



Geneva, 4 November 2016

Financial results at 30 September 2016 (unaudited):

- Economic operating income for the nine-month period ended 30 September 2016 stood at CHF 280.8 million, compared with CHF 307.6 million for the corresponding period in 2015. As was already the case in H1 2016, 9M 2016 economic operating income included a lower contribution from Total compared with 9M 2015 (CHF 23.6 million vs CHF 63.0 million) as a result of the disposals made by GBL in late 2015 and in Q1 2016. The non-cash net impact of the derivative financial instruments embedded in the exchangeable and convertible bonds issued by GBL being marked to market was CHF 28.6 million during the period (CHF 77.6 million at 30 September 2015). Excluding this non-cash impact, economic operating income stood at CHF 252.2 million, compared with CHF 230.0 million for the year-earlier period.
- Net income for the nine-month period in 2016 was CHF –313.6 million compared with CHF 514.3 million a year earlier. This included a non-operating loss of CHF –594.4 million, while at 30 September 2015 non-operating items represented a profit of CHF 206.7 million. In 9M 2016, non-operating items primarily included the impact of the impairments recorded in H1 2016 by GBL on its shareholdings in LafargeHolcim (CHF –952.0 million) and ENGIE (CHF –25.1 million), which was partly offset by a gain of CHF 398.1 million for Pargesa from GBL's disposal of 1.1% of Total's share capital in Q1 2016. In 2015, non-operating income included the net accounting impact of the deconsolidation of Lafarge (CHF 243.7 million).

1. 2016 Highlights

- 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. Furthermore, during Q2 and Q3 2016, GBL sold an additional 16.0 million Total shares, representing approximately 0.6% of that company's capital, through forward sales contracts that will mature in December 2016. The proceeds from these disposals amount to EUR 666 million and will generate a capital gain of EUR 304 million¹ for GBL, which will be recorded in Q4 2016. Pursuant to these disposals, GBL's shareholding in Total's capital will be reduced to 0.7%, compared to 1.3% at 30 June 2016 and 2.4% at 31 December 2015.

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

Given the high dividend yield on this holding, these recent and ongoing sales will have a significant impact on Total's contribution to Pargesa's economic operating income. However, the proceeds from the disposals will be used over time to make investments that will gradually contribute to income depending on the pace of reinvestments and the level of the return on the new investments.

- During the first nine months of 2016, GBL repurchased in the market EUR 233 million in principal amount of bonds exchangeable for ENGIE shares. As already mentioned, GBL launched in Q2 2016 a competitive tender offer for the bonds exchangeable for ENGIE shares; at the closing of the offer, EUR 458 million in principal amount had been repurchased. Including the early redemption requests representing EUR 3 million in principal amount, around 31% of the initial EUR 1 billion issue was still outstanding at 30 September 2016.
- In Q2 and Q3 2016, GBL sold 36.5 million ENGIE² shares, representing approximately 1.5% of that company's share capital, through forward sales contracts that matured in October 2016, for net proceeds of EUR 498 million. When the contracts matured, these forward sales generated virtually no income or loss for GBL.
- As already mentioned, GBL continued to increase its stake in adidas in 2016; at 30 September 2016, it held 7.2% of adidas' capital (4.7% at 31 December 2015), representing a market value of EUR 2.3 billion. GBL now has a representative on adidas' Supervisory Board. As previously announced, this holding is now considered a strategic shareholding.
- At 30 September 2016, GBL held 17.0% of Umicore's capital (16.6% at 31 December 2015), representing a market value of EUR 1.1 billion. Owing to the size of this investment and GBL's representation on the Board of Directors, Umicore is also now classified as a strategic shareholding.
- "Incubator" investments:

At 30 September 2016, GBL held a 15.0% interest in Ontex (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 from these transactions amounted to EUR 51 million for GBL, with Pargesa's share amounting to CHF 29.2 million. 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. At the end of this funding round, Sienna Capital held an 89.9% interest in ECP III, compared with 100% previously.
 - On 25 March 2016, a group of investors led by Sagard III 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 specializes in fresh food. In June 2016, Sagard II and Equistone announced that they had signed an agreement to sell their interests in FläktWoods, a leading provider of critical air functions for HVAC systems, subject to regulatory approval in the relevant jurisdictions. The transaction was completed in October 2016 and generated a capital gain of approximately CHF 9 million for Pargesa, which will be accounted for in Q4 2016.

² ENGIE is also a high dividend yield shareholding.

- At 30 September 2016, debt fund Kartesia had invested EUR 466 million (approximately 92% of the fund's commitments) in primary and secondary financing transactions. Kartesia is in the process of launching a new fund, with first closing expected before year-end; Sienna Capital intends to commit EUR 150 million to this new fund.
- 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, finalized the acquisition of Keurig Green Mountain, Inc., a group specialized in personal beverage systems.

At 30 September 2016, GBL's commitments under its Financial Pillar amounted to EUR 422 million (EUR 413 million at 31 December 2015).

2. Consolidated financial results at 30 September 2016 (unaudited)

Pargesa Holding SA's Board of Directors met today and reviewed the unaudited consolidated financial results for the nine-month period in 2016.

2.1. Presentation of results in accordance with IFRS

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

CHF millions	30 Sep 16	30 Sep 15
Operating income	3'791.6	3'595.5
Operating expenses	(3'393.3)	(3'258.5)
Other income and expenses	(1'069.8)	610.4
Operating profit	(671.5)	947.4
Dividends and interest from long-term investments	338.7	280.1
Other financial income and expenses	(22.9)	74.1
Taxes	(125.0)	(106.5)
Income from associates and joint ventures	22.3	(83.3)
Consolidated net profit (including minority interests)	(458.4)	1'111.8
Attributable to minority interests	144.8	597.5
Attributable to Pargesa shareholders (Group share)	(313.6)	514.3
<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>(3.70)</i>	<i>6.07</i>
<i>Average EUR/CHF exchange rate</i>	<i>1.094</i>	<i>1.062</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. At 30 September 2016, this line item primarily included the impairments recorded by GBL in H1 2016 on its holdings in LafargeHolcim and ENGIE for an aggregate amount of CHF -1'882 million (including CHF -1'834 million related to LafargeHolcim), and the capital gain recorded on GBL's sale of 1.1% of Total's share capital in Q1 2016 (CHF 769 million, including the reversal of an historical exchange-rate gain of CHF 301 million). The 9M 2015 figure included an amount of CHF 468 million, representing the net accounting impact of the deconsolidation of Lafarge, effective as of 10 July 2015. It also included the capital gain recorded on GBL's sale of 0.1% of Total's share capital in H1 2015, together with the capital gain recorded over the period by GBL following the delivery of Suez shares to holders of bonds exchangeable for Suez shares who had exercised their right to exchange (the exchangeable bonds matured in September 2015).

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

The *other financial income and expenses* and *taxes* items provide consolidated figures for Pargesa, GBL and Imerys. *Other 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 Pargesa's financial statements using the equity method. In the nine-month period in 2015, this line item included GBL's share of the net loss recorded by Lafarge (which was accounted for using the equity method until 30 June 2015) in H1 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 Pargesa's share of results, the operating contribution of the main shareholdings to Pargesa's consolidated income, together with the income from current operations of the holding companies (Pargesa and GBL), which highlight in particular the net contribution from private equity activities and other investment funds (combined under Sienna Capital at GBL) and the impact of net financial income and expenses. 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 the nine-month period in 2016 were as follows:

CHF millions		30 Sep 16	30 Sep 15
Operating contribution of the main shareholdings			
- Consolidated (Imerys) or equity-accounted (Lafarge):			
Imerys	share of operating income	85.1	77.0
Lafarge	share of operating income	-	12.5
- Non-consolidated:			
LafargeHolcim	net dividend	44.3	-
SGS	net dividend	41.5	37.3
ENGIE	net dividend	26.4	25.5
Total	net dividend	23.6	63.0
Umicore	net dividend	14.1	8.4
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		255.9	234.3
<i>per share (CHF)</i>		<i>3.02</i>	<i>2.77</i>
Contribution from private equity activities and other funds		30.0	14.6
Net financial income and expenses		9.9	78.2
Other operating income from holding company activities ¹		5.3	0.7
General expenses and taxes		(20.3)	(20.2)
Economic operating income		280.8	307.6
<i>per share (CHF)</i>		<i>3.32</i>	<i>3.63</i>
Non-operating income from consolidated or equity-accounted companies		(17.2)	(80.2)
Non-operating income from holding company activities		(577.2)	286.9
Net income		(313.6)	514.3
<i>per share (CHF)</i>		<i>(3.70)</i>	<i>6.07</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>1.094</i>	<i>1.062</i>

¹ This item represents Pargesa's share of the dividends from GBL's incubator-type portfolio. The investments in adidas and Umicore, which were previously included in the portfolio of "incubator" investments, are now considered as strategic shareholdings. The 9M 2015 figure for "Other operating income from holding company activities" has been adjusted accordingly.

Most of Pargesa's income comes from GBL, whose results are denominated in euros. The average EUR/CHF exchange rate in the nine-month period in 2016 was 1.094, compared with 1.062 in the corresponding period in 2015, a +3.0% change.

Economic operating income:

Consolidated and equity-accounted holdings:

For the nine-month period in 2016, **Imerys** reported net income from current operations of EUR 274.5 million, up 5.6% compared with the corresponding period in 2015 (EUR 259.9 million). Net income for the period stood at EUR 219.0 million, compared with EUR 218.5 million in 9M 2015 (after other items of EUR -55.5 million net of taxes in 9M 2016, compared with EUR -41.4 million in 9M 2015). Pargesa' share of Imerys' net income from current operations, expressed in Swiss francs, was CHF 85.1 million, compared with CHF 77.0 million at 30 September 2015.

As already mentioned, the holding in **Lafarge** was deconsolidated in 2015 and, as of the end of June 2015, no longer contributes to income. As of 2016, the contribution from Lafarge was replaced by the dividend received from LafargeHolcim (please see below). In 2015, the contribution from Lafarge, which was accounted for using the equity method until 30 June 2015, to Pargesa's operating income was CHF 12.5 million.

Non-consolidated holdings:

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

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

The contribution from **SGS**, which corresponds to Pargesa's share of the annual dividend received by GBL in Q1 2016, was CHF 41.5 million, compared with CHF 37.3 million in 2015.

In Q2 2016, **ENGIE** paid a final dividend related to fiscal year 2015 of EUR 0.50 per share, the same as in the previous year. In Q3 2016, the company also declared an interim dividend for 2016 of EUR 0.50 per share (unchanged from last year). The contribution from this shareholding for the nine-month period in 2016 stood at CHF 26.4 million,³ compared with CHF 25.5 million a year earlier.

The contribution from **Total** in the nine-month period in 2016 stood at CHF 23.6 million, compared with CHF 63.0 million for the corresponding period in 2015. The final dividend for the 2015 fiscal year and the first two quarterly interim dividends for the 2016 fiscal year were EUR 0.61 per share each, the same as a year earlier. The decrease in the contribution from this shareholding results from the disposal by GBL of Total shares in 2015 and in Q1 2016³.

The contribution from **Umicore**, now a strategic shareholding as mentioned above, stood at CHF 14.1 million in 9M 2016 (Pargesa's share), compared with CHF 8.4 million a year earlier. The increase primarily results from GBL's larger ownership in the company, as well as from the increase in the amount of the dividends per share paid by Umicore. The final dividend for the 2015 fiscal year was EUR 0.70 per share (paid in Q2 2016), and an interim dividend relative to the 2016 fiscal year of EUR 0.60 per share was paid in Q3 2016. Corresponding figures in the previous year were EUR 0.50 and EUR 0.50 per share, respectively.

Pargesa's share of the contribution from **adidas**, now a strategic shareholding as mentioned above, stood at CHF 10.7 million in 2016, compared with CHF 1.4 million in 2015. The increase primarily results from GBL's larger ownership in the company, as well as, but to a lesser extent, from the increase in the amount of the dividend per share paid by the company in Q2 2016 (EUR 1.60 per share vs EUR 1.50 in 2015).

In H1 2016, **Pernod Ricard** declared an interim dividend of EUR 0.90 per share, compared with EUR 0.82 per share declared in H1 2015. The contribution from this shareholding for the nine-month period in 2016 stood at CHF 10.2 million, compared with CHF 8.9 million in 2015. The Board of Directors of Pernod Ricard will propose at the Annual General Meeting to be held on 17 November 2016 a dividend for the full 2015-2016 fiscal year of EUR 1.88 per share. The final dividend would then amount to EUR 0.98 per share (the same amount as in the previous year), payable in Q4 2016.

³ GBL will continue to receive the interim dividends attributable to the shares in Total and ENGIE sold forward for as long as the forward sales contracts are outstanding. For the first 9-month period of 2016 this represents an aggregate amount of CHF 22 million.

Contribution from holding company activities:

The contribution from **private equity activities and other funds** represents the contributions from various funds held primarily by GBL through its subsidiary Sienna Capital, as well as general and management expenses. The net contribution from these activities stood at CHF 30.0 million in the nine-month period in 2016, and included Pargesa's share (for an amount of CHF 29.2 million) of the gain resulting from the sale by ECP III of its interest in De Boeck group in H1 2016, as well as the positive impact of Kartesia's revaluation of certain assets. At 30 September 2015, the net contribution of CHF 14.6 million from these activities included Pargesa's share (CHF 7.8 million) of the gain recorded in Q1 2015 by ECP II from the sale of its majority interest in Joris Ide, and of the gains realized in Q3 2015 by Sagard II from the disposal of its interest in C er elia and by Sagard III from the disposal of the Santiane group (CHF 12.4 million and CHF 3.7 million, respectively).

Net financial income and expenses, which include interest income and expenses as well as other financial income and expenses, stood at CHF 9.9 million at 30 September 2016, compared with CHF 78.2 million a year earlier. This line item includes the impact of the 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 9M 2016, this impact was CHF +38.4 million in part due to the change in the market price of the underlying shares since the beginning of the year. It also included an amount of CHF -9.8 million, corresponding to the cancellation of the derivatives embedded in the bonds exchangeable for ENGIE shares repurchased by GBL in 2016 and subsequently cancelled. At 30 September 2015, the line item included the impact of the marking to market of the embedded derivatives for an amount of CHF +70.4 million, as well as an amount of CHF 7.2 million relating to the reversal of the accrued value adjustments previously recorded on the derivatives embedded in the bonds exchangeable for Suez shares that were converted or redeemed during the period (these exchangeable debentures matured in September 2015).

Net financial income and expenses also include Pargesa's share of realized and unrealized gains and losses from trading activities and from financial instruments that GBL uses to manage its portfolio. Pargesa's share of the gains and losses from these activities was CHF 4.8 million in the nine-month period in 2016, compared with CHF 25.1 million in the corresponding period in 2015.

Other operating income from holding company activities represents Pargesa's share of the dividends recorded by GBL on its "incubator-type" investments. Since adidas and Umicore are now strategic investments, the corresponding figure for 2015 has been adjusted by an aggregate amount of CHF 9.8 million. The increase in 2016 is partly a result of the additional investments made by GBL in Ontex.

The **general expenses and taxes** line item includes Pargesa's own 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 represented in 9M 2016 Pargesa's share of Imerys' non-operating income. In 9M 2015, this line item also included Pargesa's share of impairments and restructuring costs as well as costs incurred in connection with the merger with Holcim booked in H1 2015 by Lafarge (deconsolidated since 30 June 2015).

Non-operating income from holding company activities stood at CHF –577.2 million at 30 September 2016, compared with CHF 286.9 million at 30 September 2015.

At 30 September 2016, this item primarily included:

- A charge of CHF –952.0 million representing Pargesa's share of the impairment of EUR 1'682 million recorded by GBL on its holding in LafargeHolcim in H1 2016, based on that company's share price at 30 June 2016⁴ (EUR 37.1). LafargeHolcim's share price recovered in Q3 2016 and stood at EUR 48.1 at 30 September. As a reminder, however, since this shareholding is classified as an "available-for-sale" asset and has been subject to an impairment, the impact of an increase in the share price is recorded directly in equity and not in the income statement (unless the asset is sold), while any further decrease from the current level of impairment (EUR 37.1) will trigger an additional impairment charge.
- Pargesa's CHF 398.1 million share of the gain recorded by GBL on the sale of a 1.1% interest in Total in Q1 2016⁵. This amount includes an historical exchange-rate gain of CHF 155.1 million for Pargesa.
- The impact of an additional impairment charge recorded in Q1 2016 by GBL on its holding in ENGIE⁵, for a net amount of CHF –25.1 million.
- Pargesa's share of the impact of the repurchase and cancellation by GBL in 2016 of approximately 69% of the bonds exchangeable for ENGIE shares, for a net amount of CHF 2.7 million.

At 30 September 2015, non-operating income from holding company activities was primarily composed of the following:

- Pargesa's CHF 243.7 million share of the aggregate net impact of the accounting entries related to the deconsolidation of GBL's holding in Lafarge, effective as of 10 July 2015.
- Pargesa's CHF 33.5 million share of the gain resulting from the sale by GBL of 1.8 million Total shares (including an historical exchange-rate gain of CHF 10.3 million for Pargesa);
- Pargesa's CHF 14.2 million share of the net gain (including an historical exchange-rate gain of CHF 8.4 million for Pargesa) recorded by GBL during the period on the delivery of 5.1 million Suez shares to holders of bonds exchangeable for Suez shares (which matured in September 2015).

⁴ In Q1 2016, GBL recorded an impairment charge on its investment in LafargeHolcim. An additional charge was recorded in Q2 2016 as a result of the decline in LafargeHolcim's share price between 31 March and 30 June 2016.

⁵ The gains/losses from the disposals of Total and ENGIE shares through forward sales contracts still outstanding at 30 September 2016 will be recorded when the contracts mature in Q4 2016.

3. Adjusted net asset value

Pargesa's flow-through adjusted net asset value was CHF 104.0 per share at 30 September 2016. It is calculated on the basis of current market values and exchange rates for listed shareholdings, and on the basis of 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 September 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 64.3	1'504	17%	
LafargeHolcim	9.4%	4.7%	EUR 48.1	1'501	17%	
SGS	15.0%	7.5%	CHF 2'175	1'278	15%	
adidas	7.2%	3.6%	EUR 154.5	1'273	14%	
Pernod Ricard	7.5%	3.8%	EUR 105.4	1'144	13%	
Total ¹	1.3%	0.7%	EUR 42.2	741	8%	
Umicore	17.0%	8.5%	EUR 55.8	580	7%	
ENGIE ¹⁻²	2.3%	1.2%	EUR 13.8	411	5%	
Incubator						
- Ontex	15.0%	7.5%	EUR 28.2	173	2%	
- Others				116	1%	
Financial pillar				493	6%	
Total portfolio				9'214	105%	
GBL treasury assets				253	3%	
Net cash (debt)				(666)	(8%)	
Adjusted net asset value				8'801	100%	
<i>per Pargesa share</i>			CHF 66.6	104.0		
EUR/CHF exchange rate				1.092		

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 sales contracts (16.0 million shares of Total representing 0.6% of the capital, and 36.5 million shares of ENGIE representing 1.5% of the capital) which will mature in Q4 2016. The fair value of these contracts is included in Net cash (debt).

² The percentage in ENGIE's share capital includes shares held as treasury investments (0.1% of ENGIE's share capital) resulting from share dividends received in previous years.

Pargesa's flow-through adjusted net asset value is published every week on the Pargesa website. It was CHF 102.2 per share on 28 October 2016, compared with CHF 94.1 at 31 December 2015.