

Aggregated financial information of the main equity-accounted entities

The tables below present a summary of the financial information regarding Kartesia Credit Opportunities III S.C.A., Kartesia Credit Opportunities IV S.C.S. and Parques Reunidos Servicios Centrales, S.A., significant associate entities in 2017 and the other smaller associate entities. This summary represents the amounts included in the companies' financial statements prepared in accordance with IFRS.

In EUR million	Kartesia Credit Opportunities III S.C.A.	Kartesia Credit Opportunities IV S.C.S.	Parques Reunidos (1)	Other associated companies	Total
At 31 December 2017					
Non-current assets	435.9	288.2	1,893.4	533.9	3,151.4
Current assets	107.3	17.2	150.6	135.8	410.9
Non-current liabilities	91.0	208.8	810.9	204.4	1,315.1
Current liabilities	1.6	3.9	156.8	86.9	249.2
Non-controlling interests	-	-	0.5	1.0	1.5
Shareholder's equity (group's share)	**450.6**	**92.7**	**1,075.8**	**377.4**	**1,996.5**
Ownership interest in capital	29.6 %	17.2%	21.2%	n.r.	n.r.
Share in equity	133.4	15.9	228.0	213.4	590.7
Goodwill	-	-	10.0	4.5	14.5
Carrying amount per 31 December 2017	**133.4**	**15.9**	**238.0**	**217.9**	**605.2**
Turnover	-	-	68.7	434.6	503.3
Result from continuing operations	70.2	19.3	(30.4)	23.5	82.6
Net result of the year (including non-controlling interests)	**70.2**	**19.3**	**(30.4)**	**23.5**	**82.6**
Net result of the year (group's share)	**70.2**	**19.3**	**(30.4)**	**12.3**	**71.4**
Other comprehensive income (loss)	**-**	**-**	**(2.6)**	**-**	**(2.6)**
Total comprehensive income (loss) for the year	**70.2**	**19.3**	**(33.0)**	**23.5**	**80.0**
Dividends received during the period	-	-	3.0 (2)	5.9	8.9
Share of the group in the profit (loss) for the year	**20.7**	**3.3**	-	**8.7**	**32.7**

In EUR million	Kartesia Credit Opportunities III S.C.A.	Other associated companies	Total
At 31 December 2016			
Non-current assets	522.2	494.9	1,017.1
Current assets	41.9	145.6	187.5
Non-current liabilities	38.1	213.0	251.1
Current liabilities	1.1	97.3	98.4
Non-controlling interests	-	0.5	0.5
Shareholder's equity (group's share)	**524.9**	**329.7**	**854.6**
Ownership interest in capital	29.6%	n.r.	n.r.
Share in equity	155.1	200.7	355.8
Goodwill	-	4.7	4.7
Carrying amount per 31 December 2016	**155.1**	**205.4**	**360.5**
Turnover	-	405.6	405.6
Result from continuing operations	75.5	13.3	88.8
Net result of the year (including non-controlling interests)	**75.5**	**13.3**	**88.8**
Net result of the year (group's share)	**75.5**	**10.7**	**86.2**
Other comprehensive income (loss)	**-**	**-**	**-**
Total comprehensive income (loss) for the year	**75.5**	**13.3**	**88.8**
Dividends received during the period	-	23.8	23.8
Share of the group in the profit (loss) for the year	**22.3**	**6.3**	**28.6**

(1) Amounts for Parques Reunidos, at 31 December 2017 relate to a three-month period
(2) Dividend paid on 19 July 2017, when Parques Reunidos was still accounted for as an available-for-sale investment

3. LafargeHolcim, SGS, adidas, Pernod Ricard and other available-for-sale investments

3.1. Net dividends

In EUR million	2017	2016
LafargeHolcim	**107.0**	77.9
SGS	**82.8**	72.9
Pernod Ricard	**40.2**	37.4
Total	**35.1**	49.1
adidas	**26.7**	18.8
Umicore	**25.7**	24.8
Ontex	**9.0**	5.2
Burberry	**8.9**	5.8
Parques Reunidos	**3.0**	-
GEA	**2.2**	-
ENGIE	**0.1**	46.5
Total	**340.7**	**338.4**

In 2017, GBL recorded EUR 341 million in dividends (EUR 338 million in 2016).

This increase mainly comes from the dividends of LafargeHolcim and SGS as well as from the rise of dividends coming from adidas, Burberry, Ontex, Parques Reunidos and GEA following the acquisitions that were carried out. This effect is only partially offset by the disposals of Total and ENGIE.

3.2. Gains (losses) on disposals and impairment losses (reversals) on available-for-sale investments

In EUR million	2017	2016
Impairment losses on available-for-sale securities	**(2.1)**	(1,747.7)
ENGIE	**-**	(61.9)
LafargeHolcim	**-**	(1,682.5)
Sienna Capital	**(1.7)**	(1.4)
Other	**(0.4)**	(1.9)
Gains (losses) on available-for-sale securities	**9.0**	736.7
Total	**-**	732.0
ENGIE	**1.2**	(11.2)
Sienna Capital	**0.9**	15.8
Other	**6.9**	0.1
Total cost related to the repurchase of bonds exchangeable into ENGIE shares	**-**	(12.5)
Total	**6.9**	**(1,023.5)**

Impairment losses on available-for-sale securities

In 2017, the impairment losses on available-for-sale securities are not significant.
At 31 December 2016, this item included mainly:

- an impairment of EUR 1,682 million recorded on the investment in LafargeHolcim, adjusting the book value of these securities (EUR 66.49 per share) to their market value on 30 June 2016 (EUR 37.10 per share) ; and
- an additional impairment of EUR 62 million, recorded on the investment in ENGIE during the first and fourth quarter of 2016, adjusting the book value of these securities (EUR 14.44 per share at the end of December 2015 and EUR 13.64 per share at the end of March 2016) to their market value on 31 March 2016 and 31 December 2016 (EUR 13.64 per share and EUR 12.12 per share respectively).

Gains (losses) on available-for-sale securities

In 2017, the gains (losses) on available-for-sale securities are not significant.
At 31 December 2016, this item included the result of the disposal of 1.8% of Total for EUR 732 million as well as the consolidated capital gain on the disposal of FläktWoods by Sagard II (EUR 12 million) and the consolidated capital loss on the disposal of 1.8% of Engie for EUR 11 million.

Total cost related to the repurchase of bonds exchangeable into ENGIE shares

During the year 2016, GBL repurchased 6,910 bonds exchangeable into ENGIE shares for a nominal value of EUR 691 million. The total cost of these repurchases (including banking fees) amounted to EUR 13 million.

3.3. Fair value and changes

The investments in listed companies are valued on the basis of the share price at the reporting date.

Shares in “Funds”, namely Sagard, Sagard II and Sagard 3, PrimeStone, BDT Capital Partners II and Mérieux Participations I are revalued at their fair value, determined by the managers of the funds based on their investment portfolio.

Changes in the fair value of investments are recognised in the revaluation reserves (see Note 3.4.).

In EUR million	Lafarge-Holcim	SGS	adidas	Pernod Ricard	Umicore	Total	Ontex	ENGIE	GEA	Parques Reunidos	Burberry	Funds	Other	Total fair value
At 31 December 2015	**2,674.2**	**2,066.9**	**889.9**	**2,092.7**	**720.2**	**2,462.5**	**180.6**	**892.6**	**-**	**-**	**1.6**	**327.7**	**7.2**	**12,316.1**
Funds' profit (loss)	-	-	-	-	-	-	-	-	-	-	-	4.5	-	4.5
Acquisitions	-	169.3	604.9	-	14.4	-	266.9	-	-	-	204.0	82.3	82.1	1,423.9
Disposals/Reimbursements	-	-	-	-	-	(983.6)	-	(942.1)	-	-	(2.0)	(97.5)	-	(2,025.2)
Change in revaluation reserves	1,865.4	208.3	861.2	(44.7)	297.0	(663.8)	(24.9)	(103.1)	-	-	24.7	42.6	2.1	2,464.8
(Impairment losses)/reversals	(1,682.5)	-	-	-	-	-	-	297.4	-	-	-	4.4	(1.5)	(1,382.2)
Other	-	-	-	-	-	(26.0)	-	-	-	-	1.6	-	(0.5)	(24.9)
At 31 December 2016	**2,857.1**	**2,444.5**	**2,356.0**	**2,048.0**	**1,031.6**	**789.1**	**422.6**	**144.8**	**-**	**-**	**229.9**	**364.0**	**89.4**	**12,777.0**
Funds' profit (loss)	-	-	-	-	-	-	-	-	-	-	-	(4.4)	-	(4.4)
Acquisitions	-	-	0.6	-	0.1	0.3	44.1	-	318.8	277.0	295.0	33.6	4.7	974.2
Disposals/Reimbursements	-	-	-	-	-	-	-	(261.3)	-	-	-	(4.1)	(78.0)	(343.4)
Change in revaluation reserves	(164.6)	306.6	266.7	576.9	471.6	(42.9)	(13.0)	0.2	8.8	(41.3)	33.8	103.9	(2.2)	1,504.5
(Impairment losses)/reversals	-	-	-	-	-	-	-	117.7	-	-	-	(1.7)	(1.0)	115.0
Transfer to investments in associates	-	-	-	-	-	-	-	-	-	(235.7)	-	-	-	(235.7)
Other	-	-	-	-	-	(0.5)	-	-	-	-	(1.6)	-	-	(2.1)
At 31 December 2017	**2,692.5**	**2,751.1**	**2,623.3**	**2,624.9**	**1,503.3**	**746.0**	**453.7**	**1.4**	**327.6**	**-**	**557.1**	**491.3**	**12.9**	**14,785.1**
Of which: Holding	2,692.5	2,751.1	2,623.3	2,624.9	1,503.3	746.0	453.7	1.4	327.6	-	557.1	-	-	14,280.9
Imerys	-	-	-	-	-	-	-	-	-	-	-	-	12.0	12.0
Sienna Capital	-	-	-	-	-	-	-	-	-	-	-	491.3	0.9	492.2

3.4. Revaluation reserves

The changes in the fair value of available-for-sale investments (described in section 3.3.) are shown in the table below:

In EUR million	Lafarge-Holcim	SGS	adidas	Pernod Ricard	Umicore	Total	Ontex	ENGIE	GEA	Parques Reunidos	Burberry	Funds	Other	Total
At 31 December 2015	**(1,131.8)**	**56.3**	**231.2**	**1,266.6**	**76.4**	**1,077.5**	**37.0**	**103.1**	**-**	**-**	**-**	**15.7**	**(3.1)**	**1,728.9**
Change resulting from the change in fair value	182.9	208.3	858.2 [1]	(44.5) [1]	295.8 [1]	155.1	(24.8) [1]	(127.8)	-	-	24.7	53.3	0.5	1,581.7
Transfers to profit (loss) (disposal/impairment)	1,682.5	-	-	-	-	(818.9)	-	24.7	-	-	-	(10.7)	1.6	879.2
At 31 December 2016	**733.6**	**264.6**	**1,089.4**	**1,222.1**	**372.2**	**413.7**	**12.2**	**-**	**-**	**-**	**24.7**	**58.3**	**(1.0)**	**4,189.8**
Change resulting from the change in fair value	(164.6)	306.6	270.7 [1]	579.9 [1]	473.1 [1]	(42.9)	(12.9) [1]	0.2	8.8	(41.3)	33.8	103.9	-	1,515.3
Transfers to profit (loss) (disposal/impairment)	-	-	-	-	-	-	-	-	-	-	-	-	(2.2)	(2.2)
Transfers to consolidated reserves [2]	-	-	-	-	-	-	-	-	-	41.3	-	-	-	41.3
At 31 December 2017	**569.0**	**571.2**	**1,360.1**	**1,802.0**	**845.3**	**370.8**	**(0.7)**	**0.2**	**8.8**	-	**58.5**	**162.2**	**(3.2)**	**5,744.2**

(1) Including the tax impact of EUR 3.0 million, EUR 4.0 million, EUR 1.5 million and EUR 0.1 million on respectively Pernod Ricard, adidas, Umicore and Ontex in 2017 and respectively EUR 0.2 million, EUR - 3.0 million, EUR - 1.2 million and EUR 0.1 million on Pernod Ricard, adidas, Umicore and Ontex in 2016
(2) Amount transfered to the consolidated reserves as other comprehensive income

4. Gains on disposals of subsidiaries - investing activities

In EUR millions	2017	2016
Golden Goose	**124.2**	-
ELITech	**116.1**	-
De Boeck	**-**	55.9
Gains on disposals of subsidiaries - investing activities	**240.3**	**55.9**

This caption mainly includes the net capital gains on the sales by ECP III of Golden Goose (EUR 124 million) and ELITech (EUR 116 million). In 2016, this caption included the net capital gain on the sale of De Boeck activities by ECP III (EUR 56 million).

5. Other operating income (expenses) and employee expenses

5.1. Other operating income (expenses)

In EUR million	2017	2016
Miscellaneous goods and services	**(28.3)**	(26.6)
Employee expenses	**(29.2)**	(19.3)
Depreciation and amortisation	**(3.0)**	(2.1)
Other operating expenses	**(0.5)**	(0.9)
Other operating income	**1.6**	0.7
Other operating income (expenses) - investing activities	**(59.4)**	**(48.2)**
Transport costs	**(562.2)**	(501.9)
Subcontracting costs	**(149.3)**	(129.1)
Operating leases	**(102.2)**	(94.4)
Fees	**(122.6)**	(101.7)
Various taxes	**(53.3)**	(52.0)
Other operating expenses	**(461.7)**	(489.3)
Other operating income	**56.4**	64.5
Share of profit (loss) of associates belonging to consolidated operating activities	**8.8**	4.4
Other operating income (expenses) - operating activities	**(1,386.1)**	**(1,299.5)**

Other operating expenses related to operating activities mainly consist of Imerys' maintenance and repair expenses (EUR 125 million and EUR 111 million in 2017 and 2016 respectively), restructuring expenses (EUR 28 million and EUR 53 million in 2017 and 2016) and research and development costs (EUR 49 million and EUR 18 million in 2017 and 2016 respectively).

5.2. Employee expenses

In EUR million	2017	2016
Remuneration	**(12.9)**	(11.5)
Social security contributions	**(1.4)**	(1.2)
Costs related to stock options	**(5.8)**	(2.2)
Contributions to pension plans	**(2.8)**	(2.5)
Other	**(6.3)**	(1.9)
Total employee expenses - investing activities	**(29.2)**	**(19.3)**

The details of the remuneration of GBL's directors are shown in Note 31. The stock option plans are detailed in Note 26.

In EUR million	2017	2016
Remuneration	**(885.8)**	(783.9)
Social security contributions	**(175.9)**	(149.6)
Costs related to stock options	**(13.4)**	(10.5)
Contributions to pension plans	**(42.2)**	(35.1)
Other	**(4.4)**	(3.1)
Total employee expenses - consolidated operating activities	**(1,121.7)**	**(982.2)**

6. Gains (losses) on disposals, impairments and reversals of non-current assets related to operating activities

In EUR million	2017	2016
Impairment on intangible assets and goodwill	**-**	(1.2)
Impairment on property, plant and equipment, net reversals	**(13.9)**	(21.8)
Impairment on other non-current assets	**(1.0)**	(1.2)
Capital gain realised on disposals of investments and activities	**8.3**	(1.0)
Total	**(6.6)**	**(25.2)**

The impairments on intangible assets, goodwill and property, plant and equipment are detailed in the Notes 9, 10 and 11 respectively.

7. Financial income (expenses)

In EUR million	2017	2016
Interest income on cash and cash equivalents and non-current assets	**(0.2)**	5.1
Interest expense on financial liabilities	**(29.4)**	(39.9)
Gains (losses) on trading securities and derivatives	**17.4**	77.8
Other financial income (expenses)	**(5.2)**	(5.5)
Financial income (expenses) - investing activities	**(17.4)**	**37.5**
Interest income on cash and cash equivalents and non-current assets	**10.3**	12.3
Interest expense on financial liabilities	**(77.0)**	(82.5)
Gains (losses) on trading securities and derivatives	**(0.9)**	(1.0)
Other financial expenses	**(30.4)**	(2.7)
Financial income (expenses) - operating activities	**(98.0)**	**(73.9)**

Financial income (expenses) from investing activities totalled EUR - 17 million (compared to EUR 38 million in 2016). They mainly consist of interest expenses on GBL's debt (especially the GBL convertible bonds and corporate bonds) for EUR 29 million and a loss of EUR 11 million from the impact of the mark to market valuation of the derivative component associated with bonds exchangeable into shares ENGIE (until the beginning of 2017) and convertible bonds into GBL shares (compared to an income of EUR 72 million in 2016). The (non-monetary) loss of EUR 11 million reflected the change in the value of the call options on underlying securities implicitly contained in the exchangeable and convertible bonds issued by GBL in 2013.

Financial income (expenses) from consolidated operating activities essentially result from interest expenses on Imerys' debt of EUR 57 million (EUR 65 million in 2016).

8. Turnover

In EUR million	2017	2016
Sales of goods	**4,308.7**	3,989.1
Services provided	**615.7**	541.6
Other	**1.3**	1.0
Total	**4,925.7**	**4,531.7**

The breakdown of the group's turnover by geographic region is as follows:

In EUR millions	2017	2016
Turnover		
Belgium	**97.7**	97,8
Other European countries	**2,427.8**	2,177.0
North America	**1,204.1**	1,143.0
Other	**1,196.1**	1,113.9
Total	**4,925.7**	**4,531.7**

9. Intangible assets

In EUR million	Development costs	Software	Mining rights	Patents, licences and concessions	Trademarks	Other	Total
Gross carrying amount							
At 31 December 2015	88.5	100.7	1.7	99.9	144.7	176.5	**612.0**
Investments	5.8	3.0	0.1	0.8	2.1	7.7	**19.5**
Changes in group structure/Business combinations	(33.5)	(15.1)	-	(42.6)	-	2.0	**(89.2)**
Transfers between categories	(24.8)	(2.0)	1.0	(0.5)	-	(16.2)	**(42.5)**
Disposals and retirements	(0.2)	-	-	-	-	(0.3)	**(0.5)**
Foreign currency translation adjustments	(1.4)	1.0	-	0.5	-	2.6	**2.7**
Other	0.3	(7.6)	(1.4)	-	-	0.1	**(8.6)**
At 31 December 2016	**34.7**	**80.0**	**1.4**	**58.1**	**146.8**	**172.4**	**493.4**
Investments	-	2.9	0.2	0.3	-	19.7	**23.1**
Changes in group structure/Business combinations	(27.1)	72.8	-	214.4	(57.3)	(10.3)	**192.5**
Transfers between categories	(0.2)	3.0	-	0.6	-	(4.9)	**(1.5)**
Disposals and retirements	-	(3.6)	(0.1)	(0.1)	-	(0.3)	**(4.1)**
Foreign currency translation adjustments	(0.4)	(5.4)	(0.1)	(2.5)	-	(8.2)	**(16.6)**
Other	-	0.2	-	(1.7)	-	11.8	**10.3**
At 31 December 2017	**7.0**	**149.9**	**1.4**	**269.1**	**89.5**	**180.2**	**697.1**
Cumulated amortisation							
At 31 December 2015	(39.7)	(79.3)	(1.2)	(35.3)	(2.1)	(115.5)	**(273.1)**
Amortisation	(3.1)	(6.8)	(0.1)	(1.8)	(2.1)	(7.9)	**(21.8)**
Impairment (losses) reversals	-	-	-	-	-	(0.7)	**(0.7)**
Transfers between categories	(0.9)	0.1	(0.8)	0.8	-	12.9	**12.1**
Disposals and retirements	-	3.1	-	0.1	-	1.1	**4.3**
Foreign currency translation adjustments	0.2	(0.1)	-	(0.2)	-	(1.8)	**(1.9)**
Changes in group structure/Other	31.5	23.4	1.6	17.4	-	2.2	**76.1**
At 31 December 2016	**(12.0)**	**(59.6)**	**(0.5)**	**(19.0)**	**(4.2)**	**(109.7)**	**(205.0)**
Amortisation	(0.5)	(8.5)	(0.1)	(2.2)	(2.1)	(12.1)	**(25.5)**
Impairment (losses) reversals	-	-	-	-	-	-	**-**
Transfers between categories	(0.1)	0.6	-	0.1	-	0.1	**0.7**
Disposals and retirements	-	3.5	0.1	-	-	-	**3.6**
Foreign currency translation adjustments	0.3	3.8	-	0.8	-	6.0	**10.9**
Changes in group structure/Other	8.0	(27.8)	-	(25.1)	-	46.2	**1.3**
At 31 December 2017	**(4.3)**	**(88.0)**	**(0.5)**	**(45.4)**	**(6.3)**	**(69.5)**	**(214.0)**
Net carrying amount							
At 31 December 2015	48.8	21.4	0.5	64.6	142.6	61.0	**338.9**
At 31 December 2016	22.7	20.4	0.9	39.1	142.6	62.7	**288.4**
At 31 December 2017	**2.7**	**61.9**	**0.9**	**223.7**	**83.2**	**110.7**	**483.1**
Of which: Holding	-	-	-	-	-	-	**-**
Imerys	2.7	19.1	0.7	180.8	-	102.2	**305.5**
Sienna Capital	-	42.8	0.2	42.9	83.2	8.5	**177.6**

In 2017, the most significant movements relate to changes in the scope of consolidation (acquisitions of Kerneos and Keesing as well as disposals of Golden Goose and ELITech).

The headings "Trademarks" include an amount of EUR 59 million related to intangible assets with an indefinite useful life (EUR 7 million and EUR 116 million at 31 December 2016 in "Patents, licences and concessions" and "Trademarks").

The depreciation charges for the various periods are shown under "Other operating income (expenses) from investing activities" and "Depreciation/amortisation of property, plant, equipment and intangible assets - consolidated operating activities" in the consolidated statement of comprehensive income.

Research and development costs in 2017 amounted to EUR 49 million (EUR 18 million in 2016).

10. Goodwill

In EUR million	2017	2016
Gross carrying amount		
At 1 January	**2,019.4**	1,835.6
Changes in group structure/Business combinations	**637.3**	211.3
Foreign currency translation adjustments	**(62.8)**	(2.3)
Subsequent value adjustments	**(27.2)**	-
Disposals	**(70.1)**	(25.2)
At 31 December	**2,496.6**	2,019.4
Cumulated impairment losses		
At 1 January	**(90.7)**	(92.4)
Impairment losses	**-**	(0.5)
Foreign currency translation adjustments	**5.2**	2.2
Other	**(12.5)**	-
At 31 December	**(98.0)**	(90.7)
Net carrying amount at 31 December	**2,398.6**	**1,928.7**
Of which: Holding	**-**	**-**
Imerys	**2,135.5**	1,674.7
Sienna Capital	**263.1**	254.0

At 31 December 2017, this caption was made up of EUR 2,136 million of goodwill generated by Imerys' various business lines and EUR 263 million of goodwill on acquisitions by ECP III (EUR 1,675 million and EUR 254 million respectively at 31 December 2016).

Definition of cash generating units (CGU)

GBL's management has retained the judgements made by Imerys and Sienna Capital in the definition of CGUs.

At Imerys, this constitutes a judgement when, at the level of the smallest possible grouping of assets, the following three criteria are met: a uniform production process in terms of mineral portfolio, processing methods and applications; an active market with uniform macro-economic characteristics; and a degree of operational power in terms of the continuing, restructuring or stopping of mining, industrial and/or commercial activities. The validation of these three criteria for each CGU guarantees the independence of their respective cash flows. The CGUs are directly taken from the analysis structure monitored each month by Imerys' general management as part of its management reporting. All Imerys group's assets, including mining assets and goodwill, are allocated to a CGU. The grouping together of the CGUs forms the segments presented in the segment information at Imerys group level, namely: Energy Solutions & Specialities; Filtration & Performance Additives; Ceramic Materials; and High Resistance Minerals.

At Sienna Capital level, the goodwill is allocated to each investment.

In the table below, the carrying amount and the goodwill impairment loss are presented by CGUs :

In EUR million	2017		2016	
	Net carrying amount	**Cumulated impairment losses**	**Net carrying amount**	**Cumulated impairment losses**
Energy Solutions & Specialities (Imerys)	318.5	-	313.2	-
Filtration and Performance Additives (Imerys)	839.2	-	794.4	-
Ceramic Materials (Imerys)	262.6	(2.3)	274.9	(3.1)
High Resistance Minerals (Imerys)	714.5	(74.7)	291.4	(66.6)
Benito (Sienna Capital)	4.3	(21.0)	4.3	(21.0)
ELITech (Sienna Capital)	-	-	39.3	-
Sausalitos (Sienna Capital)	13.7	-	13.7	-
Golden Goose (Sienna Capital)	-	-	29.9	-
Looping (Sienna Capital)	84.8	-	52.6	-
D.I.H. (Sienna Capital)	77.6	-	114.2	-
Keesing (Sienna Capital)	82.6	-	-	-
Holdings (Imerys)	0.8		0.8	-
Total	**2,398.6**	**(98.0)**	**1,928.7**	**(90.7)**

Impairment tests

In accordance with IAS 36, group companies conduct a yearly impairment test on all their CGUs to the extent that they report goodwill. The recoverable amount for a CGU or an individual asset is the highest of the fair value less the costs of sale or the value in use. In practice, fair value can only be reliably estimated for individual assets and therefore corresponds to recent transaction prices for sales of similar assets. The value in use is the most commonly used measurement basis for CGUs and individual assets.

For Imerys, this test did not require the recognition of any impairment in 2017 and 2016.

The projected cash flows used by Imerys to estimate the value in use are usually taken from their 2018 budget and the plan for the years 2019 to 2021. The key assumption underlying these projections are firstly the level of organic growth. For the terminal value, Imerys uses the Gordon and Shapiro perpetual growth model.

The discount rate used to calculate the value in use is determined based on the weighted average cost of capital of groups comparable to Imerys in the industrial minerals sector. This rate of 6.50% in 2017 (6.50% in 2016) is adjusted for each CGU or individual asset tested for a country/market risk premium ranging from 0 to + 230 basis points (0 to + 170 basis points in 2016). The average discount rate after taxes was 7.01% in 2017 (6.78% in 2016). The calculations after income taxes are the same as those that would be made with flows and rates before income taxes, as required by the applicable standards.

For Sienna Capital, this test did not require the recognition of any impairment in 2017 and 2016.

The projected cash flows derive from the financial budgets made by managements of each respective investment, covering a period from three to five years. The prepared projections are extrapolated and cover a period of ten years. For the terminal value, Sienna Capital uses an average of the Gordon and Shapiro perpetual growth model and multiple valuation method.

The discount rate used to calculate the value in use is determined based on the weighted average cost of capital of groups comparable each investment in their respective sector. This rate is adjusted by a country/market risk premium and a specific premium. The average discount rate after taxes was 12.63% in 2017 (12.06% in 2016).

In the table below, the weighted average discount and perpetual growth rates used at Imerys to calculate the value in use are presented by CGU:

	2017		2016	
	Discount rate	**Perpetual growth rate**	**Discount rate**	**Perpetual growth rate**
Energy Solutions & Specialities (Imerys)	7.15%	1.48%	6.78%	1.94%
Filtration and Performance Additives (Imerys)	7.11%	2.27%	6.70%	2.00%
Ceramic Materials (Imerys)	6.75%	1.78%	6.77%	1.56%
High Resistance Minerals (Imerys)	6.99%	2.00%	7.01%	2.00%
Average rate (Imerys)	**7.01%**	**1.93%**	**6.78%**	**1.86%**
Average rate (Sienna Capital)	**12.63%**	**2.00%**	**12.06%**	**2.00%**

Sensitivity to a change in the projected cash flows and discount rates

At Imerys level, out of all of the assumptions used, changes in the projected cash flows, the discount rate and the perpetual growth rate had the largest impact on the financial statements. The following table shows the impairment losses per CGU that would be accounted for in case of adverse changes compared to the retained assumptions in the financial statements at 31 December 2017:

In EUR million	Adverse changes
Forecasted cash flows	(5%)
Impairment loss	None
Discount rates	+ 100 bps
Impairment loss	Immaterial
Perpetual growth rates	(100 bps)
Impairment loss	Immaterial

11. Property, plant and equipment

In EUR million	Land and buildings	Mineral reserves	Fittings, machinery, equipment and rolling stock	Assets in progress	Other property, plant and equipment	Total
Gross carrying amount						
At 31 December 2015	613.5	891.3	3,908.7	186.8	31.7	**5,632.0**
Investments	7.4	50.7	71.3	145.0	7.3	**281.7**
Changes in group structure/Business combinations	40.4	13.1	58.3	(3.1)	41.7	**150.4**
Disposals and retirements	(3.1)	(0.3)	(71.9)	(0.2)	(3.2)	**(78.7)**
Foreign currency translation adjustments	12.7	19.7	20.1	7.5	0.5	**60.5**
Other	10.5	(39.4)	(3.3)	(145.9)	(2.6)	**(180.7)**
At 31 December 2016	681.4	935.1	3,983.2	190.1	75.4	**5,865.2**
Investments	12.5	62.2	73.2	179.3	10.1	**337.3**
Changes in group structure/Business combinations	70.9	69.3	569.2	37.8	12.3	**759.5**
Disposals and retirements	(20.8)	(0.5)	(69.9)	(0.7)	(2.1)	**(94.0)**
Foreign currency translation adjustments	(38.6)	(75.3)	(253.9)	(15.6)	(1.0)	**(384.4)**
Other	16.4	(22.7)	130.8	(167.1)	(13.1)	**(55.7)**
At 31 December 2017	**721.8**	**968.1**	**4,432.6**	**223.8**	**81.6**	**6,427.9**
Cumulated depreciation						
At 31 December 2015	(283.3)	(339.0)	(2,802.3)	(2.7)	(12.6)	**(3,439.9)**
Depreciation	(20.5)	(51.8)	(160.4)	(0.2)	(9.2)	**(242.1)**
(Impairment losses)/reversals	(1.6)	(1.0)	(18.3)	(0.9)	-	**(21.8)**
Disposals and retirements	6.8	0.3	75.5	0.3	3.0	**85.9**
Foreign currency translation adjustments	(4.4)	(2.7)	2.5	-	0.2	**(4.4)**
Changes in group structure/Other	6.5	44.4	97.2	0.4	1.1	**149.6**
At 31 December 2016	(296.5)	(349.8)	(2,805.8)	(3.1)	(17.5)	**(3,472.7)**
Depreciation	(17.5)	(64.6)	(177.8)	(0.1)	(11.9)	**(271.9)**
(Impairment losses)/reversals	(1.8)	-	(11.3)	(0.8)	-	**(13.9)**
Disposals and retirements	10.9	0.4	65.6	0.3	2.0	**79.2**
Foreign currency translation adjustments	17.6	29.4	169.0	0.1	1.0	**217.1**
Changes in group structure/Other	8.8	8.9	(367.4)	-	5.6	**(344.1)**
At 31 December 2017	**(278.5)**	**(375.7)**	**(3,127.7)**	**(3.6)**	**(20.8)**	**(3,806.3)**
Net carrying amount						
At 31 December 2015	330.2	552.3	1,106.4	184.1	19.1	**2,192.1**
At 31 December 2016	384.9	585.3	1,177.4	187.0	57.9	**2,392.5**
At 31 December 2017	**443.3**	**592.4**	**1,304.9**	**220.2**	**60.8**	**2,621.6**
Of which: Holding	-	-	1.2	-	8.1	**9.3**
Imerys	394.6	592.4	1,279.6	219.5	2.5	**2,488.6**
Sienna Capital	48.7	-	24.1	0.7	50.2	**123.7**

In 2017, impairment losses amounting to EUR 17 million were recorded by Imerys on its property, plant and equipment (EUR 25 million in 2016). These impairment losses mainly concerned the divisions "Ceramic Materials" (EUR 9 million), "High Resistance Minerals" (EUR 6 million) and "Energy Solutions & Specialties" (EUR 2 million).

The depreciation charges for the various periods are shown under "Other operating income (expenses) from investing activities" and "Depreciation/ amortisation of property, plant, equipment and intangible assets - consolidated operating activities" in the consolidated statement of comprehensive income.

Property, plant and equipment controlled pursuant to a finance lease and reported in the balance sheet amounted to EUR 2 million (EUR 2 million at 31 December 2016). They mainly consist of production equipment held by Imerys.

12. Other non-current assets

In EUR million	2017	2016
Derivative financial instruments held for trading	**22.5**	17.8
Long-term advance payments, loans and deposits	**40.5**	33.0
Assets related to pension plans	**6.5**	7.4
Other non-current assets	**46.6**	41.4
Total	**116.1**	**99.6**
Of which: Holding	**-**	-
Imerys	**108.9**	90.2
Sienna Capital	**7.2**	9.4

13. Income taxes

13.1. Analysis of income taxes

In EUR million	2017	2016
Current taxes	**(128.4)**	(132.2)
For the year in progress	***(123.8)***	*(133.5)*
For previous years	***(4.6)***	*1.3*
Deferred taxes	**(20.3)**	**(17.5)**
Total	**(148.7)**	**(149.7)**

13.2. Reconciliation of the income tax expense for the year

In EUR million	2017	2016
Profit (loss) before income taxes	**1,039.8**	(161.2)
Share of profit (loss) of equity-accounted entities	**(32.7)**	(28.6)
Profit (loss) before income taxes and before share of profit (loss) of equity-accounted entities	**1,007.1**	**(189.8)**
Taxes at Belgian rate (33.99%)	**(342.3)**	**64.5**
Impact of different tax rates in foreign countries	**62.9**	(4.4)
Tax impact of non-taxable income	**180.8**	382.4
Tax impact of non-deductible expenses	**(13.5)**	(527.5)
Tax impact of changes in tax rates for subsidiaries	**(6.3)**	(6.5)
Other	**(30.3)**	(58.2)
Income tax (expense) for the year	**(148.7)**	**(149.7)**

The “Other” heading mainly consisted of the non-recognition of deferred tax assets in relation to tax losses generated by some group companies over the financial year.

The effective tax rate in 2017 was - 14.8%, compared to + 78.9% in 2016. This is primarily the result of the non-deductibility of impairement losses accounted for during the year, in sharp decline compared to last year.

13.3. Deferred tax by nature in the statement of financial position

	Deferred tax assets		Deferred tax liabilities	
In EUR million	2017	2016	2017	2016
Property, plant, equipment and intangible assets	**97.6**	92.1	**(332.4)**	(264.3)
Inventories, trade receivables, trade payables, provisions and other	**79.9**	86.0	**(1.4)**	(17.3)
Employee benefit obligations	**59.9**	54.2	**-**	-
Unused tax losses and credits	**16.8**	23.6	**-**	-
Other	**33.0**	30.6	**(45.4)**	(35.9)
Offsetting of assets/liabilities	**(198.4)**	(187.9)	**198.4**	187.9
Total	**88.8**	**98.6**	**(180.8)**	**(129.6)**
Of which: Holding	**-**	-	**-**	(8.6)
Imerys	**85.5**	94.3	**(134.7)**	(72.7)
Sienna Capital	**3.3**	4.3	**(46.1)**	(48.3)

Tax losses relating to the “Notional Interest Deduction” (NID) claimed by the group in Belgium, for which the duration of use is set at seven years at most, amounted to EUR 760 million (EUR 1,317 million in 2016). Other tax losses carried forward for an unlimited time and tax credits amounted to EUR 977 million (EUR 951 million in 2016); for foreign subsidiaries, these items amounted to EUR 4,945 million (EUR 4,939 million in 2016). This amount includes losses generated by Imerys of EUR 231 million and by ECP III and its operating subsidiaries of EUR 119 million (EUR 251 million and EUR 109 million in 2016).

Moreover, deferred taxes on tax losses are only recognised insofar as the taxable profits are likely to be realised, allowing these losses to be used. At 31 December 2017, a total of EUR 17 million was recognised as deferred tax assets on tax losses and tax credits (EUR 24 million in 2016).

No deferred tax liabilities are recognised in relation to the temporary tax differences between the carrying amount and the tax value of investment securities if the group is able to verify the date of the temporary difference’s reversal and it is likely that this difference will not be reversed in the foreseeable future. The group estimates that the deferred tax liabilities not recognised in this regard at 31 December 2017 amount to EUR 16 million (EUR 19 million at 31 December 2016).

Finally, the different taxes directly recorded under shareholders equity are shown in the following table:

In EUR million	2017	2016
Actuarial gains (losses)	**(12.0)**	9.4
Of which amounts before taxes	*(16.9)*	*12.7*
Of which deferred taxes	*4.9*	*(3.3)*
Foreign currency translation adjustements	**(257.3)**	76.0
Of which amounts before taxes	*(244.0)*	*70.4*
Of which deferred taxes	*(13.3)*	*5.6*
Cash flow hedge	**(3.7)**	16.8
Of which amounts before taxes	*(5.7)*	*25.6*
Of which deferred taxes	*2.0*	*(8.8)*
Revaluation reserves	**1,513.1**	2,460.9
Of which amounts before taxes	*1,513.1*	*2,464.8*
Of which deferred taxes	*-*	*(3.9)*

14. Inventories

In EUR million	2017	2016
Raw materials, consumables and parts	**404.8**	330.2
Work in progress	**76.1**	77.0
Finished goods and goods for resale	**420.0**	396.1
Other	**-**	5.0
Gross total (before writedowns)	**900.9**	**808.3**
Writedowns of inventory, of which:	**(48.2)**	(59.1)
Raw materials, consumables and parts	***(31.0)***	*(32.3)*
Work in progress	***(1.5)***	*(1.3)*
Finished goods and goods for resale	***(15.7)***	*(25.5)*
Total	**852.7**	**749.2**
Of which: Holding	**-**	-
Imerys	**840.2**	712.5
Sienna Capital	**12.5**	36.7

15. Trade receivables

In EUR million	2017	2016
Trade receivables	**762.0**	727.5
Writedowns of doubtful receivables	**(34.0)**	(42.4)
Net total	**728.0**	**685.1**
Of which: Holding	**0.2**	0.1
Imerys	**676.1**	608.1
Sienna Capital	**51.7**	76.9

Trade receivables are mainly related to Imerys. Imerys set up a factoring contract in 2009 for an unlimited period for a maximum amount of EUR 125 million (including taxes). At 31 December 2017, EUR 42 million in receivables were thus transferred and deconsolidated, the risks and benefits associated with these receivables, including default and late payment risks, having been transferred to the factor (EUR 42 million at 31 December 2016).

The following table shows the change in writedowns over the last three years:

In EUR million	2017	2016
Writedowns of receivables at 1 January	**(42.4)**	**(38.9)**
Writedowns over the year	**(7.7)**	(10.6)
Utilisations	**11.6**	6.9
Reversals of writedowns	**-**	-
Foreign currency translation adjustments and other	**4.5**	0.2
Writedowns of receivables at 31 December	**(34.0)**	**(42.4)**

Trade receivables do not bear interest and generally have a 30 to 90-day maturity. At the reporting date, some of the trade receivables detailed below may be due without being impaired, for example when covered by a credit insurance contract or a guarantee.

In EUR million	2017	2016
Delay of no more than 1 month	**77.9**	74.0
Delay of 1 to 3 months	**22.8**	27.0
Delay of more than 3 months	**23.0**	25.7
Total trade receivables due and not written down	**123.7**	**126.7**
Trade receivables not due and trade receivables due and written down	**604.3**	558.4
Total trade receivables, net	**728.0**	**685.1**

16. Trading financial assets

In EUR million	2017	2016
Money market funds (SICAV)	**497.3**	974.6
Other trading assets	**27.0**	48.9
Total	**524.3**	**1,023.5**
Of which: Holding	**485.1**	1,019.5
Imerys	**6.6**	4.0
Sienna Capital	**32.6**	-

At 31 December 2016, other trading assets mainly consisted of the market value of the dividends paid in ENGIE shares not monetised (2 million shares).

17. Cash, cash equivalents and financial liabilities

17.1. Cash and cash equivalents

In EUR million	2017	2016
Treasury bonds and treasury notes (corporate, sovereign)	**20.0**	-
Deposits (maturity < 3 months)	**92.5**	240.9
Current accounts	**379.4**	845.2
Total	**491.9**	**1,086.1**
Of which: Holding	**81.5**	212.5
Imerys	**382.0**	809.6
Sienna Capital	**28.4**	64.0

At 31 December 2017, cash was completely held in fixed-term deposits, treasury notes and current accounts with various financial institutions.

17.2. Financial liabilities

In EUR million	2017	2016
Non-current financial liabilities	**2,834.9**	**2,383.5**
Convertible bonds (GBL)	**-**	434.2
Institutional Bond (GBL)	**496.2**	-
Bonds (Imerys)	**1,971.1**	1,596.2
Other non-current financial liabilities	**367.6**	353.1
Current financial liabilities	**1,152.7**	**1,270.2**
Convertible bonds (GBL)	**443.3**	-
Exchangeable bonds (GBL)	**-**	305.8
Retail Bond (GBL)	**-**	350.0
Bonds (Imerys)	**25.5**	500.0
Bank borrowings (Imerys)	**628.8**	65.4
Other current financial liabilities	**55.1**	49.0

Exchangeable and convertible bonds issued by GBL

Bonds convertible into GBL shares

On 27 September 2013, Sagerpar S.A., a wholly owned subsidiary of GBL, issued bonds convertible into treasury shares with a nominal value of EUR 428 million. The bonds are fully guaranteed by GBL and exchangeable into 5,000,000 existing GBL treasury shares. The nominal value of the bonds results from a 35% issue premium compared with the reference price of the GBL share of EUR 63.465 (being the volume-weighted average price between the launch date and the setting of the issue's final terms).

These bonds bear interest at an annual rate of 0.375% (effective rate of 2.46%). They will be redeemed on 9 October 2018, either in cash or through the delivery of shares or a combination thereof, at a redemption price of 105.14% of the principal amount, implying an effective conversion premium and price of respectively 42% and EUR 90.08 per share.

Bondholders may request the exchange of their bonds for GBL shares subject to the option of GBL to instead pay in cash all or part of the value of GBL shares in lieu of such exchange.

GBL has the option to redeem the bonds early, as from 31 October 2016, if the value of the shares exceeds 130% of the principal amount of the bonds over a specified period.

The bonds are admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange. The carrying amount of these bonds (excluding the option) is EUR 443 million. The option is assessed at fair value on the reporting date (EUR 21 million at 31 December 2017, shown under "Other current financial liabilities").

Bonds exchangeable into ENGIE shares

On 24 January 2013, GBL Verwaltung S.A., a wholly owned subsidiary of GBL, issued bonds exchangeable into existing ordinary ENGIE shares for an amount of EUR 1.0 billion. This issue covered around 55 million ENGIE shares representing 2.3% of its share capital and voting rights. The bonds had a 4-year maturity and bore interest at an annual rate of 1.25% (effective rate of 2.05%).

GBL had the option to redeem the bonds at par as from 22 February 2016 if the value of the ENGIE share was 130% higher than the par value of the bonds over a specified period. The bonds also had a put option exercisable by investors at the par value of the bonds on 7 February 2016.

Bondholders could request the exchange of their bonds for ENGIE shares subject to the option of GBL to instead pay in cash all or part of the value of ENGIE shares in lieu of such exchange.

In 2016, GBL repurchased 6,910 exchangeable bonds into ENGIE shares for a nominal value of EUR 691 million. The total cost related to these repurchases (including banking fees) amounted to EUR 13 million. The carrying amount of these bonds (excluding the option) was EUR 306 million at 31 December 2016. The option component was assessed at fair value at the reporting date (EUR 0 million, shown under "Other non-current liabilities").

The bonds were redeemed in cash on 7 February 2017, for a total amount of EUR 306 million. The bonds were admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange.

Bonds issued by GBL

During the first semester of 2017, GBL has issued a bond placement of EUR 500 million, with a coupon of 1.375% and maturing on 23 May 2024. The carrying amount of this debt is EUR 496 million at 31 December 2017.

The retail bond issued in June 2010 for EUR 350 million and with a coupon of 4 % has matured and was repaid in December 2017.

Bonds (Imerys)

Imerys has issued listed and non-listed bonds. The bond issues at 31 December 2017 are detailed below:

	Nominal value in currency In million	Nominal interest rate	Effective interest rate	Listed/ Unlisted	Maturity	Fair value In EUR million	Carrying amount In EUR million
JPY	7,000	3.40%	3.47%	Unlisted	16/09/2033	75.4	67.0
USD	30	5.28%	5.38%	Unlisted	06/08/2018	26.1	25.5
EUR	167.6	2.50%	2.60%	Listed	26/11/2020	178.6	169.1
EUR	55.9	2.50%	1.31%	Listed	26/11/2020	59.5	55.9
EUR	500	2.00%	2.13%	Listed	15/01/2027	533.9	490.9
EUR	300	0.88%	0.96%	Listed	31/03/2022	307.4	300.2
EUR	300	1.88%	1.92%	Listed	10/12/2024	316.3	299.0
EUR	600	1.50%	1.63%	Listed	31/03/2028	617.8	606.4
Total						**2,115.0**	**2,014.0**

The bond issues at 31 December 2016 are detailed below:

	Nominal value in currency In million	Nominal interest rate	Effective interest rate	Listed/ Unlisted	Maturity	Fair value In EUR million	Carrying amount In EUR million
JPY	7,000	3.40%	3.47%	Unlisted	16/09/2033	84.0	73.8
USD	30	5.28%	5.38%	Unlisted	06/08/2018	30.8	29.1
EUR	300	2.50%	2.60%	Listed	26/11/2020	324.2	303.3
EUR	100	2.50%	1.31%	Listed	26/11/2020	108.1	99.9
EUR	500	5.00%	5.09%	Listed	18/04/2017	524.9	517.6
EUR	500	2.00%	2.13%	Listed	10/12/2024	509.8	494.6
EUR	300	0.88%	0.96%	Listed	31/03/2022	305.5	299.8
EUR	300	1.88%	1.92%	Listed	31/03/2028	314.5	301.8
Total						**2,201.8**	**2,119.9**

Bank debts (Imerys)

Those bank debts coming from Imerys include at 31 December 2017 EUR 628 million of short-term borrowings and EUR 1 million of bank overdrafts (EUR 55 million and EUR 10 million respectively at 31 December 2016).

Other non-current financial liabilities

This item primarily includes the debts of ECP III's operating subsidiaries. These debts are contracted with banks and non-controlling interests.

Undrawn credit lines

At 31 December 2017, the group had undrawn credit lines with various financial institutions totalling EUR 3,508 million (EUR 3,919 million at 31 December 2016). These credit facilities were available to GBL, Imerys and ECP III's operating subsidiaries in the amounts of EUR 2,150 million, EUR 1,330 million and EUR 28 million respectively (EUR 2,150 million, EUR 1,769 million and EUR 0 million respectively at 31 December 2016).

With regards to GBL, all credit lines mature in 2022. Confirmed credit lines do not have financial covenants, meaning that, under its credit contracts, GBL has no obligations in terms of compliance with financial ratios.

17.3. Change of financial liabilities

The table below mentions the reconciliation in 2017 between the financial debts included in the consolidated balance sheet and the amounts from the consolidated statement of cash flows:

In EUR million	At 1 January 2017	Cash flow variation	Acquisitions/sales of subsidiaries	Impact of exchange rates change	Other movements	At 31 December 2017
Financial liabilities - Non-current liabilities	**2,383.5**	322.1	676.9	(64.1)	(483.5)	**2,834.9**
Financial liabilities - Current liabilities	**1,270.2**	(631.6)	(0.4)	21.5	493.0	**1,152.7**
Total	**3,653.7**	**(309.5)**	**676.5**	**(42.6)**	**9.5**	**3,987.6**

The cash flow variation mentioned in the table here below reconciles with the consolidated statement of cash flows as follows:

In EUR million	At 31 December 2017
Cash flow variation	**(309.5)**
Of which : proceeds from financial liabilities	1,560.9
repayments of financial liabilities	(1,870.4)

18. Other current assets

In EUR million	2017	2016
Tax assets other than those related to income taxes	**235.9**	189.9
Deferred expenses	**26.5**	22.4
Derivative financial instruments - Hedging	**7.0**	14.9
Other	**93.8**	156.4
Total	**363.2**	**383.6**
Of which: Holding	**33.1**	41.8
Imerys	**311.6**	254.9
Sienna Capital	**18.5**	86.9

The caption “other” of last year included receivables on private equity funds for EUR 71 million.

19. Share capital and dividends

19.1. Shares issued and outstanding and treasury shares

	Number of issued shares	Of which treasury shares
At 31 December 2015	161,358,287	(6,079,926)
Change	-	155,510
At 31 December 2016	161,358,287	(5,924,416)
Change	-	263,934
At 31 December 2017	**161,358,287**	**(5,660,482)**

Treasury shares

At 31 December 2017, the group held 5,660,482 treasury shares, or 3.5% of the issued capital. Their acquisition cost is deducted from shareholders’ equity; 5,000,000 and 288,013 of which are used to respectively hedge the convertible bond and the stock option plans granted between 2007 and 2012 (see Note 26).

In 2017, GBL acquired 535,184 shares and sold 799,118 shares (972,887 shares and 1,128,397 shares, respectively, in 2016) for an overall net amount of EUR 18 million.

Information on acquisitions of treasury shares by GBL or its subsidiaries has been published since 1 July 2009 on the GBL website.

19.2. Dividends

On 4 May 2017, a dividend of EUR 2.93 per share (EUR 2.86 in 2016) was paid to shareholders.

The Board of Directors will propose a gross dividend of EUR 3.00 per share for the distribution relating to 2017, which will be payable on 9 May 2018. The General Shareholders Meeting of 24 April 2018 will vote on the proposed distribution, which is expected to amount to EUR 484 million based on the above-mentioned assumptions and the number of shares entitled to dividends (161,358,287 shares).

20. Provisions

In EUR million	Product guarantees	Environment	Legal, social and regulatory risks	Total
At 31 December 2015	**27.4**	**183.3**	**116.2**	**326.9**
Additions	7.5	10.9	44.1	**62.5**
Uses	(2.2)	(8.4)	(15.5)	**(26.1)**
Reversals	(1.8)	(0.4)	(20.6)	**(22.8)**
Impact of discounting	-	3.7	-	**3.7**
Changes in group structure/Business combinations	-	15.2	8.0	**23.2**
Foreign currency translation adjustments	-	(1.7)	3.6	**1.9**
Other	(0.2)	-	0.3	**0.1**
At 31 December 2016	**30.7**	**202.6**	**136.1**	**369.4**
Additions	4.1	12.5	78.7	**95.3**
Uses	(2.5)	(10.4)	(17.3)	**(30.2)**
Reversals	(2.1)	(7.3)	(48.4)	**(57.8)**
Impact of discounting	-	3.7	0.2	**3.9**
Changes in group structure/Business combinations	0.1	4.5	12.1	**16.7**
Foreign currency translation adjustments	(0.2)	(13.6)	(7.8)	**(21.6)**
Other	0.1	27.0	29.2	**56.3**
At 31 December 2017	**30.2**	**219.0**	**182.8**	**432.0**
Of which current provisions	0.2	6.7	28.3	**35.2**
Of which non-current provisions	30.0	212.3	154.5	**396.8**

The group's provisions totalled EUR 432 million at 31 December 2017 (EUR 369 million in 2016). They mainly relate to Imerys.

The probabilities of settlement and the amounts of the obligations are estimated by the the group with the support of internal counsels to validate the main assumpations, taking into account the expected effects, if any, of regulatory changes and on external counsels for the significant litigation and claims. These relate to allegations of personal or financial injury implicating the civil liability of the group and the potential breach of contractual obligations or regulations on employee, property and environmental issues. In its risk estimate, the group is considering in particular the following items: (i) possible transfer to third parties of all or part of the relevant risks (insurance, third parties contractual guaranties); (ii) available remedies to contest the reality or the amount of all or part of the relevant risks; and (iii) specificities of national legal environments and specifically those applicable to contentious cases in the United States (class actions, high level of defense costs, unpredictability of the verdicts issued by popular juries, media coverage of certain court decisions).

Imerys' provisions to hedge product guarantees amounted to EUR 30 million (EUR 31 million in 2016) and have a probable maturity ranging from 2018 to 2022.

The group (overwhelmingly Imerys) establishes provisions to hedge the environmental risks resulting from its industrial activity and provisions for the rehabilitation of mining sites at the end of their operating lifetimes. These provisions totalled EUR 219 million at 31 December 2017 (EUR 203 million in 2016). The corresponding bonds are expected to mature between 2018 and 2022 for EUR 60 million, between 2023 and 2032 for EUR 110 million and as from 2033 for EUR 49 million.

Imerys is also exposed to legal actions and claims arising from the ordinary course of its business. These risks concern allegations by third parties of personal or financial injury implicating the civil liability of group entities; the potential breach of some of their contractual obligations or statutory and regulatory requirements regarding employees, property and the environment.

21. Retirement benefits

21.1. Defined contribution plans

In this type of retirement plan, whose future level is not guaranteed to the beneficiaries, the employer commits to pay regular contributions to the third parties (retirement funds, insurance companies or financial institutions) on a mandatory basis (statutory or regulatory provisions) or an optional basis (supplementary retirement plan voluntarily provided by the company). These plans are mostly granted to Imerys employees.

The amounts are paid during the year in which they are due. The total amount of contributions paid for defined contribution plans is EUR 29 million in 2017 (EUR 13 million in 2016).

21.2. Defined benefit plans

Characteristics of defined benefit plans

In this type of plan, the group guarantees to the beneficiaries the level of the benefit that will be paid in the future. The beneficiaries of these plans are employees who are acquiring entitlements in exchange for services rendered to the group (active beneficiaries), employees who are no longer acquiring entitlements in exchange for services rendered to the group and former employees outside the group (deferred beneficiaries), as well as former retired employees (retired beneficiaries).

The valuation of retirement benefit obligations is carried out by independent actuaries. These plans may be financed by insurance companies (group insurance), retirement funds or independent entities.

Two plans accounted for 66.4% of the group's total commitment at 31 December 2017. These are the UK plan - the Imerys UK Pension Scheme (Imerys UK) and the US plan - the Imerys USA Retirement Growth Account Plan (Imerys USA). The table below sets out their main characteristics:

	Imerys UK	Imerys USA
Eligibility		
Hiring limit date	31/12/04	31/03/10
Retirement age	65	65
Description of the benefits		
Terms of payment	Annuity [1]	Capital [2]
Revaluation based on the consumer price index	Yes	No
End date of cumulated rights	31/03/15	31/12/14
Regulatory framework		
Minimum employer funding obligation	Yes [3]	Yes [3]
Minimum beneficiary contribution obligation	Yes	No
Governance		
Trustees representing the employer	Yes	Yes
Trustees representing beneficiaries	Yes	No
Independent trustees	Yes	No
Responsibility of trustees		
Definition of the investment strategy	Yes	Yes
Negotiation of deficit refinancing with the employer	Yes	-
Administrative management of benefit payments	Yes	No

Management of risks associated with employees benefits

Description of risks

The main issue related to the financial management of employee benefits is the control of the funding ratio of obligations, i.e. the ratio between the value of plan assets and the value of the obligations. The funding ratio of obligations may be adversely affected by a decorrelation between the evolution (particularly a fall) in plan assets and the variation (particularly a rise) in obligations. The value of the plan assets may be reduced by a deterioration in the investments' fair value. The value of the obligations may be increased, for all of the plans, by a decrease in discount rates and, for benefits paid in the form of annuities, either by a rise in the inflation rates used to revalue the obligation for some of these plans, or the lengthening of the beneficiaries' life expectancies.

Risk management

The strategy to control the obligation funding level consists firstly of optimising the value of the plan assets. The objective of the investment policies is therefore to deliver a steady return while taking advantage of opportunities presenting limited or moderate levels of risk. The choice of investments is specific to each plan and is determined according to the duration of the plan and the regulatory minimum funding requirements.

In the UK in particular, since 2011 Imerys has applied a strategy of managing its obligation funding level by matching the investment of plan assets with the obligation. This approach, known as LDI (Liability Driven Investment), is aimed at managing the obligation funding ratio by matching the cash inflows and outflows throughout the duration of the obligation. In practice, this strategy involves structuring the portfolio of plan assets so that the cash inflows generated by the return on investments neutralise the cash outflows generated by the payment of benefits. At 31 December 2017, the policy based on this approach covered 95.0% of the risk of an increase in the obligation associated with a fall in discount rates and a rise in inflation (98.7% at 31 December 2016).

Funding of employee benefits

The group funds the majority of employee benefits through investments that are unseizable by third-parties in trustee companies or insurance policies that are legally separate from the group. These investments, classified as plan assets, stood at EUR 1,252 million at 31 December 2017 (EUR 1,266 million at 31 December 2016). Imerys also has reimbursement rights, in other words investments held directly by the group, which came to EUR 6 million at 31 December 2017 (EUR 6 million at 31 December 2016). The obligation funding ratio therefore stood at 79.3% at 31 December 2017 (81.1% at 31 December 2016).

(1) Annuity calculated based on number of years of service provided, annual salary on retirement and average of three last salaries
(2) Principal at a guaranteed interest rate (Cash Balance Plan)
(3) The employer is obliged to fund each unit of service provided at 100% on the basis of a funding evaluation

A provision of EUR 321 million was recognised at 31 December 2017 for the funded and unfunded plan deficit (EUR 297 million at 31 December 2016), as the following table shows:

In EUR million	2017	2016
Obligations funded by plan assets	**(1,386.3)**	(1,402.9)
Obligations funded by reimbursement rights	**(30.1)**	(29.0)
Fair value of plan assets	**1,252.2**	1,266.3
Fair value of reimbursement rights	**6.3**	6.1
Funding surplus (deficit)	**(157.9)**	**(159.5)**
Unfunded obligations	**(162.9)**	(137.6)
Assets/(provision)	**(320.8)**	**(297.1)**
Of which: Non-current liabilities	**(327.3)**	(304.5)
Non-current assets	**6.5**	7.4

Fair value of plan assets

The assets held by the group to fund employee benefits generated real interest of EUR 73 million in 2017 (EUR 181 million in 2016), as presented in the table below. In accordance with current regulations, only a normative share of this return was credited to profit or loss in 2017, amounting to EUR 34 million (EUR 42 million in 2016), calculated based on the discount rate used on the obligations. The surplus real return above the normative return was credited to shareholders' equity in the amount of EUR 39 million in 2017 (EUR 139 million in 2016).

In EUR million	2017	2016
Balance at 1 January	**1,266.3**	1,265.4
Employer's contributions	**21.5**	20.8
Participants' contributions	**1.4**	-
Benefits paid	**(70.5)**	(77.3)
Foreign currency translation adjustments	**(63.0)**	(131.5)
Real return on assets	**72.8**	180.6
Normative return (profit or loss)	***34.0***	*41.5*
Adjustment to the real return (shareholders' equity)	***38.8***	*139.1*
Changes in group structure/Business combinations	**17.4**	8.3
Other movements	**6.3**	-
Balance at 31 December	**1,252.2**	**1,266.3**

Distribution of plan assets

In %	2017	2016
Shares	**21%**	38%
Listed	***21%***	*38%*
Unlisted	**-**	-
Bonds	**11%**	52%
Listed	***11%***	*52%*
Unlisted	**-**	-
Real estate	**4%**	5%
Other	**64%**	5%
Total	**100%**	**100%**

Plan obligations – funded, unfunded and partially funded plans

In EUR million	2017	2016
Balance at 1 January	**1,569.5**	**1,594.4**
Current service costs for the period	**17.9**	15.9
Interest expense	**39.7**	47.3
Actuarial losses (gains) from:	**55.7**	126.4
Changes to demographic assumptions	***(2.6)***	*3.7*
Changes to financial assumptions	***63.5***	*145.2*
Experience adjustments	***(5.2)***	*(22.5)*
Benefits paid	**(78.8)**	(84.6)
Changes in group structure/Business combinations	**52.0**	12.6
Foreign currency translation adjustments	**(75.3)**	(134.1)
Other movements	**(1.4)**	(8.4)
Balance at 31 December	**1,579.3**	**1,569.5**

Amounts relating to the plan recognised in comprehensive income

In EUR million	2017	2016
Current service costs for the period	**17.9**	15.9
Interest expense	**39.7**	47.3
Normative return on the assets of defined benefit plans	**(34.0)**	(41.5)
Other	**1.0**	(8.9)
Amounts recognised in profit or loss	**24.6**	**12.8**
Surplus real return on assets above their normative return	**(38.8)**	(139.1)
Actuarial losses (gains) from post-employment benefits due to:	**55.7**	126.4
Changes to demographic assumptions	***(2.6)***	*3.7*
Changes to financial assumptions	***63.5***	*145.2*
Experience adjustments	***(5.2)***	*(22.5)*
Amounts recognised in shareholders' equity - (credit)/debit	**16.9**	**(12.7)**
Total	**41.5**	**0.1**

Changes in the statement of financial position

The change in the amounts recognised in the statement of financial position is explained in the following table:

In EUR million	2017	2016
Amounts recognised at 1 January	**297.1**	**322.8**
Net expense recognised in profit or loss	**24.6**	12.8
Contributions paid	**(29.8)**	(28.1)
Actuarial (gains) losses and ceiling on assets recognised in shareholders' equity	**16.9**	(12.7)
Changes in group structure/Business combinations/Foreign currency translation adjustments and other	**12.0**	2.3
Amounts recognised at 31 December	**320.8**	**297.1**
Of which: Holding	**3.5**	4.7
Imerys	**314.8**	288.0
Sienna Capital	**2.5**	4.4

During the financial year 2017, a net debit amount of EUR 12 million related to actuarial gains and losses and the ceiling on recognised assets was charged directly to shareholders' equity, i.e. EUR 17 million gross less EUR 5 million in related taxes (a net credit amount of EUR 9 million at 31 December 2016, i.e. EUR 13 million gross less EUR 4 million in related taxes).

Estimates

The actuarial assumptions used to value the defined benefit plans are presented below:

In %	2017	2016
Discount rate	**1.2% - 3.4%**	1.6% - 3.9%
Average salary increase rate	**2.4% - 5.8%**	2.2% - 5.8%
Inflation rate	**1.8% - 2.1%**	1.8% - 2.2%

More specifically for the two monetary zones where the largest commitments are located (the United Kingdom and the United States), the actuarial assumptions were as follows in 2017:

In %	United Kingdom	United States
Discount rate	2.4%	3.4%
Average salary increase rate	2.4%	0.0%
Inflation rate	2.1%	0.0%

Out of all of these assumptions, a change in the discount rate would have the largest impact on the group's financial statements.

The table below presents the impact of a fall in the discount rate (low simulation) and a rise in the discount rate (high simulation) relative to the assumption used in the financial statements at 31 December 2017 (actual 2017). The impact of these changes is measured through three aggregates (obligation, accretion, current service costs) in the two monetary zones where the largest commitments are located (the United Kingdom and the United States). The scale of the reasonably possible variation in discount rates is estimated at 50 basis points in view of the weighted-average variation in discount rates in the United Kingdom and the United States over the past five financial years.

In EUR million	Low simulation	Actual 2017	High simulation
United Kingdom			
Discount rate	1.9%	2.4%	2.9%
Obligation at the reporting date	998.7	923.2	853.7
Net interest in 2018 profit or loss (1)	(1.9)	(0.5)	1.4
Current service costs in 2018 profit or loss (2)	-		-
United States			
Discount rate	2.9%	3.4%	3.9%
Obligation at the reporting date	309.1	293.8	279.9
Net interest in 2018 profit or loss (1)	(2.6)	(2.6)	(2.4)
Current service costs in 2018 profit or loss	(3.1)	(2.8)	(2.6)

At constant scope of consolidation and all other things being equal, the amount of the contributions to the various defined retirement benefit plans is estimated at EUR 21 million for 2018.

22. Other non-current liabilities

In EUR million	2017	2016
Derivative financial instruments held for trading	**2.7**	11.8
Derivative financial instruments – Hedging	**-**	3.1
Liabilities related to cash-settled share-based payments	**7.7**	6.3
Other non-current liabilities	**23.7**	41.9
Total	**34.1**	**63.1**
Of which: Holding	**7.7**	16.4
Imerys	**22.9**	43.1
Sienna Capital	**3.5**	3.6

23. Other current liabilities

In EUR million	2017	2016
Tax liabilities other than those related to income tax	**38.6**	37.0
Social security liabilities	**214.5**	179.5
GBL coupons to be paid	**3.7**	3.7
Derivative financial instruments held for trading	**24.1**	15.2
Derivative financial instruments – Hedging	**3.9**	4.9
Deferred income	**17.1**	7.1
Other	**211.2**	143.0
Total	**513.1**	**390.4**
Of which: Holding	**37.6**	29.9
Imerys	**423.2**	341.7
Sienna Capital	**52.3**	18.8

"GBL coupons to be paid" primarily represents GBL's coupons for the last three years, which were not cashed in.

(1) Accretion of obligation, net of normative yield on assets
(2) Plan closed-frozen as of 1 April 2015

Other current liabilities in the Holding sector primarily consist of derivative financial instruments (EUR 22 million in 2017 versus EUR 15 million in 2016) and interest payable (EUR 5 million in 2017 versus EUR 4 million in 2016).

24. Financial risks management and sensitivity analysis

Considering the specific nature of each of the entities consolidated in the group's financial statements and their widely differing activities (financial for GBL and industrial for Imerys), each entity manages risks independently.

The main financial risks of GBL are foreign exchange, stock market and interest rate risks.

Foreign exchange risk is defined as the risk whereby a cash flow labeled in foreign currency may be subject to a deterioration caused by an unfavorable change in its counterpart in functional currency. GBL is exposed to foreign exchange risk that can have an impact on the value of its portfolio through investments quoted in foreign currencies, as well as through dividend flows it receives. At 31 December 2017, GBL was primarily exposed to CHF and GBP. A 10% appreciation / depreciation in the euro versus its end-of-year rate for all currencies used by the group would have had an impact of EUR - 331 million and EUR 331 million on shareholder equity and EUR 0 million and EUR 0 million on the annual income statement. These calculations only concern statements of financial position owned by GBL and does not take into account the impact of the appreciation/depreciation of these currencies on the market price of the underlying assets.

Stock exchange risk is defined as the risk whereby the portfolio of GBL (assets available for sale and trading assets) may be influenced by an unfavorable change of market prices. GBL is exposed, due to the very nature of its activities, to market fluctuations of its portfolio. The volatility of the financial markets, moreover, can have an impact on the share price of GBL. At 31 December 2017, a 10% appreciation / depreciation in the market price of all portfolio investments in listed companies as well as on the derivative instruments (options, exchangeable and convertible bonds) would have an impact of EUR 1,428 million and EUR - 1,428 million on shareholder equity and EUR - 20 million and EUR 20 million on the annual income statement.

Interest rate risk is defined as the risk whereby the interest flow related to financial liabilities, on the one hand, and gross cash, on the other hand, may be deteriorated by an unfavorable change of interest rates. Regarding financial liabilities, a modification of interest rates nevertheless has a limited impact on GBL's profit (loss) because the vast majority of its financial liabilities is issued at fixed interest rates. Regarding cash flow, GBL chose, despite negative interest rates imposed by the European Central Bank, to continue to privilege liquidity while limiting the counterpart risk. Cash is henceforth invested in short-term investments in order to remain mobilisable at any time for being able to contribute to the flexibility and the securing of the group in case of investment or materialisation of exogenous risks.

Imerys manages its foreign exchange and transaction risks, interest rate risks and risks related to energy prices. Imerys is not taking any speculative positions. Derivative instruments are centrally negotiated by Imerys, which prohibits its entities from subscribing to derivative instruments directly outside the group. Imerys hedges part of its net investments in foreign operations through loans specifically allocated to their long-term financing and through the proportion of its financial debt held in foreign currencies.

More detailed information on Imerys' derivative financial instruments can be found in the company's registration document, which can be consulted on the website www.imerys.com.

25. Derivative financial instruments

25.1. Fair values of short-term and long-term derivative financial instruments

The fair values of the derivative financial instruments held at 31 December 2017 and 2016 are shown in the following table:

In EUR million	2017	2016
Assets	**29.5**	**32.7**
Of which non-current assets	***22.5***	*17.8*
Of which current assets	***7.0***	*14.9*
Composed of:		
Forwards, futures and currency swaps – Derivative instruments held for trading	**7.5**	0.5
Forwards, futures and currency swaps – Hedging	**3.6**	8.1
Interest rate swaps (IRS) – Derivative instruments held for trading	**15.0**	17.3
Futures and commodities options – Derivative instruments held for trading	**-**	-
Futures and commodities options – Hedging	**3.4**	6.8
Liabilities	**(30.7)**	**(35.0)**
Of which non-current liabilities	***(2.7)***	*(14.9)*
Of which current liabilities	***(28.0)***	*(20.1)*
Composed of:		
Forwards, futures and currency swaps – Derivative instruments held for trading	**(4.8)**	(2.3)
Forwards, futures and currency swaps – Hedging	**(3.0)**	(7.5)
Interest rate swaps (IRS) – Hedging	**-**	(0.5)
Futures and commodities options – Hedging	**(0.9)**	-
Call and put options on shares – derivative instruments held for trading	**(22.0)**	(24.7)
Net position	**(1.2)**	**(2.3)**
Forwards, futures and currency swaps	**3.3**	(1.2)
Interest rate swaps (IRS)	**15.0**	16.8
Futures and commodities options	**2.5**	6.8
Call and put options on shares	**(22.0)**	(24.7)

The following table shows the maturity of the cash flow hedge derivatives for the reporting periods ended 31 December 2017 and 2016:

In EUR million	Total	Within the year	2 to 5 years	Over 5 years
Forwards, futures and currency swaps	**0.6**	0.6	-	-
Futures and commodities options	**2.5**	2.5	-	-
Total at 31 December 2017	**3.1**	**3.1**	**-**	**-**
Forwards, futures and currency swaps	**0.6**	3.2	(2.6)	-
Interest rate swaps (IRS)	**(0.5)**	-	(0.5)	-
Futures and commodities options	**6.8**	6.8	-	-
Total at 31 December 2016	**6.9**	**10.0**	**(3.1)**	**-**

25.2. Change in net financial position

In EUR million	2017	2016
At 1 January – net derivatives position	**(2.3)**	(86.5)
Increase (decrease) recognised in profit or loss	**6.2**	58.6
Increase (decrease) recognised in shareholders' equity	**(5.7)**	25.6
Changes in group structure/Business combinations	**0.6**	-
At 31 December – net derivatives position	**(1.2)**	**(2.3)**

24.3. Notional underlying amounts of derivative financial instruments

In EUR million	2017	2016
Assets	**643.8**	**731.3**
Composed of:		
Forwards, futures and currency swaps	**503.3**	559.5
Interest rate swaps (IRS)	**99.9**	133.6
Futures and commodities options	**40.6**	38.2
Liabilities	**1,445.2**	**2,269.9**
Composed of:		
Forwards, futures and currency swaps	**803.5**	823.5
Interest rate swaps (IRS)	**99.9**	133.6
Futures and commodities options	**40.6**	38.2
Call and put options on shares	**501.2**	1.274.6

The item "Call and put options on shares" includes, among other things, the nominal value of bonds exchangeable and convertible into ENGIE and GBL shares respectively (see Note 17.2).

25.4. Maturity of notional underlying amounts of derivative financial instruments

In EUR million	Total	Within the year	2 to 5 years	Over 5 years
Forwards, futures and currency swaps	**1,306.8**	1,306.8	-	-
Interest rate swaps (IRS)	**199.8**	103.8	96.0	-
Futures and commodities options	**81.2**	81.2	-	-
Call and put options on shares	**501.2**	501.2	-	-
Total at 31 December 2017	**2,089.0**	**1,993.0**	**96.0**	**-**
Forwards, futures and currency swaps	**1,383.0**	1,383.0	-	-
Interest rate swaps (IRS)	**267.2**	263.2	4.0	-
Futures and commodities options	**76.4**	76.4	-	-
Call and put options on shares	**1,274.6**	824.6	450.0	-
Total at 31 December 2016	**3,001.2**	**2,547.2**	**454.0**	**-**

(1) Accretion of obligation, net of normative yield on assets
(2) Plan closed-frozen as of 1 April 2015

26. Stock options

GBL

Cash-settled plans

GBL issued since 2013 several incentive plans concerning the shares of a sub-subsidiaries of the group. These options were granted to the staff and the Executive Management of GBL. These options give the right to the beneficiary to acquire a share for an exercise price, corresponding with the value of the underlying share at the moment of the granting of the option. These options can be exercised during a period of time. The options will be settled in cash or in shares. These plans are treated as cash-settled plans. The characteristics of these plans are included in the table below:

	FINPAR II S.A.	**FINPAR S.A.**	**URDAC S.A.**	**LTI TWO S.A.**	**LTI ONE S.A.**
Characteristics					
Issue date	8 May 2017	3 May 2016	5 May 2015	29 April 2014	29 April 2013
Number of options on issuing	348,424	308,099	257,206	223,256	254,000
Initial exercise price (in EUR)	10.00	10.00	10.00	10.00	10.00
Vesting date	8 May 2020	3 May 2019	5 May 2018	29 April 2017	29 April 2016
Expiry date	7 May 2027	2 May 2026	4 May 2025	28 April 2024	28 April 2023
Valuation assumptions					
Valuation method	Intrisic value	Intrisic value	Monte Carlo	Monte Carlo	Monte Carlo
Implicit volatility of the underlyings	n.r.	n.r.	17.69% - 19.79%	17.86% - 26.59%	15.54% - 26.73%
Fair value per unit (in EUR)	0.00	12.86	15.93	28.52	26.65
Debt accounted for (in EUR million)	0.0	2.8	3.9	0.8	0.1

The table of changes is shown below:

	2017		**2016**	
	Number	**Exercise price** (in EUR)	**Number**	**Exercise price** (in EUR)
At 1 January	**795,761**	**10.00**	**734,462**	**10.00**
Exercised by:				
Executive Management	**(88,560)**	**10.00**	(104,960)	10.00
Employees	**(107,485)**	**10.00**	(141,840)	10.00
Granted to:				
Executive Management	**154,800**	**10.00**	147,600	10.00
Employees	**193,624**	**10.00**	160,499	10.00
At 31 December	**948,140**	**10.00**	**795,761**	**10.00**
Plan LTI One	**4,800**	**10.00**	7,200	10.00
Plan LTI Two	**29,611**	**10.00**	223,256	10.00
Plan URDAC	**257,206**	**10.00**	257,206	10.00
Plan FINPAR	**308,099**	**10.00**	308,099	10.00
Plan FINPAR II	**348,424**	**10.00**	-	-

In 2017, the total cost for the group with respect to the stock option plans was recorded in operating expenses and amounted to EUR 6 million (EUR 2 million in 2016), of which EUR 2 million for the Executive Management (EUR 1 million in 2016). At the end of 2017, 48% of the options were vested, but only 4% were exercisable.

Equity-settled plans

GBL has issued six incentive plans from 2007 to 2012 based on GBL shares for its Executive Management and staff. These plans are treated as equity-settled plans. The characteristics of the plans outstanding at 31 December 2017 are shown in the following table:

GBL plan	2012	2011	2010	2009	2008	2007
Characteristics						
Number of options on issuing	116,943	187,093	154,306	238,244	153,984	110,258
Initial exercise price (in EUR)	50.68	65.04	65.82	51.95	77.40	91.90
Vesting date	01/01/2016	01/01/2015	01/01/2014	01/01/2013	01/01/2012	01/01/2011
Expiry date	26/04/2022	14/04/2021	15/04/2020	16/04/2019	9/04/2018 9/04/2023	24/05/2017 24/05/2022
Black & Scholes valuation assumptions (according to an independent expert) when the plans are launched						
Expected volatility	21.4%	34.5%	32.7%	34.4%	25.6%	24.0%
Expected dividend growth	2.5%	5.0%	5.0%	5.0%	8.0%	5.0%
Risk-free rate	1.9%	3.6%	3.0%	3.6%	4.9%	4.8%
Fair value per unit (in EUR)	6.82	15.80	14.13	11.31	21.82	29.25

The table of changes is shown below:

	2017		2016	
	Number	**Exercise price** (in EUR)	**Number**	**Exercise price** (in EUR)
At 1 January	**551,947**	**72.74**	707,457	69.03
Exercised by:				
Executive Management	**-**	**-**	(63,140)	50.68
Employees	**(263,934)**	**69.62**	(92,370)	59.35
At 31 December	**288,013**	**75.61**	**551,947**	**72.74**
2007 plan	**110,258**	**91.90**	110,258	91.90
2008 plan	**43,523**	**77.40**	153,984	77.40
2009 plan	**17,087**	**51.95**	21,680	51.95
2010 plan	**42,577**	**65.82**	96,506	65.82
2011 plan	**56,133**	**65.04**	141,374	65.04
2012 plan	**18,435**	**50.68**	28,145	50.68

Imerys

Imerys has put in place an incentive plan for the group's executives and some of the managers and employees that entails the granting of options on Imerys shares. Each option entitles the holder to subscribe shares at a predetermined fixed price. The right to exercise the options is generally acquired (i.e. the options vest) three years after the date of the granting and the options have a maximum life of ten years.

Changes in options granted are shown in the following table:

	Number	**Exercise price** (in EUR)
At 31 December 2015	**1,459,672**	**54.00**
Granted during the period	-	-
Cancelled during the period	(298,668)	62.88
Exercised during the period	(295,383)	54.75
At 31 December 2016	**865,621**	**50.68**
Exercisable at 31 December 2016	865,621	
At 31 December 2016	865,621	50.68
Granted during the period	-	
Cancelled during the period	(23,173)	65.61
Exercised during the period	(436,411)	53.25
At 31 December 2017	**406,037**	**47.06**
Exercisable at 31 December 2017	406,037	

The number of options on Imerys shares is as follows:

Plan	Maturity	Exercise price (in EUR)	2017 Number	2016 Number
05/2007	2017	65.61	**-**	186,539
04/2008	2018	54.19	**40,469**	101,570
08/2009	2019	34.54	**36,263**	75,586
04/2010	2020	46.06	**110,450**	140,250
11/2010	2020	44.19	**-**	82,000
04/2011	2021	53.05	**109,292**	130,631
04/2012	2022	43.62	**109,563**	149,045
Total			**406,037**	**865,621**

In addition, Imerys grants stock option plans, which, if exercised, result in the subscription of shares newly issued for this as well as free shares acquired in the market. In 2017, Imerys granted 293,400 free performance bonus shares (302,500 in 2016). At 31 December 2017, the total employee expenses recognised in the Imerys group's financial statements with respect to stock option and bonus share plans for the year amounted to EUR 13 million (EUR 11 million in 2016).

27. Earnings per share

27.1. Consolidated group profit (loss) for the year

In EUR million	2017	2016
Basic	**705.4**	(457.7)
Diluted	**726.8**	(468.7)
of which impact of financial instruments with a diluting effect	**21.4**	(11.0)

27.2. Number of shares

In EUR million	2017	2016
Issued shares at beginning of year	**161,358,287**	161,358,287
Treasury shares at beginning of year	**(5,924,416)**	(6,079,926)
Weighted changes during the period	**173,619**	95,770
Weighted average number of shares used to determine basic earnings per share	**155,607,490**	155,374,131
Impact of financial instruments with a diluting effect:		
Convertible/exchangeable bonds	**5,000,000**	5,000,000
Stock options (Note 25)	**177,755**	441,689
Weighted average number of shares used to determine diluted earnings per share	**160,785,245**	160,815,820

27.3. Summary of earnings per share

In EUR million	2017	2016
Basic	**4.53**	(2.95)
Diluted	**4.52**	(2.95)

28. Financial instruments

Fair value

To reflect the importance of inputs used when measuring at fair value, the group classifies these valuations according to a hierarchy composed of the following levels:

- level 1: listed prices (non-adjusted) on active markets for identical assets or liabilities;
- level 2: inputs, other than the listed prices included in level 1, that are observable for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- level 3: inputs related to the asset or liability that are not based on observable market data (non-observable inputs).

The tables below show a comparison of the carrying amount and the fair value of the financial instruments at 31 December 2017 and 2016 and the hierarchy of the fair value. The category according to IAS 39 uses the following abbreviations:

- AFS: Available-for-sale financial assets
- HTM: Financial assets held-to-maturity
- LaR: Loans and receivables
- FVTPL: Financial assets/liabilities at fair value through profit and loss
- OFL: Other financial liabilities
- HeAc: Hedge accounting

In EUR million	Category according to IAS 39	Carrying amount	Fair value	Hierarchy of fair values
At 31 December 2017				
Financial assets				
Non-current assets				
Available-for-sale investments				
Listed companies	AFS	14,280.9	14,280.9	Level 1
Other companies	AFS	504.2	504.2	Level 3
Other non-current assets				
Derivative instruments	FVTPL	22.5	22.5	Level 2
Other financial assets	LaR	87.0	87.0	-
Current assets				
Trade receivables	LaR	728.0	728.0	-
Trading financial assets	FVTPL	524.3	524.3	Level 1
Cash and cash equivalents	LaR	491.9	491.9	-
Other current assets				
Derivative instruments - hedging	HeAc	7.0	7.0	Level 2
Other financial assets	LaR	19.6	19.6	-
Financial liabilities				
Non-current liabilities				
Financial liabilities				
Derivative instruments - hedging	HeAc	14.9	14.9	Level 2
Derivative instruments - other	FVTPL	(0.2)	(0.2)	Level 2
Other financial liabilities	OFL	2,820.2	2,967.0	-
Other non current liabilities				
Derivative instruments - other	FVTPL	2.7	2.7	Level 2
Current liabilities				
Financial liabilities				
Derivative instruments	FVTPL	(3.0)	(3.0)	Level 2
Other financial liabilities	OFL	1,155.7	1,202.9	-
Trade payables	OFL	540.0	540.0	-
Other current liabilities				
Derivative instruments - hedging	HeAc	3.9	3.9	Level 2
Derivative instruments - other	FVTPL	24.1	24.1	Level 2
Other current liabilities	OFL	11.2	11.2	-

In EUR million	Category according to IAS 39	Carrying amount	Fair value	Hierarchy of fair values
At 31 December 2016				
Financial assets				
Non-current assets				
Available-for-sale investments				
Listed companies	AFS	12,400.4	12,400.4	Level 1
Other companies	AFS	376.6	376.6	Level 3
Other non-current assets				
Derivative instruments	FVTPL	17.8	17.8	Level 2
Other financial assets	LaR	74.4	74.4	-
Current assets				
Trade receivables	LaR	685.1	685.1	-
Trading financial assets	FVTPL	1,023.5	1,023.5	Level 1
Cash and cash equivalents	LaR	1,086.1	1,086.1	-
Other current assets				
Derivative instruments	HeAc	14.9	14.9	Level 2
Other financial assets	LaR	100.6	100.6	-
Financial liabilities				
Non-current liabilities				
Financial liabilities				
Derivative instruments	FVTPL	17.3	17.3	Level 2
Other financial liabilities	OFL	2,366.2	2,480.7	Level 2
Other non-current liabilities				
Other financial liabilities	HeAc	3.1	3.1	Level 2
Derivative instruments - hedging	FVTPL	11.8	11.8	Level 2
Current liabilities				
Financial liabilities				
Derivative instruments	FVTPL	(2.2)	(2.2)	Level 2
Other financial liabilities	OFL	1,272.4	1,313.7	Level 2
Trade payables	OFL	483.3	483.3	
Other current liabilities				
Derivative instruments - hedging	HeAc	4.9	4.9	Level 2
Derivative instruments - other	FVTPL	15.2	15.2	Level 2
Other current liabilities	OFL	11.4	11.4	

Measurement techniques

The group's financial instruments very largely belong to classification levels 1 and 2. The financial assets measured at level 3 fair value are not significant compared to the other asset classes.

The techniques used to measure the fair value of level 2 financial instruments are as follows:

Exchangeable or convertible bonds

The exchangeable or convertible bonds issued by the group are considered to be hybrid instruments. At the date of issue, the fair value of the bond component is estimated based on the prevailing market interest rate for similar non-exchangeable or non-convertible bonds, taking into account the risk associated with GBL (credit spread). At each reporting date, the value of the bond component is recalculated, taking into account the change in the risk-free rate and GBL's credit spread, and the difference in relation to the price of the exchangeable or convertible bond observed on the Luxembourg Stock Exchange's Euro MTF market is taken as the new value of the derivative component. The change in this value in relation to the previous reporting date is recognised in profit or loss.

Derivative instruments not associated with exchangeable or convertible bonds

The fair value of derivative instruments not associated with exchangeable or convertible bonds is taken from a model that uses observable data, in other words the quotes on the reporting date provided by third-parties operating on the financial markets. These valuations are adjusted for the counterparties' credit risk and the credit risk specific to Imerys or GBL. Accordingly, if the market value of the derivative is positive (derivative asset), its fair value incorporates the likelihood of the counterparty defaulting (Credit Value Adjustment or CVA). If the derivative's market value is negative (derivative liability), its fair value factors in the likelihood of Imerys or GBL defaulting (Debit Value Adjustment or DVA). These adjustments are measured based on the spreads of the bonds in circulation on the secondary market, as issued by Imerys, GBL and their counterparties.

There were no significant transfers between the different levels during 2017 and 2016.

29. Subsidiaries in which GBL holds significant non-controlling interests

The tables below present concise financial information about each of the subsidiaries in which GBL holds significant non-controlling interests, without taking intragroup eliminations into account.

In EUR million	Imerys	Subsidiaries that are not individually material	2017
Ownership percentage held by non-controlling interests	45.7%		
Voting rights held by non-controlling interests	32.5%		
Non-current assets	5,251.5		
Current assets	2,216.5		
Non-current liabilities	2,859.8		
Current liabilities	1,730.0		
Non-controlling interests (including those of the subsidiary)	50.6		
Equity (group's share)	2,827.6		
Non-controlling interests (including those of the subsidiary)	**1,343.9**	**87.5**	**1,431.4**
Turnover	4,598.4		
Net result of the period attributable to the shareholders of GBL (group's share)	199.8		
Net result of the period attributable to the non-controlling interests	**169.3**	**16.4**	**185.7**
Net result of the period (including non-controlling interests)	369.1		
Other comprehensive income attributable to the shareholders of GBL (group's share)	(145.2)		
Other comprehensive income attributable to the non-controlling interests	**(125.2)**	**(0.5)**	**(125.7)**
Total of other comprehensive income (including non-controlling interests)	(270.4)		
Total comprehensive income attributable to the shareholders of GBL (group's share)	54.6		
Total comprehensive income attributable to the non-controlling interests	**44.1**	**15.9**	**60.0**
Total comprehensive income (including non-controlling interests)	98.7		
Dividends paid to the non-controlling interests	69.1		
Net cash flows from operating activities	611.4		
Net cash flows from investing activities	(629.6)		
Net cash flows from financing activities	(388.4)		
Impact of exchange differences on funds held and impact of changes in scope of consolidation	(21.0)		
Increase/decrease of cash and cash equivalents	(427.6)		

In EUR million	Imerys	Subsidiaries that are not individually material	2016
Ownership percentage held by non-controlling interests	45.5%		
Voting rights held by non-controlling interests	30.2%		
Non-current assets	4,343.3		
Current assets	2,389.1		
Non-current liabilities	2,356.7		
Current liabilities	1,461.5		
Non-controlling interests (including those of the subsidiary)	52.7		
Equity (group's share)	2,861.5		
Non-controlling interests (including those of the subsidiary)	**1,354.9**	**152.3**	**1,507.2**
Turnover	4,165.2		
Net result of the period attributable to the shareholders of GBL (group's share)	159.6		
Net result of the period attributable to the non-controlling interests	**135.1**	**11.7**	**146.8**
Net result of the period (including non-controlling interests)	294.7		
Other comprehensive income attributable to the shareholders of GBL (group's share)	53.2		
Other comprehensive income attributable to the non-controlling interests	**47.8**	**0.8**	**48.6**
Total of other comprehensive income (including non-controlling interests)	101.0		
Total comprehensive income attributable to the shareholders of GBL (group's share)	212.8		
Total comprehensive income attributable to the non-controlling interests	**182.9**	**12.5**	**195.4**
Total comprehensive income (including non-controlling interests)	395.7		
Dividends paid to the non-controlling interests	62.6		
Net cash flows from operating activities	632.8		
Net cash flows from investing activities	(278.5)		
Net cash flows from financing activities	14.3		
Impact of exchange differences on funds held and impact of changes in scope of consolidation	25.9		
Increase/decrease of cash and cash equivalents	394.5		

30. Contingent assets and liabilities, rights and commitments

In relation to GBL

Investment/subscription commitments

Following GBL's Sienna Capital investment, the uncalled subscribed capital totalled EUR 733 million at 31 December 2017 (EUR 601 million at end 2016).

Foreign dividends/double international taxation

The group has taken certain measures in order to preserve its interests in matters of double taxation on its foreign dividends.

Rhodia dispute

At the start of 2004, non-controlling shareholders of Rhodia initiated proceedings against GBL and two of its Directors in the Paris Commercial Court, calling into question their responsibility as Directors of Rhodia. At the same time, criminal legal proceedings were initiated against persons unknown.

On 27 January 2006, the Court of Paris decided to suspend the civil proceedings until a decision is made in the criminal legal proceedings. Since then, very little headway has been made with this dispute: it is still adjourned pending the outcome of the criminal proceedings.

GBL's consolidated subsidiaries

Operating lease commitments

Operating lease commitments correspond to future lease payment commitments in the context of contracts concluded by GBL's consolidated subsidiaries for the lease of real estate, equipment or vehicles. These commitments amounted to EUR 322 million at 31 December 2017, of which EUR 51 million for 2018, EUR 145 million for the 2019-2022 period and EUR 126 million beyond that period.

Other commitments given and received

These commitments given and received solely concern Imerys and Sienna Capital.

Other commitments given primarily relate to:

- site rehabilitation, in the amount of EUR 45 million (EUR 32 million in 2016);
- operating activities, i.e. firm purchase commitments given by Imerys within the framework of contracts for the purchase of goods, services, energy or transport (EUR 231 million compared with EUR 326 million in 2016);
- cash, i.e. corresponding to letters of credit and guarantees, mortgages and pledges obtained by Imerys from financial institutions to guarantee operating cash flow needs for its clients (EUR 63 million compared with EUR 57 million in 2016); and
- other obligations (EUR 20 million compared with EUR 40 million in 2016).

Commitments received totalled EUR 214 million at 31 December 2017 (EUR 216 million at 31 December 2016).

31. Transactions with related parties

External related parties to GBL

GBL's related parties are the Canadian group Power Corporation of Canada and the Belgian group Frère. These groups are for GBL the ultimate group heads. Through their joint venture Parjointco, they exercise joint control over the Swiss group Pargesa Holding S.A. which controls GBL. Pargesa Holding S.A. is as such a related party of GBL. There is no contract between GBL and Pargesa Holding S.A.

At 31 December 2017 and 2016, no transaction with Pargesa Holding S.A. were recognised on the balance sheet.

Directors' remunerations

The remunerations paid to the directors are shown in the table below:

In EUR million	2017	2016
Remunerations, charges and short-term benefits	**4.9**	4.9
Post-employment benefits	**1.0**	1.5
Costs related to cash-settled share-based payments	**2.3**	1.0
Insurances	**0.1**	0.1
Total	**8.3**	**7.5**

32. Events after the reporting period

On 8 February 2018, Umicore announced having raised EUR 892 million. GBL confirmed its full support to the group through its participation, for an amount of EUR 144 million, in this capital raising. Consecutive to this transaction, GBL remained Umicore's largest shareholder with an ownership of 16.93%, vs. 17.01% before the capital raising.

Beginning of 2018, ECP III finalised the acquisition of svt from IK Investment Partners and has subsequently announced having signed an agreement to acquire Rolf Kuhn. The merger of those two players of the fire protection sector is subject to customary antitrust approvals.

In February 2018, ECP II entered into exclusive negotiations with Regal Beloit to sell its participation in Nicotra Gebhardt. The completion of the transaction is subject to customary antitrust approvals.

In January 2018, Sagard 3 finalised (i) the disposal to the Caisse de Dépôt et Placement du Québec and Ardian of its participation in Alvest, with a reinvestment in the capital of the company, and (ii) the acquisition of a majority stake in the Climater group.

In February 2018, Sagard II finalised the disposal of its majority stake in Kiloutou.

On 8 March 2018, GBL, through its subsidiary Sienna Capital, committed to invest EUR 250 million alongside funds affiliated with the investment firm KKR in Flora Food Group ("FFG"), Unilever's Spreads Business. In December 2017, KKR submitted a binding offer valuing Unilever's global spreads business at EUR 6.8 billion, on a cash-free and debt-free basis. FFG is the global market leader in plant-based margarine spreads and cooking products, operating in 69 markets around the world and generating pro forma revenue of approximately EUR 3.0 billion in 2017. FFG's portfolio of iconic consumer brands includes Becel, Flora, Country Crock, Blue Band, Rama and ProActiv. Completion of the transaction is expected mid-2018, subject to certain regulatory approvals and employee consultations in certain jurisdictions.

33. Statutory Auditor's fees

GBL's consolidated and statutory financial statements for the last two years have been audited and approved without qualifications by the Statutory Auditor Deloitte. The full text of the reports relating to the audits of the financial statements mentioned above is available in the corresponding Annual Report.

In accordance with Article 134 of the Companies Code, the fees for the services provided by the Statutory Auditor Deloitte and its network were as follows:

In EUR	2017	2016
Audit assignment	**3,485,530**	3,471,375
of which GBL	***75,000***	*75,000*
Other attest assignments	**76,495**	52,900
Other assignments not related to the audit assignment	**2,119,536**	1,619,740
Total	**5,681,561**	**5,144,015**
Of which: Holding	332,008	348,980
Imerys	4,685,463	4,487,000
Sienna Capital	664,090	308,035

Statutory Auditor's report

Groupe Bruxelles Lambert SA/NV | 31 décembre 2017

Statutory auditor's report to the shareholders' meeting of Groupe Bruxelles Lambert SA/NV for the year ended 31 December 2017

In the context of the statutory audit of the consolidated financial statements of Groupe Bruxelles Lambert SA/NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report to you. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These reports are one and indivisible.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 26 April 2016, in accordance with the proposal of the board of directors issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting approving the consolidated financial statements for the year ending 31 December 2018. We have performed the statutory audit of the consolidated financial statements of Groupe Bruxelles Lambert SA/NV for 26 subsequent years.

Report on the audit of the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 24 058,6 million EUR and the consolidated income statement shows a consolidated net profit for the year then ended of 891,1 million EUR.

In our opinion, the consolidated financial statements of Groupe Bruxelles Lambert SA/NV give a true and fair view of the group's net equity and financial position as of 31 December 2017 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Groupe Bruxelles Lambert SA/NV | 31 décembre 2017

Key audit matters	How our audit addressed the key audit matters
The classification and accounting treatment of the different investment lines (holding activities) • Groupe Bruxelles Lambert holds a stake of 17,01% in Umicore, a 16,60% stake in SGS and furthermore a 19,98% stake in Ontex. Conform IAS 39, Management considers these investments as assets available-for-sale. As indicated in the accounting policies (section accounting policy changes, errors and changes in estimates / judgments) summarizing the accounting principles of the company, GBL analyzed the accounting treatment to be reserved for these three investments and in particular the classification in (i) investments in associated companies (IAS 28), or in (ii) assets available for sale (IAS 39). Taking into account an ownership of less than 20% of each of the investments and the fact that: • The representation of GBL on the Board of Directors is not sufficient to demonstrate the existence of a notable influence. In addition, the representation in the Board of Directors is limited to the duration of direcors' terms and does not result from a contractual or legal right, but from a resolution of the general meeting of shareholders; • The other criteria are generally considered to prove that there is no significant influence. GBL has concluded that there is no significant influence demonstrated and, accordingly, these three investments are accounted as financial assets available-for-sale. • As part of our audit, we have identified the classification of the investments in Umicore, SGS and Ontex as a key audit matter and this mainly for the following reasons: • The proximity of the ownership rate to the threshold of 20% ; • The significant importance of these investments; • The important level of judgment in the analysis of significant influence indicators, as defined by IAS 28.	• We reviewed the management's arguments and the facts supporting the classification of the investments in Umicore, SGS and Ontex as available-for-sale assets. Based on this information, we have been able to address the key audit matter related to the accounting treatment of the investments in Umicore, SGS and Ontex.

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Groupe Bruxelles Lambert SA/NV | 31 décembre 2017

Key audit matters	How our audit addressed the key audit matters

Valuation of Goodwill
• The carrying value of the goodwill appearing in the balance sheet totals 2 135,5 million EUR as of 31 December 2017.
• Goodwill corresponds to the difference between (i) the acquisition price and the minority interests in the acquired company, compared to (ii) the fair value of identifiable assets acquired and liabilities assumed. Goodwill is allocated to the CGUs which benefit from the synergies resulting from the acquisition.
• An impairment test is carried out every 12 months at the end of the period in all CGUs comprising a goodwill component. Besides this annual testing, Management ensures itself that goodwill does not show any risk of impairment loss likely to trigger a test at another date should facts be identified indicating that the CGU has been impaired. An impairment test consists in comparing the carrying value of the CGUs tested, including the goodwill which is allocated to them, with the recoverable amount, corresponding most often to the value in use, estimated based on discounted future cash flows. An impairment loss is recognized when the recoverable amount of the CGU to which the goodwill is allocated is less than its net carrying value.
• We considered goodwill valuation to be a key audit matter for the following reasons:
  • The determination of the parameters used to perform impairment tests requires Management to make important judgments and estimates, such as expected levels of organic growth, perpetual growth rates and discount rates which are by their very nature dependent on the economic environment;
  • The amount of goodwill is material in the consolidated financial statements.
	• The Imerys' auditors held meetings with Management to identify possible indications of impairment loss and have, if necessary, analyzed their compliance with IAS 36 – *Impairment of Assets*.
	• The Imery' auditors have analyzed the compliance with IAS 36 and the method used by the Imerys' Management to determine the recoverable amount of each CGU.
	• The Imerys' auditors have also, with the assistance of their valuation experts, carried out a critical review of the implementation terms of this methodology and analyzed in particular:
	  • The consistency of the determination of this amount with the means by which cash flow projections have been determined for the value in use;
	  • The reasonableness of the cash flow projections relating to each CGU compared to the economic and financial context in which they operate;
	  • The consistency of these cash flow projections with the most recent Management estimates that were presented to the Board of Directors as part of the budget process;
	  • The consistency of the growth rate adopted for the projected cash flows with market analyses and the consensus of the main players;
	  • The calculation of the discount rates applied to future cash flows.
	• The Imerys' auditors have also:
	  • Verified the sensitivity calculations performed by the Imerys' Management, in particular, for forecast cash flows, discount rates and perpetual growth rates, in order to determine the amount from which an impairment loss should be recognized;
	  • Verified arithmetical calculations.

Key audit matters	How our audit addressed the key audit matters

Valuation of the provisions for restoration of mining sites
 	
• Imerys is subject to different regulatory requirements relating to the restoration, at the end of their operations, of the mining sites that the Group operates.
• Provisions have been recognized on the balance sheet for this purpose, for an amount of 123,3 million EUR as of 31 December 2017, which is material.
• The calculation of these provisions requires Imerys' Management to make important assumptions for estimating the useful life of the mining sites as well as for determining the costs relating to these requirements and the implementation timetable with regard to the specificities of each site, the time frame considered and local regulatory requirements. The determination of the discount rates for forecast costs is also an important assumption.
• Imerys' Management relies on in-house experts to validate the main assumptions, by taking into account the expected impacts, where applicable, of regulatory changes.
• The valuation of provisions for restoration of mining sites is therefore considered to be a key audit matter.
	• The Imerys' auditors have familiarized themselves with the procedures set up by Imerys' Management to determine these provisions and have performed certain specific tests on a sampling of operating entities. As part of their tests:
	  • The Imerys' auditors have examined the competence and objectivity of the in-house experts contacted by the Group;
	  • The Imerys' auditors have assessed the pertinence of the method adopted and analyzed the reasonableness of the cost estimates with respect to applicable legal or contractual requirements;
	  • The Imerys' auditors have analyzed the method for determining discount rates and reconciled the component parameters with market data.
	• For the other entities, the Imerys' auditors have analyzed the changes in provisions to identify any possible inconsistencies with respect to their understanding of the relevant mining site restoration programs.

Valuation of provisions related to legal procedures
 	
• The Group is involved in various litigation and claims relating to allegations of personal or financial injury involving the civil liability of Group companies (delivery of defective products, health concerns or neighborhood disturbances relating to their activities) and the potential breach of contractual obligations or regulations on employee, property or environmental issues. Provisions recorded to deal with these risks are included in the 173,1 million EUR provision for Legal, social and regulatory risks disclosed in Note 23.2 of the consolidated financial statements of Imerys.
	• The Imerys' auditors have assessed the reasonableness of the provisions recorded with respect to:
	  • Reports on the litigation prepared by the regional legal departments for the attention of the Group's top legal management;
	  • Schedule on the progress of known legal proceedings and the list of potential litigation which was presented to us by the Group's legal director and the deputy legal director;
	  • Extracts of the minutes of different meetings of the Imerys Board of Directors, transcribing the discussions relating to the main proceedings underway or the risks.

Key audit matters	How our audit addressed the key audit matters
• The decision to recognize a provision depends on Imerys' Management judgments concerning the probability of a favorable outcome for the Group and the possibility to make a reliable estimate of the resulting obligation, if it arises. Management also exercises its judgment when determining the amount of the provision to be recorded. • We considered the valuation of the provisions related to legal procedures to be a key audit matter, notably in the United States and Brazil, due to the significant amounts at stake and the sensitivity of the assumptions adopted by Imerys' Management with respect to the Group's results.	• The Imerys' auditors have also obtained confirmation letters from outside legal counsel in charge of significant litigation allowing them to compare their assessment of the provisions to be recorded with those of Imerys' Management. In light of the information obtained as part of their work, the auditors of Imerys have also assessed the items considered by Imerys' Management when it decides not to record a provision for certain litigation.
Recognition of the Kerneos acquisition	
• On 17 July 2017, Imerys acquired 100% of Kerneos for an enterprise value of 880 million EUR. • This transaction resulted in the recognition of a provisional allocation of the acquisition price leading to goodwill of 441 million EUR after recognition of the acquired assets and liabilities assumed of the target. The allocation of the acquisition price will be finalized within the 12 months following the takeover date. • Recognition of the Kerneos acquisition is considered to be a key audit matter with respect to the materiality of this acquisition and because Imerys' Management exercises a certain number of judgments and estimates that led to the identification and valuation of assets acquired and liabilities assumed.	• The Imerys' auditors work consisted in: • Familiarizing themselves with the process implemented by Imerys' Management to record this transaction ; • Analyzing the acquisition agreements; • Analyzing the work carried out by Imerys' Management as part of the allocation of the acquisition price; • Assessing, with the support of their valuation experts, the pertinence of the main assumptions adopted and conclusions reached by Imerys in terms of allocation of the acquisition price to assets and liabilities; • Familiarizing themselves with the due diligence report prepared by the independent firm mandated by Imerys, to identify possible overvalued assets or undervalued liabilities or not taken into account during the process to identify and value assets acquired and liabilities assumed.

Responsibilities of the board of directors for the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes any public disclosure about the matter.

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Report on other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary (Revised in 2018) to the International Standards on Auditing (ISA), our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other matters disclosed in the annual report

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for the period ended 31 December 2017 and it has been established in accordance with the requirements of article 119 of the Companies Code.

In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement. We do not express and will not express any kind of assurance on the directors' report on the consolidated financial statements nor on the other matters disclosed in the annual report.

The non-financial information as required by article 119, § 2 of the Companies Code, has been disclosed in a separate section. This section includes all the information required by article 119, § 2 of the Companies Code and is in accordance with the consolidated financial statements for the financial year then ended. The non-financial information has been established by the company in accordance with the "UN Global Compact" framework. We do however not express any opinion on the question whether this non-financial information has been established, in all material respects, in accordance with "UN Global Compact" recognized framework. Furthermore, we do not express any assurance on individual elements that have been disclosed in this non-financial information.

Statements regarding independence

- No prohibited non-audit services, as referred to by the law, have been performed and our audit firm and, if applicable, our network of audit firms, remained independent from the company during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit of the consolidated financial statements, as defined in article 134 of the Companies Code, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Other statements

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Zaventem, 15 March 2018

The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Corine Magnin

Condensed statutory balance sheet and income statement

In accordance with Article 105 of the Company Code, the non-consolidated accounts are presented hereafter in a summary version of the annual accounts, which does not include all the attachments required by law, nor the Statutory Auditor's report. The complete version of the annual accounts, to be deposited with the National Bank of Belgium, will be available on request from the company's registered office; they are also available on the website (www.gbl.be). The capital structure (as mentioned in the appendix of these accounts) is detailed on page 173.

The Statutory Auditor's report on the annual accounts was unqualified.

Condensed statutory balance sheet at 31 December (after appropriation)

Assets

In EUR million	2017	2016
Start-up costs	**2.2**	**0.1**
Fixed assets	**12,497.7**	**14,422.7**
Tangible assets	**1.7**	1.8
Financial assets	**12,496.0**	14,420.8
Current assets	**2,420.7**	**45.4**
Amounts receivable after more than one year	**-**	-
Amounts receivable within one year	**2,401.1**	14.8
Short-term investments	**8.1**	20.2
Cash at the bank and in hand	**11.0**	9.4
Deferred charges and accrued income	**0.5**	1.0
Total assets	**14,920.6**	**14,468.1**

Liabilities

In EUR million	2017	2016
Capital and reserves	**11,520.1**	**11,366.1**
Capital	**653.1**	653.1
Share premium account	**3,519.6**	3,519.6
Reserves	**318.8**	318.8
Profit carried forward	**7,028.6**	6,874.6
Provisions and deferred taxation	**13.1**	**12.8**
Provisions for liabilities and charges	**13.1**	12.8
Creditors	**3,387.4**	**3,089.2**
Amounts payable after more than one year	**498.5**	-
Amounts payable within one year	**2,880.1**	3,072.3
Accrued charges and deferred income	**8.8**	16.9
Total liabilities	**14,920.6**	**14,468.1**

Income statement at 31 December

In EUR million	2017	2016
Sales and services	**3.4**	**2.5**
Turnover	**2.3**	1.7
Other operating income	**1.1**	0.8
Operating charges	**30.3**	**20.7**
Miscellaneous goods and services	**14.7**	14.3
Remuneration, social security and pensions	**9.6**	8.1
Depreciation and amounts written off on start-up costs, intangible and tangible assets	**0.7**	0.4
Amounts written off inventories, contracts in progress and trade debtors	**-**	-
Provisions for liabilities and charges	**5.2**	(2.7)
Other operating expenses	**0.1**	0.6
Loss of operating activities	**(26.9)**	**(18.2)**
Financial income	**698.4**	**1,054.2**
Recurring financial income	**194.7**	206.7
Income from financial assets	**174.6**	177.0
Income from current assets	**0.6**	4.0
Other financial income	**19.5**	25.7
Non-recurring financial income	**503.7**	847.5
Financial expenses	**33.4**	**51.0**
Recurring financial expenses	**33.4**	50.3
Debt expenses	**28.4**	35.2
Amount written off current assets	**(0.5)**	2.8
Other financial expenses	**5.5**	12.3
Non-recurring financial expenses	**-**	0.7
Profit (loss) for the year before income taxes	**638.1**	**985.0**
Income taxes on result	**-**	**-**
Taxes	**-**	-
Adjustment of taxes and release of tax provisions	**-**	-
Profit for the year	**638.1**	**985.0**

Dividend policy

The profit appropriation policy proposed by the Board of Directors aims at maintaining a balance between an attractive dividend yield for shareholders and growth in GBL's share price. The dividend payout level is supported by the cash earnings.

Appropriation of profit

Taking into account the profit carried forward of EUR 6,874,615,149.78 and the profit for the year of EUR 638,108,022.57, the amount available for appropriation is EUR 7,512,723,172.35. The Board of Directors will propose the following appropriation to the General Meeting on 24 April 2018:

In EUR	
Dividend on 161,358,287 shares	484,074,861.00
To be carried forward	7,028,648,311.35

Appropriation of profit by Groupe Bruxelles Lambert (non-consolidated accounts)

In EUR million	2017	2016
Profit available for appropriation	**7,512.7**	7,347.4
Profit (loss) for the year available for appropriation	**638.1**	985.0
Profit carried forward from the previous year	**6,874.6**	6,362.4
Profit to be carried forward	**7,028.6**	6,874.6
Profit to be carried forward	**7,028.6**	6,874.6
Profit to be distributed	**484.1**	472.8
Dividends	**484.1**	472.8

Dividend per share

In EUR	2017		2016	
	Gross	Net [1]	Gross	Net [1]
Share	**3.00**	**2.10**	2.93	2.051

(1) Dividend excluding a 30% withholding tax

Consolidated figures IFRS over 10 years

In EUR million	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Balance sheet										
Non-current assets	**21,098.5**	17,945.3	17,124.1	15,707.4	15,730.9	14,488.0	15,778.2	14,723.1	14,694.7	12,894.7
Current assets	**2,960.1**	3,927.5	3,281.5	3,977.4	3,226.8	2,933.8	2,361.2	818.7	632.2	1,141.1
Total assets	**24,058.6**	**21,872.8**	**20,405.6**	**19,684.8**	**18,957.7**	**17,421.8**	**18,139.4**	**15,541.8**	**15,326.9**	**14,035.8**
Shareholders' equity – Group's share	**16,505.0**	14,867.0	13,245.6	13,172.7	12,665.2	12,391.1	12,658.3	14,740.6	14,828.8	13,417.2
Non-controlling interests	**1,431.4**	1,507.2	1,297.9	1,111.5	1,025.6	1,000.6	972.3	9.5	-	-
Non-current liabilities	**3,773.9**	3,226.5	4,379.6	4,236.9	4,266.9	2,996.7	3,076.6	685.0	428.4	425.3
Current liabilities	**2,348.3**	2,272.1	1,482.5	1,163.7	1,000.0	1,033.4	1,432.2	106.7	69.7	193.3
Total liabilities and shareholders' equity	**24,058.6**	**21,872.8**	**20,405.6**	**19,684.8**	**18,957.7**	**17,421.8**	**18,139.4**	**15,541.8**	**15,326.9**	**14,035.8**
Income statement										
Net earnings from associated companies	**23.9**	24.2	(82.8)	72.5	135.8	69.5	135.9	262.2	161.1	324.9
Net dividends on investments	**340.7**	338.4	323.5	316.5	368.0	436.4	500.3	450.7	550.3	479.8
Other operating income and expenses related to investing activities	**(59.4)**	(48.2)	(52.4)	(37.2)	(37.7)	(27.9)	(34.4)	(27.9)	(24.3)	(20.3)
Earnings on disposals. impairments and reversals of non-current assets	**245.7**	(968.0)	749.8	495.8	192.2	(323.9)	(604.8)	(18.8)	391.3	(1,436.4)
Financial income and expenses from investing activities	**(17.4)**	37.5	52.4	(123.6)	(169.5)	(46.6)	(43.8)	(24.4)	(21.8)	(36.5)
Result arising from investing activities	**533.5**	**(616.1)**	**990.5**	**724.0**	**488.8**	**107.5**	**(46.8)**	**641.8**	**1,056.6**	**(688.5)**
Turnover	**4,925.7**	4,531.7	4,392.4	3,918.8	3,904.5	4,077.8	2,951.0	-	-	-
Raw materials and consumables	**(1,512.6)**	(1,434.2)	(1,416.1)	(1,283.6)	(1,355.7)	(1,463.2)	(1,039.3)	-	-	-
Personnel costs	**(1,121.7)**	(982.2)	(948.9)	(806.2)	(807.1)	(839.3)	(573.6)	-	-	-
Depreciation on intangible and tangible assets	**(294.4)**	(261.8)	(256.0)	(233.2)	(229.6)	(236.4)	(167.7)	-	-	-
Other operating income and expenses related to operating activities	**(1,386.1)**	(1,299.5)	(1,302.5)	(1,166.3)	(1,111.3)	(1,073.9)	(818.7)	(4.3)	-	-
Gains (losses) on disposals, impairments and reversals of non-current assets related to operating activities	**(6.6)**	(25.2)	(268.9)	11.9	-	-	-	-	-	-
Financial income and expenses of the operating activities	**(98.0)**	(73.9)	(69.2)	(51.0)	(60.0)	(78.0)	(54.7)	-	-	-
Result arising from consolidated operating activities	**506.3**	**454.9**	**130.8**	**390.4**	**340.8**	**387.0**	**302.0**	**(4.3)**	**-**	**-**
Income taxes on result	**(148.7)**	(149.7)	(65.4)	(121.3)	(104.9)	(119.0)	(88.5)	0.9	1.1	1.0
Non-controlling interests	**(185.7)**	(146.8)	(29.5)	(117.8)	(104.1)	(119.9)	(90.6)	2.4	-	-
Consolidated result of the period – Group's share	**705.4**	**(457.7)**	**1,026.4**	**875.3**	**620.6**	**255.6**	**71.1**	**640.8**	**1,057.7**	**(687.5)**
Gross dividend (in EUR)	**3.00**	2.93	2.86	2.79	2.72	2.65	2.60	2.54	2.42	2.30
Coupon number for dividend	**20**	19	18	17	16	15	14	13	12	11
Adjusted net assets per share (in EUR)	**117.06**	105.31	94.13	94.58	92.45	82.10	71.65	88.77	94.40	79.39
Share price (in EUR)	**89.99**	79.72	78.83	70.75	66.73	60.14	51.51	62.93	66.05	56.86
Number of shares in issue	**161,358,287**	161,358,287	161,358,287	161,358,287	161,358,287	161,358,287	161,358,287	161,358,287	161,358,287	161,358,287
Number of treasury shares	**5,660,482**	5,924,416	6,079,926	6,147,123	6,308,090	6,134,514	6,099,444	6,099,444	6,054,739	5,576,651

Corporate Governance

Corporate Governance Statement

Groupe Bruxelles Lambert ("GBL" or the "Company") ensures to respect all corporate governance regulations. It notably complies with the provisions of the 2009 Belgian Corporate Governance Code (the "2009 Code"), which is its reference code, in accordance with the Royal Decree of 6 June 2010, and which may be consulted at www.corporategovernancecommittee.be.

The rules of conduct for the members of GBL's Board of Directors and of its specialised Committees, as well as the rules governing the functioning of these bodies, are laid out in the Corporate Governance Charter (the "Charter"). This document also includes the Dealing Code, which defines the rules applicable to transactions in GBL shares. The Charter was published for the first time at the end of 2005. Since then, the Board of Directors has ensured that this document remains in line with the 2009 Code and the various legal developments in the field of corporate governance. It was last amended by the Board of Directors on 15 March 2018 to take into account organisational changes that had taken place within the Company. The document thus amended is available on the Company's website (www.gbl.be).

This Corporate Governance Statement describes the composition and functioning of GBL's administrative bodies and of their committees. It comments on the practical application of GBL's governance rules during the financial year ended on 31 December 2017 and the period between this financial year and the Board of Directors' meeting on 15 March 2018. It also lists the Company's deviations from certain provisions of the 2009 Code and explains the reasons behind them. It includes a remuneration report and describes the principal characteristics of the Company's internal control and risk management systems. Finally, pursuant to the Law of 3 September 2017 on the disclosure of non-financial information and diversity information by certain companies and groups, this chapter includes, for the first time, a description of the diversity policy of the Board of Directors and the Executive Management.

1. Board of Directors

1.1. Composition at 31 December 2017

	Current term of office	Participation in Board Committees and/or in the Executive Management
Chairman of the Board of Directors		
Gérald Frère	2015-2019	Member of the Standing Committee
Vice-Chairmen, Directors		
Paul Desmarais, Jr.	2015-2019	Member of the Standing Committee
Thierry de Rudder	2016-2020	Chairman of the Standing Committee
Co-CEOs		
Ian Gallienne	2016-2020	Member of the Standing Committee Member of the Executive Management
Gérard Lamarche	2015-2019	Member of the Standing Committee Member of the Executive Management
Directors		
Victor Delloye	2017-2021	Member of the Standing Committee
Paul Desmarais III	2014-2018	Member of the Standing Committee
Cedric Frère	2015-2019	Member of the Standing Committee
Ségolène Gallienne	2015-2019	Member of the Standing Committee
Jocelyn Lefebvre (1)	2017-2021	Member of the Standing Committee (1)
Gilles Samyn	2015-2019	Member of the Standing Committee, the Audit Committee and the Nomination and Remuneration Committee (2)
Amaury de Seze	2017-2021	Member of the Standing Committee and Chairman of the Nomination and Remuneration Committee
Arnaud Vial	2017-2021	Member of the Standing Committee and the Audit Committee
Independent Directors		
Countess Antoinette d'Aspremont Lynden	2015-2019	Chairwoman of the Audit Committee
Laurence Danon Arnaud	2017-2021	Member of the Nomination and Remuneration Committee (1)
Christine Morin-Postel	2017-2021	Member of the Nomination and Remuneration Committee
Marie Polet	2015-2019	Member of the Audit Committee and the Nomination and Remuneration Committee
Martine Verluyten	2017-2021	Member of the Audit Committee
Honorary Chairman		
Baron Frère		
Honorary Managing Directors		
Jacques Moulaert and Emile Quevrin		
Honorary Directors		
Count Baudouin du Chastel de la Howarderie, Jacques-Henri Gougenheim, Count Jean-Jacques de Launoit and Aldo Vastapane		

(1) Since the Ordinary General Shareholders' Meeting of 25 April 2017
(2) Member of the Nomination and Remuneration Committee since the Ordinary General Shareholders' Meeting of 25 April 2017

1.1.1. Composition of the Board of Directors

The composition of GBL's Board of Directors reflects the Company's controlling shareholding structure. Specifically, GBL is controlled by Pargesa Holding S.A. (through its wholly-owned subsidiary Pargesa Netherlands B.V.). Pargesa Holding S.A., incorporated under Swiss law, is itself controlled by Parjointco N.V., incorporated under the laws of the Netherlands and equally controlled by the Frère and Power Corporation of Canada groups, under an agreement concluded by the two groups in 1990.

This agreement aims to establish and maintain equal control between the Power Corporation of Canada group and the Frère group in Pargesa Holding S.A., GBL and their respective designated subsidiaries. It was extended on 18 December 2012 and will expire in 2029 if not renewed.

At 31 December 2017, out of a total of eighteen members GBL's Board included ten representatives put forward by the controlling shareholder, Pargesa Holding S.A.

The shareholding structure explains the composition of the Board of Directors, which departs from the 2009 Code that recommends a Board composition such that no individual or group of Directors should dominate the decision-making.

This control situation also justifies the presence, at 31 December 2017, of representatives proposed by the controlling shareholder, Pargesa Holding S.A., on the Standing Committee (ten members out of thirteen), the Audit Committee (two members out of five) and the Nomination and Remuneration Committee (two members out of five).

It is in this context that GBL has developed a diversity policy for its Board of Directors in accordance with the Law of 3 September 2017 on the disclosure of non-financial information and diversity information by certain companies and groups (for more details, refer to the ESG section in pages 50 to 57). The Company also ensures the presence and contribution of independent Directors in a sufficient quantity and quality, thereby ensuring that the interests of all the Company's shareholders are respected. It has also gradually increased the number of women on its Board and its Committees, as required by the law of 28 July 2011 aimed at guaranteeing the presence of women on the Board of Directors of listed companies. GBL's Board of Directors has five independent Directors and has six female Directors out of a total of eighteen members.

1.1.2. Appointment proposed to the 2018 Ordinary General Shareholders' Meeting

The term of office of Paul Desmarais III expires at the end of the Ordinary General Shareholders' Meeting of 24 April 2018.

The Ordinary General Shareholders' Meeting will be asked to renew his term of office for a four-year term, until the end of the 2022 General Shareholders' Meeting called to approve the accounts for the 2021 financial year.

1.2. Information on the Directors [1]

1.2.1. Main activity and other offices held by the members of the Board of Directors

The full list of offices held by the members of the Board of Directors during the last five years can be found on page 175 of this report. The list of offices held in listed companies during the 2017 financial year is given in point 1.2.4.

Gérald Frère

Chairman of the Board of Directors

Born on 17 May 1951, in Charleroi, Belgium, Belgian nationality.

After being educated in Switzerland, Gérald Frère joined the family company, Frère-Bourgeois group (Belgium), where he took up the duties of Managing Director. He was also Chairman of the Board of Directors of Loverval Finance S.A. until 28 December 2017. He is also a Regent of the National Bank of Belgium.

He was appointed to the Board of Directors of Groupe Bruxelles Lambert in 1982. In 1993 he was named Managing Director and Chairman of the Standing Committee, duties he held until he retired at the end of 2011. He has been Chairman of the Board of Directors since 1 January 2012.

Number of GBL shares held at 31 December 2017: 301,292

Contact address

Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels (Belgium)

Paul Desmarais, Jr.

Vice-Chairman of the Board of Directors

Born on 3 July 1954 in Sudbury, Ontario, Canada, Canadian nationality.

Paul Desmarais, Jr. obtained a Bachelor's degree in Business from McGill University in Montreal and an MBA from INSEAD in Fontainebleau.

He joined Power Corporation of Canada in 1981 and took up the position of Vice-President the following year. In 1984, he guided the creation of the Power Financial Corporation to consolidate Power's major financial holdings, as well as Pargesa Holding S.A., under a single corporate entity. Paul Desmarais, Jr. served as Vice-President of Power Financial from 1984 to 1986, as President and Chief Operating Officer from 1986 to 1989, as Executive Vice-Chairman from 1989 to 1990, as Executive Chairman of the Board from 1990 to 2005, as Chairman of the Executive Committee from 2006 to 2008 and as Executive Co-Chairman since 2008. He also served as Vice-Chairman of Power Corporation from 1991 to 1996. He was named Chairman of the Board and co-CEO of Power Corporation in 1996.

He has been a Director of Groupe Bruxelles Lambert since 1990.

Number of GBL shares held at 31 December 2017: 0

Contact address

Power Corporation of Canada
751, Victoria square
Montreal, Quebec H2Y 2J3 (Canada)

Thierry de Rudder

Vice-Chairman of the Board of Directors

Born on 3 September 1949, in Paris, France, Belgian and French nationality.

Thierry de Rudder obtained a degree in Mathematics from the University of Geneva and the Université Libre de Bruxelles. He holds an MBA from the Wharton School in Philadelphia.

He began his career in the United States and joined Citibank in 1975, where he held various positions in New York and then in Europe.

He is currently Vice-Chairman of the Board of Directors and Chairman of the Standing Committee of Groupe Bruxelles Lambert, which he joined in 1986 and where he held the position of Managing Director until December 2011.

Number of GBL shares held at 31 December 2017: 85,000

Contact address

Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels (Belgium)

(1) As communicated individually to the Company by each member of the Board of Directors

Ian Gallienne
Co-CEO

Born on 23 January 1971, in Boulogne-Billancourt, France, French nationality.
Ian Gallienne holds an MBA from INSEAD in Fontainebleau.

He began his career in Spain, in 1992, as co-founder of a commercial company. From 1995 to 1997 he was Manager of a consulting firm specialised in turning around struggling businesses in France. From 1998 to 2005 he was Manager at the private equity funds Rhone Capital LLC in New York and London. In 2005 he created the private equity fund Ergon Capital in Brussels and was its Managing Director until 2012.

In 2012 he became Co-CEO of Groupe Bruxelles Lambert, which he had been a Director of since 2009.

Number of GBL shares held at 31 December 2017: 20,000

Contact address
Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels (Belgium)

Gérard Lamarche
Co-CEO

Born on 15 July 1961, in Huy, Belgium, Belgian nationality.
Gérard Lamarche graduated in Economics from the University of Louvain-La-Neuve and the INSEAD Management Institute (Advanced Management Program for Suez Group Executives). He also trained at the Wharton International Forum in 1998-1999 (Global Leadership Series).

He began his career at Deloitte Haskins & Sells in Belgium in 1983 and in the Netherlands in 1987. In 1988 Gérard Lamarche joined Société Générale de Belgique as Investment Manager and was Controller from 1989 to 1991, before becoming an Advisor on strategic operations from 1992 to 1995.

He joined Compagnie Financière de Suez as Advisor to the Chairman and Secretary to the Executive Committee (1995-1997) before being appointed Deputy Director in charge of Planning, Control and Accounting.

In 2000 Gérard Lamarche pursued his career in the industrial sector by joining NALCO (a US subsidiary of the Suez group, world leader in industrial waste water treatment) as Managing Director. In January 2003 he was appointed CFO of the Suez group.

He has been a Director of Groupe Bruxelles Lambert since 2011 and Co-CEO since 1 January 2012.

Number of GBL shares held at 31 December 2017: 6,300

Contact address
Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels (Belgium)

Antoinette d'Aspremont Lynden
Director

Born on 24 October 1949, in London, United Kingdom, Belgian nationality.
Antoinette d'Aspremont Lynden holds a Master of Science degree from the School of Engineering of Stanford University in California and a PhD in Applied Economics from the Catholic University of Louvain (UCL). She began her career in the area of quantitative methods consulting in Palo Alto, California. Between 1973 and 1990 she held several positions at Banque Bruxelles Lambert in Brussels. She was then a Management professor for twenty years at Charles-de-Gaulle University (Lille 3). In addition, she is a visiting professor of Accounting and Financial Analysis at the Political Science Institute (Sciences Po) in Lille. She is also active in the non-profit sector as President of the Royal Philanthropic Society in Brussels, Treasurer of St Michael and St Gudula's Cathedral in Brussels, President of the French-speaking jury for the Queen Paola Prize for education, a Member of the Organising Authority of the Collège de Maredsous (Belgium) and Director of the Royal Trust (Belgium).

She has been a Director of Groupe Bruxelles Lambert since 2011.

Number of GBL shares held at 31 December 2017: 0

Contact address
23, avenue du Général de Gaulle
1050 Brussels (Belgium)

Laurence Danon Arnaud
Director

Born on 6 January 1956, in Caudéran (Gironde), France, French nationality
Laurence Danon Arnaud studied at the Ecole Normale Supérieure Paris (1977), qualified in physical sciences (1980) and is an Engineer of the Corps des Mines (1991-1984).

After five years at the Ministry of Industry and at the Hydrocarbons Directorate, Laurence Danon Arnaud joined ELF group in 1989. She held various positions in the Chemistry branch of TOTAL FINA ELF group including in particular, between 1996 and 2001, that of CEO of BOSTIK, the number two worldwide in adhesives.

In 2001 she was appointed CEO of Printemps and member of the Executive Board of PPR (KERING). After the repositioning of Printemps and its successful sale in 2007, she joined the world of finance, from 2007 to 2013 as Chairwoman of the Management Board of Edmond de Rothschild Corporate Finance and from 2013 as Chairwoman of the merchant bank Leonardo & Co. Following the latter's sale to NATIXIS in 2015 she devoted herself to her family office, PRIMROSE SAS.

Laurence Danon Arnaud has been a Director of Gecina since 2017 as well as Amundi since 2015 and TF1 since 2010. She has been a member of other Boards of Directors: Diageo (2006-2015), Plastic Omnium (2003-2010), Experian Plc. (2007-2010), Rhodia (2008-2011) and of the Supervisory Board of BPCE (2009-2013).

She has been a Director of Groupe Bruxelles Lambert since 2017.

Number of GBL shares held at 31 December 2017: 100

Contact address
30, boulevard Victor Hugo
92200 Neuilly-sur-Seine (France)

Victor Delloye
Director

Born on 27 September 1953, Belgian nationality.
Victor Delloye has a Bachelor's degree in law from the Catholic University of Louvain (UCL) and a Master's degree in Taxation from the ICHEC Brussels Management School. Since the start of the 1989-1990 academic year he has been a lecturer at the Solvay Brussels School of Economics & Management (ULB) in the Executive Master's programme in Tax Planning.

He joined the Frère-Bourgeois group in 1987 and is Director and General Secretary of Frère-Bourgeois and its subsidiary, Compagnie Nationale à Portefeuille (CNP-NPM). He is also Vice-Chairman of the Association Belge des Sociétés Cotées ASBL.

He has been a Director of Groupe Bruxelles Lambert since 1999.

Number of GBL shares held at 31 December 2017: 0

Contact address
Compagnie Nationale à Portefeuille S.A.
12, rue de la Blanche Borne
6280 Loverval (Belgium)

Paul Desmarais III
Director

Born on 8 June 1982, in Montreal, Quebec, Canada, Canadian nationality.
Paul Desmarais III obtained a Bachelor's degree in Economics from Harvard University and holds an MBA from INSEAD in Fontainebleau.

He began his career in 2004 at Goldman Sachs in the United States. In 2010 he went to work for Imerys in France as a project manager and in 2012 joined Great-West Lifeco (Canada) as Assistant Vice-President of Risk Management. In May 2014, he was appointed Vice-Chairman of Power Corporation of Canada and Power Financial Corporation.

He has been a Director of Groupe Bruxelles Lambert since 2014.

Number of GBL shares held at 31 December 2017: 0

Contact address
Power Corporation of Canada
751, Victoria square
Montreal, Quebec H2Y 2J3 (Canada)

Cedric Frère
Director

Born on 13 April 1984, in Charleroi, Belgium, Belgian and French nationality.
Cedric Frère holds a Bachelor of Arts in Business and Economics from Vesalius College in Brussels, Vrije Universiteit Brussel (VUB).

He began his career in the banking sector (at Goldman Sachs in Paris and at the Royal Bank of Scotland in London). In 2008 he moved on to the Private Deals department of Banque Degroof in Brussels.

In 2010, he joined CNP-NPM, where he is now an investment manager.

He is currently a Director of various companies, including Frère-Bourgeois, CNP-NPM, Erbe S.A. (until 28 December 2017), Cheval Blanc Finance SAS and Pargesa Holding S.A. He is also a tenured Director of Cheval des Andes.

He has been a Director of Groupe Bruxelles Lambert since 2015.

Number of GBL shares held at 31 December 2017: 0

Contact address
Compagnie Nationale à Portefeuille S.A.
12, rue de la Blanche Borne
6280 Loverval (Belgium)

Ségolène Gallienne
Director

Born on 7 June 1977, in Uccle, Belgium, Belgian nationality.
Ségolène Gallienne holds a Bachelor of Arts in Business and Economics from Vesalius College in Brussels, Vrije Universiteit Brussel (VUB). Previous positions include Head of Public Relations at Belgacom (which became Proximus) and Head of Communication at Dior Fine Jewelry. She is currently a Director of various French and international companies (including Christian Dior S.A., Société Civile du Château Cheval Blanc, Frère-Bourgeois and Pargesa Holding S.A.) and Chairwoman of the Board of Directors of Diane S.A., a company specialised in the trading of works of art.

She has been a Director of Groupe Bruxelles Lambert since 2015.

Number of GBL shares held at 31 December 2017: 0

Contact address
Frère-Bourgeois
12, rue de la Blanche Borne
6280 Loverval (Belgium)

Jocelyn Lefebvre
Director

Born on 22 December 1957, in Quebec, Canada, Canadian and French nationality.
Jocelyn Lefebvre holds a degree from the Ecole des Hautes Etudes Commerciales de Montréal and is also a member of CPA, Quebec Order of Chartered Accountants.

He began his career in 1980 at Arthur Andersen, first in Montreal and then in Brussels. In 1986, he joined the Canadian industrial group M.I.L. Inc., where he was successively Deputy to the CEO, Vice-President of Administration and of M.I.L. Special Projects, and then of Corporate Affairs while holding the position of Chairman of Vickers Inc, one of its main subsidiaries, until 1991. In 1992 Jocelyn Lefebvre joined the Power Corporation of Canada group, where he has held various positions in Europe. In this context, he sat on the Boards of Directors of group companies (Imerys, Parfinance, RTL, Suez-Tractebel, Kartesia, AFE, Orior Food). Today he is CEO of Sagard Private Equity and is also a member of the Management Boards of Parjointco N.V. and of Power Financial Europe B.V.

He has been a Director of Groupe Bruxelles Lambert since 2017.

Number of GBL shares held at 31 December 2017: 0

Contact address
Power Corporation of Canada
751, Victoria square
Montreal, Quebec H2Y 2J3 (Canada)

Christine Morin-Postel
Director

Born on 6 October 1946, in Paris, France, French nationality.
After completing her studies in political science and management, Christine Morin-Postel began her career in the area of research development and venture capital. In October 1979 she joined Lyonnaise des Eaux and later became Chief Operating Officer for international operations.

She joined Banque Indosuez in June 1993 as Managing Partner of Financière Indosuez and subsequently became Chairwoman and CEO of the Crédisuez group, a subsidiary of the Suez group dedicated to real estate financing and mortgage lending. From February 1998 to March 2001 she was Managing Director and Chairwoman of the Executive Committee of Société Générale de Belgique.

She joined the Executive Committee of the Suez group in September 2000, and was in charge of human resources until she retired in 2003.

Since then, she has been an independent Director of several industrial and financial groups, including 3i Group plc., Pilkington, Alcan and Royal Dutch Shell plc.

She was also a Director of British American Tobacco plc. until December 2016. She currently sits on the Board of Directors of High Payment Systems S.A. and is a member of the Investment Committee of Capmezzanine 2.

She has been a Director of Groupe Bruxelles Lambert since 2013.

Number of GBL shares held at 31 December 2017: 285

Contact address
45, boulevard de la Saussaye
92200 Neuilly-sur-Seine (France)

Marie Polet
Director

Born on 5 December 1954 in Eupen, Belgium, Belgian nationality.
After obtaining a Bachelor's degree in Economics, Marie Polet joined British American Tobacco plc. (BAT), the world's second largest tobacco company.

She worked in marketing before being promoted to Corporate Management positions. She was a Managing Director of British American Tobacco Belgium until July 2008. She also spent a lot of time abroad for the BAT group, in the US, Germany and the Netherlands, before being appointed Head of Marketing for Europe in London. After she successfully oversaw the merger between BAT and STC (cigars) in Belgium, the multinational tasked her with managing the takeover of the Scandinavian tobacco market leader. She was as such made General Manager Denmark, working in Copenhagen until January 2010. She was then promoted to Group Head of Strategy & Planning at the group's head office in London. From 1 October 2011 to 16 January 2015 she served as President & CEO of Imperial Tobacco Canada, which has its head office in Montreal. Since then she has been Director Strategy, Planning and Insights of the group in London.

She has been a Director of Groupe Bruxelles Lambert since 2015.

Number of GBL shares held at 31 December 2017: 0

Contact address
British American Tobacco plc.
Globe House - 4, Temple Place
London WC2R 2PG (United Kingdom)

Gilles Samyn
Director

Born on 2 January 1950, in Cannes, France, Belgian and French nationality.
Gilles Samyn holds a Commercial Engineering degree from the Solvay Business School (ULB), where he has held research and teaching positions since 1969.

He began his career at Mouvement Coopératif Belge in 1972, then moved to Groupe Bruxelles Lambert at the end of 1974. After spending a year in self-employment he started working for the Frère-Bourgeois group in 1983 and is now a Managing Director, as well as Chairman of the Board of Directors of CNP-NPM.

He has been a Director of Groupe Bruxelles Lambert since 1987.

Number of GBL shares held at 31 December 2017: 0

Contact address
Compagnie Nationale à Portefeuille S.A.
12, rue de la Blanche Borne
6280 Loverval (Belgium)

Amaury de Seze
Director

Born on 7 May 1946, French nationality.
Amaury de Seze holds a degree from the Centre de Perfectionnement dans l'Administration des Affaires and from the Stanford Graduate School of Business.

His career began at Bull General Electric. From 1978 to 1993 he worked for Volvo group as Chairman of Volvo Europe and Member of the group's Executive Committee. In 1993 he joined Paribas group as a Member of the Executive Board in charge of industrial affairs. He is currently Vice-Chairman of the Board of Power Financial Corporation and is a former Chairman of PAI Partners.

He has been a Director of Groupe Bruxelles Lambert since 1994.

Number of GBL shares held at 31 December 2017: 0

Contact address
24, avenue Marnix
1000 Brussels (Belgium)

Martine Verluyten
Director

Born on 14 April 1951, in Leuven, Belgium, Belgian nationality.
Martine Verluyten has a degree in applied economics from the Catholic University of Leuven. She started her career at the audit firm Peat, Marwick, Mitchell, which later became KPMG. After being promoted to senior auditor she joined the Californian company Raychem, which specialises in heat-shrinkable polymeric products, where she held a number of financial positions in Belgium and the United States.

In 2000 she joined Mobistar, Belgium's second-largest mobile network operator, and quickly became CFO. She ended her career as CFO at Umicore (2006-2011).

Martine Verluyten is currently a non-executive Director on the Boards of STMicroelectronics N.V. and Thomas Cook Group plc. She chairs the Audit Committees of STMicroelectronics N.V. and Thomas Cook Group plc., where she also sits on the Nomination Committee.

She has been a Director of Groupe Bruxelles Lambert since 2013.

Number of GBL shares held at 31 December 2017: 3,430

Contact address
24/33, avenue Van Becelaere
1170 Brussels (Belgium)

Arnaud Vial
Director

Born on 3 January 1953, in Paris, France, French and Canadian nationality.
After graduating from the Ecole Supérieure d'Electricité, Arnaud Vial began his career in 1977 with Banque Paribas (Paris). In 1988 he joined Pargesa group. He has been First Vice-Chairman of Power Corporation of Canada and Power Financial Corporation since 1997. On 1 June 2013, he became Managing Director of Pargesa Holding S.A. He has been sitting on the Board of Directors of Imerys since May 2016.

He has been a Director of Groupe Bruxelles Lambert since 2004.

Number of GBL shares held at 31 December 2017: 0

Contact address
Power Corporation of Canada
751, Victoria square
Montreal, Quebec H2Y 2J3 (Canada)

1.2.2. Designation and appointment of Directors

Directors are designated and appointed on the basis of procedures and selection criteria that are described in the Charter in Chapter III, point A. 2. and comply with the 2009 Code as well as in the Company's Diversity & Inclusion Policy (see page 52 of this annual report). Gérald Frère, in his capacity as non-executive Director and Chairman of the Board of Directors, is responsible for the Director selection process.

1.2.3. Professional development

New Directors receive appropriate information enabling them to contribute rapidly to the work of the Board of Directors. If the Director sits on a Board Committee as well, the information transmitted also includes a description of the Committee's duties, and all other information related to its tasks. New Directors are also given the opportunity to discuss any questions about the execution of their mandate with the Company's Executive Management. As the selection of new Directors is primarily based on the level of professional experience and competence with respect to the activities of a holding company, no other formal training is currently provided.

Throughout their term of office, Directors update their skills and develop their knowledge of the Company in order to carry out their responsibilities in the Board of Directors and in the Committees.

1.2.4. Offices held by Directors in listed companies

The following table shows the offices held in listed companies by each of the Directors as of 31 December 2017, both in Belgium and abroad.

Two figures are indicated for the number of offices: the first figure represents the total number of offices held; the second smaller or equal figure is obtained by consolidating all the offices held within the same group as its representative within the various companies in which it owns a shareholding.

The specific nature of a holding company is to own shares whose performance must be monitored by the company's managers. In this context, Directors may legitimately hold more than five offices as their main professional activity, which explains why the Charter deviates from the provisions of the 2009 Code in this respect.

	Number of offices	**Name of the listed company**
Gérald Frère	4 / 3	National Bank of Belgium (B) Power Financial Corporation (CDN) Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Paul Desmarais, Jr.	8 / 1	Power Corporation of Canada (CDN) Power Financial Corporation (CDN) Great-West Lifeco Inc. (CDN) IGM Financial Inc. (CDN) Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B) LafargeHolcim (CH) SGS S.A. (CH)
Thierry de Rudder	1 / 1	Groupe Bruxelles Lambert (B)
Ian Gallienne	5 / 1	Groupe Bruxelles Lambert (B) adidas AG (D) Imerys (F) Pernod Ricard (F) SGS S.A. (CH)
Gérard Lamarche	5 / 1	Groupe Bruxelles Lambert (B) LafargeHolcim (CH) SGS S.A. (CH) Total S.A. (F) Umicore (B)
Antoinette d'Aspremont Lynden	2 / 2	BNP Paribas Fortis (B) Groupe Bruxelles Lambert (B)
Laurence Danon Arnaud	4 / 4	Amundi (F) Gecina (F) Groupe Bruxelles Lambert (B) TF1 (F)
Victor Delloye	2 / 1	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Paul Desmarais III	3 / 1	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B) Imerys (F)
Cedric Frère	2 / 1	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Ségolène Gallienne	3 / 2	Christian Dior S.A. (F) Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Jocelyn Lefebvre	2 / 1	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Christine Morin-Postel	2 / 2	Groupe Bruxelles Lambert (B) Hightech Payment Systems S.A. (Morocco)
Marie Polet	2 / 2	British American Tobacco plc. (UK) Groupe Bruxelles Lambert (B)
Gilles Samyn	4 / 1	Métropole Télévision (M6) (F) (1) Pargesa Holding S.A. (CH) (1) Groupe Bruxelles Lambert (B) Pernod Ricard (F)
Amaury de Seze	3 / 2	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B) RM2 S.A. (UK)
Martine Verluyten	3 / 3	Groupe Bruxelles Lambert (B) STMicroelectronics N.V. (NL) Thomas Cook Group plc. (UK)
Arnaud Vial	3 / 1	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B) Imerys (F)

(1) Offices exercised within Frère-Bourgeois group

1.2.5. Family ties between members of the Board of Directors

- Gérald Frère is the brother-in-law of Thierry de Rudder and Ian Gallienne;
- Gérald Frère is the father of Cedric Frère and the brother of Ségolène Gallienne;
- Ian Gallienne is married to Ségolène Gallienne;
- Thierry de Rudder is the uncle of Cedric Frère;
- Paul Desmarais, Jr. is the father of Paul Desmarais III.

1.2.6. Management expertise and experience of members of the Board of Directors

Among the criteria laid down for the selection of Directors is their expertise and experience in management and finance as provided for in GBL's Diversity & Inclusion Policy.

The activity exercised and offices held by each of the Directors reflect their individual expertise and experience.

1.2.7. No conviction for fraud and incrimination and/or public sanction

For the last five years, there has been no conviction for fraud, incrimination and/or public sanction issued against any of the Directors by statutory or regulatory authorities.

Likewise, for the last five years, no Director has been prohibited by a court from being a member of a management, executive or supervision body or from being involved in the management or conduct of an issuer's activities.

1.2.8. Bankruptcy, receivership or liquidation of companies in which a Director has been involved as an executive during the last five years

No Directors have been involved in any bankruptcy, receivership or liquidation during the last five years, except Gilles Samyn in the liquidation of Astra Oil Company and Arnaud Vial in the dissolution of SiHMM (Luxembourg). That dissolution took place after SiHMM had sold its assets and distributed the corresponding income to its shareholders.

1.2.9. Potential conflicts of interests between members of the Board of Directors

The following theoretical potential conflicts of interests have been identified:

- Gérald Frère is Vice-Chairman and Managing Director of Pargesa Holding S.A., Director of Power Financial Corporation and holds various directorships in the Frère-Bourgeois group;
- Cedric Frère is a Director of Pargesa Holding S.A. and holds various directorships in the Frère-Bourgeois group;
- Ségolène Gallienne is a Director of Pargesa Holding S.A. and holds various directorships in the Frère-Bourgeois group;
- Gilles Samyn is a Director of Pargesa Holding S.A., Managing Director of Frère-Bourgeois and a Director of other companies in the Frère-Bourgeois group;
- Victor Delloye is a Director of Pargesa Holding S.A. and also holds various executive directorships in the Frère-Bourgeois group;
- Paul Desmarais, Jr., Paul Desmarais III, Jocelyn Lefebvre and Arnaud Vial are Directors of Pargesa Holding S.A. and hold various directorships in the Power Corporation of Canada group;
- Amaury de Seze is a Director of Pargesa Holding S.A. and Vice-Chairman of Power Financial Corporation;
- Arnaud Vial is Senior Vice-President of Power Corporation of Canada and Power Financial Corporation. He is Managing Director of Pargesa Holding S.A.

1.2.10. Arrangements or agreements concluded with the main shareholders

The Company has not concluded with its main shareholders any arrangements or agreements by virtue of which the Directors would have been selected as members of the Board of Directors.

1.2.11. Restriction on the transfer of GBL shares

To the Company's knowledge, there are no restrictions on the disposal by a Director of the GBL shares that they own, except for the stipulations regarding black-out periods and closed periods.

1.3. Executive Management

1.3.1. Composition

At 31 December 2017, GBL's day-to-day management was entrusted to Ian Gallienne and Gérard Lamarche, Co-CEOs who form the Company's Executive Management.

1.3.2. Powers and functioning of the Executive Management

The Executive Management ensures the group's operational management on a collective basis. It enjoys a large degree of autonomy: its powers are not limited to the implementation of the Board of Directors' decisions but also include all of the acts necessary to ensure that the Company and its subsidiaries operate normally and to successfully implement the Company's strategy (see Charter, Chapter III, points B. 1. and 2.).

It is in this context that GBL has developed a Diversity & Inclusion Policy for the Executive Management in accordance with the Law of 3 September 2017 on the disclosure of non-financial information and diversity information by certain companies and groups (refer to the ESG section in pages 50 to 57 of this annual report).

1.3.3. Assessment of the Executive Management

The Charter does not stipulate any specific procedures for assessing the performance of the Executive Management, as provided for by the 2009 Code. This assessment occurs on an ongoing and informal basis within the framework of meetings of the Board and its Committees, and more formally through the triennial assessment of the Board of Directors' performance (see Charter, chapter III, point A. 4.2.5. and chapter III, point B. 4.).

Furthermore, the non-executive Directors meet annually, in the absence of the Executive Management, to review the interaction between the non-executive Directors and the Executive Management. The meeting on the 2017 financial year was held on 2 November 2017 (for more details, see "Effectiveness and assessment of the Board" on page 159 of this annual report).

1.4. Powers and functioning of the Board of Directors

The powers and functioning of the Board of Directors are described in the Charter, chapter III, points A. 4.1. and 4.2.

1.5. Board meetings held in 2017 and Directors' attendance

The Board of Directors met six times in 2017, with a weighted average attendance rate by Directors of 88.89% for all the meetings. Some members attended some of these meetings by telephone.

The Directors' individual attendance rate for these meetings is as follows:

Directors	Attendance rate
Gérald Frère	100.00%
Paul Desmarais, Jr.	100.00%
Thierry de Rudder	100.00%
Ian Gallienne	83.33%
Gérard Lamarche	100.00%
Antoinette d'Aspremont Lynden	100.00%
Laurence Danon Arnaud (1)	100.00%
Victor Delloye	100.00%
Paul Desmarais III	50.00%
Cedric Frère	83.33%
Ségolène Gallienne	83.33%
Jocelyn Lefebvre (1)	100.00%
Maurice Lippens (2)	100.00%
Christine Morin-Postel	83.33%
Michel Plessis-Bélair (2)	0.00%
Marie Polet	100.00%
Gilles Samyn	100.00%
Amaury de Seze	50.00%
Martine Verluyten	100.00%
Arnaud Vial	100.00%
Total	**88.89%** (3)

(1) As from the General Shareholders' Meeting of 25 April 2017. Attendance rate calculated based on the meetings held during the person's directorship
(2) Until the General Shareholders' Meeting of 25 April 2017. Attendance rate calculated based on the meetings held during his directorship
(3) Attendance rate calculated based on the weighted attendance of all members during their directorship

The Board meetings in March and July traditionally have on their agenda the approval of the consolidated financial statements and accounts for the periods ended 31 December and 30 June. The May and November meetings focus on the quarterly results. The projected year-end results are reviewed at each of these meetings. The investment portfolio is generally included on the agenda of all the meetings. Throughout the year, the Board focused its work on the portfolio rotation strategy involving various investment projects (including GEA and Parques Reunidos) and divestment projects. The Board Meeting of 17 March 2017 approved the principle of an institutional bond issue by GBL and approved the agenda of the General Shareholders' Meeting. On a recommendation from the Nomination and Remuneration Committee, the same Board Meeting increased the fixed net remuneration of the Co-CEOs to EUR 860,000 and set out the principle and the conditions for the long-term variable remuneration to be paid to the Executive Management in 2017.

1.6. Effectiveness and assessment of the Board

In accordance with its internal rules and regulations (see Charter, chapter III, point A. 4.2.5.), the Board of Directors assesses its own performance every three years based on an individual questionnaire. This assessment tool concerns the size, composition and collective performance of the Board of Directors, as well as the actual contribution of each Director and the Board of Directors' interaction with the Executive Management. In addition to this assessment procedure, the non-executive Directors meet annually, in the absence of the Executive Management, to review the interaction between the non-executive Directors and the Executive Management. Since March 2014, the scope of this assessment has been extended to the Audit Committee and the Nomination and Remuneration Committee.

The first assessment of the Board of Directors was conducted in 2007. The latest assessment of the functioning of the Board of Directors and the interaction between the Board and the Executive Management was begun in the second quarter of 2016. The results were reported to the Board at its meeting of 4 November 2016 and were satisfactory. A new assessment will take place in 2019.

The meeting of the non-executive Directors, in the absence of the Executive Management, covering the 2017 financial year, was held on 2 November 2017.

The following issues were dealt with:

- the quality of the relations between the Executive Management and the Board of Directors;
- the information provided by the Executive Management;
- the assessment by the Board of Directors of the Executive Management;
- the delimitation of tasks between the Executive Management and the Board of Directors;
- the possibility for Directors of meeting the Executive Management outside of Board meetings.

These matters were globally deemed satisfactory.

There is no pre-established procedure for assessing the contribution and effectiveness of Directors whose re-election is proposed. The actual contribution of each Director is assessed as part of the periodic evaluation of the Board of Directors. Furthermore, the proposal for renewal of directorships implicitly confirms the contribution and effectiveness of the Director as regards the work of the Board of Directors.

2. Board Committees

The Board of Directors is assisted by the Standing Committee, the Nomination and Remuneration Committee and the Audit Committee, which carry out their activities under its responsibility. The internal rules and regulations for each of these Committees can be found in Appendix 1 to the Charter.

2.1. Standing Committee

2.1.1. Composition

At 31 December 2017, the Standing Committee had thirteen members, ten of whom were representatives of the controlling shareholder. The Committee is chaired by Thierry de Rudder.

The end of the term of office of the Committee's members corresponds to that of their term of office as Director.

Members of the Standing Committee	Current terms of office	Attendance rate
Thierry de Rudder, Chairman	2016-2020	100.00%
Paul Desmarais, Jr.	2015-2019	100.00%
Gérald Frère	2015-2019	100.00%
Ian Gallienne	2016-2020	100.00%
Gérard Lamarche	2015-2019	100.00%
Ségolène Gallienne	2016-2019	66.67%
Jocelyn Lefebvre (1)	2017-2021	100.00%
Victor Delloye	2017-2021	100.00%
Paul Desmarais III	2015-2018	50.00%
Cedric Frère	2015-2019	100.00%
Michel Plessis-Bélair (2)	2013-2017	0.00%
Gilles Samyn	2015-2019	100.00%
Amaury de Seze	2017-2021	83.33%
Arnaud Vial	2017-2021	100.00%
Total		**89.74%(3)**

(1) As from the General Shareholders' Meeting of 25 April 2017. Attendance rate calculated based on the meetings held during his term as a Committee member
(2) Until the General Shareholders' Meeting of 25 April 2017. Attendance rate calculated based on the meetings held during his term as a Committee member
(3) Attendance rate calculated based on the weighted attendance of all members during their term as Committee members

At its meeting of 15 March 2018, the Board of Directors decided to reappoint Paul Desmarais III as a member of the Standing Committee, subject to the approval of the renewal of his term of office.

2.1.2. Frequency of meetings and deliberations

The Standing Committee met six times in 2017. As shown in the table above, there was a 89.74% weighted average attendance rate for Directors, for all the meetings in 2017.

At its various meetings, the Standing Committee addressed the main subjects to be deliberated upon by the Board, namely:

- GBL's strategic and financial direction and the continuation of the action plan, including the investments in GEA and Parques Reunidos;
- the review of the valuation of GBL and its investments;
- cash earnings forecasts and proposed dividend;
- the group's cash and investment capacity;
- the issue of an institutional bond by GBL.

2.2. Nomination and Remuneration Committee

2.2.1. Composition

At 31 December 2017, the Committee had five members. The Committee is chaired by Amaury de Seze.

The term of office of the Committee's members corresponds to their term of office as Director

Members of the Nomination and Remuneration Committee	Current terms of office	Attendance rate
Amaury de Seze, Chairman	2017-2021	100.00%
Laurence Danon Arnaud (1)	2017-2021	100.00%
Christine Morin-Postel	2017-2021	100.00%
Marie Polet	2015-2019	100.00%
Gilles Samyn (1)	2015-2019	100.00%
Total		**100.00%(2)**

(1) As from the General Shareholders' Meeting of 25 April 2017. Attendance rate calculated based on the meetings held during her term as a Committee member
(2) Attendance rate calculated based on the weighted attendance of all members during their term as Committee members

All the members of the Nomination and Remuneration Committee are non-executive Directors, three of whom are independent. They have the necessary expertise in the area of remuneration policy.

2.2.2. Frequency of meetings and deliberations

The Nomination and Remuneration Committee met two times in 2017. As shown in the table above, the Committee's members attended all the meetings, in person or by telephone.

At these meetings, the Committee mainly focused on the following issues:

- proposal for a new option plan to be granted in 2017 to the Executive Management and setting of the exercise parameters and conditions;
- drafting of the remuneration report and reviewing of the other corporate governance documents concerning the appointment and remuneration of executives, to be published in the 2016 annual report;
- drafting of the report by the Chairman of the Nomination and Remuneration Committee to the Ordinary General Shareholders' Meeting of 25 April 2017;
- preparation of the annual assessment of the interaction between the Executive Management and the non-executive Directors;
- proposal to renew the directorship of Paul Desmarais III and his membership of the Standing Committee.

Furthermore, at its meeting of 9 March 2018, the Committee prepared the remuneration report to be published in the 2017 annual report and the report of the Chairman of the Committee to the Ordinary General Shareholders' Meeting of 24 April 2018, as required by the Belgian Companies Code.

2.3. Audit Committee

2.3.1. Composition

At 31 December 2017, the Audit Committee had five members, three of whom are independent within the meaning of Article 526ter of the Belgian Companies Code. They are Antoinette d'Aspremont Lynden, Chairwoman of the Committee, Marie Polet and Martine Verluyten. The two other members, namely Gilles Samyn and Arnaud Vial, are representatives of the controlling shareholder.

The term of office of the Committee's members corresponds to their term of office as Director.

Members of the Audit Committee	Current terms of office	Attendance rate
Antoinette d'Aspremont Lynden, Chairwoman	2015-2019	100.00%
Marie Polet	2016-2019	100.00%
Gilles Samyn	2015-2019	100.00%
Martine Verluyten	2017-2021	75.00%
Arnaud Vial	2017-2021	100.00%
Total		**95.00%**[(1)]

(1) Attendance rate calculated based on the weighted attendance of all members during their term as Committee members

All the Committee's members are non-executive Directors and have accounting and auditing expertise further to their education or experience. Furthermore, the members have collective expertise in the Company's fields of activity.

In accordance with the new text of Article 526bis §2 of the Belgian Companies Code, at its meeting of 16 March 2017 the Committee appointed Antoinette d'Aspremont Lynden as Chairwoman.

2.3.2. Frequency of meetings and deliberations

The Audit Committee met four times in 2017, with a weighted average attendance rate by its members of 95.00% for all the meetings, as shown in the table above.

A member of the Executive Management, the Chief Financial Officer and the Company's Statutory Auditor attended all the meetings.

At these meetings, the Audit Committee examined the true and fair presentation of GBL's accounts and consolidated financial statements and fulfilled its monitoring responsibilities in respect of control in the broadest sense, in particular the quality of internal control and of information provided to shareholders and markets.

In 2017, the Committee in particular looked at the following issues:

- review of the Company's annual and half-yearly consolidated financial statements and consolidated quarterly results;
- review of the Company's annual and half-yearly financial statements;
- review of the draft press releases to be published, annual report and half-yearly report;
- review of the projections for the short and medium terms;
- analysis of the financial position and monitoring of the investment capacity;
- review of the accounting treatments and book value of investments, detailed analysis of IFRS 9;
- monitoring of the development of Sienna Capital and the underlying activities;
- monitoring of trading activities and in particular the management of derivatives;
- review of the risks and assessment by the Statutory Auditor of the operational effectiveness of the internal control systems;
- review and follow-up of the independence of the Statutory Auditor, analysis of the regulatory changes relating to statutory audit;
- follow-up of the main pending legal actions.

2.4. Assessment of the functioning and performance of the Board of Directors' Committees

According to the changes in and effectiveness of their work, the various Committees may, at any time, propose changes to their respective internal rules and regulations. The Charter therefore does not establish a regular procedure for review of the Committees' internal rules and regulations.

The functioning and performance of each Committee is measured and analysed as part of the triennial assessment of the performance of the Board of Directors. Part of this individual assessment questionnaire is reserved for this purpose for members of the respective Committees.

Since March 2014, the interaction between the Executive Management and the non-executive Directors is also assessed at the level of the Audit Committee and of the Nomination and Remuneration Committee.

3. Remuneration report

3.1. Procedure for establishing the remuneration policy and setting remuneration level

The procedure for establishing the remuneration policy and setting the remuneration level for members of the Board is determined by the Board of Directors on the basis of proposals from the Nomination and Remuneration Committee.

Non-executive Directors

The fees paid to non-executive Directors are set by the Board of Directors based on a proposal from the Nomination and Remuneration Committee, subject to a ceiling submitted for approval to the General Shareholders' Meeting.

Co-CEOs (Executive Management)

The nature and amount of the remuneration, and any severance payments, for the two Co-CEOs are decided by the Board of Directors based on a proposal from the Nomination and Remuneration Committee, which is assisted in its work by an external consultant.

Performance-based incentive plans are determined by the Board of Directors on a proposal from the Nomination and Remuneration Committee. These plans and their maximum allocation value must first be approved by the shareholders.

3.2. Remuneration policy

This chapter describes the remuneration policy for non-executive Directors and for the Executive Management for the 2017 financial year and for the following two financial years.

3.2.1. Non-executive Directors

Non-executive Directors receive fixed remuneration and attendance fees. They do not receive any variable remuneration.

The following amounts have been in place since 1 January 2016.

In EUR	Per meeting	Member	Vice-Chairman	Chairman
Board of Directors	3,000	27,500	27,500	200,000
Standing Committee	3,000	15,000	-	15,000
Other Committees	3,000	12,500	-	12,500

In 2016, the maximum envelope for the fees payable to non-executive Directors was increased to EUR 1,600,000.

The members of the Executive Management receive no remuneration for their directorships as such.

Non-executive Directors are covered by Directors' and Officers' liability insurance (D&O).

3.2.2. Executive Management

Remuneration		Operating method	Amount	Link to performance
Fixed	**Base salary**	The fixed remuneration of the Co-CEOs is paid, in part, by certain companies in the portfolio due to their directorships in them and the balance is paid by GBL. Given the various taxes applicable to those fees, and in order to preserve the fairness of the remuneration of the two Co-CEOs, the fixed remuneration is defined net. The base salary of the Co-CEOs is reviewed from time to time, based on economic circumstances or specific events	The amount of the fixed remuneration of the Co-CEOs is determined based on market practices (regularly assessed by the Nomination and Remuneration Committee assisted by an independent consultant).	Not applicable.
	Pension and other benefits	Co-CEOs benefit from a defined contribution pension plan, into which 21% of their net remuneration is paid by GBL on a yearly basis, a disability and life insurance plan, Directors' and Officers' liability insurance (D&O) applicable to all Directors, as well as a Company vehicle.		
Variable	**Annual**	GBL is a holding company whose performance is difficult to evaluate over the short term. Co-CEOs do not therefore receive annual variable remuneration.		
	Long term	Co-CEOs benefit from a share option plan relating to a GBL sub-subsidiary, invested primarily in GBL shares, acquired through equity and bank financing. The debt of that sub-subsidiary is guaranteed by GBL. The interests are financed by the dividends received. This approach helps to align the interests of the executives with those of the shareholders, by rewarding the total value creation, including dividends. The options are exercisable from the third anniversary of their granting, for a period of seven years, provided that the performance condition set out below is met.	The value of the shares underlying the options to be granted to the Co-CEOs represents 225% of their fixed gross reference remuneration (defined as two times the fixed net remuneration).	The potential capital gains on options would directly reflect GBL's TSR (total value creation: share price and dividend growth). In addition, each calendar year between the 4th and 10th year of the plan, the options are only exercisable if GBL's TSR is at least 5% per year on average over the period since granting. When the performance condition is not met in one year, the options are not exercisable until the next anniversary date. The Nomination and Remuneration Committee is responsible for verifying whether the performance condition is met.
Rights of recovery		Since the awarding of long-term variable remuneration to the Executive Management is not linked to an internal financial criterion, no mechanism exists for the recovery of variable remuneration in the case of erroneous financial information.		
Severance benefits		Co-CEOs may claim compensation equivalent to eighteen months of fixed net remuneration if they are removed from office without serious grounds. The amount of this compensation was set on the recommendation of the Nomination and Remuneration Committee.		

3.3. Implementation of the remuneration policy in 2017

3.3.1. Non-executive Directors

in EUR	Member of the Board	Member of the Standing Committee	Member of the Audit Committee	Member of the Nomination and Remuneration Committee	Sub-total	Others (1)	Total
Antoinette d'Aspremont Lynden	45,500	-	37,000 (2)	-	82,500	0	**82,500**
Laurence Danon Arnaud (3)	30,333	-	-	11,333	41,666	0	**41,666**
Victor Delloye	45,500	33,000	-	-	78,500	80,000 (8)	**158,500**
Paul Desmarais, Jr. (4)	73,000 (5)	33,000	-	-	106,000	409,300	**515,300**
Paul Desmarais III	36,500	24,000	-	-	60,500	158,000	**218,500**
Gérald Frère	245,500 (6)	33,000	-	-	278,500	19,266	**297,766**
Cedric Frère	42,500	33,000	-	-	75,500	0	**75,500**
Ségolène Gallienne	42,500	27,000	-	-	69,500	0	**69,500**
Jocelyn Lefebvre (3)	30,333	22,000	-	-	52,333	0	**52,333**
Maurice Lippens (7)	15,167	-	-	-	15,167	0	**15,167**
Christine Morin-Postel	42,500	-	-	18,500	61,000	0	**61,000**
Michel Plessis-Bélair (7)	9,167	5,000 (2)	-	-	14,167	0	**14,167**
Marie Polet	45,500	-	24,500	18,500	88,500	0	**88,500**
Thierry de Rudder	73,000 (5)	48,000 (2)	-	-	121,000	45,563	**166,563**
Gilles Samyn	45,500	33,000	24,500	11,333	114,333	189,750 (8)	**304,083**
Amaury de Seze	36,500	30,000	-	31,000 (2)	97,500	31,250	**128,750**
Martine Verluyten	45,500	-	21,500	-	67,000	0	**67,000**
Arnaud Vial	45,500	33,000	24,500	-	103,000	41,750	**144,750**
Total	**950,000**	**354,000**	**132,000**	**90,666**	**1,526,666**	**974,879**	**2,501,545**

(1) Other remuneration in cash or in kind attached to the offices held within the group
(2) Chairman of a Committee (two times the fixed fees of a Member)
(3) As from the General Shareholders' Meeting of 25 April 2017
(4) Of which CHF 100,000 received in the form of LafargeHolcim shares during the 2017 financial year for the 2016 financial year
(5) Vice-Chairman of the Committee (two times the fixed fees of a Director)
(6) Chairman of the Board (EUR 200,000)
(7) Until the end of the General Shareholders' Meeting of 25 April 2017
(8) Of which EUR 80,000 paid to Frère-Bourgeois and regarding a directorship held within the group by this company and for which the Director is a permanent representative

There are no service contracts between non-executive members of the Board of Directors and the Company or any of its subsidiaries providing for the awarding of benefits at the end of their term of office. Furthermore, none of the non-executive Directors have entered into any loan agreements with the Company or with any of its subsidiaries.

3.3.2. Executive Management

The amount of remuneration received directly and indirectly by members of the Executive Management includes remuneration for offices held in companies in which they represent GBL. The remuneration paid to Co-CEOs in 2017 is summarised below:

Amounts paid in 2017	**Ian Gallienne**	**Gérard Lamarche**
Status	Independent	Independent
Fixed remuneration (gross) (1)	EUR 1,582,127	EUR 1,476,978
Fixed remuneration (net)	*EUR 860,000*	*EUR 860,000*
Exceptional variable remuneration (gross)	EUR 432,392	EUR 438,973
Exceptional variable remuneration (net)	*EUR 200,000*	*EUR 200,000*
Pension	EUR 215,931	EUR 239,436
Other benefits	EUR 81,485	EUR 93,047
Benefits in kind (car, etc.)	*EUR 15,466*	*EUR 17,482*
Insurance	*EUR 66,019*	*EUR 75,565*

(1) This figure includes the Director's fees received from the portfolio companies

None of the Executive Directors have entered into any loan agreements with the Company or with any of its subsidiaries.

Fixed remuneration in 2017

In 2017, the remuneration of the members of the Executive Management was reviewed and increased to EUR 860,000.

Variable remuneration

The remuneration policy for the Executive Management does not include any short-term variable remuneration in cash. This policy is inspired by the characteristics of the business of a holding company, whose performance is difficult to evaluate over the short term.

The Executive Management does not receive any long-term variable remuneration in cash either.

The General Shareholders' Meeting of 26 April 2016, after the LafargeHolcim merger, awarded a one-off and exceptional bonus of a net amount of EUR 800,000 to each of the Co-CEOs. The payment of the bonus is staggered over time in three instalments, the payment of the second and third tranches being dependant on the achievement of LafargeHolcim's objectives for synergies in 2016 and 2017. A net amount of EUR 400,000 was paid to the Co-CEOs in 2016. The second tranche of a net amount of EUR 200,000 was paid after the 2017 General Shareholders' Meeting as the objectives were exceeded. The third and final tranche of a net amount of EUR 200,000 will be paid after the 2018 General Shareholders' Meeting as the synergies' objectives for 2017 were fulfilled and confirmed by LafargeHolcim.

Executive Management incentive plan

With a view to building the loyalty of the Executive Management and aligning its interests with those of the shareholders, there is a long-term incentive plan linked to the Company's performance.

At its meeting of 15 March 2018, the Board decided to award to Co-CEOs options with underlying shares amounting to 225% of their gross reference remuneration (two times the annual fixed net remuneration) reviewed in 2017. The principle and the maximum value of the shares underlying the options of the Executive Management i.e. EUR 3.87 million per Co-CEO are subject to the approval of the General Shareholders' Meeting of 24 April 2018.

Shares granted to the Executive Management

No shares were awarded to the Executive Management during the 2017 financial year.

Stock options granted to the Executive Management during the 2017 financial year

Decision	Board of Directors' meeting of 17 March 2017 Ordinary General Shareholders' Meeting of 25 April 2017
Stock option characteristic	Options to purchase shares of a GBL sub-subsidiary (see page 126)
Exercise price	EUR 10
Vesting date	07/05/2020
Expiry date	07/05/2027 (duration of the plan: 10 years)
Exercise period	At any time from 08/05/2020 until 07/05/2027 (inclusive)
Performance condition	Each calendar year between the 4th and 10th year of the plan, the options are only exercisable if GBL's TSR is at least 5% per year on average over the period since granting

	Ian Gallienne	**Gérard Lamarche**
Number of options granted	77,400	77,400
Book value of the grant as at 31 December 2017 (IFRS)	EUR 0.00	EUR 0.00

Number and key characteristics of the stock options exercised, sold or expired during the 2017 financial year

	Ian Gallienne	**Gérard Lamarche**
Type of plan	Stock options on shares of a GBL sub-subsidiary (see pages 125 and 126)	
Year of granting of exercised options	2014	2014
Number of exercised options	44,280	44,280
Sale price (average)	EUR 22.39	EUR 22.58

No options held by the Executive Management expired during the 2017 financial year.

4. Auditing of the financial statements

The Ordinary General Shareholders' Meeting of 26 April 2016 appointed:

Deloitte Reviseurs d'Entreprises
SC s.f.d. SCRL
Gateway building
Luchthaven Nationaal 1 J
1930 Zaventem

represented by Corine Magnin, as Statutory Auditor for a period of three years and set its fees for this audit assignment at EUR 75,000, exclusive of VAT.

In the exercising of her duties the Statutory Auditor maintains close relations with the Executive Management and has free access to the Board of Directors via the Audit Committee. Furthermore, she may address directly and with no restrictions the Chairman of the Audit Committee and the Chairman of the Board of Directors.

At group level (GBL and its wholly-owned subsidiaries, identified under the heading "Holding" in Note 1, page 96), the global fees paid to Deloitte for its audit of the 2017 financial statements total EUR 3,485,530. Details regarding the fees paid to Deloitte may be found in Note 33, page 133.

From left to right: Gérard Lamarche, Priscilla Maters, Colin Hall, Ian Gallienne and Xavier Likin

5. Staff and organisation

5.1. Management

Colin Hall

Born on 18 November 1970, US nationality.

Colin Hall has an MBA from the Stanford University Graduate School of Business. He began his career in 1995 as a financial analyst at Morgan Stanley in private equity in New York. In 1997 he joined the Rhône Capital group, a private equity fund, where he held several positions over 10 years, in New York and then in London. In 2009, he co-founded a hedge fund, sponsored by Tiger Management (New York), where he worked until 2011.

In 2012, he joined Sienna Capital, a wholly-owned subsidiary of GBL grouping together its alternative investments (private equity, debt funds and funds with specific themes) as Managing Director. In 2016, he was appointed GBL Head of Investments.

Xavier Likin

Born on 24 June 1968, Belgian nationality.

Xavier Likin is a Commercial Engineer and holds certificates in taxation from the Solvay Brussels School of Economics & Management (ULB). He began his career in Central Africa in the car distribution sector, in which he held a number of administrative and financial positions at MIC. He joined PwC in 1997, where he became a senior manager and was appointed as a Statutory Auditor (CPA) by the Institut des Réviseurs d'Entreprises.

In 2007, he joined Ergon Capital Partners as CFO. Then, in June 2012, he was appointed Group Controller at GBL. He has been CFO there since 1 August 2017.

Priscilla Maters

Born on 26 April 1978, Belgian nationality.

Priscilla Maters has a law degree from Université Libre de Bruxelles and from the London School of Economics (LLM). She began her career in 2001 with law firms in Brussels and London (including at Linklaters), where she specialised in mergers-acquisitions, capital markets, financing and business law.

She joined GBL in 2012 and is now carrying the function of Chief Legal Officer and General Secretary.

5.2. Organisation

Finance

1. Guglielmo Scodrani *(since 1 January 2018)*
2. Geoffroy Hallard
3. Hans D'Haese
4. Sophie Gallaire
5. Xavier Likin
6. Céline Loi
7. Céline Donnet
8. Philippe Tacquenier
9. Serge Saussoy
10. Pascal Reynaerts
11. Cyril Seeger
12. Anne-Claire Jedrzejczak *(since 3 July 2017)*

William Blomme *(until 31 July 2017)*

Other employees
Philippe Debelle
Noëline Dumbi
Bénédicte Gervy
Philippe Lorette
Viviane Veevaete

Legal and administrative affairs

1. Pierre-Guillaume le Hodey *(since 6 November 2017))*
2. Priscilla Maters
3. Pierre de Donnea
4. Yves Croonenberghs *(since 27 November 2017)*

Ann Opsomer *(until 8 January 2018)*
Fabien Vanoverberghe *(until 16 November 2017)*

Other employees
Micheline Bertrand
Carine Dumasy
Pietro Guasto *(until 31 October 2017)*
Isabelle Meert
José de la Orden
Aymeric de Talhouët
Eddy Vanhollebeke
Robert Watrin

Assistant to the Chairman of the Board of Directors
Christelle Iurman

Assistants to the Co-CEOs
Micheline Bertrand
Laetitia Hansez
Valérie Huyghe

Investments

1. Martin Doyen
2. Laurent Raets
3. Jérôme Derycke
4. Colin Hall
5. Jonathan Rubinstein
6. Michael Bredael
7. Marc Muller *(since 3 July 2017)*

Other employees
Laurence Flamme
Dominique Stroeykens

5.3. Incentive plans

Since March 2007, each year the Board of Directors has launched an incentive plan for its Executive Management in accordance with the provisions of the law of 26 March 1999 relating to the 1998 Belgian Employment Action Plan and including various provisions. In accordance with the 2009 Code, the Company's General Shareholders' Meeting each year approved the principle of the issuing of options on GBL shares and set the maximum value of the shares underlying the options to be issued during the year in progress. Initially, this plan took the form of an option plan concerning existing GBL shares.

5.3.1. 2007 - 2012 incentive plans

Between 2007 and 2012, the Company has issued six instalments as part of this plan, the characteristics of which are summarised below. For more details about these plans, also see Note 26 on the consolidated financial statements, on pages 125 and 126.

5.3.2. 2013 - 2017 incentive plans

Since 2013, the Board of Directors has set up option plans for the Executive Management that involve the existing shares of a GBL subsubsidiary primarily holding GBL shares (see table alongside). A more detailed description of these plans can be found on page 125.

Three years after they have been granted and within the conditions of the plan, options may be exercised (exercise price: EUR 10 per option) or sold to the credit institution responsible for ensuring their liquidity during the timeframe provided by the plan.

The Board of Directors' meeting of 17 March 2017 approved the principle of granting options involving the existing shares of a GBL sub-subsidiary primarily holding GBL shares and that may only be exercised. It set the quantum of options to be granted to the Co-CEOs at 225% of the gross reference remuneration (two times the annual fixed net remuneration). The exercise of the options is subject to the fulfilment of a condition: GBL's TSR must be at least 5% per year on average over the period since granting. When the performance condition is not met in one year, the options cannot be exercised before the next anniversary date. The options are issued in line with the requirements of the law of 26 March 1999 relating to the 1998 Belgian Employment Action Plan and setting out various clauses, as amended by the subsequent laws.

The Board meeting of 15 March 2018 confirmed the option plan to be granted in 2018 to the Co-CEOs in accordance with the conditions described above. The principle and the maximum value of the shares underlying the options of the Executive Management (EUR 3.87 million per Co-CEO) will be approved by the General Shareholders' Meeting of 24 April 2018.

5.3.3. Stock options granted to the members of the Board of Directors and to the Executive Management

Gérald Frère and Thierry de Rudder received the options noted below in their capacity as members of the Executive Management. In accordance with Belgian Company law, they have not received any options since 1 January 2012, when they were replaced by Ian Gallienne and Gérard Lamarche as Co-CEOs.

Option plans	Type of plan	Number of options granted			
		Gérald Frère	Thierry de Rudder	Ian Gallienne	Gérard Lamarche
2007	GBL stock options (1)	18,935	18,935	0	0
2008	GBL stock options (1)	25,548	25,548	0	0
2009	GBL stock options (1)	38,065	38,065	0	0
2010	GBL stock options (1)	25,237	25,237	0	0
2011	GBL stock options (1)	29,428	29,428	0	0
2012	GBL stock options (1)	0	0	31,570	31,570
2013	LTI One stock options (2)	0	0	52,480	52,480
2014	LTI Two stock options (3)	0	0	44,280	44,280
2015	URDAC stock options (4)	0	0	47,560	47,560
2016	FINPAR stock options (5)	0	0	73,800	73,800
2017	FINPAR II stock options (6)	0	0	77,400	77,400

(1) One option confers the right to acquire one GBL share
(2) One option confers the right to acquire one LTI One share. LTI One is a GBL sub-subsidiary whose portfolio is mainly composed of GBL shares
(3) One option confers the right to acquire one LTI Two share. LTI Two is a GBL sub-subsidiary whose portfolio is mainly composed of GBL shares
(4) One option confers the right to acquire one URDAC share. URDAC is a GBL sub-subsidiary whose portfolio is mainly composed of GBL shares
(5) One option confers the right to acquire one FINPAR share. FINPAR is a GBL sub-subsidiary whose portfolio is mainly composed of GBL shares
(6) One option confers the right to acquire one FINPAR II share. FINPAR II is a GBL sub-subsidiary whose portfolio is mainly composed of GBL shares

The other members of the Board of Directors are not affected by these option plans.

2007 - 2012 incentive plans

Year granted	2007	2008	2009	2010	2011	2012
Exercise period (1)	from 1/01/2011 to 24/05/2017	from 1/01/2012 to 9/04/2018	from 1/01/2013 to 16/04/2019	from 1/01/2014 to 15/04/2020	from 1/01/2015 to 14/04/2021	from 1/01/2016 to 26/04/2022
Extended (partly) (2)	until 24/05/2022	until 9/04/2023	-	-	-	-
Exercise price	**EUR 91.90**	**EUR 77.40**	**EUR 51.95**	**EUR 65.82**	**EUR 65.04**	**EUR 50.68**

(1) Given the undertakings by the beneficiaries within the framework of the law of 26 March 1999
(2) Within the framework of the Economic Recovery Law of 27 March 2009

2013 - 2017 incentive plans

Year granted	2013	2014	2015	2016	2017
Maximum value of the underlying shares for the Executive Management	EUR 5.25 million	EUR 4.4 million	EUR 4.75 million	EUR 7.38 million	EUR 7.74 million
Exercise or disposal period	from 29/04/2016 to 28/04/2023 (inclusive)	from 29/04/2017 to 28/04/2024 (inclusive)	from 05/05/2018 to 04/05/2025 (inclusive)	from 03/05/2019 to 02/05/2026 (inclusive)	from 08/05/2020 to 07/05/2027 (inclusive)

6. Risk management and internal control

GBL's Board of Directors is responsible for assessing the risks inherent to the GBL group and the effectiveness of the internal control system. With regards to risk management and internal control, the Belgian legislative framework consists of the law of 17 December 2008 (application of European Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts) and the law of 6 April 2010 (the so-called "Corporate Governance" Law). The 2009 Belgian Corporate Governance Code also includes provisions on that topic. Besides, the IFRS 7 standard defines additional requirements for the management of risks related to financial instruments. Since 2006, GBL has formalised its internal control and risk management system based on the COSO model [1].

The COSO methodology is based on five areas: the control environment, risk assessment, control activities, information and communication, and supervision and monitoring.

6.1. Control environment

6.1.1. The Company's objective

GBL's primary objective is to create, over the long term, value for its shareholders. GBL strives to develop a quality portfolio focused on a targeted number of companies that are leaders in their market and in which it can play an active role as a professional shareholder over the long term. The portfolio will evolve over time while remaining balanced in terms of sectorial and geographic diversification. GBL invests and divests depending on companies' development and market opportunities in order to achieve its objective of value creation, while maintaining a solid financial structure. Internal control at GBL contributes to the safeguarding of assets and the control and optimisation of transactions. It aims at providing reasonable assurance about achievement of the objectives of compliance with laws and regulations in force and the reliability of accounting information and financial reporting. Like any control system, it can only provide a reasonable assurance that the risks of errors or fraud are totally controlled or eliminated.

6.1.2. Role of the management bodies

GBL has a Board of Directors, a Standing Committee, a Nomination and Remuneration Committee and an Audit Committee. Their respective modes of operation are described from page 159 to page 161. The Audit Committee is in charge in particular of checking the effectiveness of the company's internal control and risk management systems. In this context, the Audit Committee also monitors the proper application of a whistle blowing procedure. The majority of its members, all of whom are designated by the Board, are independent Directors. The Chairman of the Audit Committee is appointed by the members of the Committee and cannot be the Chairman of the Board of Directors.

6.1.3. Risk culture

GBL aims at investing in companies that offer potential for value creation in the long term. New opportunities and portfolio management are monitored continuously at the highest level (see "Portfolio risk" in page 62 of the Risk management section). The divestment policy (as detailed in page 12 of the Strategy section) aims at disposing of investments that no longer meet the group's investment criteria.

6.1.4. Professional ethics

GBL has adopted a Corporate Governance Charter and a Code of Conduct that are regularly updated and aim to ensure conduct that is honest, ethical and complies with the laws, regulations and principles of good governance, by the group's Directors and staff in the exercise of their duties. Pierre de Donnea serves as Compliance Officer.

6.1.5. Appropriate measures to ensure appropriate competence

The Nomination and Remuneration Committee reviews candidacies and seeks to ensure that a satisfactory balance is maintained within the Board of Directors in terms of its members' competences, knowledge and experience, particularly in the fields of finance, accounting and investment. The Board of Directors conducts on a regular basis, at intervals of no more than three years, assessments of itself and its Committees in terms of size, composition and performance. In this context, it also examines regularly the interaction between non-executive Directors and the Executive Management. A recruitment process suited to the profiles sought, appropriate training and a remuneration and evaluation policy based on the achievement of targets enable to ensure the competence of GBL's staff.

6.2. Risk analysis

GBL has had a formal risk analysis and assessment process since 2006.

The Audit Committee carries out a thorough exercise for the identification of risks faced by GBL and their ranking every three years. The risks identified during the last assessment carried out in 2015 are presented on pages 61 to 63 of the Risk management section.

Furthermore, the Committee annually reassesses the risks and their level of control, notably based on changes in the portfolio, economic parameters or the control environment. When necessary, it ensures that the Executive Management implements a corrective action plan.

The current level of control of these risks (see "Control activities" below) appears sufficient and no additional measures are required to be implemented.

6.3. Control activities

Control activities encompass all measures taken by GBL to ensure that the identified key risks are appropriately controlled.

Risk prioritisation has been carried out based on impact (financial, reputational, legal or operational) and occurrence criteria.

This analysis revealed that GBL is exposed simultaneously to:

- exogenous risks, whose materialisation depends on factors outside its control but whose impact the group aims at limiting;
- endogenous risks that arise from its own environment.

The specific risks related to the participations are identified and addressed by the companies themselves within the framework of their own risk management and internal control. The table on page 59 of the Risk management section mentions links to the websites where these companies' analyses conducted on risk identification and internal control can be found.

(1) The COSO (Committee of Sponsoring Organisations of the Treadway Commission) is a recognised private, international, non-governmental organisation that works in the areas of governance, internal control, risk management and financial reporting

6.4. Information and communication

GBL has developed a standardised information flow process in order to communicate reliable financial information to shareholders in a timely manner. GBL has been applying IFRS requirements since 2000.

Its assessment rules and accounting principles are published every year in its annual report. Standardised financial reporting is used both upstream and downstream within GBL group in order to ensure the consistency of data and to detect potential anomalies. A financial calendar for this reporting is established every year in consultation with the controlling shareholder, the subsidiaries and the associated companies based on the publication dates.

The Investor Relations department ensures that significant transactions and important changes within the group are communicated in an accurate and timely manner.

6.5. Supervision and monitoring

Supervision is exercised by the Board of Directors through the Audit Committee. Given the structure and nature of GBL's activities, there is no internal auditor's function. This situation is assessed on a yearly basis and has so far been deemed appropriate.

The Statutory Auditor (Deloitte Reviseurs d'Entreprises) also reviews on a yearly basis the internal control on the risks related to GBL's financial statements. This review of internal control forms part of its assignment of certifying GBL's statutory and consolidated financial statements in compliance with audit standards applicable in Belgium.

More specifically, the Statutory Auditor tests, on the basis of a triennial rotation plan, the operational effectiveness of internal control with regards to risks that are deemed critical in relation to the financial statements. Its work consists of discussions with members of the organisation while testing a given number of transactions.

The conclusions of this work are presented in a report submitted to GBL and do not reveal any major deficiencies in the internal control. The report is submitted to the members of the Audit Committee.

7. Policy on conflicts of interest

Chapter III, point A. 4.2.2. of the Charter describes the Company's policy on transactions or other contractual relations between the Company, including affiliated companies, and Directors, in cases where these transactions or other contractual relations are not covered by legal provisions on conflicts of interests. It also provides for the application of specific procedures laid down in Articles 523 and 524 of the Belgian Companies Code.

A conflict of interest situation, as defined by Article 523 of the Belgian Companies Code, was brought to the attention of the Board of Directors at its meeting of 17 March 2017 and was addressed in accordance with the procedure provided for in this Article. The Statutory Auditor was informed of this situation and an extract from the minutes relating to this resolution is reproduced in its entirety below:

Extracts from the minutes of the Board of Directors' meeting of 17 March 2017

"… Remuneration of the Co-CEOs

Since this item concerned the remuneration of Ian Gallienne and Gérard Lamarche, they stated that there was a conflict of interests on their part. Article 523 of the Belgian Companies Code was therefore applicable, and the company's Statutory Auditor had already been informed of this situation. They temporarily left the meeting, along with Ann Opsomer, William Blomme and Priscilla Maters.

Gérald Frère, Cedric Frère and Ségolène Gallienne stated that they did not wish to take part in the vote for professional ethics reasons, due to their family ties.

Review of fixed net remuneration

The Committee had analysed the trend in fixed net remuneration since 2013 and proposed to increase it from EUR 820,000 to EUR 860,000 for each Co-CEO.

2017 option plan for the Co-CEOs

It was recalled that in 2016, following the benchmarking carried out by Kepler, the Board had decided to revise upwards the long-term variable remuneration of the Co-CEOs, granted in the form of stock options, and to set it at 225% of the gross annual reference remuneration, equivalent to two times the annual fixed net remuneration.

Therefore, the Committee proposed to apply this percentage to the new fixed reference remuneration - moreover, the envelope of the plan for employees was also calculated based on the new remuneration - and to set the amount of the value of the shares underlying the options to be awarded in 2017 at EUR 7.74 million, i.e. 77,400 options for each Co-CEO.

The options to be granted would have exactly the same characteristics as those granted in 2016.

As such they could only be exercised after three years from when they were granted, within the windows provided for by the plan and provided that on that date the 3-year TSR is at least 5%. This condition was also to be met each subsequent year on the anniversary date to enable the exercising of options during the twelve months following it, with in each case the TSR covering the period since granting.

As regards the 2017 employee option plan, the Committee had been informed of the Executive Management's decision to grant to the GBL group' staff in 2017 options with underlying shares of a maximum value of EUR 10.8 million.

The plan for employees and the Executive Management, as in 2016, would take the form of an annual stock option plan on existing shares of a GBL sub-subsidiary, which would mainly hold GBL shares to be financed through equity and bank financing, guaranteed by GBL at the market rate.

In the context of this guarantee, the Board was invited to take note of the report to be drawn up in accordance with Article 629 of the Belgian Companies Code and to authorise the Co-CEOs, jointly or with another Director with the option of substitution, to implement the incentive plan, and particularly to:

- *create the GBL sub-subsidiary (FINPAR II);*
- *negotiate the credit agreement with a financial institution and the pledge and guarantee agreements for a maximum amount of EUR 14.9 million;*
- *organise the management of the option plan, including the options' liquidity;*
- *complete and fulfil, within this framework and in GBL's name, all the other formalities required by the incentive plan.*

The principle behind the plan, the maximum value of the shares underlying the options to be granted in 2017 to the Executive Management, amounting to EUR 7.74 million and the security to be granted by GBL for the credit of a maximum amount of EUR 14.9 million would be subject to the approval of the Ordinary General Shareholders' Meeting of 25 April 2017.

The members of the Board approved the proposals as formulated by the Committee."

As can be seen from the extract above some Directors, to whom the legal conflict of interests rules were nevertheless not applicable, abstained in accordance with the policy set out in the Charter.

Finally, no transactions requiring the application of Article 524 of the Belgian Companies Code (transactions with affiliated companies) were submitted to the Board of Directors in 2017.

8. Policy relating to transactions in GBL shares

The rules relating to transactions in GBL shares are reproduced in the "Dealing Code", which is presented in Appendix 2 to the Charter. The Dealing Code lays down the Company's internal policy on the prevention of market abuse. More specifically, it establishes the rules designed to prevent the illegal use of inside information by Directors, members of the Management and other employees of the Company and the GBL group. Under these rules, it defines the windows during which these people are prohibited from buying or selling, or trying to purchase or sell, for their own account or for the account of a third party, either directly or indirectly, GBL shares ("closed periods").

A calendar of the closed periods, as defined in the Charter, is also transmitted to the Executive Management, other Directors and staff.

Notice is also sent to the persons in possession of inside information or presumably in possession of such information to announce the start and end of the closed period.

In addition, the Directors and other potential insiders, whose names are included on a list kept by the Company, must inform the General Secretary before carrying out any transaction in GBL shares.

Finally, GBL's Directors and persons closely connected to them, are also legally obliged to notify the Belgian Financial Services and Markets Authority (FSMA) of any transactions in GBL shares performed on their own behalf.

The General Secretary ensures the application of all the legal measures relating to market abuse and the measures laid down by the Charter. She is available to provide the members of the Board of Directors and staff with any information on this subject.

9. Shareholders

9.1. Compliance with the provisions of the 2009 Code concerning shareholders

The Company complies with all of the provisions of the 2009 Code concerning shareholders.

Accordingly, one or more shareholders who collectively own at least 3% of the Company's share capital may request the adding of an item to the agenda of the General Shareholders' Meeting, and may also submit proposals for decisions concerning the items to be discussed or to be placed on the agenda. The threshold as from which one or more shareholders may request the calling of a General Shareholders' Meeting is set at 20% of the share capital.

The Company publishes the results of votes and the minutes of the General Shareholders' Meeting on its website as soon as possible and no later than fifteen days following the Meeting.

9.2. Relations with the controlling shareholder

The Company's shareholding is characterised by the presence of a controlling shareholder, Pargesa Holding S.A. (through its wholly-owned subsidiary Pargesa Netherlands B.V.). Pargesa Holding S.A., incorporated under Swiss law, is itself controlled by Parjointco N.V., incorporated under the laws of the Netherlands and equally controlled by the Frère and Power Corporation of Canada groups, under an agreement concluded by the two groups in 1990.

This agreement aims to establish and maintain equal control between the Power Corporation of Canada group and the Frère group in Pargesa Holding S.A., GBL and their respective designated subsidiaries.

Each group has agreed not to acquire, hold or sell interests in these companies, either directly or indirectly, except with the agreement of the other party, and has granted the other group a right of pre-emption, subject to certain restrictions, on shares in Pargesa Holding S.A. and GBL in the event of the disposal of such shares during a five-year period following expiry of the agreement.

This agreement was extended in 1996 until 2014 if not renewed. On 18 December 2012, it was extended until 2029. The new agreement includes the possibility of extending it beyond 2029.

9.3. Information on shareholding structure

9.3.1. Notification in accordance with legislation on takeover bids

On 21 February 2008, the Company received a notification from its controlling shareholders concerning their interest in GBL at 1 September 2007.

This notification was transmitted in accordance with Article 74 § 7 of the law of 1 April 2007 on takeover bids. Under this law, shareholders who own more than 30% of the capital of a listed company are exempted from the obligation to launch a public takeover bid on this company provided that they have notified the FSMA of their shareholding by the time of the law's entry into force (i.e. 1 September 2007) and the company concerned by 21 February 2008 at the latest.

Also pursuant to this law, these shareholders are obliged to report any change in their controlling interest to the FSMA and to the company each year. They therefore sent GBL an update of the controlling shareholding structure as at 1 September 2017, which is reproduced below:

Number and percentage of shares with voting rights held by the declaring parties

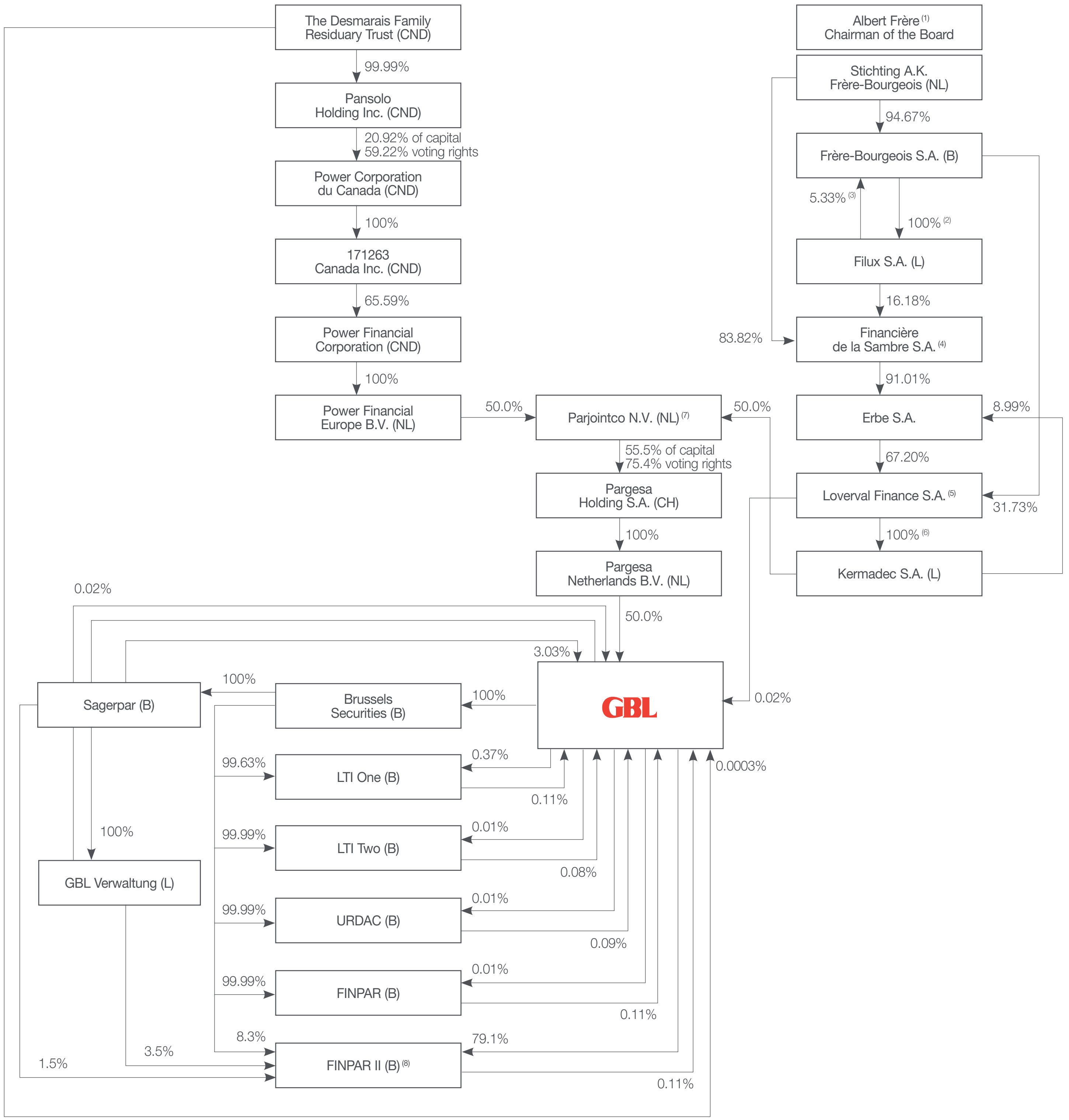
Shareholders	Number of shares with voting rights	%
Pargesa Netherlands B.V.	80,680,729	50.00
Sagerpar (1)	4,885,460	3.03
GBL Verwaltung (1)	27,500	0.02
LTI One (1)	185,185	0.11
LTI Two (1)	129,770	0.08
URDAC (1)	141,108	0.09
FINPAR (1)	180,640	0.11
FINPAR II (1)	171,678	0.11
Loverval Finance S.A.	38,500	0.02
The Desmarais Family Residuary Trust (2)	500	p.m.
Total	**86,441,070**	**53.57**

(1) Shares whose voting rights are suspended
(2) Formerly called Desmarais Family Trust

Natural and/or legal person(s) ultimately controlling the declaring legal persons

The Desmarais Family Residuary Trust and Albert Frère, bound by an acting-in-concert agreement.

Chain of control at 1 September 2017



(1) In accordance with the Articles of Association of the Stichting Administratiekantoor Frère-Bourgeois, Rotterdam, Netherlands
(2) 100% less one share held by another company of the group
(3) Of which 0.20% held by a Luxembourg subsidiary of Filux S.A.
(4) Owns 0.39% of Loverval Finance S.A.
(5) 0.68% of Loverval Finance S.A. is held by two Belgian sub-subsidiaries of Loverval Finance S.A.
(6) Loverval Finance S.A. owns 100% (less one share held by another company of the group) of the ordinary shares of Kermadec S.A. One Luxembourg sub-subsidiairy of Loverval Finance S.A. owns 100% of the preferential shares of Kermadec S.A.
(7) Joint control
(8) The remaining capital of FINPAR II is held by a GBL's wholly-owned subsidiary

9.3.2. Notification of major holdings

In accordance with the transitional scheme put in place by the new Belgian regulation on transparency, all GBL shareholders whose interest at 1 September 2008 reached or exceeded a legal threshold were obliged to submit notification thereof no later than 31 October 2008.

Subsequently, the shareholders have to disclose whenever their voting rights either exceed or fall below the 5%, 10%, 15% and other multiples of 5% of total voting rights.

GBL's Articles of Association do not lay down a disclosure threshold lower than 5% or 10%.

On 14 October 2013, GBL received a transparency notification from its controlling shareholder regarding its interest in GBL at 8 October 2013, the date when Paul G. Desmarais passed away. The contents of this notification are summarised below.

Notification of 14 October 2013 relating to the situation at 8 October 2013

Denominator taken into account: 161,358,287

A) Voting rights

Holders of voting rights	Notification of 30 October 2008 Situation at 1 September 2008	Notification of 14 October 2013 Situation at 8 October 2013	
	Number of voting rights (attached to shares)	Number of voting rights (attached to shares)	% of voting rights (attached to shares)
Desmarais Family Trust	500 (1)	500	pm
Albert Frère	0	-	0.00
Compagnie Nationale à Portefeuille S.A.	38,500	38,500	0.02
Pargesa Netherlands B.V.	80,680,729	80,680,729	50.00
Sagerpar	5,576,651	6,128,926 (2)	3.80 (2)
LTI One (3)	-	185,185 (2)	0.11 (2)
Total	**86,296,380**	**87,033,840**	**53.93**

(1) Paul G. Desmarais
(2) Suspended voting rights
(3) GBL sub-subsidiary

B) Equivalent financial instruments

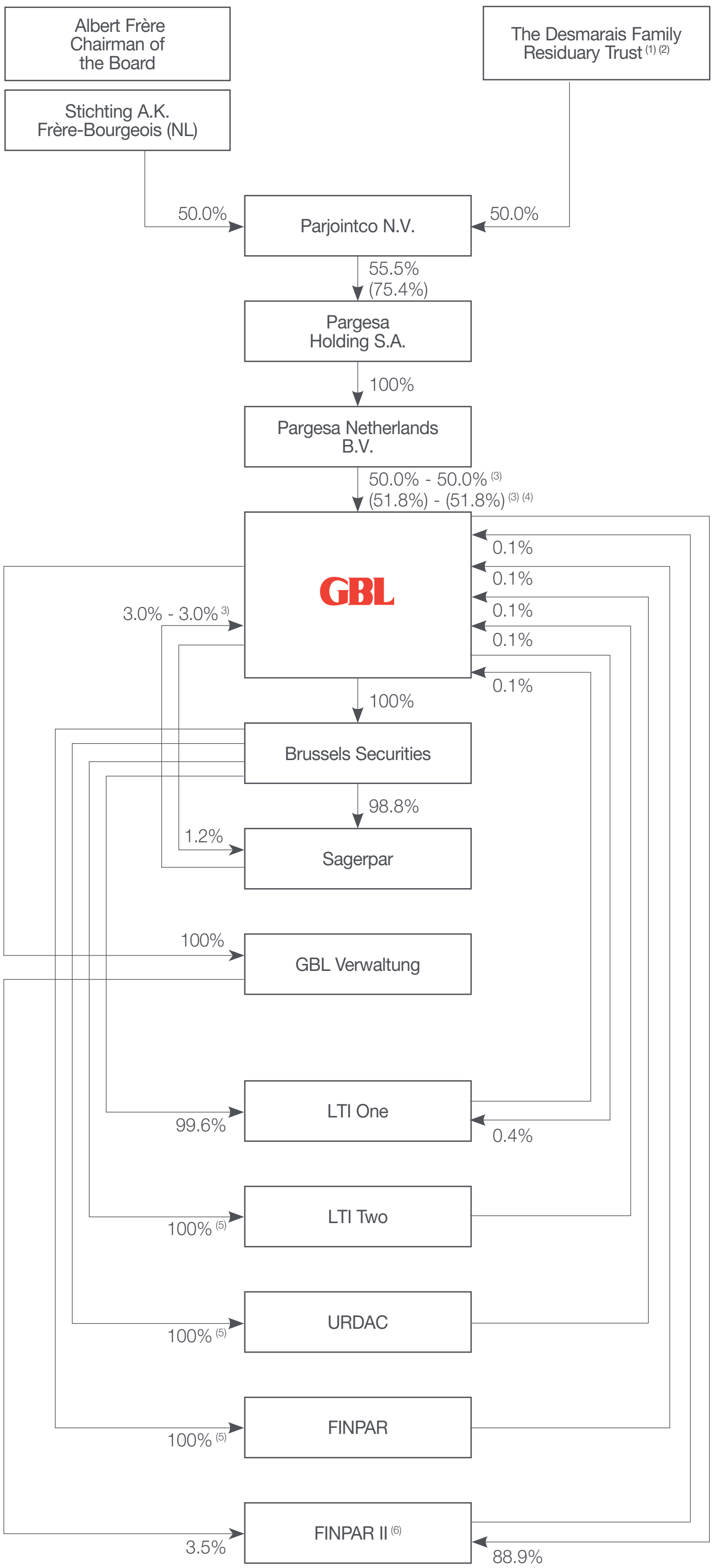
Holders of equivalent financial instruments	Type of financial instruments	Expiry date	Exercise date or period	% of voting rights
Albert Frère (4)	44,885 stock options	25/05/2017	at any time after vesting, from 01/01/2011 to 24/05/2017 inclusive	0.00
Albert Frère (4)	60,561 stock options	10/04/2018	at any time after vesting, from 01/01/2012 to 09/04/2018 inclusive	0.00
Albert Frère (4)	90,230 stock options	17/04/2019	at any time after vesting, from 01/01/2013 to 16/04/2019 inclusive	0.00
Albert Frère (4)	59,822 stock options	16/04/2020	at any time after vesting, from 01/01/2014 to 15/04/2020 inclusive	0.00
Albert Frère (4)	73,570 stock options	15/04/2021	at any time after vesting, from 01/01/2015 to 14/04/2021 inclusive	0.00
Total				**0.00**

(4) For the sake of clarity, the 44,885, 60,561, 90,230, 59,822 and 73,570 stock options were not included in the numerator to avoid double counting of the voting rights, as they are entirely covered by treasury shares held by GBL through Sagerpar

The declaring parties indicated that the Desmarais Family Trust remains bound by the acting-in-concert agreement, as notified, to the Frère family group, of which CNP-NPM is a member, and to the other parties to this agreement, which is not affected by the passing away of Paul G. Desmarais.

By way of reminder, on 30 October 2008, Paul G. Desmarais, Albert Frère and Pargesa Netherlands B.V. declared that they were acting in concert pursuant to an agreement on the exercising of their voting rights, in order to adopt a lasting common policy and to obtain control, frustrate a bid or maintain control.

9.3.3. Control chart of GBL at 31 December 2017 updated on 15 March 2018



( ) Voting rights
(1) Trustees of a trust established following the passing away of Paul G. Desmarais, for the benefit of certain members of the Desmarais family
(2) Jacqueline Desmarais passed away on 3 March 2018
(3) Updated on 15 March 2018
(4) Taking into account the suspended voting rights relating to treasury shares
(5) Including 10 shares held by GBL
(6) The remaining capital of FINPAR II is held by a GBL's 100%-subsidiary

10. Other information relating to the company

10.1. History and development

The Company was founded as the result of the merger in April 2001 between GBL S.A. and Electrafina, in which GBL S.A. held a stake of more than 80%.

Over the years, Electrafina became the "energy arm" of the group, holding its interests in the oil and electricity industries. Later, it also invested in media. GBL S.A. on the other hand held direct interests in fields such as financial services, real estate and trade. Over time, the differences between the assets of the parent company and its subsidiary became less pronounced and these assets were brought together into a single entity.

This merger also fit in with the group's strategy of keeping its assets internationally positioned in a context of concentration and increasing competition, which resulted in the divestment of the financial services and the sale of interests that had become marginal.

Since then, the group's portfolio has been composed of industrial and services companies with an international footprint, that are leaders in their market and for whom GBL plays its role of professional shareholder.

10.2. Name

Groupe Bruxelles Lambert
Groep Brussel Lambert
in abbreviated form "GBL"

The French and Dutch registered names may be used together or separately.

10.3. Registered office

24, avenue Marnix - 1000 Brussels

The registered office may be transferred to any other address in Belgium by decision of the Board of Directors.

10.4. Legal form, incorporation and statutory publications

The Company was incorporated on 4 January 1902 as a limited liability company under Belgian law, by deed executed by Edouard Van Halteren, Notary in Brussels, published in the Appendices to the Belgian Official Gazette of 10 January 1902, reference number 176. The Articles of Association have been amended on a number of occasions, most recently by a deed dated 26 April 2016 published in the Appendices to the Belgian Official Gazette of 7 June 2016, reference numbers 16077518 and 16077519.

10.5. Legislation governing its activities

The Company is governed by existing and future laws and regulations applicable to public limited companies and by its Articles of Association.

10.6. Register of Legal Entities

The Company is registered in the Register of Legal Entities (RLE) under the business number 0407.040.209.

10.7. Term

The Company is incorporated for an unlimited period.

10.8. Corporate purpose

The Company's purpose is to:

- conduct, on its own behalf or on behalf of third parties, any real estate, financial and portfolio management transactions; to this effect, it may create companies or bodies, acquire shares therein, and conduct any financing, payment, lending, security or deposit operations;
- carry out any studies and provide technical, legal, accounting, financial, commercial, administrative or management assistance, on behalf of companies or bodies in which it directly or indirectly owns shares, or on behalf of third parties;
- provide, on its own behalf or on behalf of third parties, any transport or transit operations.

The Company may have an interest, through a contribution or merger, in any companies or bodies already created or to be created whose purpose is similar, related to its own or is of such a nature as to confer an advantage in the pursuit of its corporate purpose.

10.9. Share capital

10.9.1. Issued capital

At 31 December 2017, the fully paid-up share capital amounted to EUR 653,136,356.46. It is represented by 161,358,287 shares without nominal value.

All of the shares making up the share capital have the same rights.

In accordance with Article 27 of the Articles of Association, each share entitles its holder to one vote. GBL has not issued any other class of shares, such as non-voting or preferential shares.

In accordance with the law of 14 December 2005 on the elimination of bearer shares, holders of bearer shares had to convert them into registered or dematerialised shares by 31 December 2013 at the latest. The bearer shares that had not yet been converted into registered or dematerialised shares at 1 January 2014 were automatically converted into dematerialised shares and registered in a securities account in GBL's name.

Since 1 January 2014, the exercising of bearer shares rights has been suspended in accordance with the law.

The law also provides that, as from 1 January 2015, issuers must put any unclaimed bearer shares up for sale on the stock market and announce this mandatory sale in good time. Once the unclaimed bearer shares have been sold, the net proceeds of this sale (in other words the proceeds less any costs incurred) must be transferred to the Caisse des Dépôts et Consignations within fifteen days.

In accordance with this obligation two notices, which among other things stated the maximum number of securities liable to be put up for sale and the depositing deadline and location for bearer shares, were published by GBL and Euronext on their websites. An initial notice was published on 5 December 2014 and concerned 69,082 unclaimed bearer shares, while a second notice was published on 2 October 2015 relating to 32,656 bearer shares from share exchange reserves. These notices were also inserted in the Belgian Official Gazette of 11 December 2014 and 6 October 2015 respectively. Following the publication of these notices, the shares in question were sold on the stock exchange on 21 January 2015 (69,082 shares) and 16 November 2015 (32,656 shares). The proceeds from these sales were transferred on 23 January 2015 and 18 November 2015 to the Caisse des Dépôts et Consignations.

Since 31 December 2015 the owners of these old bearer shares have been entitled to demand payment of the corresponding proceeds from the Caisse des Dépôts et Consignations, subject to these owners being able to provide proof of ownership. However, the law of 14 December 2005 provides that, as from 1 January 2016, such a repayment will be subject to a fine of 10% of the proceeds from the sale of the underlying bearer shares, calculated by year of delay commenced. GBL is therefore no longer involved in this process.

10.9.2. Authorised capital

The Extraordinary General Shareholders' Meeting of 26 April 2016 renewed, for a period of five years, the authorisation given to the Board of Directors to:

- increase the share capital, on one or more occasions, by up to EUR 125 million;
- decide to issue, on one or more occasions, convertible bonds or bonds redeemable in shares, subscription rights or other financial instruments, whether or not they are attached to bonds or other securities and that may in time give rise to capital increases of a maximum amount such that the amount of the capital increases that may result from the exercising of these conversion or subscription rights, whether or not they are attached to such securities, does not exceed the authorised amount remaining as defined by the above-mentioned limits.

In both cases, the Board of Directors may, in the interests of the Company, limit or cancel the preferential subscription rights of the existing shareholders according to the conditions provided for by law.

This authorisation, initially granted in 1987, was renewed on 25 May 1993, 28 May 1996, 25 May 1999, 27 April 2004, 24 April 2007, 12 April 2011 and most recently on 26 April 2016. It is valid for a five-year period from 7 June 2016, i.e. until June 2021.

At 31 December 2017, the authorised capital amounted to EUR 125 million. Based on this amount, a maximum of 30,881,431 new shares may be created.

10.9.3. Treasury shares

The Extraordinary General Shareholders' Meeting of 26 April 2016 renewed the authorisation given to the Company's Board of Directors, for a period of five years, to buy a maximum of 32,271,657 GBL shares, in accordance with the legal provisions. The unit price may not be more than 10% lower than the lowest price in the 12 months preceding the transaction, or more than 10% higher than the highest share price out of the last 20 quotes.

This authorisation also covers acquisitions by GBL's direct and indirect subsidiaries.

The same Extraordinary General Shareholders' Meeting also renewed the Board of Directors' authorisation to acquire and dispose of its treasury shares when such an acquisition or disposal is necessary to prevent serious and imminent harm to the Company. This authorisation is valid for three years from 7 June 2016, i.e. until June 2019.

Under the Company's Articles of Association, the Board of Directors may also dispose of GBL shares on or off the stock market without the prior intervention of the General Shareholders' Meeting and with unlimited effect.

Within this context, the Company has set up a liquidity agreement with a third-party to improve the market liquidity of the GBL share. This agreement is executed on a discretionary basis by a third-party on behalf of GBL within the limits of the authorisation granted by the 26 April 2016 General Shareholders' Meeting as well as in compliance with the applicable rules.

The acquisitions and disposals of treasury shares in 2016 and 2017 are presented in detail on page 116 of this annual report.

10.9.4. Exchangeable and convertible bonds

In February 2013, GBL, through its wholly-owned subsidiary GBL Verwaltung S.A., issued a bond exchangeable for ENGIE shares (EUR 1.0 billion), with a 4-year maturity and bearing interest at an annual rate of 1.25%. The bond matured on 7 February 2017 and was fully repaid on that date.

On 27 September 2013, GBL, through its wholly-owned subsidiary Sagerpar, launched an issue of bonds convertible into GBL shares (EUR 428.4 million), maturing on 9 October 2018 and exchangeable for 5,000,000 existing GBL treasury shares. These bonds bear interest at an annual rate of 0.375%.

These issues are presented in detail on page 114 of this annual report.

10.10. Voting rights

There are no statutory restrictions on the exercise of voting rights, without prejudice to general rules on admission to the General Shareholders' Meeting.

10.11. Documents available to the public

10.11.1. Shareholders' access to information and website

With the goal of facilitating access to information by its shareholders, GBL has set up a website (http://www.gbl.be).

This site, which is updated regularly, contains the information required under the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

This information includes the financial statements, annual reports and all of the press releases issued by the Company, as well as any useful and necessary information about General Shareholders' Meetings and shareholders' participation in such meetings, and in particular the conditions provided for by the Articles of Association for the calling of (Ordinary and Extraordinary) General Shareholders' Meetings.

The results of votes as well as the minutes of General Shareholders' Meetings are also published on the website.

10.11.2. Places where Company-related documents may be consulted

The Company's Articles of Association may be consulted at the Registry of the Brussels Commercial Court, at the Company's registered office and on its website (http://www.gbl.be).

The annual financial statements are deposited with the National Bank of Belgium and may be consulted on GBL's website. Resolutions relating to the appointment and removal of members of the Company's executive bodies are published in the Appendices to the Belgian Official Gazette.

Financial notices relating to the Company are published in the financial press. Other documents available for public inspection may be consulted at the Company's registered office.

The Company's annual report is sent each year to registered shareholders and to any person requesting a copy. It is available free of charge at the registered office.

The annual reports for the last three financial years and all the documents referred to in this section may be consulted on the Company's website.

List of other offices held by the members of the Board of Directors between 2013 and 2017 (1)

Gérald Frère
Chairman of the Board of Directors

List of activities and other mandates exercised in Belgian and foreign companies

- Chairman of the Board of Directors of Stichting Administratiekantoor Bierlaire (NL) and Domaines Frère-Bourgeois S.A. (B).
- Vice-Chairman of the Board of Directors and Managing Director of Pargesa Holding S.A. (CH).
- Managing Director of Financière de la Sambre S.A. (B) and Frère-Bourgeois S.A. (B).
- Director of Power Financial Corporation (CDN), Fonds Charles-Albert Frère A.S.B.L. (B) and Haras de la Bierlaire S.A. (B).
- Member of the Supervisory Board of Parjointco N.V. (NL).
- Regent and Member of the Budget Committee of the National Bank of Belgium S.A. (B).
- Member of the Remuneration Committee of Power Financial Corporation (CDN).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Chairman of the Board of Directors of Loverval Finance S.A. (B) *(until 28 December 2017)*.
- Director of Erbe S.A. (B) *(until 28 December 2017)* and Electrabel (B) *(until 22 April 2014)*.
- Member of the Supervisory Board of Agesca Nederland N.V. (NL) *(until 23 December 2014)*.
- Member of the Related Party and Conduct Review Committee of Power Financial Corporation (CDN) *(until 12 May 2016)*.
- Honorary Consul of France in Charleroi *(until 22 December 2013)*.
- Manager of Agriger S.P.R.L. (B) *(until 15 June 2017)*.

Paul Desmarais, Jr.
Vice-Chairman of the Board of Directors

List of activities and other mandates exercised in Belgian and foreign companies

- Director and Chairman of the Board and Co-CEO of Power Corporation of Canada (CDN).
- Director and Co-Chairman of the Board of Power Financial Corporation (CDN).
- Director and Chairman of the Board of 171263 Canada Inc. (CDN) and Power Corporation International (CDN).
- Chairman of the Board and Managing Director of Pargesa Holding S.A. (CH).
- Chairman of the Board and Treasurer of Belvoir Canada Inc. (CDN) *(since 2017)* and Belvoir Investments Corporation (CDN) *(since 2017)*.
- Chairman, Secretary/Treasurer of 4379017 Canada Inc. (CDN) *(since 2017)* and Pet Care Holdings ULC (CDN) *(since 2017)*.
- Chairman of Placements Paquerais Inc. (CDN) *(since 2017)*.
- Chairman of the Board of The Memphrémagog Golf Club Inc. (CDN) *(since 2017)*.
- Vice-Chairman of 159964 Canada Inc. (CDN) *(since 2017)*, 2790343 Canada Inc. (CDN) *(since 2017)*, 2945355 Canada Inc. (CDN) *(since 2017)*, Ansopolo Investments Corporation (CDN) *(since 2017)*, Cimetière Laforest (CDN) *(since 2017)*, Laforest Trustee Corporation (CDN) *(since 2017)* and Palso Investments Inc. (CDN) *(since 2017)*.
- Vice-Chairman and Vice-Chairman of the Board of Sanpalo Investments Corporation (CDN) *(since 2017)*.
- Co-Chairman of Louisefam Holding Corporation (CDN) *(since 2017)* and Sophiefam Holding Corporation (CDN) *(since 2017)*.
- Director of 152245 Canada Inc. (CDN), GWL&A Financial Inc. (USA), Parjointco N.V. (NL), Power Communications Inc. (CDN), Power Financial Europe B.V. (NL), SGS S.A. (CH), AppDirect Inc. (USA), Great-West Life & Annuity Insurance Company of New York (USA) *(since 2017)* and Best Friends Acquisition Corporation (USA).
- Director and Deputy Chairman of the Board *(since 2017)* of La Presse Ltd. (CDN), Gesca Ltd. (CDN) and Square Victoria Communications Group Inc. (CDN).
- Director and Member of the Nomination, Compensation and Governance Committee of LafargeHolcim (CH) *(since 2015)*.
- Director and Member of the Executive Committee of The Canada Life Assurance Company (CDN), Canada Life Financial Corporation (CDN), The Canada Life Insurance Company of Canada (CDN), Great-West Life & Annuity Insurance Company (USA), Great-West Lifeco Inc. (CDN), The Great-West Life Assurance Company (CDN), IGM Financial Inc. (CDN), Investors Group Inc. (CDN), London Life Insurance Company (CDN), Putnam Investments LLC (USA) and Mackenzie Inc. (CDN).
- Chairman of the Advisory Board of Sagard Private Equity Partners (F).

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Director of Canada Life Capital Corporation Inc. (CDN) *(until 2017)*, Great-West Financial (Canada) Inc. (CDN) *(until 2017)*, Great-West Financial (Nova Scotia) Co. (CDN) *(until 2017)*, Total S.A. (F) *(until 2017)*, Lafarge (F) *(until 2015)* and Steve Nash Fitness Centers (CDN) *(until 2016)*.
- Director and Member of the Executive Committee of London Insurance Group Inc. (CDN) *(until 2017)*.
- Director *(until 2014)* and Member of the Nomination and Compensation Committee *(until July 2013)* of GDF SUEZ (F).

Thierry de Rudder
Vice-Chairman of the Board of Directors

List of activities and other mandates exercised in Belgian and foreign companies

- Nihil

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Director of Electrabel (B) *(until 22 April 2014)*.
- Chairman of the Audit Committee of Electrabel (B) *(until 22 April 2014)*.

(1) Other than offices held in GBL's wholly-owned subsidiaries

Ian Gallienne
Co-CEO

List of activities and other mandates exercised in Belgian and foreign companies

- Director of Imerys (F), Pernod Ricard (F), SGS S.A. (CH) *(since 10 July 2013)*, adidas AG (D) *(since 12 May 2016)* and Frère-Bourgeois (B) *(since 30 June 2017)*.
- Chairman of the Strategic Committee and Member of the Appointments and Compensation Committee of Imerys (F).
- Member of the Remuneration Committee of Pernod Ricard (F)
- Member of the Nomination and Remuneration Committee of SGS S.A. (CH).
- Member of the Strategic Committee of Pernod Ricard (F).

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Managing Director of Ergon Capital Partners S.A. (B) *(until 20 March 2014)*, Ergon Capital Partners II S.A. (B) *(until 20 March 2014)* and Ergon Capital Partners III S.A. (B) *(until 20 March 2014)*.
- Director of Steel Partners N.V. (B) *(until 23 March 2015)*, Gruppo Banca Leonardo SpA (I) *(until 29 April 2015)*, Ergon Capital S.A. (B) *(until 15 February 2016)*, Lafarge (F) *(until 17 March 2016)*, Erbe S.A. (B) *(from 14 March 2013 until 28 December 2017)* and Umicore (B) *(from 28 April 2015 until 25 April 2017)*.
- Manager of Ergon Capital II S.à r.l. (L) *(until 15 February 2016)*.
- Member of the Supervisory Board of Kartesia Management S.A. (L) *(from 2013 until 1 April 2015)*.

Gérard Lamarche
Co-CEO

List of activities and other mandates exercised in Belgian and foreign companies

- Director of LafargeHolcim (CH), Total S.A. (F), SGS S.A. (CH) *(since 10 July 2013)*, Pearsie International (B) *(since 12 June 2015)*, Samrée S.A. (L) *(since 12 June 2015)* and Umicore (B) *(since 25 April 2017)*.
- Member of the Audit Committee of Total S.A. (F) and SGS S.A. (CH).
- Member of the Strategic Committee of LafargeHolcim (CH).
- Chairman of the Audit Committee of LafargeHolcim (CH) *(since May 2016)*.
- Chairman of the Compensation Committee of Total (F) *(since 16 December 2015)*.

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Director of Lafarge (F) (until 4 May 2016) and Legrand (F) *(until 27 May 2016)*.
- Member of the Audit Committee of Legrand (F) *(until 27 May 2016)* and LafargeHolcim (CH) *(until May 2016)*.
- Member of the Strategic Committee of Total S.A. (F) *(until 18 December 2015)*.
- Censor of GDF SUEZ (F) *(until 28 April 2015)*.

Laurence Danon Arnaud
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Chairwoman of Primerose SAS (F) *(since 2015)*.
- Director of Amundi (F) *(since 2015)*, TF1 (F) and Gecina (F) *(since 2017)*.

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Chairwoman of Leonardo & Co. (F) *(from 2013 until 2015)*.
- Chairwoman of the Management Board of Edmond de Rothschild Corporate Finance (F) *(until 2013)*.
- Director of Diageo Plc. (UK) *(until 2015)* and BPCE (F) *(until 2013)*.

Antoinette d'Aspremont Lynden
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Director of BNP Paribas Fortis (B).
- Member of the Audit Committee of BNP Paribas Fortis (B).
- Member of the Risk Committee of BNP Paribas Fortis (B).

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Member of the Governance, Nomination and Remuneration Committee of BNP Paribas Fortis (B) *(until December 2014)*.

Victor Delloye
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Chairman of the Board of Directors of Geseluxes S.A. (L) *(since 14 May 2013)*.
- Director – General Secretary of Compagnie Nationale à Portefeuille S.A. (B) *(since 4 February 2015)*, Compagnie Immobilière de Roumont S.A. (B), Investor S.A. (B), Europart S.A. (B), Frère-Bourgeois S.A. (B), Financière de la Sambre S.A. (B), Fibelpar S.A. (B) *(since 27 April 2016)* and Carpar S.A. (B) *(since 27 May 2016)*.
- Managing Director of Fonds Charles-Albert Frère (B) *(since 1 July 2017)*.
- Director of Pargesa Holding S.A. (CH), Domaines Frère-Bourgeois S.A. (B), Finer S.A. (L), Filux S.A. (L), Swilux S.A. (L), GB-INNO-BM S.A. (B), GIB Group International S.A. (L) and GIB Corporate Services S.A. (B) *(since 21 September 2017)*.
- Member of the Supervisory Board of Parjointco N.V. (NL).
- Vice-Chairman of the Board of Directors of Association Belge des Sociétés Cotées A.S.B.L. (B).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Bierlaire (NL) and Stichting Administratiekantoor Peupleraie (NL).

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Director – General Secretary of Loverval Finance S.A. (B) (ex-Compagnie Nationale à Portefeuille S.A.) *(until 28 December 2017)*, Erbe S.A. (B) *(until 28 December 2017)* and Newcor S.A. (B) *(until 1 January 2013)*.
- Managing Director of Delcortil S.A. (B) *(until 28 December 2016)*.
- Director of Brufinol (L) *(until 22 December 2017)*, Kermadec S.A. (L) *(until 23 March 2016)*, Cargefin S.A. (L) *(until 28 December 2016)*, Safimar S.A. (B) *(until 18 December 2014)* and Segelux S.A. (L) *(until 13 January 2014)*.
- Director of Newcor S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A. *(until 4 February 2015)*, Fibelpar S.A. (B) as permanent representative of Loverval Finance S.A. (ex-Compagnie Nationale à Portefeuille S.A.) *(until 27 April 2016)*, Carpar S.A. (B) as permanent representative of Loverval Finance S.A. (ex-Compagnie Nationale à Portefeuille S.A.) *(until 27 May 2016)* and GIB Corporate Services S.A. (B) as permanent representative of Loverval Finance S.A. (ex-Compagnie Nationale à Portefeuille S.A.) *(until 21 September 2017)*.
- Member of the Supervisory Board of Agesca Nederland N.V. (NL) *(company dissolved and liquidated in December 2014)*.

Paul Desmarais III
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Vice-Chairman of Power Financial Corporation (CDN) *(since May 2014)* and Power Corporation of Canada (CDN) *(since May 2014)*.
- Director of Great-West Lifeco Inc. (CDN) *(since 8 May 2014)*, Investors Group Inc. (CDN) *(since 9 May 2014)*, Mackenzie Inc. (CDN) *(since May 2014)*, Sagard Capital Partners GP, Inc. (USA), Sagard Capital Partners Management Corp. (USA), Sagard Holdings (USA), The Great-West Life Assurance Company (CDN) *(since May 2014)*, London Insurance Group Inc. (CDN) *(since May 2014)*, London Life Insurance Company (CDN) *(since May 2014)*, Canada Life Financial Corporation (CDN) *(since May 2014)*, The Canada Life Assurance Company (CDN) *(since May 2014)*, The Canada Life Insurance Company of Canada (CDN) *(since May 2014)*, Great-West Financial (Nova Scotia) Co. (CDN) *(since May 2014)*, Great-West Financial (Canada) Inc. (CDN) *(since May 2014)*, Wealthsimple Canada Inc. (CDN) *(since March 2015)*, Wealthsimple Financial Corp. (CDN) *(since December 2015)*, Imerys (F) *(since 29 April 2014)* and Pargesa Holding S.A. (CH) *(since 6 May 2014)*.
- Member of the Strategic Committee *(since 29 April 2014)* and Chairman of the Appointments and Compensation Committee *(since 4 May 2016)* of Imerys (F).

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Director of GWL&A Financial Inc. (USA) *(from 8 May 2014 until 5 May 2016)* and Putnam Investments, LLC (USA) *(from May 2014 until 5 May 2016)*.

Cedric Frère
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Chairman of the Board of Directors, Managing Director of Haras de la Bierlaire S.A. (B) and Manoir de Roumont S.A. (B).
- Managing Director of Domaines Frère-Bourgeois S.A. (B).
- Director of Pargesa Holding S.A. (CH), Frère-Bourgeois S.A. (B), Cheval Blanc Finance SAS (F) *(since 14 November 2013)*, Filux (L) *(since 7 January 2013)*, Investor (B) *(since 14 January 2015)*, Compagnie Nationale à Portefeuille S.A. (B) *(since 4 February 2015)*, Carpar (B) *(since 27 May 2016)*, Hippocrène A.S.B.L. (B) *(since 22 May 2017)*, Fonds Charles-Albert Frère A.S.B.L. (B) *(since 27 April 2017)*, Fondation Saint-Luc F.U.P. (B) *(since 20 October 2017)* and Caffitaly S.p.A. (IT) *(since 14 September 2017)*.
- Tenured Director of Cheval des Andes (Argentina).
- Manager of Agriger S.P.R.L. (B) *(since 15 June 2017)*.

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Chairman of the Board of Directors of Cheval Blanc Finance SAS (F) *(until 14 November 2013)*.
- Director of Erbe S.A. (B) (until 28 December 2017), Swilux (L) *(from 7 January 2013 until 28 April 2017)* and Transcor Astra Group (B) *(until 29 March 2013)*.
- Director of Carpar (B) as permanent representative of Manoir de Roumont S.A. *(from 5 February 2015 until 27 May 2016)* and Compagnie Nationale à Portefeuille S.A. (B) as permanent representative of Manoir de Roumont S.A. *(until 4 February 2015)*.

Ségolène Gallienne
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Chairwoman of the Board of Directors of Diane S.A. (CH).
- Director of Frère-Bourgeois S.A. (B), Compagnie Nationale à Portefeuille S.A. (B), Cheval Blanc Finance SAS (F) *(since November 2013)*, Domaines Frère-Bourgeois S.A. (B), Christian Dior S.A. (F), Fonds Charles-Albert Frère A.S.B.L. (B), Société Civile du Château Cheval Blanc (F) and Pargesa Holding S.A. (CH).
- Manager of Esso SDC (B).
- Chairwoman of the Raad van Bestuur of Stichting Administratiekantoor Peupleraie (NL).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Director of Erbe S.A. (B) *(until 28 December 2017)*.

Jocelyn Lefebvre
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Chairman of Sagard SAS (F).
- Director and Member of the Audit Committee of Pargesa Holding S.A. (CH) *(since 2017)*.
- Member of the Management Board of Parjointco N.V. (NL) and Power Financial Europe B.V. (NL).
- Member of the Supervisory Board of Kartesia Management S.A. (L).

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Director, Member of the Strategic Committee and of the Audit Committee of Imerys (F) *(until 30 April 2015)*.

Christine Morin-Postel
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Director of Hightech Payment Systems S.A. (Morocco).
- Chairwoman of the Nomination and Remuneration Committee of Hightech Payment Systems S.A. (Morocco).
- Member of the Investment Committee of Capmezzanine 2 *(since 1 January 2016)* and CDG Private Equity (Morocco) *(since 2015)*.

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Director of British American Tobacco (UK) *(until 6 December 2016)* and Royal Dutch Shell plc. (UK) *(until 21 May 2013)*.
- Senior Independent Director of British American Tobacco (UK) *(until 25 October 2016)*.
- Member of the Nomination and Remuneration Committee of British American Tobacco (UK) *(until 28 April 2016)*.
- Chairwoman of the Audit Committee of British American Tobacco (UK) *(until 1 October 2016)*.
- Member of the Audit Committee of Royal Dutch Shell plc. (UK) *(until 21 May 2013)*.

Marie Polet
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Member of the Supervisory Board of Koninklijke Theodorus Niemeyer B.V. (NL) *(since 24 September 2014)*.

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Director, Chairwoman and CEO of Imperial Tobacco Canada Ltd. (CDN) *(until 16 January 2015)* and Imperial Tobacco Company Ltd. (UK) *(until 16 January 2015)*.
- Member of the Supervisory Board of British American Tobacco Norway AS (N) *(until 1 May 2014)* and Fiedler & Lundgren AB (S) *(until 1 May 2014)*.

Gilles Samyn
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Chairman of the Board of Directors of Cheval Blanc Finance SAS (F) *(since November 2013)*, Finer S.A. (L) (ex-Erbe Finance S.A.), Helio Charleroi Finance S.A. (B), Kermadec S.A. (L), Swilux S.A. (L), Transcor Astra Group S.A. (B), Compagnie Nationale à Portefeuille S.A. (B) *(since February 2015)*, Europart S.A. (B) *(since February 2015)*, Fibelpar S.A. (B) *(since February 2015)*, Compagnie Immobilière de Roumont S.A. (B) *(since February 2015)*, Tagam AG (CH) *(since October 2016)* and Worldwide Energy AG (CH) *(since August 2016)*.
- Chairman of the Board and Director of Filux S.A. (L).
- Managing Director of Carpar S.A. (B) as representative of Société des Quatre Chemins S.A., Domaines Frère-Bourgeois S.A. (B), Financière de la Sambre S.A. (B), Frère-Bourgeois S.A. (B), Investor S.A. (B) and Société des Quatre Chemins S.A. (B).
- Director of AOT Holding Ltd. (CH), Astra Transcor Energy N.V. (NL) (since July 2016), Banca Leonardo SpA (I), BSS Investments S.A. (B) as representative of Compagnie Immobilière de Roumont S.A., Grand Hôpital de Charleroi A.S.B.L. (B) and Société Civile du Château Cheval Blanc (F).
- Director and Member of the Audit Committee and of the Compensation Committee of Pargesa Holding S.A. (CH).
- Deputy Director of Cheval des Andes S.A. (Argentina).
- Member of the Supervisory Board and of the Audit Committee *(since 2014)* of Métropole Télévision (M6) (F).
- Chairman of the Nomination and Remuneration Committee of Métropole Télévision (M6) (F) *(since May 2014)*.
- Member of the Compensation Committee of Banca Leonardo SpA (I).
- Director and Member of the Audit Committee of Pernod Ricard (F) *(since November 2014)*.
- Manager of Gosa SDC (B).
- Member of the Supervisory Board of Parjointco N.V. (NL).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).
- Manager of Astra Oil Company LLC (USA) *(since July 2016)*.

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Chairman of the Board of Directors of ACP N.V. (B) (ex-Acide Carbonique Pur S.A.) *(from December 2014 until April 2016)*, Financière Flo SAS (F) *(until January 2017)*, Groupe Flo S.A. (F) *(until June 2017)*, Unifem SAS (F) *(until December 2015)* and Groupe Jean Dupuis S.A. (B) *(until December 2013)*.
- Chairman and Director of International Duty Free S.A. (B) (ex-Distripar S.A.) *(until January 2015)*, Belgian Sky Shops S.A. (B) *(until January 2015)* and Segelux S.A. (L) (ex-Gesecalux S.A.) *(until January 2014)*.
- Vice-Chairman and Director of APG/SGA S.A. (CH) (ex-Affichage Holding S.A.) *(from May 2014 until May 2015)*.
- Managing Director of Erbe S.A. *(B) (until December 2017)*, Loverval Finance S.A. (B) (ex-Compagnie Nationale à Portefeuille S.A.) *(until December 2017)*, Compagnie Immobilière de Roumont S.A. (B) *(until January 2015)*, Europart S.A. (B) *(until January 2015)*, Fibelpar S.A. (B) as representative of Société des Quatre Chemins S.A. *(until January 2015)*, Compagnie Nationale à Portefeuille S.A. (B) as representative of Société des Quatre Chemins S.A. *(until January 2015)*, Safimar S.A. (B) *(until August 2014)* and SCP S.A. (L) *(until August 2014)*.

- Director of APG/SGA (ex-Affichage Holding S.A.) (B) *(until May 2015)*, Fidentia Real Estate Investments (B) *(until May 2016)*, Antwerp Gaz Terminal N.V. (B) as representative of ACP N.V. (B) *(from December 2015 until April 2016)*, ACP N.V. (B) as representative of Société des Quatre Chemins S.A. *(until November 2014)*, Belholding Belgium S.A. (B) *(until June 2017)*, Transcor East Ltd. (CH) *(until August 2014)*, Belgian Ice Cream Group N.V. (B) *(until March 2013)*, Carsport S.A. (B) *(until December 2013)*, Starco Tielen N.V. (B) *(until March 2013)*, Transcor East Ltd. (CH) *(until August 2014)* and TTR Energy S.A. (B) *(until November 2013)*.
- Manager of Sodisco S.à r.L. (L) *(until June 2015)*.
- Member of the Nomination and Remuneration Committee of Métropole Télévision (M6) (F) *(until April 2014)*.
- Member of the Supervisory Board of Agesca Nederland N.V. (NL) *(until December 2014)*.

Amaury de Seze
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Vice-Chairman of Power Financial Corporation (CDN).
- Chairman of the Supervisory Board of PAI Partners SAS (F).
- Director of BW Group (BM), Pargesa Holding S.A. (CH), RM2 International S.A. (UK) *(since December 2013)*, Sagard Capital Partners GP, Inc (USA) and Sagard Capital Partners Management Corp. (USA).

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Member of the Supervisory Board of Publicis Groupe (F) *(until 25 May 2016)*.
- Director of Thales (F) *(until 17 September 2013)*, Suez Environnement (F) *(until 22 May 2014)*, Imerys (F) *(until 4 May 2016)* and Erbe S.A. (B) *(until 28 December 2017)*.
- Lead Board Director of Carrefour S.A. (F) *(until 15 June 2017)*.

Martine Verluyten
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Director of STMicroelectronics N.V. (NL) and Thomas Cook Group plc. (UK).
- Chairwoman of the Audit Committee of Thomas Cook Group plc. (UK) and STMicroelectronics N.V. (NL) *(since May 2013)*.
- Member of the Nomination Committee of Thomas Cook Group plc. (UK) *(since 2015)*.

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Director of 3i Group plc. (UK) *(until 29 June 2017)*.
- Chairwoman of the Audit Committee of the Flemish Region Administration (B) *(until January 2015)*.
- Member of the Valuation Committee, of the Nomination Committee, of the Audit and Compliance Committee *(since 2016)* of 3i Group plc. (UK) *(until 29 June 2017)*.

Arnaud Vial
Director

List of activities and other mandates exercised in Belgian and foreign companies

- Executive (Senior Vice-Chairman) of Power Corporation of Canada (CDN) and Power Financial Corporation (CDN).
- Director Executive (Vice-Chairman of the Board) of Power Pacific Equities Limited (CDN).
- Director of Power Financial Europe B.V. (NL), Square Victoria Digital Properties Inc. (CDN) and Imerys (F) *(since 4 May 2016)*.
- Director and Managing Director of Pargesa Holding S.A. (CH) *(since 1 June 2013)*.
- CEO of PGB (F) and SFPG (Société Française Percier Gestion) (F).
- Member of the Strategic Committee of Imerys (F) *(since 4 May 2016)*.
- Member of the Supervisory Board of Parjointco N.V. (NL) and Pargesa Netherlands B.V. (NL).

List of activities and other mandates exercised in Belgian and foreign companies expired during the last five years

- Director Executive (Vice-Chairman) of 3249531 Canada Inc. (CDN) *(until 29 June 2016)*, 4190297 Canada Inc. (CDN) *(until 29 June 2016)*, Corporation Energie Power (CDN) *(until 16 October 2015)* and 7575343 Canada Inc. (CDN) *(until 31 December 2013)*.
- Director and Chairman of the Board of Société Industrielle HMM (L) *(from May 2013 until 2017 following the dissolution of the company)*.
- Director of 4400046 Canada Inc. (CDN) *(until June 2016)*, 8495122 Canada Inc. (CDN) *(from April 2013 until 1 July 2015)*, DP Immobilier Québec (CDN) *(until 1 July 2015)*, CF Real Estate Maritimes Inc. (CDN) *(until 1 July 2015)*, CF Real Estate Max Inc. (CDN) *(until 1 July 2015)*, CF Real Estate First Inc. (CDN) *(until 1 July 2015)*, Sagard Capital Partners Management Corp. (CDN) *(until 9 October 2015)*, 9059-2114 Québec Inc. (CDN) *(until 1 July 2015)*, DuProprio Inc. (CDN) *(until 1 July 2015)*, VR Estates Inc. (CDN) *(until 1 July 2015)*, ComFree-Commission Free Realty Inc. (CDN) *(until 1 July 2015)* and 0757075 B.C. Ltd. (CDN) *(until 1 July 2015)*.
- Executive (Vice-Chairman) of Victoria Square Ventures Inc. (CDN) *(until 10 November 2015)*.

Glossary

With regards to the terms related to financial data on the investments, from page 20 to page 49, please refer to the definitions provided by each company in its financial communication.

The specific terminology used in the section on "Accounts at 31 December 2017" refers to the IFRS (International Financial Reporting Standards) rules as adopted by the European Union.

The terms used in the "Corporate Governance Statement" refer directly to the 2009 Belgian Code on corporate governance and other specific legislation.

Cash and debt

Net cash or, where applicable, net debt (excluding treasury shares), consists of gross cash and gross debt.

Gross debt includes all the financial liabilities of the Holding segment (convertible and exchangeable bonds, bonds and bank debt), valued at their nominal repayment value.

Gross cash includes the cash and cash equivalents as well as the quasi-liquidities (trading assets, etc.) of the Holding segment. It is valued at the book or market value (for certain cash equivalents).

The cash and debt indicators are presented for the Holding segment to reflect GBL's own financial structure and the financial resources available to implement its strategy.

Discount

The discount is defined as the percentage difference (expressed in relation to the net asset value) between the market capitalisation and the value of the net asset value.

Economic analysis of the result

Cash earnings

- Cash earnings primarily include dividends from investments and treasury shares, income coming mainly from cash management, net earnings from the yield enhancement activity and tax refunds, less general overheads, gross debt-related charges and taxes. All these results relate to the Holding activity.
- Cash earnings also are one of the components used in the calculation of the payout ratio.

Mark to market and other non-cash

- The concept of mark to market is one of the foundations of the fair value method of valuation as defined in IFRS international accounting standards, the principle of which is to value assets and liabilities at their market value on the last day of the financial year.
- Mark to market and other non-cash items in GBL's accounts reflect the changes in fair value of the financial instruments bought or issued (bonds, exchangeables or convertibles, trading assets, options, ...), the actuarial costs of financial liabilities valued at their amortised cost, as well as the adjustment of certain cash earnings items in accordance with IFRS rules (dividends decided but not paid out during the financial year but after the date of approval of the financial statements, etc.). All these results relate to the Holding activity.

Operating companies (associates or consolidated entities) and Sienna Capital

- This column shows earnings from associated operational companies, namely operational companies in which the group has significant influence. Significant influence is presumed to exist if the group has more than 20% of the voting rights, directly or indirectly through its subsidiaries. Associated operational companies are recorded in the consolidated financial statements using the equity method.
- Also included is income, group's share, from consolidated operational companies, i.e. controlled by the group. Control is presumed to exist when GBL has more than 50% of the voting rights in an entity, either directly or indirectly.
- This column also includes the contribution of income from Sienna Capital.

Eliminations, capital gains, impairments and reversals

The eliminations, capital gains, impairments and reversals include the elimination of dividends received from own shares, as well those received from associated or operational consolidated companies as well as gains (losses) on disposals, impairments and reversals on non-current assets and on discontinued activities. All these results relate to the Holding activity.

Dividend yield

The dividend yield is defined as the ratio between (i) the gross dividend detached (or the sum of the gross dividends detached) during the period (12 months) and (ii) the stock market price at the beginning of the period.

The dividend yield for year N is therefore the ratio between (i) the gross dividend (or the sum of the gross dividends) having its (their) Ex-Date in year N+1 and (ii) the closing price on the last trading day of year N.

The value of gross dividends not yet declared is estimated using Bloomberg's "BDVD" function. If this function is not available, the last gross dividend declared is used as an estimate.

Group's shareholding

- In **capital**: the percentage interest held directly and indirectly through consolidated intermediate companies, calculated on the basis of the number of shares in issue on 31 December.
- In **voting rights**: the percentage held directly or indirectly through consolidated intermediate companies, calculated on the basis of the number of voting rights existing on 31 December, including suspended voting rights.

Liquidity profile

The liquidity profile corresponds to the sum of gross cash and the undrawn amount of committed credit lines.

Loan To Value

The Loan To Value ratio is calculated on the basis of (i) GBL's net debt relative to (ii) the portfolio's value of GBL increased by the value of the treasury shares underlying the bonds convertible into GBL shares. The valuation methods applied to the portfolio and treasury shares are identical to those used for the net asset value.

Net asset value

The change in GBL's net asset value is, along with the change in its stock price, cash earnings and result, an important criterion for assessing the performance of the group.

The net asset value are a conventional reference obtained by adding gross cash and treasury shares to the fair value of the investment portfolio and deducting gross debt.

The following valuation principles are applied for the portfolio:

- investments in listed companies and treasury shares are valued at the closing price. However, the value of shares underlying any commitments made by the group is capped at the conversion/exercise price;
- investments in unlisted companies are valued at their book value, less any impairment losses;
- regarding the portfolio of Sienna Capital, the valuation corresponds to the sum of its investments, marked to market, as determined by fund managers, to which is added Sienna Capital's net cash or, where applicable, to which is deducted Sienna Capital's net debt.

The number of GBL shares used to calculate the net asset value per share is the number of company shares outstanding on the valuation date. Some minor events may not have been taken into account in the value reported. The combined effect of these factors may not exceed 2% of the net asset value.

GBL's detailed net asset value is reported together with the results' publication on a quarterly basis.

The value of the net asset value per share is published every Friday after stock exchange closing on GBL's website (www.gbl.be).

Operating company

An operating company is defined as a company having a commercial or industrial activity, by opposition to an investing company ("holding").

Payment of dividend and ESES system

ESES, for Euroclear Settlement for Euronext-zone Securities, is the single platform for the stock market transactions of Euronext Brussels, Paris and Amsterdam and non-stock market transactions involving securities traded on these markets (OTC).

The theoretical distribution calendar for the dividend is as follows:

- Ex-Date: date (at market opening) from which the underlying share is traded without its dividend or ex-entitlement;
- Record Date (Ex-date + 1): date on which positions are recorded by the central depository (at market closing, after clearing) in order to determine which shareholders are entitled to dividends;
- Payment Date: date of payment of the dividend in cash, at the earliest the day after the Record Date.

Given the time needed for settlement-delivery and ownership transfer relative to D + 2 (D being the transaction date), the last day on which the share is traded with entitlement to dividend distribution is the day before the Ex-Date.

Payout ratio

The payout or distribution of dividends ratio is calculated, for the financial year N, by dividing (i) the dividends paid in N+1 for the financial year N by (ii) the cash earnings for the financial year N.

Portfolio

The portfolio includes:

- the available-for-sale investments and investments in associates in the Holding segment;
- Imerys; and
- Sienna Capital and the companies active in private equity, debt and specific thematic funds.

System Paying Agent

In ESES, the entity that proceeds with distribution is known as the System Paying Agent. This is the party responsible within Euroclear Belgium for distribution to other participants of the resources related to a specific distribution. The system paying agent may be either an external paying agent (a CSD participant) or the CSD itself.

Total Shareholder Return or TSR

The Total Shareholder Return or TSR is calculated on the basis of the change in the stock market price(s) over the period under consideration, taking into account the gross dividend(s) received during this period and reinvested in securities at the time of receipt. It is expressed on an annualised basis and corresponds to the calculation made by Bloomberg via its "TRA" function. It should be noted that the comparison of GBL's TSR with its benchmark index is based on identical periods in terms of trading days.

Velocity on float (%)

The velocity on float, expressed as a percentage, is an indicator of the stock market activity of a listed company, which corresponds to the ratio between the number of shares traded over a financial year on the stock exchange and the float on 31 December of that financial year.

A listed company's float, or floating capital, corresponds to the part of the shares actually liable to be traded on the stock exchange. It can be expressed in value, but is more often expressed as a percentage of the market capitalisation.

Weighted average number of ordinary shares (basic calculation)

This corresponds to the number of outstanding ordinary shares at the start of the period, less treasury shares, adjusted by the number of ordinary shares reimbursed (capital reduction) or issued (capital increase), or sold or bought back during the period, multiplied by a time-based weighting factor.

Weighted average number of ordinary shares (diluted calculation)

It is obtained by adding potential dilutive shares to the weighted average number of ordinary shares (basic calculation). In this case, potential dilutive shares correspond to call options granted by the group.

Yield enhancement

The yield enhancement activity consists of executing derivatives instruments (primarily sales of options with short-term maturities on some assets in GBL's portfolio) and in operations on trading assets, aiming at generating an increased yield for GBL. The yield enhancement results are mainly made out of (i) premium of option sales, (ii) capital gains or losses with regards to operations on trading assets and (iii) dividends received in relation to trading assets.

Responsible persons

1 Responsibility for the document

Ian Gallienne
Managing Director

Gérard Lamarche
Managing Director

2 Declaration of the persons responsible for the financial statements and for the management report

Ian Gallienne and Gérard Lamarche, the Executive Management, and Xavier Likin, Chief Financial Officer, certify in the name and on behalf of GBL, that to their knowledge:

- the financial statements as of 31 December 2017 contained in this annual report were drawn up in accordance with applicable accounting standards (IFRS or Belgian accounting legislation) and give a fair and true view of the assets as defined by IAS/IFRS, the financial position and results of GBL and of its consolidated companies (1);
- the management report (2) presented in the annual report presents a true picture of the evolution of the activities, results and position of GBL and of its consolidated companies (1), and contains a description of the main risks and uncertainties with which they are confronted.

3 Statutory Auditor

Deloitte Bedrijfsrevisoren/
Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by
Corine Magnin
Gateway Building,
Luchthaven Nationaal 1 J
1930 Zaventem
Belgium

(1) "Consolidated companies" are GBL's subsidiaries within the meaning of Article 6 of the Companies Code
See list of subsidiaries on page 92 of the annual report
(2) Document established by the Board of Directors on 15 March 2018

For further information

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