



Geneva, 29 July 2016

H1 2016 financial results:

- Economic operating income stood at CHF 228.3 million, compared with CHF 207.2 million in H1 2015. The H1 2016 figure mainly reflects:
 - the smaller contribution from Total following the disposals made by GBL in late 2015 and in H1 2016;
 - the lack of a contribution from Lafarge (deconsolidated in 2015), which was more than offset by the LafargeHolcim dividend, recorded for the first time in 2016;
 - 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 +31.5 million (CHF +42.5 million in H1 2015). Excluding this non-cash impact, economic operating income was CHF 196.8 million, compared with CHF 164.7 million in H1 2015.
- Non-operating income/loss: CHF -589.5 million, as against CHF 191.4 million in H1 2015. In H1 2016, Pargesa's non-operating loss primarily resulted from the impairments recorded by GBL on its holdings in LafargeHolcim (for an amount of CHF -959.5 million) and ENGIE (for an amount of CHF -24.7 million) in accordance with IFRS. These impairments were partially offset by a gain at the level of Pargesa of CHF 401.0 million resulting from the sale by GBL of 1.1% of Total's share capital in H1 2016. In H1 2015, non-operating income included Pargesa's CHF 221.1 million share of the partial reversal of the impairment previously recorded by GBL on its holding in Lafarge, and Pargesa's CHF 34.3 million net share of the capital gain generated from GBL's sale of 0.1% of Total's share capital.
- As a result of the above, H1 2016 net loss came in at CHF -361.2 million, compared with net income of CHF 398.6 million in H1 2015.

1. Highlights of H1 2016 and early H2

- 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 for institutional investors. These transactions represented a total amount of EUR 1.1 billion and generated a capital gain of EUR 428 million for GBL. As a result of these transactions, GBL held 1.3% of Total's capital at 30 June 2016, down from 2.4% at 31 December 2015. Furthermore, in Q2 2016, GBL sold an additional 11.1 million Total shares, representing 0.4% of that company's capital, through forward contracts that will mature in December 2016. The proceeds from this sale amounts to EUR 460 million and will generate a capital gain of EUR 209 million¹ for GBL, which will be recorded in Q4. Given the high dividend yield on this holding, these recent and ongoing sales will have a significant impact on the contribution of Total to Pargesa's economic operating income. However, the proceeds from the sales will be used to make investments that will gradually contribute to income depending on when the proceeds are reinvested and the level of the return on the new investments.

¹ Pargesa's share of this gain will in addition include the reversal of an historical exchange-rate adjustment.

- In H1 2016, GBL repurchased in the market EUR 210.0 million in principal amount of bonds exchangeable for ENGIE shares. In H1 2016 also, GBL launched a competitive tender offer for the bonds exchangeable for ENGIE shares; at offer closing, EUR 458.3 million in principal amount had been repurchased. The bonds repurchased by GBL were cancelled. Taking into account the early redemption requests representing EUR 2.8 million in principal amount, around 33% of the initial EUR 1 billion issue is still outstanding.
- In Q2 2016, GBL sold 32.1 million ENGIE¹ shares, representing 1.3% of that company's capital, through forward contracts that will mature in October 2016, for an amount of EUR 437 million. These forward sales will generate a book loss of EUR 1 million for GBL, which will be recorded in Q4.
- GBL continued to increase its stake in adidas; at 30 June 2016, it held 7.2% of adidas' capital (4.7% at 31 December 2015), representing a market value of EUR 1.9 billion. GBL now has a representative on adidas' Supervisory Board. As previously announced, this holding, which was until now included in GBL's portfolio of "incubator" investments, is now considered a strategic shareholding.
- To expand its "incubator" investments, GBL continued to increase its stakes in Umicore and Ontex.
 - Umicore: At 30 June 2016, GBL held 17.0% of Umicore's capital (16.6% at 31 December 2015), representing a market value of EUR 881 million. At the Annual General Meeting on 26 April 2016, shareholders approved the appointment of a second director representing GBL;
 - Ontex: At 30 June 2016, GBL held 15.0% of Ontex' capital (7.6% at 31 December 2015), representing a market value of EUR 318 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. In Q2 2016, ECP III signed agreements to sell its interests in De Boeck Education, De Boeck Digital SA and Larcier Holding SA. The profit resulting to these transactions amounted to CHF 29.2 million at the level of Pargesa. On 19 July 2016, Ergon Capital Partners completed a funding round for EUR 150 million, bringing the size of ECP III to EUR 500 million. Funds were committed by Sienna Capital and by European institutional investors active in private equity. The increase will enable ECP III to continue investing in leading mid-market companies in its core Western European regions;
 - 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, which is the parent company of Grand Frais, a chain of French supermarkets that specialises in fresh food;
 - at 30 June 2016, debt fund Kartesia had invested EUR 427 million (approximately 84% of the fund's commitments) 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;
 - on 16 June 2016, Sagard II and Equistone announced that they had signed an agreement to sell their interests in Flakt Woods, a leading provider of critical Air Functions for HVAC systems. The transaction is subject to regulatory approval in the relevant jurisdictions.

At 30 June 2016, GBL's commitments under its Financial Pillar amounted to EUR 301 million (EUR 413 million at 31 December 2015).

¹ ENGIE is also a high dividend yield shareholding.

2. Consolidated H1 2016 financial results (unaudited)

Pargesa Holding SA's Board of Directors met today and reviewed the unaudited H1 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	H1 2016	H1 2015
Operating income	2'530.8	2'362.8
Operating expenses	(2'273.5)	(2'153.3)
Other income and expenses	(1'076.9)	545.4
Operating profit	(819.6)	754.9
Dividends and interest from long-term investments	276.1	202.4
Other financial income and expenses	12.3	49.3
Taxes	(80.0)	(66.2)
Income from associates and joint ventures	12.7	(86.3)
Consolidated net profit (including minority interests)	(598.5)	854.1
Attributable to minority interests	(237.3)	455.5
Attributable to Pargesa shareholders (Group share)	(361.2)	398.6
<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>(4.27)</i>	<i>4.71</i>
<i>Average EUR/CHF exchange rate</i>	<i>1.096</i>	<i>1.056</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 H1 2016, this line item mainly comprises the impairments recorded by GBL on its holdings in LafargeHolcim and ENGIE for an aggregate amount of CHF -1'896 million (including CHF -1'848 million related to LafargeHolcim), together with the capital gain recorded on GBL's sale of 1.1% of Total's share capital in Q1 2016 (CHF 775 million, including the reversal of an historical exchange-rate gain for CHF 306 million). In H1 2015, this figure included an amount of CHF +426 million, representing the partial reversal at 30 June 2015 of the impairment previously recorded by GBL on its holding in Lafarge. It also included the capital gain recorded on GBL's sale of 0.1% of Total's share capital, together with the capital gain recorded by GBL in H1 2015 following the delivery of Suez shares to bondholders who had exercised their right to exchange the bonds early.

The *dividends and interest from long-term investments* item comprises the net dividends received by the Group from its non-consolidated investments, mainly dividends from LafargeHolcim, SGS, Pernod Ricard, Total, adidas, ENGIE, Umicore and Ontex.

The *other financial income and expenses* and *taxes* items provide consolidated figures for Pargesa, GBL and Imerys. Financial income and expenses include 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 primarily comprised 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's 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 Pargesa's consolidated income, 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 income, the non-operating part being composed of net capital gains and losses in connection with disposals, restructuring costs and impairments or reversals of previous impairments.

According to this approach, the economic results for H1 2016 were as follows:

CHF millions	H1 2016	H1 2015
Operating contribution of the main shareholdings		
- Consolidated (Imerys) or equity-accounted (Lafarge):		
Imerys share of operating income	57.1	51.2
Lafarge share of operating income	-	12.5
- Non-consolidated:		
LafargeHolcim net dividend	44.3	-
SGS net dividend	41.5	37.3
ENGIE net dividend	13.2	12.7
Total net dividend	12.9	40.4
adidas net dividend	10.7	1.4
Pernod Ricard net dividend	10.2	8.9
Suez net dividend	-	0.3
Operating contribution of the main shareholdings	189.9	164.7
<i>per share (CHF)</i>	<i>2.24</i>	<i>1.95</i>
Contribution from private equity activities and other funds	25.0	0.7
Net financial income and expenses	16.4	51.9
Other operating income from holding company activities ¹	10.5	4.6
General expenses and taxes	(13.5)	(14.7)
Economic operating income	228.3	207.2
<i>per share (CHF)</i>	<i>2.70</i>	<i>2.45</i>
Non-operating income from consolidated or equity-accounted companies	(8.0)	(76.2)
Non-operating income from holding company activities	(581.5)	267.6
Net income	(361.2)	398.6
<i>per share (CHF)</i>	<i>(4.27)</i>	<i>4.71</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>1.056</i>

¹ This item represents Pargesa's share of the dividends from GBL's incubator-type portfolio. The investment in adidas, which was previously included in GBL's portfolio of "incubator" investments, is now considered a strategic shareholding. The H1 2015 figure for "Other operating income from holding company activities" has been adjusted accordingly.

Most of the income comes from GBL's contribution, which is denominated in euros. The average EUR/CHF exchange rate in H1 2016 was 1.096, compared with 1.056 in H1 2015, a 3.8% change.

Consolidated and equity-accounted holdings:

Imerys recorded a 5.2% rise in net current income to EUR 183.9 million in H1 2016, compared with EUR 174.7 million in H1 2015. Net income stood at EUR 158.1 million, compared with EUR 145.2 million a year earlier (after other items of EUR -25.8 million net of taxes, compared with EUR -29.5 million in H1 2015). Pargesa's share of Imerys' net income, in Swiss-franc terms, was CHF 57.1 million, compared with CHF 51.2 million a year earlier.

The holding in **Lafarge** was deconsolidated in 2015 and therefore no longer contributes to income; as of 2016, it was replaced by the contribution from LafargeHolcim (see below). In H1 2015, Pargesa's share of Lafarge's operating contribution, in Swiss-franc terms, was CHF 12.5 million.

Non-consolidated holdings:

The contributions from LafargeHolcim, Total, SGS, ENGIE, Pernod Ricard and adidas (now a strategic shareholding) represent Pargesa's share of net dividends recorded by GBL from these companies.

The contribution from **LafargeHolcim**, which corresponds to Pargesa's share of the dividend received by GBL for the first time in Q2 2016, amounted to CHF 44.3 million.

Total's contribution was CHF 12.9 million in H1 2016, versus CHF 40.4 million in H1 2015. The amount of the final 2015 dividend and the first interim dividend for 2016 was EUR 0.61 per share, the same as a year earlier. The smaller contribution from this holding resulted from GBL's sales of Total shares in 2015 and in H1 2016.

In H1 2016, Pargesa's share of **SGS'** contribution came in at CHF 41.5 million, compared with CHF 37.3 million in H1 2015.

In Q2 2016, **ENGIE** announced that the final 2015 dividend would be EUR 0.50 per share, the same as a year earlier. ENGIE's contribution in H1 2016 stood at CHF 13.2 million, versus CHF 12.7 million in H1 2015.

Pernod Ricard announced an interim dividend of EUR 0.90 per share in H1 2016, compared with EUR 0.82 in H1 2015. Pernod Ricard's contribution in H1 2016 stood at CHF 10.2 million, versus CHF 8.9 million in H1 2015.

The contribution from **adidas**, which is now a strategic shareholding as mentioned above, amounted to CHF 10.7 million for Pargesa, versus CHF 1.4 million in H1 2015. This increase reflects primarily the larger stake in the company, as well as the increase in the dividend paid by adidas (EUR 1.60, up from EUR 1.50 in 2015).

Contributions from holding company activities:

Contributions from private equity activities and other funds come primarily from funds held by GBL through Sienna Capital, as well as from general expenses relating to these funds (including management fees). In H1 2016, the net contribution of CHF 25.0 million mainly includes Pargesa's share of the gain recorded by ECP III from the sale of its interest in De Boeck group, for an amount of CHF 29.2 million. In H1 2015, the net contribution of CHF 0.7 million included Pargesa's CHF 7.8 million share of 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 16.4 million in H1 2016, compared with CHF 51.9 million in H1 2015.

The line item 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. In H1 2016, this marking to market had an impact of CHF +41.1 million, which mainly reflected the decrease in the prices of the underlying shares over the period. This line item also included an amount of CHF -9.6 million corresponding to the cancellation of the derivatives embedded in the bonds exchangeable for ENGIE shares repurchased by GBL over the period and subsequently cancelled. In H1 2015, the impact of the marking to market of the embedded derivatives was CHF +42.5 million, including CHF +6.4 million relating to the reversal of the accrued value adjustments previously recorded on the derivatives implicitly embedded in the bonds exchangeable for Suez shares that were redeemed early during the period.

The line item also includes Pargesa's share of realised and unrealised gains from trading activities and from derivatives that GBL uses to manage its portfolio. Pargesa's share of the results from these activities was CHF 1.3 million in H1 2016, compared with CHF 26.3 million in H1 2015.

Other operating income from holding company activities represents Pargesa's share of net dividends booked by GBL on its incubator-type investments. As mentioned above, the figure for H1 2015 has been adjusted (by CHF 1.4 million), as the stake in adidas is now considered a strategic shareholding. The increase in 2016 primarily results from the additional investments made by GBL in Umicore and Ontex.

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 Imerys' non-operating income. In H1 2015, non-operating income included Pargesa's share of impairments and restructuring costs as well as costs booked by Lafarge in connection with the merger with Holcim.

The net *non-operating income/loss from holding company activities* was CHF -581.5 million, compared with CHF +267.6 million in H1 2015.

- The H1 2016 non-operating loss mainly reflected:
 - Pargesa's CHF -959.5 million share of the impairment of EUR 1'443 million recognised by GBL on its holding in LafargeHolcim at 31 March 2016 and the additional impairment of EUR 239 million recognised at 30 June 2016, when the LafargeHolcim share price was EUR 37.10, down from EUR 41.28 at 31 March. As the holding is classified as an available-for-sale financial asset and is already impaired, any future rise in the share price will be recognised 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 401.0 million share of the capital gain recorded by GBL on the sale of 1.1% of Total's share capital in H1 2016¹, including an historical exchange-rate gain of CHF 157.5 million for Pargesa;
 - a further impairment of CHF -24.7 million recognised on GBL's holding in ENGIE¹ at 31 March 2016;
 - the impact of the repurchase and cancellation of around 67% of the bonds exchangeable for ENGIE shares, for a net amount of CHF 2.6 million for Pargesa.

¹ Results from the sale of Total and Engie shares through forward contracts concluded in Q2 2016 will be recorded when the contracts mature.

- H1 2015 non-operating income mainly included:
 - Pargesa's CHF 221.1 million share of the partial reversal at 30 June 2015 of the impairment previously recorded by GBL on its holding in Lafarge, in accordance with IFRS 5;
 - Pargesa's CHF 34.3 million share of the capital gain on GBL's sale of 1.8 million Total shares, including an historical exchange-rate gain of CHF 11.2 million for Pargesa;
 - Pargesa's CHF 13.8 million share of the net gain (including an historical exchange-rate gain of CHF 8.4 million for Pargesa) recorded in H1 2015 on the delivery of 4.8 million Suez shares (1.0% 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 93.0 per share at 30 June 2016. It is calculated on the basis of current market values and exchange rates for listed shareholdings, and on the book value of consolidated shareholders' equity (or fair value for private equity and investment funds) and current exchange rates for unlisted investments. It is broken down as follows:

Pargesa's flow-through adjusted net asset value at 30 June 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	57.5	1'334	17%
SGS	15.0%	7.5%	CHF	2'226	1'308	17%
LafargeHolcim	9.4%	4.7%	EUR	37.1	1'149	15%
Pernod Ricard	7.5%	3.8%	EUR	100.1	1'077	14%
adidas	7.2%	3.6%	EUR	128.5	1'046	13%
Total ¹	1.3%	0.7%	EUR	43.4	756	10%
ENGIE ¹⁻²	2.3%	1.2%	EUR	14.5	429	5%
Incubator						
- Umicore	17.0%	8.5%	EUR	46.3	477	6%
- Ontex	15.0%	7.5%	EUR	28.3	172	2%
- Others					101	1%
Financial pillar					523	6%
Total portfolio					8'372	106%
GBL treasury assets					235	3%
Net cash (debt)					(736)	(9%)
Adjusted net asset value					7'870	100%
<i>per Pargesa share</i>			CHF	64.2	93.0	
EUR/CHF exchange rate					1.082	

¹ The ownership interest and value of Total and ENGIE used to calculate the adjusted net asset value does not yet take into account the forward contracts (11.1 million shares of Total representing 0.4% of the capital, and 32.1 million shares of Engie representing 1.3% of the capital) which will mature in Q4 2016. The fair value of these contracts is included in net cash (debt).

² The percentage of ENGIE capital held 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 96.2 per share on 22 July 2016, compared with CHF 94.1 at 31 December 2015.

4. Information regarding the Company's organization

Mr. Julius Renk, Pargesa's Financial Director and Deputy Managing Director of Pargesa, has informed the Board of his decision to step down to pursue other opportunities.

The Board would like to thank Mr. Renk for his time and dedication to the Company and wishes him well in his future business ventures.

The Board has appointed Mr. Mark Keller, Pargesa's current Chief accountant and who has been with Pargesa for the last 30 years, to succeed Mr. Renk as the Company's Financial Director.