Half-yearly Report as of June 30, 2018

Experience. Our greatest asset.

August 10, 2018

GBL
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 as of end of June 2018.

GBL is a leading investor in Europe, focused on long-term value creation and relying on a stable and supportive family shareholder base.

GBL strives to maintain a diversified high-quality portfolio composed of global companies, leaders in their sector, in which it can contribute to value creation by being an active professional investor.

GBL seeks to provide attractive returns to its shareholders through a combination of a sustainable dividend and growth in its net asset value.

GBL is listed on Euronext Brussels (Ticker: GBLB BB; ISIN code: BE0003797140) and is part of the BEL20 index.

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Financial calendar

- October 31, 2018: Results as of September 30, 2018
- March 2019: Annual Results 2018
- April 23, 2019: Ordinary General Meeting 2019
- Early May 2019: First quarter 2019 results
- End July 2019: Half-year 2019 results

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

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.

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GBL

Message from the Co-CEOs

The first half of 2018 saw an increased volatility in the financial markets. This was notably fuelled in the second quarter by the escalating US-China trade tensions as well as by the uncertainties arising within the European Union in relation to Italy's Eurosceptic government.

In this complex market environment, GBL has continued the rebalancing of its portfolio through EUR 1.6 billion of transactions.

GBL has further increased its exposure to growth assets through its participation in Umicore's capital increase in February 2018, for an amount of EUR 144 million. GBL remains the group's first shareholder with a 16.9% ownership and, through its participation in this EUR 892 million equity placement, GBL supported Umicore in its strategic development of the Rechargeable Battery Materials activity.

GBL further rebalanced its portfolio through the disposal in May 2018 of its entire stake into Burberry. The transaction generated disposal proceeds and a capital gain of approximately GBP 498 million and GBP 83 million respectively.

Throughout the first half of 2018, GBL has progressively increased its stake in GEA's capital to 7.3% as of June 30, 2018 (4.3% at year-end 2017). GBL's investment case views GEA as a global leader exposed to favourable long-term trends and well-positioned to seize market consolidation opportunities.

Finally GBL has further diversified its portfolio through its subsidiary Sienna Capital. It has completed in July 2018 its first co-investment transaction by investing EUR 250 million alongside funds affiliated with the investment firm KKR in Upfield (formerly named Flora Food Group), the carve-out of Unilever's Spreads Business.

As of June 30, 2018, GBL continued to outperform its reference index by delivering a 10.7% Total Shareholder Return (vs. 1.2% for the Stoxx Europe 50) over the last 12 months and with reinvested dividends. This performance was derived from, on the one hand, a 4.5% growth of the net asset value and a 1.9% contraction of the discount, both leading to a 7.2% increase in GBL's stock price and, on the other hand, a 3.6% dividend yield.

The group's financial performance was solid as of June 30, 2018 with cash earnings increasing by 1.1% to reach EUR 363 million. This increase notably reflects the successful redeployment of the proceeds from the disposal of the high-yielding assets of the energy and utilities sector.

The consolidated net result as of June 30, 2018 decreased by EUR 91 million to EUR 384 million. As highlighted in the results as of March 31, 2018 and as further described in the notes to the half-yearly financial statements as of June 30, 2018, this decrease primarily stems from the entry into force of the IFRS 9 standard as of January 1, 2018.

GBL's financial situation remained sound as of end of June 2018 with net financial indebtedness at EUR 581 million and a Loan To Value ratio of 3.0%.

In volatile debt capital markets, GBL seized a favourable window in June 2018 to issue a EUR 500 million 7-year institutional bond, with an 1.875% coupon. This placement lengthened the group's debt maturity to 5.6 years and reinforced its liquidity profile.

As of June 30, 2018, GBL received conversion requests representing 56% of the total convertible bonds issued in 2013 and being primarily redeemed in treasury shares.

Following those operations, GBL maintains a solid liquidity profile at EUR 2.8 billion, composed of EUR 0.7 billion of cash and EUR 2.1 billion of undrawn committed credit lines.

Outlook

GBL's core objectives remain unchanged: continue to deliver a Total Shareholder Return outperforming the reference index over the long term through share price performance and continuous dividend growth, while maintaining a sound capital structure.

In this context, and in the absence of major events, GBL anticipates to pay a 2018 dividend at least equivalent to that relating to the 2017 financial year.

We learned with sadness the passing, on July 21, of Christine Morin-Postel, Director and Member of the Nomination and Remuneration Committee of our group since 2013. Our thoughts are with her family and her loved ones in these difficult times.

Ian Gallienne
Co-CEO

Gérard Lamarche
Co-CEO

Key financial data (1)

Consolidated net result of **EUR 384 million** over the period

Cash earnings of **EUR 363 million** over the period

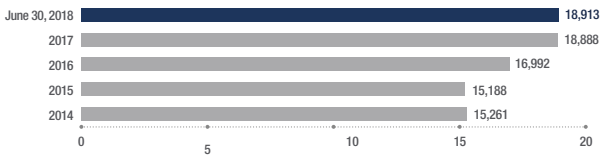
Liquidity profile of **EUR 2.8 billion** as of June 30, 2018

The Board of Directors, held on July 31, 2018, approved GBL's IFRS consolidated financial statements for the first half of 2018. These financial statements, produced in accordance with IAS 34 – *Interim financial reporting*, underwent a limited audit by the Auditor Deloitte.

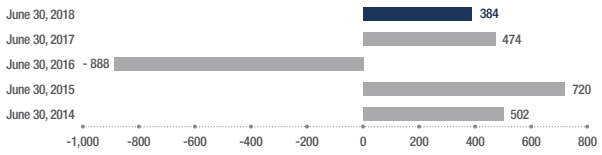
In EUR million (Group's share)	End of June 2018	End of June 2017	End of March 2018	End of December 2017
Consolidated net result	**384**	474	113	705
Cash earnings	**363**	359	84	427
Net asset value	**18,913**	18,099	19,079	18,888
Market capitalisation	**14,574**	13,601	14,974	14,521
Discount	**22.9%**	24.9%	21.5%	23.1%
Net investments / (divestments)	**222**	121 (2)	243	435 (2)
Net cash / (Net debt)	**(581)**	(150)	(603)	(443)
Loan To Value	**3.0%**	0.8%	3.1%	2.3%

Key figures

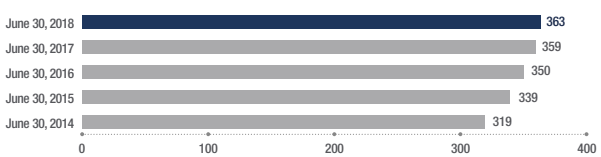
Net asset value
In EUR million



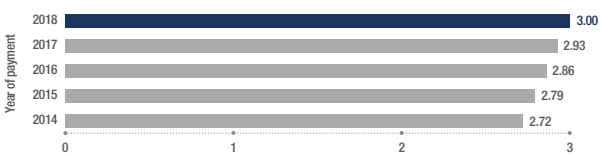
Net result (group's share)
In EUR million



Cash earnings
In EUR million



Gross dividend per share
In EUR



(1) Alternative performance indicators are defined in the glossary available on GBL's website: http://www.gbl.be/en/glossary
(2) Including the disposals of ENGIE shares (reclassified in cash as of 12/31/2016) and excluding the elimination of the dividend of Sienna Capital

Highlights

Further rebalancing of the portfolio

umicore

Participation in the capital increase of Umicore

- Participation in February 2018 for EUR 144 million in the capital increase of Umicore, providing the group with increased financial flexibility in support of external growth operations and potential partnerships to strengthen its offering in clean mobility materials and recycling
- Unchanged position as largest shareholder following this transaction, with a 16.9% ownership as of end of June 2018, representing a market value of EUR 2,051 million

GEA engineering for a better world

Further increase in the stake in GEA

- Announcement by GEA that GBL had crossed the threshold of 5.0% of the voting rights in the company on March 23, 2018
- Ownership increase in GEA, from 4.3% as of year-end 2017 to 7.3% as of end of June 2018, representing a market value of EUR 380 million

BURBERRY
London, England

Sale of the stake in Burberry

- Completion on May 9, 2018 of the sale of 6.6% of Burberry's capital, corresponding to 27.6 million shares
- Disposal generating proceeds amounting to approximately GBP 498 million and allowing to achieve a capital gain of approximately GBP 83 million

IMERYS

Exclusivity agreement for the sale of Imerys' Roofing division

- Exclusivity agreement entered into in May 2018 with an affiliate of Lone Star Funds, a global private equity firm, for the purpose of the sale of the roofing division Imerys Toiture for an enterprise value of EUR 1.0 billion
- Lone Star's offer being firm, binding and fully financed
- Operation expected to be completed by the fourth quarter of 2018 and remaining subject to the customary relevant workers' councils consultations and regulatory authorities' approval

Strengthening the financial structure

GBL

Institutional bond placement

- Placement in June 2018 of a EUR 500 million institutional bond, with a coupon of 1.875% and a 7-year maturity
- Issuance proceeds intended to cover GBL's general corporate purposes and allowing the group to lengthen its debt maturity profile from 4.0 years as of year-end 2017 to 5.6 years as of end of June 2018 and to further diversify its financing sources
- Issuance oversubscribed more than 2.5 times by a diversified institutional investor base
- Success of this placement illustrating the market's confidence in GBL's creditworthiness

Convertible bond

- Conversion requests received as of June 30, 2018 by Sagerpar S.A., a wholly owned subsidiary of GBL, for 2,409 convertible bonds, representing 56% of the total convertible bonds issued on September 27, 2013
- Redemption of 2,369 bonds as of June 30, 2018, primarily in treasury shares (94% of the conversion requests)
- Outstanding nominal amount of EUR 201 million as of June 30, 2018

Pursuing the development of alternative investments

SIENNA | CAPITAL

Upfield

First co-investment transaction

- Commitment to invest, through Sienna Capital, alongside funds affiliated with the investment firm KKR, EUR 250 million in Upfield (formerly named Flora Food Group), Unilever's Spreads Business
- Closing completed on July 2, 2018

SAGARD PRIVATE EQUITY PARTNERS

- Disposal of Alvest Group and Kiloutou, generating net capital gains of EUR 80 million GBL's share, not impacting the consolidated net result, following the entry into force of IFRS 9
- Acquisition of Climater

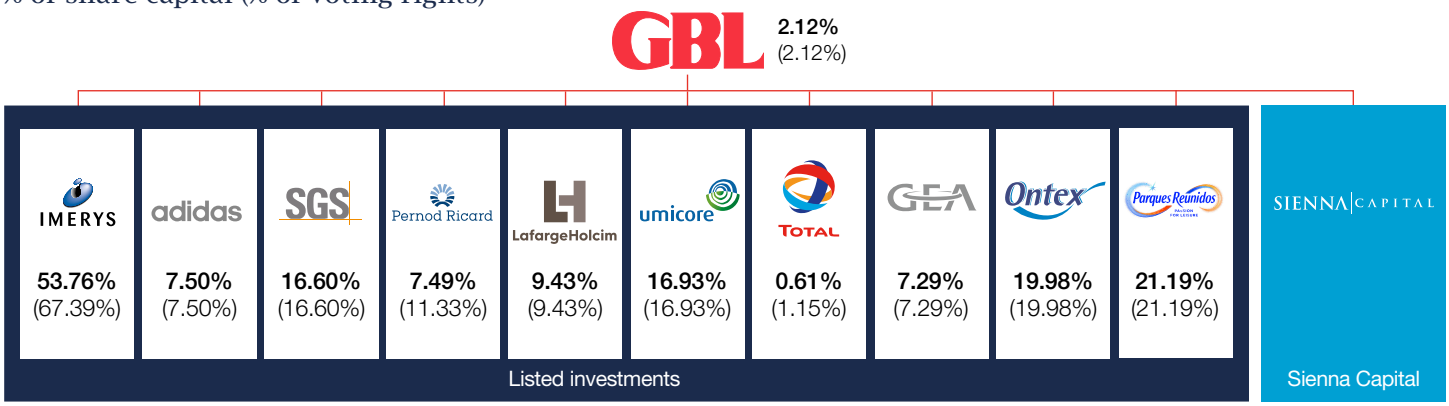
ERGON CAPITAL PARTNERS

- Acquisition of svt with a consecutive build-up on Rolf Kuhn

Organisation chart and net asset value

Organisation chart as of June 30, 2018

% of share capital (% of voting rights)



Net asset value

As of June 30, 2018, GBL's net asset value totalled EUR 18.9 billion (EUR 117.21 per share) compared with EUR 18.9 billion (EUR 117.06 per share) as of end of 2017, slightly up by 0.1% (+ EUR 0.15 per share). Relative to the share price of EUR 90.32 (+ 0.4% over the first half of the year), the discount as of end of June 2018 was 22.9%, slightly decreasing compared with the end of 2017.

	June 30, 2018				December 31, 2017	June 30, 2017
	Holding % in capital	**Share price** In EUR	In EUR million	**Portfolio** In %	In EUR million	In EUR million
Listed investments			**17,915**	**93.4**	**17,899**	**16,881**
Imerys	**53.76**	**69.25**	**2,968**	**15.5**	3,366	3,263
adidas	**7.50**	**186.95**	**2,934**	**15.3**	2,623	2,632
SGS	**16.60**	**2,283.69**	**2,893**	**15.1**	2,751	2,692
Pernod Ricard	**7.49**	**139.90**	**2,783**	**14.5**	2,625	2,332
LafargeHolcim	**9.43**	**41.53**	**2,377**	**12.4**	2,693	2,877
Umicore	**16.93**	**49.15**	**2,051**	**10.7**	1,503	1,160
Total	**0.61**	**52.21**	**846**	**4.4**	746	701
GEA	**7.29**	**28.89**	**380**	**2.0**	328	-
Ontex	**19.98**	**18.81**	**310**	**1.6**	454	512
Parques Reunidos	**21.19**	**13.70**	**234**	**1.2**	254	201
Burberry			**-**	**-**	557	327
Others			**139**	**0.7**	-	183
Sienna Capital			**1,274**	**6.6**	**926**	**891**
Portfolio			**19,189**	**100**	**18,826**	**17,772**
Treasury shares			**305**		505	476
Convertible bonds			**(201)**		(450)	(450)
Bank debt and institutional bonds			**(1,069)**		(557)	(907)
Cash/quasi-cash/trading			**690**		564	1,207
Net asset value (global)			**18,913**		**18,888**	**18,099**
Net asset value per share (in EUR) (1)			**117.21**		**117.06**	**112.17**
Share price per share (in EUR)			**90.32**		**89.99**	**84.29**
Discount (in %)			**22.9**		**23.1**	**24.9**

The value of GBL's net asset value is published on GBL's website on a weekly basis. As of July 27, 2018, net asset value per share stood at EUR 119.57 up 2.1% compared with its level at the beginning of the year, reflecting a discount of 24.2% on the share price on that date (EUR 90.58).

(1) Based on 161,358,287 shares

Portfolio's reconciliation with the IFRS consolidated financial statements

In EUR million	June 30, 2018	December 31, 2017	June 30, 2017
Portfolio value as presented in:			
Net asset value	**19,189**	18,826	17,772
Segment information (Holding) - pages 38 to 41	**14,943**	14,519	13,620
Participations in associates	***229***	*238*	-
Other equity investments / available-for-sale investments	***14,714***	*14,281*	*13,620*
Reconciliation items	**4,246**	4,307	4,152
Fair value of Imerys, consolidated using the full consolidation method in IFRS	**2,968**	3,366	3,263
Value of Sienna Capital, consolidated in the Sienna Capital segment	**1,274**	926	891
Reclassification of ENGIE shares, included in gross cash since 2016 and shown under Available-for-Sale investments in IFRS	**(1)**	(1)	(1)
Valuation difference of Parques Reunidos between net asset value (fair value) and IFRS (equity method)	**5**	16	-
Others	**-**	-	(1)

Portfolio as of June 30, 2018

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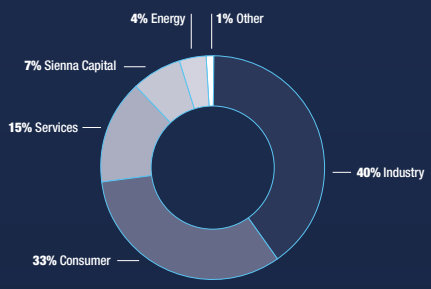
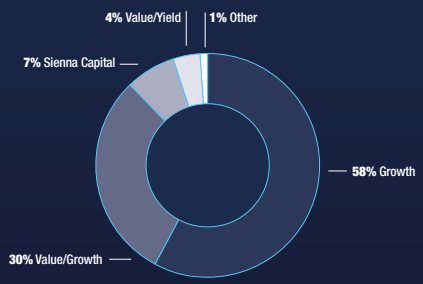
13 adidas
14 SGS
15 Pernod Ricard
16 LafargeHolcim
17 Umicore
18 Total
19 GEA
20 Ontex
21 Parques Reunidos

22 **Sienna Capital**

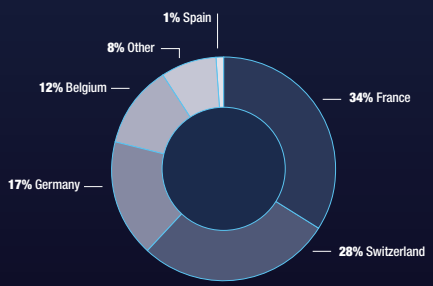
Sectorial breakdown of the portfolio



Portfolio by investment type



Geographic exposure



Listed investments

IMERYS

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

GBL data as of June 30, 2018

Capital held by GBL (%)	**53.76**
Market value of the investment (EUR million)	**2,968**
Voting rights (%)	**67.39**
Contribution to GBL's portfolio (%)	**15.46**

Half-year results 2018

- Revenue amounts to EUR 2,311 million, up by 11.9%, reflecting a proforma organic growth of 5.3%, thanks in particular to a price-mix effect in all business groups.
- Current operating income totalled EUR 284 million, up by 7.7%.
- Net income from current operations (group's share) rose by 13.5% to EUR 176 million. It includes a financial result that improves from EUR - 42 million in the first half of 2017 to EUR - 34 million in the first half of 2018, primarily due to the decrease in financial costs.
- Net income (group's share) increased by 12.7% to EUR 194 million.
- The group's net financial debt amounts to EUR 2,315 million, representing 79.0% of shareholders' equity.
- Imerys has entered on May 17, 2018 into an exclusivity agreement with an affiliate of Lone Star Funds for the purpose of the sale of its roofing division *Imerys Toiture* for an enterprise value of EUR 1.0 billion.
- Imerys Talc America, Inc., ("ITA"), a subsidiary of the Imerys group, is among the defendants in the actions brought in the US and related to the use of talc by certain customers. Most of these litigations relate to sales made prior to Imerys' 2011 acquisition of its Talc activity. After taking into account the historical guarantees for the benefit of ITA and in the absence of any future adverse legal developments, Imerys anticipates that the risk for ITA in relation to existing claims should not have a significant negative impact.

Key financial data

(in EUR million)	06/30/2018	12/31/2017	06/30/2017 (1)
Revenue	**2,311**	4,598	2,065
Current EBITDA	**393**	890	371
Current operating income	**284**	648	263
Net income from current operations (group's share)	**176**	403	155
Net income (group's share)	**194**	368	172
Net financial debt	**2,315**	2,246	1,509

(1) Pro forma profit or loss items: Roofing division accounted for as a discontinued activity as of June 30, 2018 and restated in the June 30, 2017 accounts

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adidas

adidas is the European leader in sports equipment

GBL data as of June 30, 2018

Capital held by GBL (%)	**7.50**
Market value of the investment (EUR million)	**2,934**
Voting rights (%)	**7.50**
Contribution to GBL's portfolio (%)	**15.29**

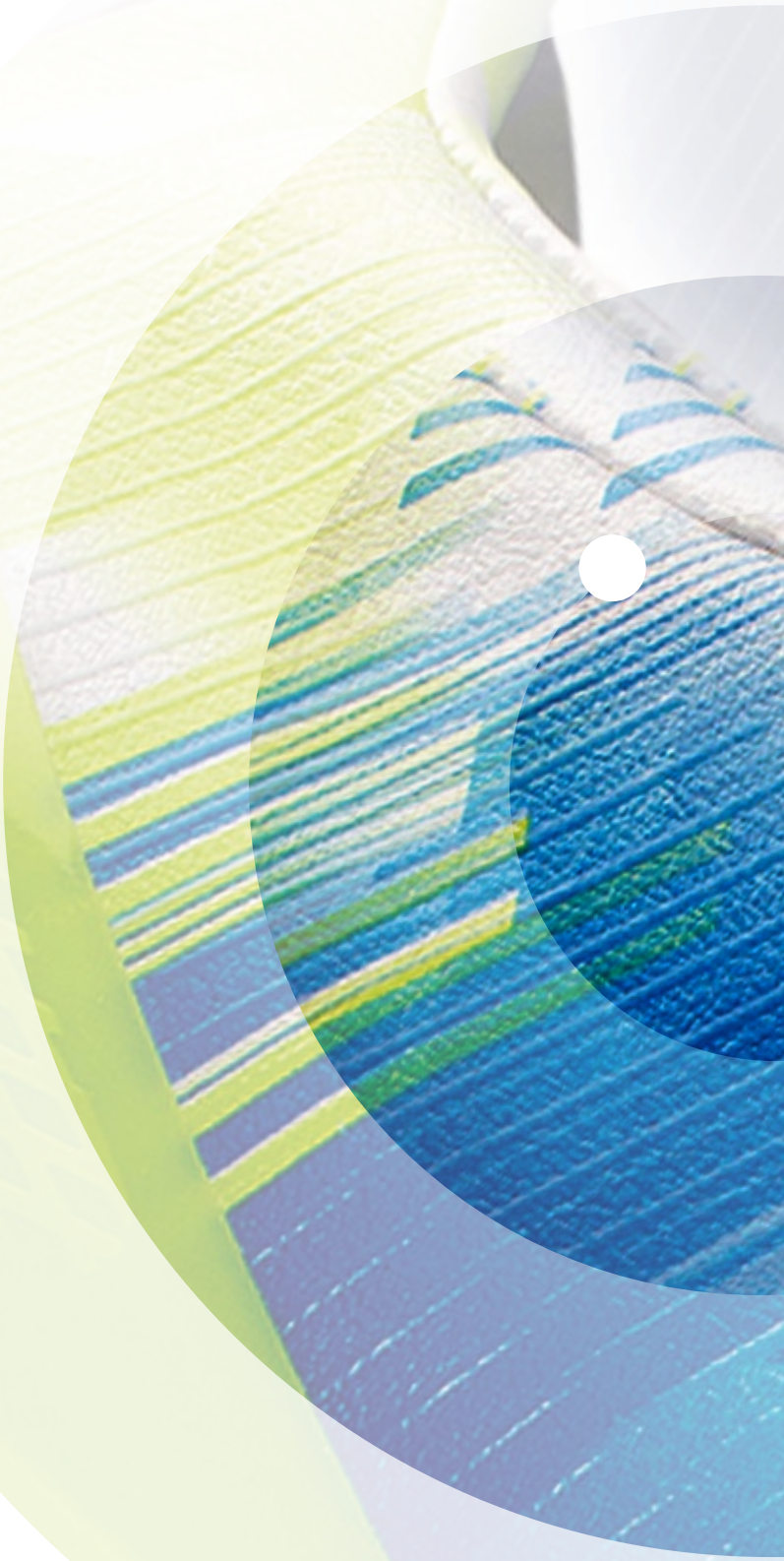
Half-year results 2018

- In the first half of 2018, revenues increased by 10% on a currency-neutral basis. In euro terms, revenues grew by 3% to EUR 10.8 billion (2017: EUR 10.5 billion). From a brand perspective, currency-neutral revenues for brand adidas grew by 12%. Reebok sales declined by 3% on a currency-neutral basis versus the prior year.
- The gross margin improved by 1.8 percentage points to 51.7% (2017: 49.9%), reflecting the positive effects from an improved pricing mix, which more than offset negative currency effects as well as a less favorable channel mix and higher input costs.
- The company's operating profit grew by 17% to EUR 1.3 billion (2017: EUR 1.1 billion), representing an operating margin of 12.4% (2017: 10.9%), an increase of 1.5 percentage points compared to the prior year.
- Net income from continuing operations grew by 19% to EUR 960 million (2017: EUR 809 million), resulting in an 18% increase in basic earnings per share from continuing operations to EUR 4.71 (2017: EUR 4.00).
- Net cash as of June 30, 2018 amounted to EUR 89 million, representing an improvement of EUR 824 million compared to net borrowings of EUR 735 million in the prior year. This development was driven by a decrease in short-term borrowings as well as an increase in the company's cash position, mainly related to the strong generation of cash from operating activities.

Key financial data

(in EUR million)	06/30/2018	12/31/2017 (1)	06/30/2017 (1)
Net sales	**10,809**	21,218	10,485
Operating profit	**1,338**	2,070	1,142
Net income from continuing operations	**960**	1,430 (2)	809
Net income attributable to shareholders	**936**	1,097	613
Net cash/(net borrowings)	**89**	484	(735)

(1) Restated to reflect continuing operations as a result of the divesture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses
(2) Excluding a FY17 negative one-time tax impact



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SGS

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

GBL data as of June 30, 2018

Capital held by GBL (%)	**16.60**
Market value of the investment (EUR million)	**2,893**
Voting rights (%)	**16.60**
Contribution to GBL's portfolio (%)	**15.08**

Half-year results 2018

- Group revenue grew by 6.5% (constant currency basis), of which 5.6% was organic. Positive organic growth was achieved across the entire business portfolio, as the group continues to build its offering to customers.
- The adjusted operating income reached CHF 481 million, versus CHF 441 million in prior year (constant currency basis), an increase of 9.2% (constant currency basis).
- The adjusted operating income margin increased from 14.2% in prior year to 14.6% (constant currency basis). This reflects an underlying margin improvement observed in most businesses, led by market recovery in Minerals and efficiency gains in Government & Institutions and Environment, Health & Safety.
- Operating income came in at CHF 411 million in H1 2018, down 2.6% on a constant currency basis and stable on a reported basis (+ 0.2%) compared with last year. Operating income includes the impact of a CHF 47 million non-recurring provision related to Brazil.
- Profit attributable to equity holders reached CHF 274 million for the period, a decrease of 3.9% over the prior year (constant currency basis), and a decrease of 0.7% compared with CHF 276 million disclosed in June 2017.
- The group's net debt position amounted to CHF 1,146 million, comparable to the CHF 1,136 million as of June 30, 2017.
- Cash flow from operating activities reached CHF 316 million, a decrease of CHF 13 million due to a net working capital increase, to support the strong organic growth of the business, and increased taxes paid. Net investments in fixed assets were CHF 140 million and the group completed 7 acquisitions for a total cash consideration of CHF 41 million.

Key financial data

(in CHF million)	06/30/2018	12/31/2017	06/30/2017 (1)
Revenue	**3,306**	6,349	3,104
Adjusted EBITDA	**625**	1,247	585
Adjusted operating income	**481**	969	441
Operating income (EBIT)	**411**	894	422
Profit attributable to equity holders	**274**	621	285
Net debt	**1,146**	698	1,136

(1) Pro forma income statement on a constant currency basis

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GBL

Pernod Ricard

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

GBL data as of June 30, 2018

Capital held by GBL (%)	**7.49**
Market value of the investment (EUR million)	**2,783**
Voting rights (%)	**11.33**
Contribution to GBL's portfolio (%)	**14.50**

Half-year results 2017/18

- Net sales for H1 17/18 (July to December 2017) totalled EUR 5,082 million, with organic growth (at constant forex and group structure) of 5.1% and reported growth of 0.4%.
- The performance accelerated, thanks to the consistent implementation of the medium-term growth roadmap:
  - strong diversified growth, with all regions and categories performing well;
  - improving price / mix;
  - negative impact of later Chinese New Year offset by strong Martell demand;
  - low basis of comparison in some geographies.
- H1 17/18 profit from recurring operations ("PRO") was EUR 1,496 million, with organic growth of 5.7% and - 0.3% reported, due to USD weakness.
- Group share of net PRO was EUR 994 million, + 4% reported versus H1 16/17, despite adverse FX, thanks to a reduction in financial expenses. At constant FX, growth was 10%.
- Group share of net profit was EUR 1,147 million, + 25% reported versus H1 16/17, due to a reduction in financial expenses and positive non-recurring items.
- Free cash flow increased very significantly to EUR 799 million, + 21% versus H1 16/17, resulting in a net debt decrease of EUR 476 million to EUR 7,375 million. The net debt / EBITDA ratio at average rates (EUR/USD average rate of 1.18 in H1 FY18 vs. 1.10 in H1 FY17) was down significantly to 2.9x as of December 31, 2017.

Q3 2017-18 sales

- Sales for Q3 17/18 were enhanced by Chinese New Year and Easter phasing and totalled EUR 1,977 million, including organic growth of 9.3% and reported growth of - 0.5%.
- On a year-to-date basis, sales for the first 9 months of 17/18 totalled EUR 7,059 million, with organic growth of 6.3%, driven by Emerging markets (+ 13%).

Key financial data

(in EUR million)	12/31/2017 (1st half)	06/30/2017 (full year)	12/31/2016 (1st half)
Net sales	**5,082**	9,010	5,061
PRO	**1,496**	2,394	1,500
Net PRO (group's share)	**994**	1,483	957
Net profit (group's share)	**1,147**	1,393	914
Net debt	**7,375**	7,851	8,953

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GBL

LafargeHolcim

LafargeHolcim is the leading global construction materials and solutions company

GBL data as of June 30, 2018

Capital held by GBL (%) **9.43**
Market value of the investment (EUR million) **2,377**
Voting rights (%) **9.43**
Contribution to GBL's portfolio (%) **12.39**

Half-year results 2018

- Net sales over the first semester 2018 reached CHF 13,272 million, growing by 2.7% on a reported basis and by 4.8% on a like-for-like basis.
- At CHF 2.484 million, the recurring EBITDA was down by 3.8% on a reported basis and 1.4% on a like-for-like basis but earnings increased in the second quarter, with the recurring EBITDA up by 1.5% (on a like-for-like basis), largely offsetting a soft first quarter. On a like-for-like basis, recurring EBITDA grew in all regions apart from Middle East Africa, where conditions remained difficult.
- The net income attributable to shareholders before impairment and divestments decreased from CHF 651 million in 2017 to CHF 371 million in the current year, predominantly impacted, as it is the case with the operating profit, by restructuring costs in connection with the simplification plan that is being implemented.
- The increase in net financial expenses excluding impairment and divestments was mainly driven by expenses related to legal cases.
- Excluding impairment and divestments, the group's effective tax rate improved to 29.5% compared to 30.5% in 2017.
- Free cash flow stood at CHF - 473 million which was an improvement driven by the change in net working capital.
- The net financial debt stood at CHF 16.1 billion as of June 30, 2018.

Key financial data

(in CHF million)	06/30/2018	12/31/2017	06/30/2017
Net sales	**13,272**	26,129	12,918 [2]
Recurring EBITDA [1]	**2,484**	5,990	2,582
Operating profit	**1,080** [3]	(478)	1,418 [3]
Cash flow from operating activities	**53**	3,040	(138)
Net financial debt	**16,127**	14,346	15,745

(1) Excluding non-recurring items
(2) Net sales H1 2017 have been restated following the application of IFRS 15, effective since January 1, 2018
(3) Before impairment & divestments

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umicore

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

GBL data as of June 30, 2018

Capital held by GBL (%)	**16.93**
Market value of the investment (EUR million)	**2,051**
Voting rights (%)	**16.93**
Contribution to GBL's portfolio (%)	**10.69**

Half-year results 2018

- Revenues (excluding metal) amounted to EUR 1,684 million, increasing by 16% or 23% excluding discontinued operations. This growth was driven predominantly by the growing demand for Umicore's cathode materials for rechargeable batteries used in automotive applications.
- Recurring EBITDA stood at EUR 364 million, increasing by 23% compared to prior year, and by 26% excluding discontinued operations.
- Recurring EBIT stood at EUR 261 million (+ 28% or + 34% excluding discontinued operations), with growth in all divisions:
  - Catalysis: + 7%
  - Energy & Surface Technologies: + 97%
  - Recycling: + 13% (excluding the impact of the divestment of the European Technical Materials activities in January 2018)
- Recurring net profit (group's share) was at EUR 163 million (+ 22% or + 28% excluding discontinued operations).
- Net financial debt as of June 30, 2018 stood at EUR 429 million, down from EUR 840 million at the start of the year. This reflects the EUR 881 million net proceeds from the capital increase in February and the cash flow from the period. Group shareholders' equity stood at EUR 2,573 million as of June 30, 2018, resulting in a net gearing (1) ratio of 14%.
- Growth investments amounted to EUR 198 million, with nearly 70% in the Energy & Surface Technologies division and related to the current investment programs aiming to increase the production capacity of cathode materials.
- On February 8, 2018, Umicore successfully raised EUR 892 million of new equity by issuing 10% new ordinary shares through an accelerated bookbuild process.

Key financial data

(in EUR million)	06/30/2018	12/31/2017	06/30/2017
Turnover (2)	**6,354**	12,277	6,469
Revenues (excluding metal)	**1,684**	2,916	1,454
Recurring EBITDA	**364**	599	296
Recurring EBIT	**261**	410	204
Recurring net profit (group's share)	**163**	267	134
Net financial debt	**429**	840	556

(1) Net debt / (net debt + equity)
(2) Including the elimination of the transactions between continued and discontinued operations

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GBL

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

GBL data as of June 30, 2018

Capital held by GBL (%) **0.61**
Market value of the investment (EUR million) **846**
Voting rights (%) **1.15**
Contribution to GBL's portfolio (%) **4.41**

Half-year results 2018

- In the first half 2018, oil prices increased by 37% compared to the first half 2017. Hydrocarbon production was 2,710 thousand barrels of oil equivalent per day during the first semester of the year, an increase of 7% compared to the prior year.
- Adjusted net operating income from the business segments was USD 7,564 million in the first half 2018, a 37% increase compared to the first half 2017, essentially due to the strong performance of Exploration & Production, thanks to increasing production in a context of higher hydrocarbon prices and lower costs.
- Adjusted net income (group's share) was USD 6,437 million in the first half 2018, a 28% increase compared to the first half 2017 essentially due to an increase in the contribution of the segments, partially offset by higher net cost of net debt, mainly due to an increase in dollar interest rate.
- The group's net cash flow was USD 5,117 million in the first half 2018 compared to USD 5,396 million in the first half 2017. Net investments increased by USD 2,027 million compared to the first half 2017 due to an increase in completed acquisitions, in line with the strategy of the group to invest counter-cyclically in 2016-2017. This well-timed investment effort was partially offset by a USD 1,748 million increase in operating cash flow before working capital changes.
- Net-debt-to-capital ratio [1] stood at 16.5% as of June 30, 2018.
- The second interim dividend has been set at EUR 0.64 per share, identical to the first interim dividend for the 2018 financial year, and with an ex-dividend date set at December 18, 2018.

Key financial data

(in USD million)	06/30/2018	12/31/2017	06/30/2017
Sales	**102,151**	171,493	81,098
Adjusted net operating income from business segments	**7,564**	11,936	5,515
Adjusted net income (group's share)	**6,437**	10,578	5,032
Net income (group's share)	**6,357**	8,631	4,886
Net debt	**23,773**	15,424	21,961

(1) Net debt / (net debt + equity)

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engineering for a better world

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

GBL data as of June 30, 2018

Capital held by GBL (%) **7.29**
Market value of the investment (EUR million) **380**
Voting rights (%) **7.29**
Contribution to GBL's portfolio (%) **1.98**

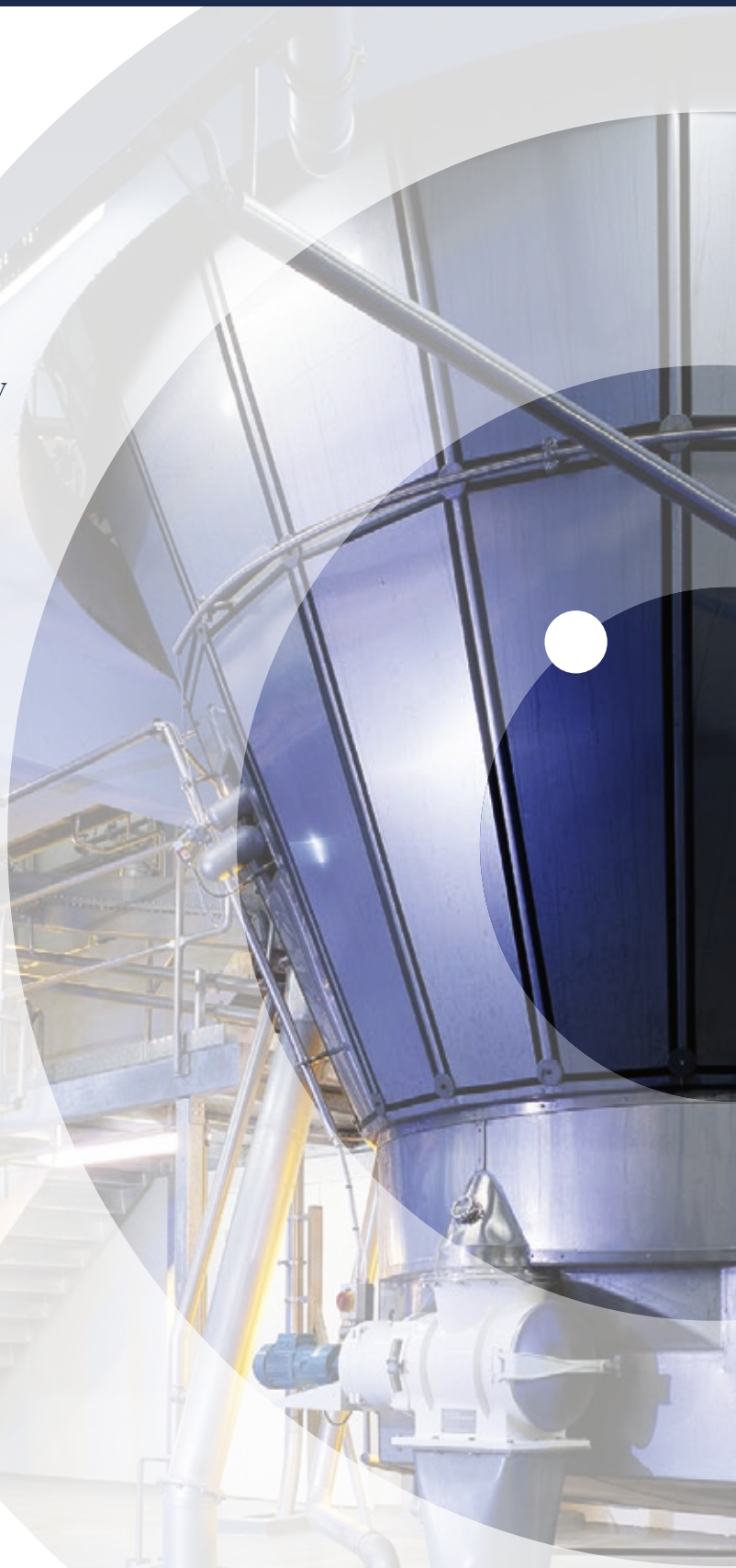
Half-year results 2018

- The order intake of EUR 2,486 million for the first six months of 2018 saw GEA surpass the previous year's record. During the second quarter, GEA secured five major orders (each in excess of EUR 15 million), after posting no major orders in the first quarter.
- Revenue for the first semester stood at EUR 2,266 million, an increase by 5.8% compared to the first semester of 2017 (of which 5.7% of organic growth), with both Business Areas registering growth.
- Due to the weak first quarter of 2018, the operating EBITDA in the first half of the year was EUR 19.3 million down on the previous year's level and amounted to EUR 199.5 million. The corresponding margin fell around 140 basis points to 8.8%. During the second quarter and despite significant growth in revenue, the Business Area Equipment was unable to increase operating profit due to negative effects of a strong euro and increases in material costs. This situation was exacerbated by disproportionate revenue growth from lower-margin product groups and a slow-down in services business. The Business Area Solutions succeeded in increasing its operating EBITDA in line with revenue growth.
- Compared with the previous year, net liquidity (including discontinued operations) fell from EUR 344 million to a net debt of EUR 327 million, principally as a result of cash outflows for acquisitions and for the share buyback program.

Key financial data

(in EUR million)	06/30/2018	12/31/2017	06/30/2017
Order intake	**2,486**	4,751	2,377
Revenue	**2,266**	4,605	2,142
Operating EBITDA (1)	**200**	564	219
Operating EBIT (1)	**153**	478	178
Profit for the period	**69**	243	111
Net liquidity/(net debt)	**(327)**	6	344

(1) Before effects of purchase price allocations and adjustments



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GBL

Ontex is a leading international personal hygiene solutions provider

GBL data as of June 30, 2018

Capital held by GBL (%)	**19.98**
Market value of the investment (EUR million)	**310**
Voting rights (%)	**19.98**
Contribution to GBL's portfolio (%)	**1.61**

Half-year results 2018

- H1 2018 revenues stood at EUR 1.1 billion, up by 0.4% on a like-for-like basis (2.2% ex. Brazil on higher volumes and positive price / product mix). On a reported basis, revenues were down by 3.0% as a result of FX headwind. Both Adult Incontinence and Femcare categories experienced a 5% like-for-like revenue growth.
- Gross margin came in at EUR 317 million in H1 2018, and gross margin as a percentage of sales stood at 28.0%, 52 basis points below last year. The decrease was due to a lower gross margin in Brazil, whereas the balance of the Ontex business demonstrated resilience as higher sales volumes, a positive price / product mix impact and significant savings offset the large negative impacts of higher raw materials, and FX.
- Adjusted EBITDA decreased to EUR 118 million. Adjusted EBITDA margin stood at 10.4% (11.6% ex Brazil) and has improved sequentially since Q4 2017 despite worsening FX and increased input costs.
- As of June 30, 2018, net debt was EUR 778 million with net leverage based on the last twelve months Adjusted EBITDA of 3.25x.

Key financial data

(in EUR million)	06/30/2018	12/31/2017	06/30/2017
Reported revenue	**1,130**	2,355	1,164
Adjusted EBITDA	**118**	266	145
Adjusted profit/(loss)	**57**	131	72
Profit/(loss) (group's share)	**51**	128	63
Net financial debt	**778**	744	744

Note: Ontex group reported revenue includes 6 months of Ontex Brazil in H1 2018, and 4 months of Ontex Brazil in H1 2017

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Parques Reunidos
PASSION FOR LEISURE

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

GBL data as of June 30, 2018

Capital held by GBL (%)	**21.19**
Market value of the investment (EUR million)	**234**
Voting rights (%)	**21.19**
Contribution to GBL's portfolio (%)	**1.22**

Q3 results 2017/2018 (FY18)

- The number of visitors grew by 2.9% on a like-for-like basis for the first 9 months of the financial year, compared to 2017.
- Revenues increased by 2.4% on a like-for-like basis. Strong growth in revenues stemmed from season passes sales across all regions (+ 15%) and during off-season events (+ 16%), partially offset by adverse weather conditions during Spring season in Spain and the USA.
- On a like-for-like basis and over the first nine months of the year, recurrent EBITDA decreased from EUR 8.8 million in 2017 to EUR 4.4 million in 2018.
- EPS losses remained flat at EUR 0.72 per share.
- Net debt increased to EUR 656 million driven by, among others, intra-year working capital needs related to the business seasonality, the acquisition of Belantis in Germany and FX impacts.

Key financial data

(in EUR million)	**06/30/2018 (9 months)**	**09/30/2017 (full year)**	**06/30/2017 (9 months)**
Revenue	**253**	579	254
Recurrent EBITDA	**5**	174	8
Operating profit	**(63)**	59	(66)
Net income	**(58)**	51[1]	(59)
Net debt	**656**	516	634

(1) Pro forma net income adjusted for net impairments and non recurrent items net of taxes

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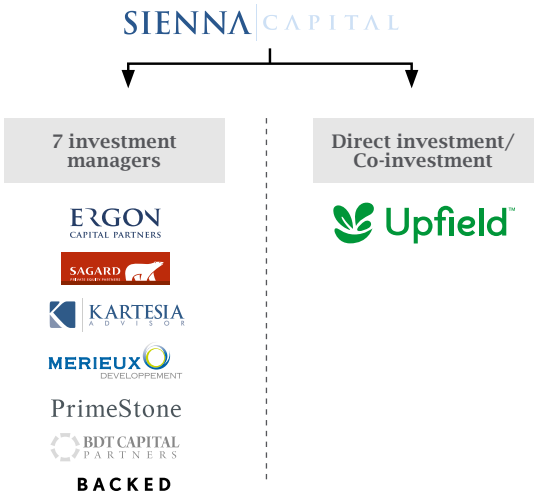
SIENNA CAPITAL

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.

As of June 30, 2018, Sienna Capital's portfolio was composed of seven investment managers deploying capital via fourteen funds into approximately one hundred underlying operating companies. The portfolio includes investments in private equity funds (Ergon, Sagard), debt funds (Kartesia), healthcare growth capital funds (Mérieux Développement), a fund whose strategy consists of acquiring long-term shareholdings in mid-sized European companies (PrimeStone), a fund which provides long-term capital to family- and founder-led businesses (BDT Capital Partners), and a venture capital fund specialized in new digital technologies (Backed).

As of June 30, 2018, the portfolio of Sienna Capital was valued at EUR 1,274 million which represents 6.6% of GBL's portfolio value.



Key highlights

Upfield

First co-investment transaction

- Commitment in March 2018 to invest EUR 250 million alongside funds affiliated with the investment firm KKR in Upfield (formerly named Flora Food Group), Unilever's Spreads Business
- Global market leader in plant-based margarine spreads and cooking products, operating in 69 markets around the world and having generated pro forma revenue of approximately EUR 3.0 billion in 2017
- Transaction closed in July 2018 (funded in June 2018)

ERGON CAPITAL PARTNERS

Acquisition of svt

- Acquisition by Ergon Capital Partners III ("ECP III") of svt Holding GmbH ("svt"), one of the leaders in preventive passive fire protection, from IK Investment Partners beginning of 2018
- Acquisition by svt of Rolf Kuhn completed in April 2018 and leading to the creation of one of the European leaders in the fire protection sector

SAGARD

Sale of Alvest Group

- Participation in Alvest Group, global leader in ground support products and services for the aviation industry and airports, sold by Sagard 3 to the Caisse de Dépôt et Placement du Québec ("CDPQ") and Ardian
- Reinvestment of part of the disposal proceeds by Sagard 3 alongside CDPQ and Ardian
- Net capital gain of EUR 57 million (GBL's share), not impacting GBL's consolidated result following the entry into force of IFRS 9

Acquisition of Climater

- Acquisition by Sagard 3 of a majority stake in Climater, a leading French specialist in climate engineering

Sale of Kiloutou

- Disposal of the stakes held in Kiloutou, a leader in the industrial and construction equipment rental market, by Sagard II and PAI Partners in February 2018
- Net capital gain of EUR 23 million (GBL's share), not impacting GBL's consolidated result following the entry into force of IFRS 9

Performance in the first half of 2018

Throughout the first half of 2018, Sienna Capital has invested EUR 419 million. This was primarily deployed in:

- the co-investment carried out alongside funds affiliated with KKR in Upfield (formerly named Flora Food Group), the carve-out of Unilever's Spreads Business, for EUR 250 million and
- the investment by ECP III in svt with a consecutive build-up completed on Rolf Kuhn.

Sienna Capital has received distributions from the underlying fund managers for an amount of EUR 116 million in the first half of 2018. These distributions stemmed mostly from the disposal of Kiloutou and Alvest Group by Sagard II and 3 respectively. The net capital gain generated by those transactions amounted to EUR 80 million (GBL's share) and did not impact GBL's consolidated net result, following the entry into force of IFRS 9.

We highlight the following regarding Sienna Capital's underlying managers:

- ECP III reached the end of its investment period in July 2018 whereas Ergon Capital Partners IV, to which Sienna Capital has committed EUR 200 million in December 2017, is starting its investment period.
- At the level of Kartesia, Kartesia Credit Opportunities III continues to deliver sound performance while Kartesia Credit Opportunities IV keeps on investing and shows a good deal pipeline during the current investment period.

Finally and notably through its first co-investment transaction in Upfield, Sienna Capital has achieved a net asset value exceeding EUR 1 billion, reaching EUR 1.3 billion at June 30, 2018. Sienna Capital continues to demonstrate ambition and sound asset rotation in support of the development of GBL's alternative investments.

Key financial data

In EUR million - 06/30/2018	ERGON CAPITAL PARTNERS	SAGARD	KARTESIA	MERIEUX DEVELOPPEMENT	PrimeStone	BDT CAPITAL PARTNERS	BACKED	Upfield	Total
Commitment	863	398	300	75	150	113	25	250	**2,174**
Capital invested	594	272	183	53	150	56	12	250	**1,571**
Remaining commitment	268	126	118	22	-	57	13	-	**602**
Distribution received to date	593	260	54	0	-	-	-		**908**
Stake value (Sienna Capital's portfolio)	285	189	200	60	176	67	14	250	**1,241**(1)
Share in Sienna Capital's portfolio	23%	15%	16%	5%	14%	5%	1%	20%	**100%**

(1) Difference between Sienna Capital's stake value of EUR 1,241 million and its net asset value of EUR 1,274 million primarily corresponding to Sienna Capital's cash position

Risk management

GBL will continue to face the same risks in the second half of 2018. Each of the major investments in the portfolio held by GBL is exposed to specific risks as indicated in GBL's 2017 Annual Report (page 59).

This table categorises the main risks related to GBL's activities and the various factors and measures mitigating their potential negative impact. A chapter included in the 2017 Annual Report (see pages 58 to 65 and 167-168) deals in detail with the risks, their management and the control activities put in place by the company.

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 **adidas**: www.adidas-group.com **SGS**: www.sgs.com **Pernod Ricard**: www.pernod-ricard.com **LafargeHolcim**: www.lafargeholcim.com **Umicore**: www.umicore.com **Total**: www.total.com **GEA**: www.gea.com **Ontex**: www.ontexglobal.com **Parques Reunidos**: www.parquesreunidos.com

Economic presentation of the consolidated result and the financial situation

Economic presentation of the consolidated result

In EUR million	June 30, 2018					June 30, 2017
Group's share	Cash earnings	Mark to market and other non-cash items	Operating companies (associates or consolidated) and Sienna Capital	Eliminations, capital gains, impairments and reversals	Consolidated	Consolidated
Profit (loss) of associates and consolidated operating companies	-	-	112.8	-	**112.8**	103.5
Net dividends from investments	380.8	0.3	-	(93.1)	**288.0**	280.8
Interest income (expenses)	(4.9)	(1.7)	(1.7)	-	**(8.3)**	(13.5)
Other financial income (expenses)	6.6	13.5	15.2	(17.6)	**17.7**	14.8
Other operating income (expenses)	(18.6)	1.2	(8.0)	-	**(25.4)**	(28.5)
Gains (losses) from disposals, impairments and reversal of non-current assets	(1.0)	0.2	(0.3)	-	**(1.1)**	117.8
Taxes	(0.0)	-	(0.0)	-	**(0.0)**	(0.6)
IFRS consolidated net result (6 months 2018)	**362.9**	**13.5**	**118.0**	**(110.7)**	**383.7**	
IIFRS consolidated net result (6 months 2017)	359.1	3.9	200.9	(89.6)		474.3

The **consolidated net result, group's share**, as of June 30, 2018, stands at EUR 384 million, compared with EUR 474 million as of June 30, 2017.
This result is primarily affected by:

- the net dividends from investments for EUR 288 million and
- Imerys' contribution amounting to EUR 105 million.

Cash earnings

(EUR 363 million compared with EUR 359 million)

In EUR million	June 30, 2018	June 30, 2017
Net dividends from investments	**380.8**	360.8
Interest income (expenses)	**(4.9)**	(10.0)
Other income (expenses):		
financial	**6.6**	25.1
operating	**(18.6)**	(16.7)
Gains (losses) from disposals, impairments and reversal of non-current assets	**(1.0)**	-
Taxes	**(0.0)**	(0.1)
Total	**362.9**	**359.1**

Net dividends from investments

Net dividends from investments in the first half of 2018 increase compared with 2017.

In EUR million	June 30, 2018	June 30, 2017
LafargeHolcim	**97.1**	107.0
Imerys	**88.9**	80.1
SGS	**82.2**	82.8
adidas	**34.7**	26.7
Pernod Ricard	**20.1**	18.7
Total	**17.1**	17.9
Umicore	**15.6**	13.3
GEA	**10.0**	2.2
Ontex	**9.9**	9.0
Parques Reunidos	**4.2**	3.0
Others	**1.0**	0.1
Total	**380.8**	**360.8**

The evolution of the net dividends from investments primarily reflects the increase in unit dividends from Imerys, adidas and Pernod Ricard, as well as the increase in dividends from GEA following the investments carried out since last year. The currency impact on the dividends from LafargeHolcim and SGS partially offset this increase.

LafargeHolcim distributed a dividend of CHF 2.00 per share for 2017 (CHF 2.00 per share as of June 30, 2017), contributing EUR 97 million as of June 30, 2018.

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

SGS paid an annual dividend of CHF 75.00 per share (CHF 70.00 per share in 2017), representing EUR 82 million as of June 30, 2018.

adidas distributed a dividend of EUR 2.60 per share in the second quarter of 2018 (compared with EUR 2.00 per share in 2017), representing EUR 35 million as of June 30, 2018.

Pernod Ricard declared an interim dividend of EUR 1.01 per share in the second quarter of 2018 (compared with EUR 0.94 per share the previous year), representing EUR 20 million, the payment of the balance of the dividend being expected in the second half of the year.

Total approved a dividend of EUR 2.48 per share for 2017 and paid, during the half year, the last quarterly interim dividend and the balance of the 2017 dividend, i.e. EUR 0.62 and EUR 0.62 per share respectively. Total's contribution to the results for the first six months thus amounted to EUR 17 million.

Umicore approved during the second quarter of 2018 the balance of the dividend for 2017 of EUR 0.375 per share (EUR 0.35 per share in 2017, taking into account the two-for-one share split, effective as from October 16, 2017). The contribution of Umicore amounted to EUR 16 million as of June 30, 2018.

GEA paid in the second quarter of 2018 a dividend of EUR 0.85 per share (EUR 0.80 in 2017), representing EUR 10 million as of June 30, 2018.

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

Parques Reunidos approved during the first half of 2018 a dividend of EUR 0.25 per share (unchanged compared with last year), representing a contribution of EUR 4 million for 2018.

Net interest expenses (EUR - 5 million) are positively impacted by the repayment as of end of 2017 of the retail bond issued in 2010. This impact is however partially offset by the interest expenses related to the institutional bonds issued in 2017 and 2018.

Other financial income (expenses) (EUR 7 million) mainly comprise yield enhancement income of EUR 1 million (EUR 11 million in 2017) and dividends collected on treasury shares for EUR 9 million, decreasing compared with EUR 17 million in 2017, primarily as a result of the share deliveries in relation to the early conversions of bonds convertible into GBL shares.

Other operating income (expenses) amounted to EUR - 19 million as of end of June 2018 and have increased compared with the previous year as a result of the impact of non-recurring items.

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

Mark to market and other non-cash items

(EUR 14 million compared with EUR 4 million)

In EUR million	June 30, 2018	June 30, 2017
Net dividends from investments	**0.3**	0.1
Interest income (expenses)	**(1.7)**	(2.1)
Other financial income (expenses)	**13.5**	6.6
Other operating income (expenses)	**1.2**	(0.7)
Gains (losses) from disposals, impairments and reversal of non-current assets	**0.2**	-
Total	**13.5**	**3.9**

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

Other financial income (expenses) include the mark to market of the trading portfolio and derivative instruments (EUR - 1 million in June 2018 compared with EUR 12 million in 2017) as well as the derivative component embedded in the convertible bonds (EUR 17 million compared with EUR - 5 million in 2017). This non-monetary gain of EUR 17 million includes:

- on the one hand, the reversal of the derivative related to the bonds convertible into GBL shares which were the subject of early conversions and whose settlement was carried out through share deliveries (EUR 8 million) ;

- on the other hand, the change in the value of the call options on underlying securities implicitly embedded in the outstanding bonds convertible into GBL shares issued in 2013 and in circulation (EUR 9 million compared with EUR - 5 million in 2017). The change in value of these derivative instruments has been primarily attributable to the fluctuations in the stock price of the GBL share.

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

Operating companies (associates or consolidated) and Sienna Capital

(EUR 118 million compared with EUR 201 million)

In EUR million	June 30, 2018	June 30, 2017
Profit (loss) of associates and consolidated operating companies	**112.8**	103.5
Interest income (expenses)	**(1.7)**	(1.4)
Other financial income (expenses)	**15.2**	-
Other operating income (expenses)	**(8.0)**	(11.1)
Gains (losses) from disposals, impairments and reversals of non-current assets	**(0.3)**	110.4
Taxes	**(0.0)**	(0.5)
Total	**118.0**	**200.9**

Net profit (loss) of associates and consolidated operating companies amounts to EUR 113 million compared with EUR 104 million in 2017:

In EUR million	June 30, 2018	June 30, 2017
Imerys	**104.9**	93.1
Parques Reunidos	**(5.9)**	-
Sienna Capital	**13.8**	10.4
ECP I & II	***(1.4)***	*(1.4)*
Operating subsidiaries of ECP III	***(7.3)***	*(3.5)*
Kartesia	***20.2***	*11.1*
Backed 1	***1.6***	-
Mérieux Participations 2	***0.7***	*4.2*
Total	**112.8**	**103.5**

Imerys (EUR 105 million compared with EUR 93 million)
Net current income increases by 13.5% to EUR 176 million in the first half of 2018 (EUR 155 million in the first half of 2017, taking into account the reclassification of the Roofing business in discontinued operations), as a result of the increase in the current operating income to EUR 284 million (EUR 263 million as of June 30, 2017). The net result, group's share, amounts to EUR 194 million in the first half of 2018 (EUR 172 million in the first half of 2017).

Imerys contributes EUR 105 million to GBL's result in 2018 (EUR 93 million in 2017), reflecting the increase in the net income (group's share) and the 54.0% consolidation rate for Imerys in 2018 (54.1% in 2017).

The press release relating to Imerys' results for the first half of 2018 is available at www.imerys.com.

Parques Reunidos (EUR - 6 million compared with EUR 0 million)
Parques Reunidos reported a loss of EUR 28 million for the period from January 1, 2018 to June 30, 2018. The result of the period notably reflects the seasonality of the group's activities. The contribution of Parques Reunidos amounts to EUR - 6 million, taking into account the 21.19% consolidation rate. As a reminder, Parques Reunidos is accounted according to the equity method since year-end 2017, the 20.00% threshold having been crossed in November 2017.

The press release related to the results as of June 30, 2018 (nine months of operations) of Parques Reunidos is available at www.parquesreunidos.com.

Sienna Capital (EUR 14 million compared with EUR 10 million)
Sienna Capital's contribution to GBL's results as of June 30, 2018 amounted to EUR 14 million compared with EUR 10 million a year earlier. This result was impacted by the higher contribution of Kartesia (EUR 20 million in 2018 compared with EUR 11 million in 2017), partially offset by the results of the operating subsidiaries of ECP III.

Since January 1, 2018, following the entry into force of IFRS 9, **other financial income and expenses** include the change in fair value of Sienna Capital's funds, not consolidated or accounted according to the equity method, for a total amount of EUR 15 million over the first half of 2018.

The **gains (losses) from disposals, impairments and reversals of non-current assets** mainly consisted in 2017 of the net capital gain of the disposal by ECP III of Golden Goose (EUR 112 million, group's share). The capital gains generated on the disposals in 2018 by Sagard II and Sagard 3 of the investments in Kiloutou and Alvest respectively (EUR 80 million) are not recognised in consolidated net result, following the entry into force of IFRS 9 on January 1, 2018.

Eliminations, capital gains, impairments and reversals

(EUR - 111 million compared with EUR - 90 million)

In EUR million	June 30, 2018	June 30, 2017
Eliminations of dividends (Parques Reunidos, Imerys)	**(93.1)**	(80.1)
Other financial income (expenses) (GBL, others)	**(17.6)**	(16.9)
Capital gains from disposals (Others)	**-**	8.1
Impairments and reversals of non-current assets (Others)	**-**	(0.7)
Total	**(110.7)**	**(89.6)**

Elimination of dividends

Net dividends from operating investments (associates or consolidated companies) are eliminated and represent EUR 93 million from Imerys and Parques Reunidos.

Other financial income (expenses)

This item includes, on the one hand, the elimination of the dividend on treasury shares amounting to EUR - 9 million and, on the other hand, the cancellation of the reversal of the derivative recorded in "mark to market and other non-cash items" in relation to the bonds convertible into GBL shares which were the subject of early conversions and whose settlement was carried out through share deliveries for EUR - 8 million (transactions on treasury shares not impacting the results).

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

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

Economic presentation of the financial position

Financial position

As of June 30, 2018, the **net debt** amounts to EUR 581 million as a consequence of investments (primarily in Umicore, GEA and Sienna Capital) for EUR 904 million and the dividend payment (EUR 484 million). These cash outflows are partly offset by the cash earnings (EUR 363 million) and the divestments (Buberry and Sienna Capital) for EUR 682 million.

Relative to the portfolio's value (adjusted for the treasury shares underlying the convertible bonds) of EUR 19.4 billion, the net debt is at 3.0% as of June 30, 2018.

The weighted average maturity of the gross debt is 5.6 years as of end of June 2018 (4.0 years at year-end 2017).

Committed **credit lines** amount to EUR 2,150 million (EUR 2,150 million as of December 31, 2017) and mature in 2022 and 2023. They are fully undrawn as of June 30, 2018.

This position does not include the company's commitments in respect of Sienna Capital, which amounted to EUR 602 million as of end of June 2018 (EUR 733 million as of December 31, 2017).

Finally, as of June 30, 2018, the 3,424,802 **treasury shares** [1] represented 2.1% of the issued capital (3.5% at year-end 2017).

In EUR million	June 30, 2018	December 31, 2017	June 30, 2017
Institutional bonds	**1,000**	500	850
GBL convertible bonds	**201**	450	450
Others	**69**	57	57
Gross debt	**1,271**	1,007	1,357
Gross cash (excluding treasury shares)	**690**	564	1,207
Net cash / (Net debt)	**(581)**	**(443)**	**(150)**

(1) Including 2.2 million treasury shares underlying GBL convertible bonds as of June 30, 2018

Gross debt

As of June 30, 2018, gross debt of EUR 1,271 million (EUR 1,007 million as of December 31, 2017) is detailed as follows:

In EUR million	June 30, 2018	December 31, 2017	June 30, 2017
Institutional bonds	**1,000**	500	850
GBL convertible bonds	**201**	450	450
Others	**69**	57	57
Gross debt, as per the net asset value	**1,271**	**1,007**	**1,357**
Gross debt, included in the segment information (Holding) - pages 38 to 41:			
Non-current financial liabilities	**1,060**	553	991
Current financial liabilities	**200**	443	350
Reconciliation items	**11**	11	16
Impact of the recognition of financial liabilities at amortised cost in IFRS	**11**	11	16

Gross cash

As of June 30, 2018, gross cash excluding treasury shares stands at EUR 690 million (EUR 564 million as of December 31, 2017). The table below sets out the various components in accordance with GBL's consolidated financial statements:

In EUR million	June 30, 2018	December 31, 2017	June 30, 2017
Gross cash as presented in:			
Net asset value	**690**	564	1,207
Segment information (Holding) - pages 38 to 41	**697**	555	1,213
Trading assets	**588**	485	880
Cash and cash equivalents	**146**	82	320
Other current assets	**31**	33	43
Trade payables	**(3)**	(3)	(3)
Tax liabilities	**(4)**	(4)	(4)
Other current liabilities	**(61)**	(38)	(23)
Reconciliation items	**(7)**	9	(6)
Reclassification of ENGIE shares previously taken into account in the portfolio value in the net asset value and included in gross cash since 31 December 2016	**1**	1	1
Others	**(8)**	8	(7)

Net debt

Net debt of EUR 581 million as of June 30, 2018 (net debt of EUR 443 million as of December 31, 2017) presents the following Loan to Value ratio:

In EUR million	June 30, 2018	December 31, 2017	June 30, 2017
Gross cash (excluding treasury shares)	**690**	564	1,207
Gross debt	**(1,271)**	(1,007)	(1,357)
Net debt (excluding treasury shares)	**(581)**	(443)	(150)
Market value of the portfolio	**19,189**	18,826	17,772
Market value of treasury shares underlying GBL convertible bonds	**201**	450	421
Adjusted market value of the portfolio	**19,390**	19,276	18,193
Loan to Value	**3.0%**	2.3%	0.8%

Net debt increased from EUR 443 million as of December 31, 2017 to EUR 581 million as of June 30, 2018. This increase is detailed in the following table:

In EUR million	Gross cash	Gross debt	Net debt
Position as of December 31, 2017	**564**	**(1,007)**	**(443)**
Cash earnings	363		363
Dividend distribution	(484)		(484)
Investments:	(904)		(904)
GEA	*(171)*		*(171)*
Umicore	*(144)*		*(144)*
Sienna Capital	*(419)*		*(419)*
GBL	*(34)*		*(34)*
Others	*(137)*		*(137)*
Divestments:	682		682
Burberry	*566*		*566*
Sienna Capital	*116*		*116*
Conversions of GBL convertible bonds	(17)	249	232
Institutional bond issuance	496	(500)	(4)
Bank financing	13	(13)	(0)
Others	(23)		(23)
Position as of June 30, 2018	**690**	**(1,271)**	**(581)**

Treasury shares

Treasury shares, valued at their historic value, are recorded as a deduction from shareholders' equity in IFRS. The treasury shares included in the net asset value (EUR 305 million as of June 30, 2018 and EUR 505 million as of December 31, 2017) are valued using the method set out in the glossary on page 52.

Half-yearly IFRS financial statements

Consolidated income statement

In EUR million	Notes	June 30, 2018	June 30, 2017 [1]
Share of profit (loss) of associates	3	**15.2**	13.9
Net dividends from investments	4	**288.0**	280.8
Other operating income (expenses) from investing activities	5	**(25.9)**	(29.1)
Gains (losses) from disposals, impairments and reversals of non-current assets from investing activities	4	**(1.1)**	130.3
Available-for-sale investments		**-**	*6.1*
Subsidiaries		**-**	*124.2*
Others		***(1.1)***	-
Financial income (expenses) from investing activities	6	**9.4**	1.3
Profit (loss) from investing activities - continued operations		**285.6**	**397.2**
Turnover	7	**2,559.2**	2,227.3
Raw materials and consumables		**(843.6)**	(689.3)
Employees expenses		**(594.9)**	(516.9)
Depreciation/amortisation of property, plant, equipment and intangible assets		**(147.1)**	(131.4)
Other operating income (expenses) from operating activities	5	**(708.1)**	(647.9)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities		**(7.7)**	(1.5)
Financial income (expenses) from operating activities	6	**(46.9)**	(49.7)
Profit (loss) from consolidated operating activities - continued operations		**210.9**	**190.6**
Income taxes		**(68.8)**	**(61.8)**
Profit (loss) from continued activities		**427.7**	**526.0**
Profit (loss) from consolidated operating activities - discontinued operations	1	**32.6**	**33.8**
Consolidated profit (loss) for the period		**460.3**	**559.8**
Attributable to the group		**383.7**	474.3
Attributable to non-controlling interests		**76.6**	85.5
Consolidated earnings per share for the period	9		
Basic - continued operations		***2.34***	*2.93*
Basic - discontinued operations		***0.11***	*0.12*
Basic		***2.45***	*3.05*
Diluted - continued operations		***2.28***	*2.90*
Diluted - discontinued operations		***0.11***	*0.11*
Diluted		***2.39***	*3.01*

(1) Comparative figures have been reclassified to take into account Imerys' decision to sell its Roofing business (refer to Note 1)

Consolidated statement of comprehensive income

In EUR million	Notes	June 30, 2018	June 30, 2017
Consolidated profit (loss) for the period		**460.3**	**559.8**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains (losses)		**48.5**	15.8
Other equity investments	9	**527.1**	-
Total items that will not be reclassified to profit or loss after tax		**575.6**	**15.8**
Items that may be reclassified subsequently to profit or loss			
Available-for-sale investments - change in fair value		**-**	922.4
- recycling in result on disposals/impairment		**-**	(2.2)
Currency translation adjustments for consolidated companies		**(35.9)**	(147.9)
Cash flow hedges		**(4.5)**	(4.2)
Share in the other items of the comprehensive income fo associates		**0.9**	-
Total items that may be reclassified to profit or loss after tax		**(39.5)**	**768.1**
Other comprehensive income (loss) after tax		**536.1**	**783.9**
Comprehensive income (loss)		**996.4**	**1,343.7**
Attributable to the group		**916.4**	1,322.2
Attributable to non-controlling interests		**80.0**	21.5

Consolidated balance sheet

In EUR million	Notes	June 30, 2018	December 31, 2017
Non-current assets		**21,902.1**	**21,098.5**
Intangible assets		**557.5**	483.1
Goodwill		**2,527.2**	2,398.6
Property, plant and equipment		**2,457.7**	2,621.6
Investments		**16,079.9**	15,390.3
Investments in associates	*3*	***670.3***	*605.2*
Other equity investments [1]	*4*	***15,409.6***	*14,785.1*
Other non-current assets		**132.0**	116.1
Deferred tax assets		**147.8**	88.8
Current assets		**3,601.3**	**2,960.1**
Inventories		**901.7**	852.7
Trade receivables		**826.6**	728.0
Trading financial assets		**626.7**	524.3
Cash and cash equivalents	8	**660.4**	491.9
Other current assets		**352.8**	363.2
Assets held for sale	1	**233.1**	-
Total assets		**25,503.4**	**24,058.6**
Shareholders' equity		**18,652.5**	**17,936.4**
Share capital		**653.1**	653.1
Share premium		**3,815.8**	3,815.8
Reserves		**12,685.7**	12,036.1
Non-controlling interests		**1,497.9**	1,431.4
Non-current liabilities		**4,414.7**	**3,773.9**
Financial liabilities	8	**3,479.3**	2,834.9
Provisions		**387.1**	396.8
Pensions and post-employment benefits		**278.4**	327.3
Other non-current liabilities		**28.4**	34.1
Deferred tax liabilities		**241.5**	180.8
Current liabilities		**2,436.2**	**2,348.3**
Financial liabilities	8	**1,059.7**	1,152.7
Trade payables		**606.2**	540.0
Provisions		**40.3**	35.2
Tax liabilities		**127.0**	107.3
Other current liabilities		**469.3**	513.1
Liaibilities associated with assets held for sale	1	**133.7**	-
Total shareholders' equity and liabilities		**25,503.4**	**24,058.6**

(1) Available-for-sale investments in 2017 under IAS 39

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
As of December 31, 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 period	-	-	-	-	-	474.3	474.3	85.5	559.8
Other comprehensive income (loss)	-	-	920.2	-	(78.6)	6.3	847.9	(64.0)	783.9
Total comprehensive income (loss)	**-**	**-**	**920.2**	**-**	**(78.6)**	**480.6**	**1,322.2**	**21.5**	**1,343.7**
Dividends	-	-	-	-	-	(455.9)	(455.9)	(69.0)	(524.9)
Treasury shares' (acquisitions)/disposals	-	-	-	16.0	-	-	16.0	-	16.0
Other movements	-	-	-	-	-	3.2	3.2	(24.5)	(21.3)
As of June 30, 2017	**653.1**	**3,815.8**	**5,110.0**	**(220.0)**	**(112.1)**	**6,505.7**	**15,752.5**	**1,435.2**	**17,187.7**
Consolidated profit (loss) for the period	-	-	-	-	-	231.1	231.1	100.2	331.3
Other comprehensive income (loss)	-	-	634.2	-	(61.5)	(54.8)	517.9	(61.7)	456.2
Total comprehensive income (loss)	**-**	**-**	**634.2**	**-**	**(61.5)**	**176.3**	**749.0**	**38.5**	**787.5**
Dividends	-	-	-	-	-	-	-	(25.2)	(25.2)
Treasury shares' (acquisitions)/disposals	-	-	-	(4.7)	-	7.2	2.5	-	2.5
Other movements	-	-	-	-	-	1.0	1.0	(17.1)	(16.1)
As of December 31, 2017 - published	**653.1**	**3,815.8**	**5,744.2**	**(224.7)**	**(173.6)**	**6,690.2**	**16,505.0**	**1,431.4**	**17,936.4**
Changes in accounting policies[1]	-	-	(162.2)	-	-	162.2	-	-	-
As of December 31, 2017 - restated	**653.1**	**3,815.8**	**5,582.0**	**(224.7)**	**(173.6)**	**6,852.4**	**16,505.0**	**1,431.4**	**17,936.4**
Consolidated profit (loss) for the period	-	-	-	-	-	383.7	383.7	76.6	460.3
Reclassification following disposals	-	-	(67.1)	-	-	67.1	-	-	-
Other comprehensive income (loss)	-	-	527.1	-	(18.3)	23.9	532.7	3.4	536.1
Total comprehensive income (loss)	**-**	**-**	**460.0**	**-**	**(18.3)**	**474.7**	**916.4**	**80.0**	**996.4**
Dividends	-	-	-	-	-	(474.9)	(474.9)	(76.2)	(551.1)
Treasury shares' (acquisitions)/disposals	-	-	-	69.4	-	137.8	207.2	-	207.2
Other movements	-	-	-	-	-	0.9	0.9	62.7	63.6
As of June 30, 2018	**653.1**	**3,815.8**	**6,042.0**	**(155.3)**	**(191.9)**	**6,990.9**	**17,154.6**	**1,497.9**	**18,652.5**

Shareholders' equity was impacted during the first half of 2018 mainly by:

- the distribution by GBL on May 9, 2018 of a gross dividend of EUR 3.00 per share (EUR 2.93 in 2017), representing EUR 475 million, dividends related to the treasury shares held by GBL being deducted;
- the evolution in the fair value of the portfolio of other equity investments whose changes in fair value are recognised in equity (detailed in Note 9.1);
- the disposals of treasury shares following the conversions of part of the GBL convertible bonds (through share deliveries) ; and
- the consolidated result for the period.

(1) See the note « Accounting policies and seasonality »

Consolidated statement of cash flows

The consolidated statement of cash flows takes into account the cash flows from continued and discontinued operations.

In EUR million	Notes	June 30, 2018	June 30, 2017
Cash flow from operating activities	**1**	**440.9**	**645.2**
Consolidated profit (loss) for the period		**460.3**	559.8
Adjustments for:			
Income taxes (continued and discontinued operations)		**86.1**	75.9
Interest income (expenses)	6	**43.1**	50.5
Share of profit (loss) of associates	3	**(17.8)**	(15.9)
Dividends from investments in non-consolidated companies	4	**(288.0)**	(280.8)
Net depreciation and amortisation expenses		**147.6**	139.7
Gains (losses) on disposals, impairments and reversals of non-current assets		**12.9**	(135.5)
Other income items not involving a cash impact		**(23.7)**	(0.4)
Interest received		**4.6**	10.7
Interest paid		**(40.3)**	(69.7)
Dividends received from investments in non-consolidated companies		**276.1**	278.5
Dividends received from investments in associates		**3.0**	2.7
Income taxes paid		**(33.8)**	(60.3)
Changes in the working capital		**(96.1)**	(42.2)
Changes in the trading financial assets		**(119.7)**	143.4
Changes in other receivables and payables		**26.6**	(11.2)
Cash flow from investing activities	**1**	**(478.3)**	**(466.9)**
Acquisitions of:			
Investments		**(800.8)**	(572.1)
Subsidiaries, net of cash acquired		**(188.3)**	(83.3)
Property, plant, equipment and intangible assets		**(182.9)**	(160.4)
Other financial assets		**(3.9)**	(48.9)
Disposals of:			
Investments		**677.2**	242.9
Subsidiaries, net of cash paid		**7.4**	150.4
Property, plant, equipment and intangible assets		**13.0**	4.2
Other financial assets		**-**	0.3
Cash flow from financing activities	**1**	**215.0**	**(190.0)**
Capital increase from non-controlling interests		**56.1**	25.7
Dividends paid by the parent company to its shareholders		**(474.9)**	(455.9)
Dividends paid by the subsidiaries to non-controlling interests		**(76.2)**	(69.0)
Proceeds from financial liabilities		**785.3**	1,137.4
Repayments of financial liabilities		**(43.6)**	(846.3)
Net changes in treasury shares		**(31.7)**	16.0
Others		**-**	2.1
Effect of exchange rate fluctuations on funds held		**(7.3)**	**(11.7)**
Net increase/(decrease) in cash and cash equivalents	**1**	**170.3**	**(23.4)**
Cash and cash equivalents at the beginning of the period	8	**491.9**	1,086.1
Cash and cash equivalents at the end of the period	8	**662.2** [1]	1,062.7 [2]

(1) Taking into account the cash included in assets held for sale (EUR 2 million in 2018)
(2) Taking into account the cash included in assets held for sale (EUR 15 million in 2017)

Notes

Accounting policies and seasonality

General accounting principles and applicable standards

The condensed consolidated financial statements have been prepared in accordance with the IFRS (International Financial Reporting Standards) as adopted by the European Union. The consolidated financial statements as of June 30, 2018 are in conformity with IAS 34 – *Interim financial reporting* and have been approved on July 31, 2018.

Mandatory changes in accounting policies

The accounting and calculation methods used in the interim financial statements are identical to those used in the annual financial statements for 2017, apart from the application, by the group, of new standards and interpretations which have become mandatory since January 1, 2018. With the exception of the IFRS 9 standard mentioned below, they did not have any material impact on GBL's consolidated financial statements.

IFRS 9 – Financial instruments

IFRS 9 has replaced the 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.

(i) The classification and measurement model of financial instruments introduced by IFRS 9, simpler than that of the former standard IAS 39, has enabled to improve the readibility of disclosures in notes. IFRS 9 has influenced, among other things, the accounting treatment of changes in the fair value of investments previously classified under IAS 39 as Available-for-sale assets ("AFS") :
   - investments being not consolidated or not equity-accounted, namely adidas, SGS, Pernod Ricard, LafargeHolcim, Umicore, Total, GEA, Ontex and Burberry; and
   - investments in funds over which the group exercises neither control, nor significant influence, namely Sagard, Sagard II, Sagard 3, PrimeStone, BDT Capital Partners II et Mérieux Participations I.

   Under IFRS 9, these assets remained carried at fair value (corresponding to the market value in the case of listed securities), but the company has the option of recognising changes in these fair values in profit or loss (« financial assets recognised at fair value in profit or loss » or « Fair value through profit or loss ») or in equity (« financial assets recognised at fair value through equity » or « Fair value through other comprehensive income »). This choice may be different for each of the investments / each of the funds. GBL has opted to account for changes in the fair value of listed investments via equity. For funds currently held by GBL, changes in fair values are recognised in profit or loss (under the item « Financial income (expenses) from investing activities »). As a result of the application of IFRS 9, in the event of the sale of securities, no gain or loss on disposal has an impact on earnings. Furthermore, the concept of impairment of these investments as defined by IAS 39 is no longer applicable under IFRS 9.
   As of January 1, 2018, the distinction of the Available-for-sale investments (now referred to as « Other equity investments ») into financial assets recognised at fair value in profit or loss and financial assets recognised at fair value through equity has led, as sole impact, to the reclassification of revaluation reserves cumulated at that date and related to the funds to the consolidated reserves (for an amount of EUR 162 million). This had consequently no impact on total shareholders' equity.
   Otherwise, the application of the IFRS 9 classification and measurement model has had no impact on the value of the other financial instruments held at the transition date.

(ii) The impairment loss model under IFRS 9 and based upon expected losses has no material impact on the measurement of financial assets write-downs.

(iii) In terms of hedge accounting, Imerys is primarily affected by the new recognition requirements applicable to changes in the time value of options and forward points of outright contracts in equity instead of profit or loss as was the case until December 31, 2017 under IAS 39. The amount of the time value of options and forward points of outright contracts credited to the 2017 profit or loss (EUR 1 million) was thus reclassified as of January 1, 2018 to the cash flow hedge reserve.

Finally, GBL has decided to adopt IFRS 9 as of January 1, 2018 without restating the comparative year.

IFRS 15 – Revenue from contracts with customers

This standard applicable 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 standard's principles have no material impact on transactions combining a sale of goods and a transport-on-sale service. For service contracts, the standard's principles have no material impact on the timing of revenue recognition, depending on whether the client's takeover of the service was on an ad hoc or continuous basis.

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 not a significant impact.

Texts in force after the reporting date

The group did not anticipate the standards and interpretations applicable after January 1, 2018. Amid them, IFRS 16 – *Leases*, applicable as from January 1, 2019 will have a significant impact on the group's financial statements, as mentioned below.

This standard abolishes, for the lessee, the current distinction between (i) operating leases, recognised as expenses, and (ii) finance leases, recognised as property, plant and equipment against a financial debt, to require, for all leases, the recognition of a use right against a financial debt. The application of this standard will notably affect Imerys and its level of capital employed, its depreciation expense recognised in current operating income, its interest expense recognised in financial result, its impairment tests, the financial ratios that Imerys is required to comply with for a part of its financing and the level of the commitments given with respect to the current operating leases contracts.

This standard is monitored by the Group since the first exposure draft was released in August 2010. The works performed between 2014 and 2017 progressively defined the scope of the contracts by reassessing, for each of them, the existence of a lease in accordance with the criteria of the standard and by excluding, in application of the options provided by the standard, leases shorter than twelve months and low value assets leases. The IT solution selected in the first half of 2017 enabled the historical data recovery of contracts in the second half of the year. In the first half of 2018, Imerys elected the simplified transition method, from which the cumulative first application effect shall be recognized as an adjustment to the January 1, 2019 equity, without any retrospective adjustment of the 2018 comparative period. Considering the evolutions identified to date, Imerys assesses that the lease commitment as of January 1, 2019 might range from EUR 320 million to EUR 365 million on an undiscounted basis,

corresponding to a lease liability of EUR 290 million to EUR 330 million on a discounted basis, in accordance with the assumptions retained in terms of discount rates and lease terms.

At Sienna Capital's level, the analysis aiming at identifying the contracts included in the scope of this standard is in progress.

At GBL's level, the impact on the consolidated financial statements is anticipated as not significant.

Seasonnality

Revenues received as dividends are generally higher during the first half of the year than during the second half.

Estimates and judgements

In terms of judgement, 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 - *Interests in Associates and Joint Ventures*), with the recognition of GBL's share in the profit or loss and shareholders' equity of Ontex, Umicore and SGS, respectively, or (ii) in other equity investments (IFRS 9), 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.

As of June 30, 2018, those three investments are held respectively at 19.98%, 16.93% 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 other equity investments as of June 30, 2018.

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 (adidas, SGS, Pernod Ricard, LafargeHolcim, Umicore, Total, GEA, 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 Benito, Sausalitos, Looping, DIH, Keesing, svt, ...).

1. Changes in group structure

Imerys

On April 17, 2018, Imerys publicly announced that a strategic review for the future of its Roofing business had been initiated (included in the Ceramic Materials segment). On May 16, 2018, Imerys' Board of Directors decided to sell the Roofing business. Imerys' Board of Directors concluded at that date that the Roofing business qualified as a disposal group, after having observed that the business could be sold immediately in its current state and a potential buyer had been identified to complete the sale within one year. Amortization and depreciation ceased to be recognized at that date. Since the Roofing business group is a cash generating unit, it was classified as a discontinued operation as of June 30, 2018. The contributions of the business at that date were presented at their carrying amounts in separate positions within the group's financial statements and their details disclosed in the tables hereafter.

Consolidated income statement of the Roofing business

In EUR million	June 30, 2018	June 30, 2017
Revenue	**154.7**	155.6
Raw materials and consumables used	**(38.6)**	(39.6)
Staff expenses	**(30.2)**	(29.9)
Amortization, depreciation and impairment losses	**(5.4)**	(7.6)
Other current income and expenses of operating activities	**(30.3)**	(30.1)
Gains (losses) from disposals, impairments and reversal of non-current assets related to operating activities	**-**	-
Financial income and expenses of operating activities	**(0.3)**	(0.5)
Result before tax from consolidated operating activities	**49.9**	**47.9**
Income taxes	**(17.3)**	**(14.1)**
Result from consolidated operating activities - discontinued operations	**32.6**	**33.8**

Consolidated statement of financial position of the Roofing business

In EUR million	June 30, 2018
Non-current assets	158.3
Current assets	74.8
Assets held for sale	**233.1**
Non-current liabilities	49.8
Current liabilities	83.9
Liabilities related to assets held for sale	**133.7**

Consolidated statement of cash flows of the Roofing business

In EUR million	June 30, 2018	June 30, 2017
Cash flow from operating activities	**37.4**	35.1
Cash flow from investing activities	**(6.6)**	(8.3)
Cash flow from financing activities	**(31.8)**	(27.3)
Change in cash and cash equivalents	**(1.0)**	**(0.5)**

Sienna Capital

During the first quarter of 2018, ECP III acquired a majority stake in svt from IK Investment Partners. In April 2018, svt aquired 100% of Rolf Kuhn. As of June 30, 2018, ECP III holds an indirect ownership of 45.6% in svt (ECP III has control through an intermediary holding company). The total acquisition price amounts to EUR 151 million. The provisional goodwill generated by this acquisition amounts to EUR 88 million. This acquisition contributed EUR - 1 million (group's share) to the group's net result for the period.

2. 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 compliance with IFRS 8, the group has identified three segments:

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

The results, assets and liabilities of a segment include all the components directly attributable to it. The accounting standards applied to these segments are the same as those described in the section entitled “Accounting policies and seasonality”.

2.1. Segment information – Consolidated income statement for the period ended as of June 30, 2018 and 2017

Period ended as of June 30, 2018

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates	(5.9)	-	21.1	15.2
Net dividends from investments	288.0	-	-	288.0
Other operating income (expenses) from investing activities	(17.4)	-	(8.5)	(25.9)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities	(0.8)	-	(0.3)	(1.1)
Financial income (expenses) from investing activities	(4.1)	-	13.5	9.4
Profit (loss) from investing activities - continued operations	**259.8**	**-**	**25.8**	**285.6**
Turnover	-	2,310.5	248.7	2,559.2
Raw materials and consumables	-	(755.3)	(88.3)	(843.6)
Employee expenses	-	(503.1)	(91.8)	(594.9)
Depreciation of property, plant, equipment and intangible assets	-	(127.5)	(19.6)	(147.1)
Other operating income (expenses) from operating activities	-	(657.1)	(51.0)	(708.1)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	-	(7.7)	-	(7.7)
Financial income (expenses) of the operating activities	-	(33.3)	(13.6)	(46.9)
Profit (loss) from consolidated operating activities - continued operations	**-**	**226.5**	**(15.6)**	**210.9**
Income taxes	(0.0)	(65.3)	(3.5)	(68.8)
Profit (loss) from continued operations	**259.8**	**161.2**	**6.7**	**427.7**
Profit (loss) from consolidated operating activities - discontinued operations	**-**	**32.6**	**-**	**32.6**
Consolidated profit (loss) for the period	**259.8**	**193.8**	**6.7**	**460.3**
Attributable to the group	259.8	104.9	19.0	383.7

Period ended as of June 30, 2017

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates	-	-	13.9	13.9
Net dividends from investments	280.8	-	-	280.8
Other operating income (expenses) from investing activities	(17.4)	-	(11.7)	(29.1)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities	7.4	-	122.9	130.3
Financial income (expenses) from investing activities	2.7	-	(1.4)	1.3
Profit (loss) from investing activities - continued operations	**273.5**	**-**	**123.7**	**397.2**
Turnover	-	2,064.7	162.6	2,227.3
Raw materials and consumables	-	(647.9)	(41.4)	(689.3)
Employee expenses	-	(445.1)	(71.8)	(516.9)
Depreciation of tangible and intangible assets	-	(115.6)	(15.8)	(131.4)
Other operating income (expenses) from operating activities	-	(614.5)	(33.4)	(647.9)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	-	(1.5)	-	(1.5)
Financial income (expenses) of the operating activities	-	(41.7)	(8.0)	(49.7)
Profit (loss) from consolidated operating activities - continued operations	**-**	**198.4**	**(7.8)**	**190.6**
Income taxes	(0.1)	(59.0)	(2.7)	(61.8)
Result from continued operations	**273.4**	**139.4**	**113.2**	**526.0**
Result from consolidated operating activities - discontinued operations	**-**	**33.8**	**-**	**33.8**
Consolidated profit (loss) for the period	**273.4**	**173.2**	**113.2**	**559.8**
Attributable to the group	**273.4**	**93.1**	**107.8**	**474.3**

2.2. Segment information – Consolidated balance sheet as of June 30, 2018, December 31, 2017 and June 30, 2017

Period ended as of June 30, 2018

In EUR million	Holding	Imerys	Sienna Capital	Total
Non-current assets	**14,951.7**	**5,140.3**	**1,810.1**	**21,902.1**
Intangible assets	-	291.8	265.7	557.5
Goodwill	-	2,147.9	379.3	2,527.2
Tangible assets	9.1	2,305.3	143.3	2,457.7
Investments	14,942.6	125.4	1,011.9	16,079.9
Investments in associates	*228.7*	*122.9*	*318.7*	*670.3*
Other equity investments	*14,713.9*	*2.5*	*693.2*	*15,409.6*
Other non-current assets	-	125.2	6.8	132.0
Deferred tax assets	-	144.7	3.1	147.8
Current assets	**764.4**	**2,614.2**	**222.7**	**3,601.3**
Inventories	-	863.6	38.1	901.7
Trade receivables	0.3	756.9	69.4	826.6
Trading financial assets	587.5	6.7	32.5	626.7
Cash and cash equivalents	145.6	456.8	58.0	660.4
Other current assets	31.0	297.1	24.7	352.8
Assets held for sale	-	233.1	-	233.1
Total assets	**15,716.1**	**7,754.5**	**2,032.8**	**25,503.4**

In EUR million	Holding	Imerys	Sienna Capital	Total
Non-current liabilities	**1,070.6**	**2,832.2**	**511.9**	**4,414.7**
Financial liabilities	1,060.3	1,986.8	432.2	3,479.3
Provisions	0.6	382.6	3.9	387.1
Pensions and post-employment benefits	3.7	271.8	2.9	278.4
Other non-current liabilities	6.0	19.1	3.3	28.4
Deferred tax liabilities	-	171.9	69.6	241.5
Current liabilities	**268.7**	**1,995.0**	**172.5**	**2,436.2**
Financial liabilities	200.2	811.7	47.8	1,059.7
Trade payables	3.3	565.4	37.5	606.2
Provisions	-	28.7	11.6	40.3
Tax liabilities	3.8	121.0	2.2	127.0
Other current liabilities	61.4	334.5	73.4	469.3
Liabilities associated with assets held for sale	-	133.7	-	133.7
Total liabilities	**1,339.3**	**4,827.2**	**684.4**	**6,850.9**

Period ended as of December 31, 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
Tangible assets	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**

Period ended as of June 30, 2017

In EUR million	Holding	Imerys	Sienna Capital	Total
Non-current assets	**13,630.7**	**4,309.8**	**1,026.2**	**18,966.7**
Intangible assets	-	72.4	95.2	167.6
Goodwill	-	1,692.6	138.7	1,831.3
Tangible assets	11.0	2,184.5	105.1	2,300.6
Investments	13,619.7	123.8	676.7	14,420.2
Investments in associates	-	*115.7*	*254.0*	*369.7*
Available-for-sale investments	*13,619.7*	*8.1*	*422.7*	*14,050.5*
Other non-current assets	-	147.0	8.8	155.8
Deferred tax assets	-	89.5	1.7	91.2
Current assets	**1,242.6**	**2,358.8**	**258.8**	**3,860.2**
Inventories	-	711.3	14.4	725.7
Trade receivables	0.2	665.8	28.2	694.2
Trading financial assets	879.9	6.3	-	886.2
Cash and cash equivalents	319.5	702.8	25.8	1,048.1
Other current assets	43.0	272.6	30.1	345.7
Assets held for sale	-	-	160.3	160.3
Total assets	**14,873.3**	**6,668.6**	**1,285.0**	**22,826.9**
Non-current liabilities	**1,030.7**	**2,902.8**	**213.0**	**4,146.5**
Financial liabilities	991.2	2,189.9	189.8	3,370.9
Provisions	1.4	333.6	-	335.0
Pensions and post-employment benefits	4.9	261.2	0.4	266.5
Other non-current liabilities	21.6	33.0	3.3	57.9
Deferred tax liabilities	11.6	85.1	19.5	116.2
Current liabilities	**379.2**	**931.9**	**181.6**	**1,492.7**
Financial liabilities	350.0	51.6	16.1	417.7
Trade payables	2.6	460.2	27.9	490.7
Provisions	-	22.9	-	22.9
Tax liabilities	3.8	98.9	2.4	105.1
Other current liabilities	22.8	298.3	25.3	346.4
Liabilities associated with assets held for sale	-	-	109.9	109.9
Total liabilities	**1,409.9**	**3,834.7**	**394.6**	**5,639.2**

3. Associates

3.1. Share of profit (loss)

In EUR million	June 30, 2018	June 30, 2017
Parques Reunidos	(5.9)	-
Backed 1	1.6	-
ECP I & II	(1.4)	(1.4)
Kartesia	20.2	11.1
Mérieux Participations 2	0.7	4.2
Share of profit (loss) of associates – investing activities	**15.2**	**13.9**
Associates related to consolidated operating activities (shown under "Other operating income (expenses)")	**2.6**	**2.0**
Total	**17.8**	**15.9**

Kartesia's result (EUR 20 million as of June 30, 2018) primarily includes interests on loans and the variation in the fair value of these loans.

3.2. Value of investments under equity method

In EUR million	Investing activities					Operating activities		Total
	Parques Reunidos	Backed 1	ECP I & II	KCO III & IV	Mérieux Participations 2	I.P.E.	Others	
As of December 31, 2017	**238.0**	**8.5**	**11.5**	**149.3**	**40.3**	**42.1**	**115.5**	**605.2**
Investments	-	4.3	-	31.7	9.9	-	-	45.9
Reimbursements/disposals	-	-	-	(1.7)	-	-	-	(1.7)
Profit (loss) for the period	(5.9)	1.6	(1.4)	20.2	0.7	1.4	1.2	17.8
Distribution	(4.2)	-	-	-	-	-	(3.0)	(7.2)
Other movements	0.8	-	-	0.3	-	-	9.2	10.3
As of June 30, 2018	**228.7**	**14.4**	**10.1**	**199.8**	**50.9**	**43.5**	**122.9**	**670.3**

The “Others” heading includes the associated companies of Imerys.

4. LafargeHolcim, SGS, adidas, Pernod Ricard, Total and other equity investments

4.1. Net dividends from investments

In EUR million	June 30, 2018	June 30, 2017
LafargeHolcim	**97.1**	107.0
SGS	**82.2**	82.8
adidas	**34.7**	26.7
Pernod Ricard	**20.1**	18.7
Total	**17.4**	18.0
Umicore	**15.6**	13.3
GEA	**10.0**	2.2
Ontex	**9.9**	9.0
Others	**1.0**	0.1
Parques Reunidos	**-**	3.0
Total	**288.0**	**280.8**

Net dividends from investments in the first half of 2018 posted an increase of EUR 7 million compared with 2017. These changes essentially reflect the increase in unitary dividends from adidas and Pernod Ricard, as well as the increase in the dividend from GEA following the investments carried out since last year. The currency impact on the dividends from LafargeHolcim and SGS partially offset this increase.

4.2. Fair value and variation

Investments in listed companies are valued on the basis of the share price at the reporting date.

Investments held by the “Funds”, namely Sagard, Sagard II and Sagard 3, Mérieux Participations I, BDT Capital Partners II and PrimeStone are re-valued at their fair value, determined by the managers of these funds according to their investment portfolio.

In EUR million	December 31, 2017	Acquisitions/ (Disposals)	Change in fair value	Others	June 30, 2018
Investments with changes in fair value through equity	14,280.9	(57.3)	460.0	30.3	14,713.9
adidas	2,623.3	-	310.8	-	2,934.1
SGS	2,751.1	-	142.2	-	2,893.3
Pernod Ricard	2,624.9	-	138.1	20.1	2,783.1
LafargeHolcim	2,692.5	-	(315.4)	-	2,377.1
Umicore	1,503.3	144.1	403.2	-	2,050.6
Total	746.0	0.1	99.8	0.3	846.2
GEA	327.6	170.5	(117.9)	-	380.2
Ontex	453.7	-	(144.2)	-	309.5
Burberry	557.1	(498.6)	(58.5)	-	-
Others	1.4	126.6	1.9	9.9	139.8
Investments with changes in fair value through profit or loss	504.2	188.1	15.0	(11.6)	695.7
Funds	491.3	183.2	15.0	(1.8)	687.7
Others	12.9	4.9	-	(9.8)	8.0
Fair value	**14,785.1**	**130.8**	**475.0**	**18.7**	**15,409.6**

4.3. Gains (losses) on disposals, impairments and reversals of non-current assets

In EUR million	June 30, 2018	June 30, 2017
Capital gains on disposals of available-for-sale investments	-	8.5
Capital gains on disposals of subsidiaries	-	124.2
Impairments of available-for-sale investments	-	(2.4)
Others	**(1.1)**	-
Total	**(1.1)**	**130.3**

As of June 30, 2017, the gains (losses) on disposals, impairments and reversals of non-current assets mainly consists of the gain on the disposal of Golden Goose by ECP III (EUR 124 million).

5. Other operating income (expenses)

In EUR million	June 30, 2018	June 30, 2017
Other operating income	**0.4**	0.9
Other operating expenses	**(26.3)**	(30.0)
Other operating income (expenses) – investing activities	**(25.9)**	**(29.1)**
Other operating income	**36.7**	23.8
Other operating expenses	**(747.4)**	(673.7)
Share of profit (loss) of associates belonging to consolidated operating activities	**2.6**	2.0
Other operating income (expenses) – consolidated operating activities	**(708.1)**	**(647.9)**

6. Financial income (expenses)

In EUR million	June 30, 2018	June 30, 2017
Interest expenses on financial liabilities	**(8.3)**	(13.5)
Gain (losses) on trading securities and derivatives	**8.3**	17.9
Change in the fair value of other equity investments recognised at fair value through profit or loss	**15.2**	-
Other financial income (expenses)	**(5.8)**	(3.1)
Financial income (expenses) – investing activities	**9.4**	**1.3**
Interest income on cash, cash equivalents and non-current assets	**2.3**	5.4
Interest expenses on financial liabilities	**(37.1)**	(42.4)
Gain (losses) on trading securities and derivatives	**2.0**	(1.4)
Other financial income (expenses)	**(14.1)**	(11.3)
Financial income (expenses) - consolidated operating activities	**(46.9)**	**(49.7)**

Financial income (expenses) from investing activities totalled EUR 9 million (compared with EUR 1 million in 2017).

They mainly include, on the one hand, the change in fair value of the other equity investments recognised at fair value in profit or loss for EUR 15 million and, on the other hand, the change in the value of the call options underlying securities implicitly embedded in the convertible bonds issued by GBL in 2013 and remaining in circulation (EUR 9 million compared with EUR - 5 million in 2017).

These gains are partially offset by the interest expenses on financial liabilities for EUR 8 million.

Financial income (expenses) on consolidated operating activities stemmed mainly from interest expenses on Imerys' debt amounting to EUR 23 million.

7. Turnover

In EUR million	June 30, 2018	June 30, 2017
Sales of goods	**2,256.9**	1,973.1
Services provided	**301.1**	252.6
Others	**1.2**	1.6
Total	**2,559.2**	**2,227.3**

The breakdown of the turnover by cash generating unit is as follows :

In EUR million	June 30, 2018
Energy Solutions & Specialties (Imerys)	644.8
Filtration & Performance Additives (Imerys)	646.2
Ceramic Minerals (Imerys)	411.8
High Resistance Minerals (Imerys)	607.7
Imerys	**2,310.5**
Benito (Sienna Capital)	17.5
Sausalitos (Sienna Capital)	23.6
Looping (Sienna Capital)	27.6
DIH (Sienna Capital)	53.3
Keesing (Sienna Capital)	69.3
svt (Sienna Capital)	57.4
Sienna Capital	**248.7**
Total	**2,559.2**

At Imerys' level, main contributor to the turnover, the breakdown by geographic area is as follows:

In EUR million	June 30, 2018
Europe	1,084.0
Asia	460.3
Americas	682.1
Others	84.1
Total	**2,310.5**

8. Cash and debt

8.1. Cash and cash equivalents

In EUR million	June 30, 2018	December 31, 2017
Treasury bonds and treasury notes (corporate, sovereign)	**20.0**	20.0
Deposit (initial maturity <3 months)	**84.5**	92.5
Current accounts	**555.9**	379.4
Total	**660.4**	**491.9**

As of June 30, 2018, cash was fully held in fixed-term deposits, treasury notes and current accounts with various financial institutions. The increase in cash and cash equivalents over the first half of the year stems primarily from an increase in the current accounts in the three segments.

8.2. Debt

In EUR million	June 30, 2018	December 31, 2017
Non-current financial liabilities	**3,479.3**	**2,834.9**
Bonds (GBL)	990.9	496.2
Bonds (Imerys)	1,976.1	1,971.1
Other non-current financial liabilities	512.3	367.6
Current financial liabilities	**1,059.7**	**1,152.7**
Convertible bonds (GBL)	200.2	443.3
Bank debt (Imerys)	757.6	628.8
Other current financial liabilities	101.9	80.6

The group's debt increased by EUR 551 million, primarily at GBL as a result of the issuance of a new institutional bond for a nominal amount of EUR 500 million. This increase is partially offset by the partial conversion of the bonds convertible into GBL shares.

As of June 30, 2018, GBL had undrawn committed credit lines for an amount of EUR 2,150 million (EUR 2,150 million as of December 31, 2017).

Bonds convertible into GBL shares (GBL)

During the first half of 2018, Sagerpar S.A., a wholly owned subsidiary of GBL, received conversion requests for 2,409 convertible bonds, representing 56% of the total convertible bonds issued on September 27, 2013. These bonds that were the subject of a conversion request have been or will be redeemed (i) in cash for 190 bonds and (ii) in treasury shares for 2,219 bonds.

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.

The book value of this bond (excluding the option) was EUR 200 million as of June 30, 2018 (EUR 443 million as of December 31, 2017). The option component was valued at fair value on the reporting date for an amount of EUR 3 million (EUR 21 million as of December 31, 2017) as shown under "Other current liabilities".

Bonds (GBL)

During the first semester of 2018, GBL issued an institutional bond of EUR 500 million with a coupon of 1.875% and maturing on June 19, 2025. The book value of this bond amounts to EUR 495 million as of June 30, 2018.

During the first semester of 2017, GBL had also issued an institutional bond of EUR 500 million with a coupon of 1.375% and maturing on May 23, 2024. The book value of this bond amounts to EUR 496 million as of June 30, 2018.

Bonds (Imerys)

Imerys has issued listed and non-listed bonds. The detail of these bond issues as of June 30, 2018 is as follows:

	Nominal value in currency In million	Nominal interest rate	Effective interest rate	Listed/ Non-listed	Maturity date	Fair value In EUR million	Carrying amount In EUR million
USD	30.0	5.28%	5.38%	Non-listed	08/06/2018	26.4	25.7
EUR	167.6	2.50%	2.60%	Listed	11/26/2020	179.2	167.6
EUR	55.9	2.50%	1.31%	Listed	11/26/2020	59.8	55.9
EUR	300.0	0.88%	0.96%	Listed	03/31/2022	306.4	300.0
EUR	300.0	1.88%	1.92%	Listed	12/10/2024	308.8	300.0
EUR	500.0	2.00%	2.13%	Listed	01/15/2027	535.7	500.0
EUR	600.0	1.50%	1.63%	Listed	03/31/2028	604.9	600.0
JPY	7,000.0	3.40%	3.47%	Non-listed	09/16/2033	78.6	54.2
Impact of the recognition of financial liabilities at amortised cost in IFRS						-	(17.1)
Total						**2,099.8**	**1,986.3**

The detail of these bond issues as of December 31, 2017 is as follows:

	Nominal value in currency In million	Nominal interest rate	Effective interest rate	Listed/ Non-listed	Maturity date	Fair value In EUR million	Carrying amount In EUR million
USD	30.0	5.28%	5.38%	Non-listed	08/06/2018	26.1	25.0
EUR	167.6	2.50%	2.60%	Listed	11/26/2020	178.6	167.6
EUR	55.9	2.50%	1.31%	Listed	11/26/2020	59.5	55.9
EUR	300.0	0.88%	0.96%	Listed	03/31/2022	307.4	300.0
EUR	300.0	1.88%	1.92%	Listed	12/10/2024	316.3	300.0
EUR	500.0	2.00%	2.13%	Listed	01/15/2027	533.9	500.0
EUR	600.0	1.50%	1.63%	Listed	03/31/2028	617.8	600.0
JPY	7,000.0	3.40%	3.47%	Non-listed	09/16/2033	75.4	51.9
Impact of the recognition of financial liabilities at amortised cost in IFRS						-	(18.2)
Total						**2,115.0**	**1,982.2**

Other non-current financial liabilities

This heading mainly includes the debts of the operating subsidiaries of ECP III. These debts are contracted with banks and non-controlling interests.

9. Shareholders' equity

9.1. Revaluation reserves

These reserves include changes in the fair value of other equity investments with changes in the fair value recognised in equity.

In EUR million	adidas	SGS	Pernod Ricard	Lafarge-Holcim	Umicore	Total	GEA	Ontex	Burberry	Others	Total
As of December 31, 2017[1]	**1,360.1**	**571.2**	**1,802.0**	**569.0**	**845.3**	**370.8**	**8.8**	**(0.7)**	**58.5**	**(3.0)**	**5,582.0**
Change resulting from the change in fair value	310.8	142.2	138.1	(315.4)	403.2	99.8	(117.9)	(144.2)	8.6	1.9	**527.1**
Transfers to profit (loss) (disposal/impairment)	-	-	-	-	-	-	-	-	(67.1)	-	**(67.1)**
As of June 30, 2018	**1,670.9**	**713.4**	**1,940.1**	**253.6**	**1,248.5**	**470.6**	**(109.1)**	**(144.9)**	**-**	**(1.1)**	**6,042.0**

Following the disposal of Burberry, the revaluation reserves at the time of the sale (EUR 67 million) have been reclassified into consolidation reserves.

9.2. Earnings per share

Consolidated net result for the period (group's share)

In EUR million	June 30, 2018	June 30, 2017
Basic		
Consolidated profit or loss for the period (including the discontinued operations)	***383.7***	*474.3*
Consolidated profit or loss for the period (excluding the discontinued operations)	***366.1***	*456.0*
Diluted		
Consolidated profit or loss for the period (including the discontinued operations)	***379.6***	*484.6*
Consolidated profit or loss for the period (excluding the discontinued operations)	***362.0***	*466.3*

Number of shares

In million of shares	June 30, 2018	June 30, 2017
Issued shares	**161.4**	161.4
Treasury shares at beginning of the period	**(5.6)**	(5.9)
Weighted changes for the period	**0.7**	-
Weighted average number of shares used to determine basic earnings per share	**156.5**	155.5
Impact of financial instruments with diluting effect:		
Convertible bonds	**2.2**	5.0
Stock options (in the money)	**0.2**	0.2
Weighted average number of shares used to determine diluted earnings per share	**158.9**	160.7

(1) Revaluation reserves restated in accordance with IFRS 9

As of June 30, 2018, GBL held, directly and through its subsidiaries, 3,424,802 GBL shares, representing 2.1% of the issued capital.

Summary earnings per share

In EUR	June 30, 2018	June 30, 2017
Basic	**2.45**	3.05
Continued operations	**2.34**	2.93
Discontinued operations	**0.11**	0.12
Diluted	**2.39**	3.01
Continued operations	**2.28**	2.90
Discontinued operations	**0.11**	0.11

10. Financial instruments

To reflect the importance of inputs used when measuring at fair values, the group classifies these valuations according to a hierarchy composed of the following levels:

- level 1: listed prices (non-adjusted) in active markets for identical assets or liabilities;
- level 2: inputs, other than the listed prices included within 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 book value and the fair value of the financial instruments as of June 30, 2018, as well as the fair value hierarchy. The category, according to IFRS 9, uses the following abbreviations:
FATOCI: Financial Assets measured at fair value through Other Comprehensive Income
FATPL: Financial Assets measured at fair value through Profit or Loss
FLTPL: Financial Liabilities measured at fair value through Profit or Loss
FAAC: Financial Assets measured at Amortised Cost
FLAC: Financial Liabilities measured at Amortised Cost
HeAc: Hedge Accounting

In EUR million	Category under IFRS 9	Carrying amount	Fair value	Hierarchy of fair values
Financial assets				
Non-current assets				
Other equity investments				
Equity investments measured at fair value and with changes recognised in equity	FATOCI	14,713.9	14,713.9	Level 1
Equity investments measured at fair value and with changes recognised in profit or loss	FATPL	695.7	695.7	Level 3
Other non-current assets				
Derivative instruments - hedging	HeAc	2.9	2.9	Level 2
Derivative instruments - others	FATPL	15.7	15.7	Level 2
Other financial assets	FAAC	82.8	82.8	-
Current assets				
Trade receivables	FAAC	826.6	826.6	-
Trading financial assets	FATPL	626.7	626.7	Level 1
Cash and cash equivalents	FAAC	660.4	660.4	-
Other current assets				
Derivative instruments - others	FATPL	10.2	10.2	Level 2
Other financial assets	FAAC	13.3	13.3	-
Financial liabilities				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	FLAC	3,479.3	3,565.6	-
Current liabilities				
Financial liabilities				
Other financial liabilities	FLAC	1,059.7	1,074.3	-
Trade payables	FLAC	606.2	606.2	-
Other current liabilities				
Derivative instruments - others	FLTPL	10.4	10.4	Level 2
Other current liabilities	FLAC	78.1	78.1	-

There is no significant transfer between the different levels during the period closed as of June 30, 2018.

11. Subsequent events

Convertible bonds into GBL shares:

As a reminder, during the first half of 2018, Sagerpar S.A., a wholly owned subsidiary of GBL, received conversion requests for 2,409 convertible bonds, representing 56% of the total convertible bonds issued on 27 September 2013. As of June 30, 2018, these bonds that were subject to conversion requests have been or will be redeemed (i) in cash for 190 bonds and (ii) in treasury shares for 2,219 bonds.

As of July 31, 2018, Sagerpar S.A. had received conversion requests for 3,483 convertible bonds, representing 81% of the total convertible bonds. At that date, these bonds that were subject to conversion requests have been or will be redeemed (i) in cash for 273 bonds and (ii) in treasury shares for 3,210 bonds.

12. Certification of Responsible Persons

Ian Gallienne and Gérard Lamarche, Co-CEOs, and Xavier Likin, Chief Financial Officer, certify, in the name and onbehalf of GBL, that to the best of their knowledge:

- The condensed consolidated financial statements for the six months ended on June 30, 2018 have been prepared in accordance with IFRS and present a true and fair view of the assets, financial position and results of GBL and its consolidated companies [1];
- The half-yearly report presents a true and fair view of the business developments, results and position of GBL and its consolidated companies;
- The main risks and uncertainties regarding the remaining months of 2018 are in keeping with the assessment presented in the section “Risk Management and Internal Control” of GBL’s 2017 Annual Report and take into account the current economic and financial environment. With regards to the terms related to financial data on the investments, mentioned from pages 20 to 49 of the 2017 Annual Report, please refer to the definitions provided by each company in its financial communication.

(1) “Consolidated companies” are GBL’s subsidiaries within the meaning of Article 6 of the Companies Code

Statutory Auditor's report

Deloitte.

Report on the review of the consolidated interim financial information of Groupe Bruxelles Lambert SA / Groep Brussel Lambert NV for the six-month period ended 30 June 2018

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated balance sheet as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period of six months then ended, as well as selective notes 1 to 12.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Groupe Bruxelles Lambert SA / Groep Brussel Lambert NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

The consolidated balance sheet shows total assets of 25 503,4 million EUR and the consolidated income statement shows a consolidated profit (group share) for the period then ended of 383,7 million EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Groupe Bruxelles Lambert SA / Groep Brussel Lambert NV has not been prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Zaventem, 31 July 2018

The statutory auditor

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BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Corine Magnin

Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
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Glossary

With regards to the terms related to financial data on the investments, please refer to the definitions provided by each company in its financial communication.

The specific terminology used in the section on the "Half-yearly IFRS financial statements" as of June 30, 2018 refers to the IFRS (International Financial Reporting Standards) rules as adopted by the European Union.

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 December 31.
- In **voting rights**: the percentage held directly or indirectly through consolidated intermediate companies, calculated on the basis of the number of voting rights existing as of December 31, 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 is 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 (it being specified that the gross cash and the gross debt taken into account in this calculation are related to counterparties being external to the GBL group).

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 net asset value per share is published weekly on GBL's website (www.gbl.be) on the basis of the stock market close et each end of week.

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 as of December 31 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.

For further information

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Dit halfjaarlijks verslag is ook verkrijgbaar in het Nederlands
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Design and production: www.landmarks.be

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