



Geneva, 3 May 2016

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### **Annual General Meeting of 3 May 2016:**

- Dividend of CHF 2.38 per bearer share approved, for a total distribution of CHF 201.5 million to be paid on 10 May 2016.
- All other resolutions approved by shareholders.

### **Q1 2016 financial results:**

- Economic operating income stood at CHF 76.8 million, compared with CHF 53.7 million in Q1 2015. Q1 2016 operating income mainly reflects:
  - The impact of GBL's sale of Total shares in Q 1 2016.
  - The lack of a contribution from Lafarge, which was deconsolidated in 2015.
  - The non-cash impact of the derivative financial instruments embedded in the exchangeable and convertible bonds issued by GBL being marked to market, for a net amount of +CHF 38.0 million (+CHF 10.9 million in Q1 2015). Excluding this impact, economic operating income would have amounted to CHF 38.8 million, compared with CHF 42.8 million in Q1 2015.
- Non-operating income: -CHF 448.1 million, compared with +CHF 33.0 million in Q1 2015. In 2016, this line item included a CHF 818.3 million charge relating to the impairment recorded by GBL on its holding in LafargeHolcim, in accordance with IFRS. This was partially offset by a capital gain of CHF 398.8 million at the level of Pargesa, resulting from GBL's sale of 1.1% of Total's share capital in early 2016. In Q1 2015, this line item included a capital gain of CHF 34.6 million at the level of Pargesa, resulting from GBL's sale of 0.1% of Total's share capital.
- As a result of the above, Pargesa recorded a net loss of CHF 371.3 million in Q1 2016, compared with a net profit of CHF 86.7 million in Q1 2015.

## 1. Highlights of Q1 2016

- In Q1 2016, GBL sold an additional 27.5 million Total shares, representing 1.1% of the company's capital, both in the market and through a private placement by way of an accelerated bookbuilding process to institutional investors. These transactions represented a total amount of EUR 1 billion and generated a capital gain for GBL of EUR 428 million. As a result of these transactions, GBL held 1.3% of Total's capital at 31 March 2016. Given the high dividend yield on this holding, the impact that these recent disposals will have on Total's contribution to Pargesa's operating income will be visible throughout 2016. However, the proceeds from the sales will be used to make investments that will gradually contribute to income, depending on when these proceeds will be reinvested and the level of return from the new investments.
- Expanding its "incubator" investments, GBL continued to increase its stakes in adidas, Umicore and Ontex.
  - adidas: At 31 March 2016, GBL held 6.1% of adidas' capital (4.7% at 31 December 2015), representing a market value of EUR 1.3 billion. The appointment of a GBL representative to adidas' Supervisory Board will be put to shareholders for approval at the Annual General Meeting on 12 May 2016. adidas would then become a strategic shareholding.
  - Umicore: At 31 March 2016, GBL held 17.0% of Umicore's capital (16.6% at 31 December 2015), representing a market value of EUR 833 million. At the Annual General Meeting on 26 April 2016, shareholders approved the appointment of a second director representing GBL.
  - Ontex: At 31 March 2016, GBL held 13.5% of Ontex' capital (7.6% at 31 December 2015), representing a market value of EUR 291 million.
- Sienna Capital (GBL's "financial pillar"):
  - In Q1 2016, Ergon Capital Partners III (ECP III) acquired an indirect majority stake in Financière Looping S.A.S, a European theme-park operator.
  - On 25 March 2016, a group of investors led by Sagard announced that they had signed an agreement with the founder and majority shareholder of Prosol to acquire a minority stake in that company, the parent company of Grand Frais, a chain of French supermarkets that specialises in fresh food.
  - At 31 March 2016, debt fund Kartesia had made capital calls of EUR 426 million (approximately 84% of the fund's commitments) invested in primary and secondary financing transactions.
  - In March 2016, a group of investors, including BDT Capital Partners, a private equity fund to which Sienna Capital committed EUR 113 million in 2015, finalised the acquisition of Keurig Green Mountain, Inc., a group specialised in personal beverage systems.

At 31 March 2016, GBL's commitments under its Financial Pillar amounted to EUR 350 million (EUR 413 million at 31 December 2015).

## 2. Consolidated Q1 2016 financial results (unaudited figures)

Pargesa Holding SA's Board of Directors met today and reviewed the unaudited Q1 2016 consolidated financial results.

### 2.1. Presentation of results in accordance with IFRS

The simplified income statement in accordance with IFRS is as follows:

CHF millions	Q1 2016	Q1 2015
Operating income	1'243.8	1'138.7
Operating expenses	(1'122.4)	(1'041.1)
Other income and expenses	(859.1)	83.7
<b>Operating profit</b>	<b>(737.7)</b>	<b>181.3</b>
Dividends and interest from long-term investments	63.1	71.8
Other financial income and expenses	33.2	(5.7)
Taxes	(40.0)	(32.3)
Income from associates and joint ventures	7.5	(5.7)
<b>Consolidated net profit (before minority interests)</b>	<b>(673.9)</b>	<b>209.4</b>
Attributable to minority interests	(302.6)	122.7
<b>Attributable to Pargesa shareholders (Group share)</b>	<b>(371.3)</b>	<b>86.7</b>
<i>Average number of shares in circulation (in thousands)</i>	<i>84'659</i>	<i>84'659</i>
<i>Basic earnings per share attributable to Pargesa shareholders (CHF)</i>	<i>(4.39)</i>	<i>1.02</i>
<i>Average EUR/CHF exchange rate</i>	<i>1.096</i>	<i>1.070</i>

*Operating income and expenses* are primarily the revenues and operating expenses of Imerys, whose accounts are fully consolidated.

*Other income and expenses* includes net capital gains and losses as well as impairments and reversals of previous impairments on Group shareholdings and operations. In Q1 2016, this line item mainly comprised the impairment recorded by GBL on its holding in LafargeHolcim, together with the capital gain recorded on GBL's sale of 1.1% of Total's share capital. In Q1 2015, this line item mainly included the capital gain recorded on GBL's sale of 0.1% of Total's share capital.

The *dividends and interest from long-term investments* item comprises the net dividends recorded by the Group from its non-consolidated investments. In Q1 2016, this item included the SGS annual dividend received by GBL, while most of the dividends from other holdings will be recorded from Q2 onwards.

The *other financial income and expenses* and *taxes* items provide consolidated figures for Pargesa, GBL and Imerys. The first of these two line items includes the non-cash impact of GBL's derivative financial instruments being marked to market.

*Income from associates and joint ventures* represents the share of the consolidated net profit contributed by shareholdings accounted for in the Pargesa financial statements using the equity method. In 2015, this line item was composed primarily of Lafarge's contribution, which was accounted for using the equity method until 30 June 2015.

The item *minority interests* mainly relates to the share of income due to the minority shareholders of GBL and Imerys, these two companies being fully consolidated into the Pargesa Group financial statements.

## 2.2. Economic presentation of Pargesa financial results

In addition to the accounts drawn up in accordance with IFRS, Pargesa continues to publish an economic presentation of its results, in order to provide continuous information over the long term about the contribution of each of its major shareholdings to its results. IFRS require different accounting treatments depending on the Group's percentage holding in each of its investments (full integration for Imerys, equity method for Lafarge up to 30 June 2015, with other major Group holdings being booked as financial investments), so this continuous view would be interrupted without this additional economic presentation of the Group's results.

The economic presentation shows, in terms of the Group's share of results, the contribution of the main shareholdings to the consolidated income of Pargesa, together with the income from the operations of the holding companies (Pargesa and GBL), which highlight in particular the income from private-equity activities and other investment funds (combined under Sienna Capital at GBL) and the impact of net financial income. The analysis also draws a distinction between the operating and non-operating items in the income, the non-operating part being composed of net capital gains and losses in connection with disposals and any restructuring costs and impairments or reversals of previous impairments.

According to this approach, the economic results for Q1 2016 were as follows:

CHF millions	Q1 2016	Q1 2015
<b>Operating contribution of the main shareholdings</b>		
- <b>Consolidated (Imerys) or equity-accounted (Lafarge):</b>		
Imerys share of operating income	25.6	23.3
Lafarge share of operating income	-	(7.2)
- <b>Non-consolidated:</b>		
Total net dividend	(8.7)	-
SGS net dividend	41.5	37.3
ENGIE net dividend	-	-
Pernod Ricard net dividend	-	-
LafargeHolcim net dividend	-	-
<b>Operating contribution of the main shareholdings</b>	<b>58.4</b>	<b>53.4</b>
<i>per share (CHF)</i>	<i>0.69</i>	<i>0.63</i>
Contribution from private-equity activities and other funds	(1.6)	2.1
Net financial income and expenses	26.3	6.2
Other operating income from holding company activities	-	-
General expenses and taxes	(6.3)	(8.0)
<b>Economic operating income</b>	<b>76.8</b>	<b>53.7</b>
<i>per share (CHF)</i>	<i>0.91</i>	<i>0.63</i>
Non-operating income (loss) from consolidated or equity-accounted companies	(3.2)	(6.9)
Non-operating income (loss) from holding companies	(444.9)	39.9
<b>Net income (loss)</b>	<b>(371.3)</b>	<b>86.7</b>
<i>per share (CHF)</i>	<i>(4.39)</i>	<i>1.02</i>
<i>Average number of shares in circulation (thousands)</i>	<i>84'659</i>	<i>84'659</i>
<i>Average EUR/CHF exchange rate</i>	<i>1.096</i>	<i>1.070</i>

Most income comes from GBL's contribution, which is denominated in euros. The average EUR/CHF exchange rate in Q1 2016 was 1.096, compared with 1.070 in Q1 2015, a 2.4% change.

### **Consolidated and equity-accounted holdings:**

**Imerys** recorded a 5.8% rise in net income from current operations to EUR 82.7 million in Q1 2016, compared with EUR 78.2 million in Q1 2015. Net income stood at EUR 72.4 million, versus EUR 68.5 million a year earlier (after non-recurring items of –EUR 10.3 million net of taxes, compared with –EUR 9.7 million in Q1 2015). Pargesa's share of Imerys' net income, translated in Swiss franc, was CHF 25.6 million, compared with CHF 23.3 million a year earlier.

The holding in **Lafarge** was deconsolidated in July 2015 and therefore no longer contributes to Pargesa's income. Pargesa's share of Lafarge's net operating loss, translated in Swiss franc, was CHF 7.2 million in Q1 2015.

**Non-consolidated holdings:** The contributions from **Total, SGS, ENGIE, Pernod Ricard and LafargeHolcim** represent Pargesa's share of net dividends recorded by GBL from these companies. As a general rule, only SGS contributes to Q1 operating income; the other holdings contribute from Q2 onwards. In 2016, GBL will for the first time record the dividend received from LafargeHolcim, which is now classified as an *available-for-sale financial asset*.

In Q1 2016, Pargesa's share of SGS' contribution was CHF 41.5 million, versus CHF 37.3 million in Q1 2015.

Total's negative Q1 2016 contribution reflects the impact of GBL's sale of Total shares in Q1 2016. Under accounting rules, interim dividends are booked on the date they are announced by the Board of Directors and not on the effective payment date. In Q4 2015, GBL booked the third interim dividend for 2015, which was announced in October 2015 but payable in 2016, on the basis of the number of shares held at 31 December 2015, i.e. before the sales in Q1 2016.

Contributions from **private equity activities and other investment funds** come primarily from investments held by GBL through Sienna Capital, as well as from general expenses relating to these funds (including management fees). In Q1 2015, the net contribution of CHF 2.1 million included Pargesa's CHF 7.9 million share on the gain realised by ECP II on the disposal of its majority holding in Joris Ide.

**Net financial income and expenses** includes interest income and expenses as well as other financial income and expenses. It amounted to CHF 26.3 million in Q1 2016, compared with CHF 6.2 million in Q1 2015. It includes GBL's marking to market, at the end of each period, of the derivative instruments implicitly embedded in the exchangeable and convertible bonds issued by GBL.

Pargesa's share of the marking to market of these implicitly embedded derivative instruments represented a net amount of CHF 38.0 million in Q1 2016, compared with CHF 10.9 million in Q1 2015. The positive amount recorded in Q1 2016 primarily reflects the drop in prices of the underlying shares during the period.

The **general expenses and taxes** line item represents Pargesa's general expenses and taxes as well as its share of those of GBL.

**Non-operating income:** *Non-operating income from consolidated or equity-accounted companies* comprises Pargesa's share of the non-operating income of Imerys and, in 2015, Lafarge.

The net amount of *non-operating income/loss from holding companies* was -CHF 444.9 million, compared with +CHF 39.9 million in Q1 2015.

- Q1 2016 non-operating income from holding companies mainly consisted of:
  - Pargesa's -CHF 818.3 million share of the EUR 1,443 million impairment recognised by GBL on its holding in LafargeHolcim, in accordance with IFRS. At 31 March 2016, the LafargeHolcim share price was EUR 41.28, which was more than 30% below its book value of EUR 66.49. It had therefore crossed the threshold that marks a "significant" decline in the share price, which resulted in an impairment being recognised, as announced in the press release of 18 March 2016. As the holding is classified as an available-for-sale financial asset, any future rise in the share price will be recorded directly in equity and not in the income statement (unless the asset is sold), while any further decline will lead to an additional impairment being recognised in the income statement.
  - Pargesa's CHF 398.8 million share of the capital gain recorded by GBL on the sale of 1.1% of Total's share capital in Q1 2016, including an historical exchange-rate gain of CHF 155.2 million at the level of Pargesa.
  - A further impairment of CHF 25.2 million on GBL's holding in ENGIE.
- Q1 2015 non-operating income mainly consisted of:
  - Pargesa's CHF 34.6 million share of the income from GBL's sale of 1.8 million Total shares, including an historical exchange-rate gain of CHF 11.2 million at the level of Pargesa.
    - Pargesa's CHF 5.0 million share of the net gain (including an historical exchange-rate gain of CHF 3.0 million at the level of Pargesa) recorded in Q1 2015 on the delivery of 1.7 million Suez shares (formerly Suez Environnement), representing 0.4% of the share capital of Suez, to bondholders who exercised their exchange rights early.

### 3. Adjusted net asset value

Pargesa's flow-through adjusted net asset value was CHF 91.8 per share at 31 March 2016. It is calculated on the basis of the current market values and exchange rates for the listed shareholdings, and on the book value of consolidated shareholders' equity (or fair value for private-equity funds) and current exchange rates for unlisted investments. It is broken down as follows:

Pargesa's flow-through adjusted net asset value at 31 March 2016						
CHF millions	% of capital	% of economic interest	Share price and currency	Flow-through value	Weighting as a % of total	
Imerys	53.8%	26.9%	EUR 61.3	1'433	18%	
LafargeHolcim	9.4%	4.7%	EUR 41.3	1'289	17%	
SGS	15.0%	7.5%	CHF 2'032	1'194	15%	
Pernod Ricard	7.5%	3.8%	EUR 98.0	1'064	14%	
Total	1.3%	0.7%	EUR 40.1	704	9%	
ENGIE <sup>(1)</sup>	2.3%	1.2%	EUR 13.6	407	5%	
Incubator						
adidas	6.1%	3.1%		723	9%	
Umicore	17.0%	8.5%		455	6%	
Ontex	13.5%	6.8%		159	2%	
Other				126	2%	
Financial Pillar				459	6%	
<b>Total portfolio</b>				<b>8'013</b>	<b>103%</b>	
GBL treasury shares				236	3%	
Net cash (debt)				(478)	(6%)	
<b>Adjusted net asset value</b>				<b>7'771</b>	<b>100%</b>	
<i>per Pargesa share</i>			CHF 61.3	91.8		
EUR/CHF exchange rate				1.091		

<sup>(1)</sup> The percentage of ENGIE capital includes shares held as treasury investments (0.1% of ENGIE's share capital) resulting from share dividends received in prior periods.

Pargesa's flow-through adjusted net asset value is published every week on the Pargesa website. It was CHF 96.1 per share on 29 April 2016.

### 4. Appointment

The Board of Directors appointed today Mr. Julius Renk as Financial Director and Deputy Managing Director of Pargesa Holding SA.

Julius Renk joins Pargesa after an international finance career with RTL Group, AB Enzymes and most recently with LEM Holding. Julius Renk is of German nationality and holds a Master of Arts from University of St. Gallen (lic. oec. HSG) as well as a Master in International Management from CEMS.