



Geneva, 17 March 2017

- **2016 results:**

- Economic operating income stood at CHF 320.9 million, compared with CHF 308.4 million in 2015. The increased contribution from other shareholdings and from Sienna Capital (private equity and other funds) offset the lower contribution from Total (CHF 28.0 million in 2016 versus CHF 85.0 million in 2015), following the disposals conducted by GBL at end-2015 and in 2016. In addition, the net non-cash impact of the marking to market of the derivative financial instruments embedded in the exchangeable and convertible bonds issued by GBL amounted to CHF 31.0 million, compared with CHF 55.8 million in 2015. Excluding this non-cash impact, economic operating income would stand at CHF 289.9 million in 2016, compared with CHF 252.6 million in 2015.

Pargesa reported a net loss of CHF -32.0 million in 2016, resulting from net non-operating items of CHF -352.9 million, mainly made up of:

- Pargesa's CHF -959.4 million share of the impairment recorded by GBL in H1 2016 on its holding in LafargeHolcim and its CHF -40.6 million share of an additional impairment and of the loss realized on the partial disposal of the holding in ENGIE;
- which were partially offset by a gain of CHF 666.8 million at the level of Pargesa, resulting from the sale by GBL of approximately 1.8% of Total's share capital in 2016.

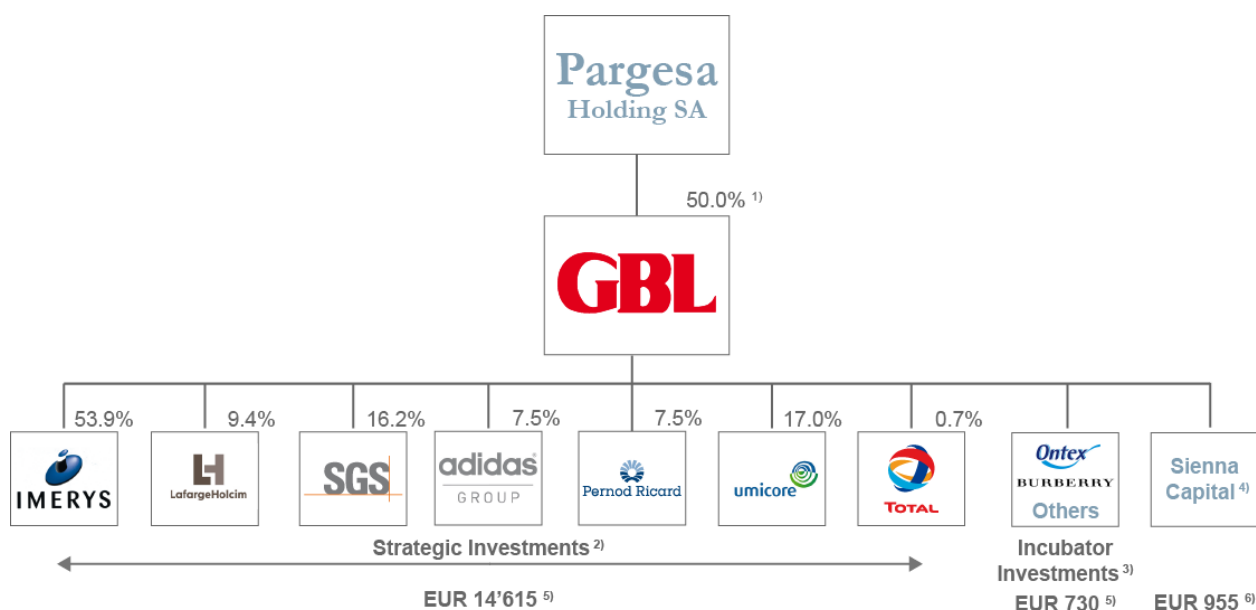
As a reminder, Pargesa recorded in 2015 a net income of CHF 638.2 million, including non-operating income of CHF 329.8 million which included the net accounting impact of the deconsolidation of the holding in Lafarge (CHF 243.7 million) and the capital gain on the disposal of 0.5% of Total's share capital (CHF 225.2 million), partly offset by Pargesa's CHF -150.0 million share of non-recurring items recorded by Imerys and Lafarge.

In 2016, the average EUR/CHF exchange rate was 1.090, compared with 1.067 in 2015, an increase of +2.1%.

- The Board of Directors will recommend a dividend of CHF 2.44 per bearer share for the 2016 financial year, an increase of 2.5% on the previous year.

The Board of Directors of Pargesa Holding SA, chaired by Paul Desmarais Jr, approved the accounts for the 2016 financial year. They will be submitted to shareholders at the Annual General Meeting to be held on 4 May 2017 in Geneva.

The organisation chart below shows the Group's structure at 31 December 2016, which was primarily composed of seven main shareholdings.



- ¹⁾ 51.9% of voting rights, taking into account the suspended voting rights relating to treasury shares.
- ²⁾ Investments generally larger than EUR 1 billion, primarily in listed companies, in which the Group can exercise clear influence. These represent the bulk of the adjusted net assets.
- ³⁾ Comprising a selection of listed or unlisted shareholdings that range in size from CHF 250 million to EUR 1 billion, having the potential to eventually become strategic.
- ⁴⁾ Comprising significant investments in private equity, debt or specific thematic funds.
- ⁵⁾ Market value in EUR millions of the investments held by GBL at 31 December 2016.
- ⁶⁾ Estimated value in EUR millions at 31 December 2016.

1. Highlights of 2016 and early 2017

- In 2016, GBL continued to gradually reduce its stake in Total. 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. GBL also sold an additional 16.0 million Total shares, representing 0.7% of that company's capital, through forward sales contracts that matured in December 2016. The net proceeds from these sales amounted to EUR 666 million, generating an additional capital gain of EUR 304 million for GBL. Following these transactions, GBL's stake in Total's share capital was reduced from 2.4% at 31 December 2015 to 0.7% at 31 December 2016.

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

It is also worth noting that the forward sales of Total shares initiated and completed in 2016 allowed GBL to continue to record the interim dividends related to the underlying shares. This was also the case for the forward sales of ENGIE shares initiated and completed in 2016 (see below). Had all these transactions been executed through straight sales, Pargesa's 2016 economic operating income (see section 4.2) would have been lower by CHF 21.5 million.

- In 2016, GBL repurchased EUR 233 million of principal amount in bonds exchangeable for ENGIE shares. In Q2, GBL also launched a competitive tender offer for the bonds exchangeable for ENGIE shares; at offer closing, EUR 458 million in principal amount had been repurchased. Taking into account the early redemption requests representing EUR 3 million in principal amount, around 31% of the initial EUR 1 billion issue was still outstanding at 31 December 2016. The outstanding amount (EUR 306 million) was redeemed in cash at maturity on 7 February 2017.
- During 2016, GBL sold 42.7 million ENGIE shares, representing approximately 1.8% of that company's capital, through forward sales contracts which matured in Q4. The net proceeds from these sales amounted to EUR 572 million, generating a loss of EUR 11 million for GBL. Further forward sales contracts on 4.5 million ENGIE shares (around 0.2% of the company's share capital) were entered into in Q4 2016 and matured in January 2017, for a net amount of EUR 55 million.

Excluding the forward sales contracts that matured in January 2017, GBL's stake in ENGIE stood at 0.6% at 31 December 2016, compared with 2.3% at 31 December 2015¹.

In addition to the forward sales of ENGIE shares entered into in December 2016 and completed in January 2017, a further 7.4 million shares, representing 0.3% of ENGIE's capital, were sold in early 2017. As a result, including the forward sales completed in January, GBL has sold 11.9 million ENGIE shares (or 0.5% of the company's capital out of the 0.6% held at 31 December 2016) since the beginning of 2017, representing a net amount of EUR 145 million and generating an accounting gain of EUR 1 million for GBL. As a result of these transactions, GBL now holds 0.1% of ENGIE's share capital.

- As previously mentioned, in 2016 GBL continued to increase its stake in adidas, which is now considered a strategic shareholding. At 31 December 2016, GBL held 7.5% of the company's capital (4.7% at 31 December 2015), representing a market value of EUR 2.4 billion. GBL has a representative on adidas' Supervisory Board.
- GBL increased its stake in SGS in 2016 and held 16.2% of that company's capital at end-2016, compared with 15.0% at end-2015. At 31 December 2016, the market value of this holding was EUR 2.4 billion.
- In 2016, GBL also slightly increased its stake in Umicore, a group specialized in materials technology and recycling. At 31 December 2016, it held 17.0% of the company's capital (16.6% at 31 December 2015), representing a market value of EUR 1.0 billion. Given the value of this shareholding and GBL's presence on the company's board of directors, the stake in Umicore is considered a strategic shareholding.
- Within the portfolio of incubator-type investments, GBL's investment in Ontex, a world leader in hygienic consumables, stood at 19.98% at 31 December 2016 (7.6% at 31 December 2015). At end-2016, the market value of this investment amounted to EUR 423 million.

The incubator portfolio also includes a stake in Burberry, which is listed on the London Stock Exchange. At 31 December 2016, GBL held 2.95% of Burberry's capital, representing a market value of EUR 230 million on that same date. On 28 February 2017, Burberry announced that GBL had reached the threshold of 3% of its voting rights.

¹ Given the value of the remaining stake in ENGIE (which is also a high dividend yield investment), this shareholding was no longer considered a strategic shareholding as of 31 December 2016.

- On 11 December 2016, Imerys announced the contemplated acquisition of Kerneos, world leader in calcium-aluminate-based high-performance binders, for an estimated enterprise value of EUR 880 million. The transaction, which would be fully funded by Imerys' available resources, is subject to relevant workers' council consultation, as well as approval by the relevant regulatory authorities.
- Within 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 sold its interests in De Boeck Education SA, De Boeck Digital SA and Larcier Holding SA, generating a total capital gain of EUR 51 million for GBL, with Pargesa's share amounting to CHF 29.1 million. In July 2016, the fund increased its size from EUR 350 million to EUR 500 million. New funds were committed by Sienna Capital and by European institutional investors active in private equity. Following this funding round, the interest of Sienna Capital in ECP III, which was previously 100%, was slightly diluted. Finally, in December 2016, ECP III acquired a majority stake in Deutsche Intensivpflege Holding GmbH, a company involved in intensive care services.

In March 2017, ECP III sold its majority stake in Golden Goose, an Italian designer of shoes, clothes and contemporary accessories. This transaction generated a consolidated capital gain of around EUR 110 million for GBL, which will be booked in 2017.

- The Sagard funds: In March 2016, a group of investors led by Sagard 3 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 specializes in fresh food. In October 2016, Sagard II and Equistone sold their stake in FläktWoods, a leading provider of critical air functions for HVAC systems. Pargesa's share of the capital gain generated by this transaction amounted to CHF 9.1 million. In Q4 2016, the size of Sagard 3 was increased by EUR 404 million and nine new investors made commitments to the fund. More recently, in February 2017, Sagard 3 announced that it had taken a majority stake in Ipackchem, a leading global manufacturer of "barrier" packaging whose products are mainly used in the transport and storage of aromas, fragrances and agrochemical products, for which permeability, contamination and evaporation constraints are critical.
- At 31 December 2016, debt fund Kartesia had invested EUR 468 million in primary and secondary financing transactions. Kartesia also launched in 2016 a new investment fund, to which Sienna Capital committed EUR 150 million.
- In March 2016, a group of investors, including BDT Capital Partners, a fund to which Sienna Capital committed EUR 113 million in 2015, finalized the acquisition of Keurig Green Mountain, Inc., a group active in personal beverage systems. In October 2016, BDT Capital Partners II acquired a stake in Lou Malnati's Pizzeria, and in December 2016, the fund made an investment in Athletico Physical Therapy, one of the largest providers of orthopaedic rehabilitation services in the USA.
- In 2016, through its fund Mérieux Participations II (MPII), Mérieux Développement, an investment manager specialized in growth and venture capital investments in the healthcare sector, acquired minority stakes in Novacap, an international player in the chemical field (June 2016), and in Le Noble Age, a French company that operates in the healthcare sector (November 2016).

- Finally, PrimeStone, a fund in which Sienna Capital invested EUR 150 million in February 2015 and whose strategy consists of making medium to long-term investments in medium-sized listed companies in Europe, completed six new investments in 2016.

At 31 December 2016, GBL's commitments under its Financial Pillar amounted to EUR 601 million (EUR 413 million at 31 December 2015).

2. Company organisation

Michel Plessis-Bélair, a member of the Board of Directors of Pargesa Holding SA since 1999 and also a member of the Audit Committee and the Compensation Committee, informed the Chairman of the Board of Directors that he regretfully would not seek another term as Director at the Annual General Meeting on 4 May 2017. The Board of Directors wishes to thank Mr Plessis-Bélair for his loyalty and invaluable contribution to the Board's work over the years.

At the Annual General Meeting on 4 May 2017, the Board of Directors will submit a proposal to elect Jocelyn Lefebvre as Director for a one-year term that will expire at the end of the 2018 Annual General Meeting.

3. Main Group shareholdings

The full-year 2016 results of the Group's main shareholdings are available on their respective websites: www.imerys.com, www.sgs.com, www.lafargeholcim.com, www.pernod-ricard.com², www.adidas-group.com, www.total.com, www.unicore.com

4. 2016 consolidated financial results

4.1 Presentation of results in accordance with IFRS

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

CHF millions	2016	2015
Operating income	5'011.1	4'774.4
Operating expenses	(4'500.4)	(4'478.8)
Other income and expenses	(579.4)	820.3
Operating profit (loss)	(68.7)	1'115.9
Dividends and interest from long-term investments	368.9	345.2
Other financial income and expenses	(48.8)	(31.1)
Taxes	(163.2)	(69.8)
Income from associates and joint ventures	31.2	(77.6)
Consolidated net profit (including minority interests)	119.4	1'282.6
Attributable to minority interests	(151.4)	(644.4)
Attributable to Pargesa shareholders (Group share)	(32.0)	638.2
<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>(0.38)</i>	<i>7.54</i>
<i>Average EUR/CHF exchange rate</i>	<i>1.090</i>	<i>1.067</i>

² Financial year from July 1 to June 30.

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 2016, this figure mainly comprised the impairments recorded by GBL on its holdings in LafargeHolcim and ENGIE, for a total net amount of CHF -1'914 million (of which CHF -1'848 million related to LafargeHolcim), as well as the capital gain realized by GBL on the sale of 1.8% of Total's share capital (CHF +1'288 million, including an historical exchange rate gain of CHF 490 million) and the accounting loss recorded on the sale of ENGIE shares (CHF -12.2 million). At 31 December 2015, this figure included the net accounting impact of the deconsolidation of Lafarge on 10 July 2015, for an amount of CHF +469 million. It also included the capital gain recorded on GBL's sale of 0.5% of Total's share capital, together with the capital gain recorded during 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 bonds, for a net amount of CHF 491 million, including an historical exchange rate gain of CHF 150 million.

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

The *other financial income and expenses* and *taxes* items provide consolidated figures for Pargesa, GBL and Imerys. *Other financial income and expenses* 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 item included GBL's CHF -107 million share of the net loss recorded in H1 2015 by Lafarge, 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.

4.2. 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 operating income from 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 at 31 December 2016 can be analysed as follows:

CHF millions	2016	2015
Operating contribution of the main shareholdings		
- Consolidated (Imerys) or equity-accounted (Lafarge) ⁽¹⁾:		
Imerys share of operating income	111.7	102.3
Lafarge share of operating income	-	12.5
- Non-consolidated:		
LafargeHolcim net dividend	44.3	-
SGS net dividend	41.5	37.3
Total net dividend	28.0	85.0
ENGIE net dividend	26.4	25.5
Pernod Ricard net dividend	21.2	19.7
Umicore net dividend	14.1	8.4
adidas net dividend	10.7	1.7
Suez net dividend	-	0.3
Operating contribution of the main shareholdings	297.9	292.7
<i>per share (CHF)</i>	<i>3.52</i>	<i>3.46</i>
Contribution from private equity activities and other funds	38.2	13.7
Net financial income and expenses	8.1	34.1
Other operating income from holding company activities	6.2	0.6
General expenses and taxes	(29.5)	(32.7)
Economic operating income	320.9	308.4
<i>per share (CHF)</i>	<i>3.79</i>	<i>3.64</i>
Non-operating income (loss) from consolidated or equity-accounted companies	(21.4)	(150.0)
Non-operating income (loss) from holding company activities	(331.5)	479.8
Net income (loss)	(32.0)	638.2
<i>per share (CHF)</i>	<i>(0.38)</i>	<i>7.54</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>1.090</i>	<i>1.067</i>

⁽¹⁾ Up to 30 June 2015.

Most income comes from GBL, whose results are denominated in euros. In 2016, the average EUR/CHF exchange rate was 1.090, compared with 1.067 in 2015, a rise of +2.1%.

Economic operating income:

Consolidated and equity-accounted holdings:

Pargesa's share of Imerys' net income from current operations, in Swiss-franc terms, was CHF 111.7 million, compared with CHF 102.3 million a year earlier.

Imerys' 2016 net income from current operations was EUR 362.1 million, a rise of 6.0% on 2015 (EUR 341.5 million). Net income stood at EUR 292.8 million in 2016 after non-recurring items of EUR -69.3 million³ relating to restructuring operations (including an impairment of EUR -25 million relating to Minerals Refractories in China) as well as transaction costs. In 2015, net income stood at EUR 68.4 million, after non-recurring items of EUR -273.1 million net of taxes, made up of restructuring costs amounting to EUR -64.1 million and a non-cash impairment charge of EUR -209.0 million in the Oilfield Solutions division of the Energy Solutions & Specialties business group (half of the amount representing the total impairment of goodwill and the remainder the impairment on part of the assets).

³ In the economic presentation of results, Pargesa's share of non-recurring items of consolidated holdings or equity-accounted holdings appears under "non-operating income (loss) from consolidated or equity-accounted companies".

As already indicated, the holding in Lafarge was deconsolidated in 2015 and has not contributed to income since 30 June 2015. As of 2016, it was replaced by the contribution, in the form of a dividend, from LafargeHolcim (see below). In 2015, the contribution from **Lafarge** (accounted for using the equity method for six months of that year) to Pargesa's operating income amounted to CHF 12.5 million.

Non-consolidated holdings:

The non-consolidated holdings (LafargeHolcim, SGS, Total, ENGIE, Pernod Ricard, Umicore and adidas) contribute to operating income through the net dividends recorded at GBL.

The contribution from **LafargeHolcim**, which corresponded to Pargesa's share of the dividend received by GBL for the first time in Q2 2016 (CHF 1.50 per share), amounted to CHF 44.3 million.

The contribution from **SGS**, which corresponds to Pargesa's share of the annual dividend received by GBL, stood at CHF 41.5 million, compared with CHF 37.3 million in 2015. In 2016, SGS paid a dividend of CHF 68 per share, the same as the year-earlier dividend. The increase in SGS' contribution relative to 2015 is due to exchange rate effects.

Total's contribution was CHF 28.0 million in 2016, versus CHF 85.0 million in 2015. The four quarterly dividends booked in 2016 each amounted to EUR 0.61 per share, the same as those booked in 2015. The smaller contribution from this holding resulted from GBL's sales of Total shares in 2015 and in Q1 2016⁴.

In 2016, **ENGIE** paid the final 2015 dividend of EUR 0.50 per share, and the interim 2016 dividend, also EUR 0.50 per share. These amounts were the same as those paid in 2015. ENGIE's contribution was CHF 26.4 million⁴ in 2016, versus CHF 25.5 million in 2015.

Pernod Ricard's 2015-2016 dividend amounted to EUR 1.88 per share (made up of an interim dividend of EUR 0.90 and a final dividend of EUR 0.98), compared with EUR 1.80 for the previous period (made up of an interim dividend of EUR 0.82 and a final dividend of EUR 0.98). Pernod Ricard's contribution was CHF 21.2 million 2016, versus CHF 19.7 million in 2015.

The contribution from **Umicore**, which is now a strategic holding, amounted to CHF 14.1 million for Pargesa in 2016, versus CHF 8.4 million in 2015. This increase resulted from GBL's increased stake in the company's capital, as well as from the higher dividends paid by Umicore (EUR 1.30 per share in 2016, made up of the final 2015 dividend of EUR 0.70 per share paid in Q2 2016 and the interim 2016 dividend of EUR 0.60 per share in Q3). In 2015, Umicore paid a total of EUR 1.00 per share in dividends (EUR 0.50 per share for the final 2014 dividend, and EUR 0.50 per share for the interim 2015 dividend).

The contribution from **adidas**, which is also a strategic holding since 2016, amounted to CHF 10.7 million for Pargesa in 2016, versus CHF 1.7 million in 2015. This increase primarily reflects GBL's larger stake in the company and, to a lesser extent, the increase in the dividend paid by adidas (EUR 1.60, up from EUR 1.50 in 2015).

⁴ For the Total and ENGIE shares subject to forward sales contracts that matured in 2016, GBL continued to receive the interim dividends paid before maturity of the contracts. Over 2016, this represented a total amount of CHF 21.5 million at the level of Pargesa.

Contributions from holding company activities:

Contributions from **private equity activities and other investment funds** come primarily from investments held by GBL through Sienna Capital, and also includes general expenses and management fees. In 2016, the net contribution from these activities came in at CHF 38.2 million and mainly included Pargesa's share of the gains realized by ECP III on the sale of its interests in the De Boeck Group in H1 2016 (CHF 29.1 million) and by Sagard II on the sale of its stake in FläktWoods in Q4 2016 (CHF 9.1 million), as well as Kartesia's contribution (CHF 12.6 million, including the impact from the revaluation of certain assets). In 2015, the net contribution of CHF 13.7 million included Pargesa's share of the gain realized by ECP II on the disposal of its majority holding in Joris Ide (CHF 7.9 million), of the gain realized by Sagard II on the disposal of Cérélia (CHF 12.4 million), and of the gain realized by Sagard 3 on the disposal of the Santiane Group (CHF 3.7 million).

Net financial income and expenses includes interest income and expenses as well as other financial income and expenses. It amounted to CHF 8.1 million in 2016, compared with CHF 34.1 million in 2015. In 2016 this line item included:

- The CHF +40.8 million impact of 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, reflecting in particular the evolution in the prices of the underlying shares over the period.
- The net CHF -9.8 million impact resulting from the cancellation of the derivatives embedded in the bonds exchangeable for ENGIE shares repurchased by GBL during the year.
- Pargesa's share of the realized and unrealized results recorded by GBL from trading activities (including dividends) and derivatives that GBL uses to manage its portfolio. Pargesa's share of the income from these activities was CHF 3.1 million in 2016.

In 2015, this line item included the CHF +48.6 million impact of the marking to market of the embedded derivatives, together with an amount of CHF +7.2 million representing the reversal of the cumulative value adjustments previously recorded on the derivatives implicitly embedded in the bonds exchangeable for Suez shares that were converted during the period or redeemed at maturity in September 2015. It also included an amount of CHF +11.6 million, corresponding to Pargesa's share of the gains realized by GBL from trading activities and derivatives.

Other operating income from holding company activities represents Pargesa's share of net dividends booked by GBL on its incubator-type investments. The figure for 2015 has been adjusted (by CHF 10.1 million), as the holdings in adidas and Umicore are now considered strategic investments. The year-on-year increase mainly reflects GBL's investments in Ontex and Burberry in 2016.

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

Non-operating income (loss):

Non-operating income (loss) from consolidated or equity-accounted shareholdings represents in 2016 Pargesa's share of Imerys' non-operating items. In 2015, it reflected Pargesa's share of Imerys' non-operating items of EUR -273.1 million (see above), as well as Pargesa's share of the impairments, restructuring costs and other costs related to the merger with Holcim booked by Lafarge in H1 2015, before this holding was deconsolidated.

The net **non-operating loss from holding company activities** was CHF -331.5 million in 2016 and consisted primarily of:

- Pargesa's CHF -959.4 million share of the EUR 1'682 million impairment charge booked by GBL on its holding in LafargeHolcim in H1 2016, based on LafargeHolcim's share price of EUR 37.1⁵. Even though the share price had risen to EUR 49.9 by 31 December 2016, since this holding is classified as an available-for-sale financial asset and has already been impaired, any subsequent rise in the share price must be recorded directly in equity and not in the income statement (unless the asset is sold), while any further decline from the price used for the impairment in 2016 (EUR 37.1) leads to an additional impairment being recognised in the income statement.
- Pargesa's CHF 666.8 million share of the capital gain recorded by GBL on the sale of 1.8% of Total's share capital, including an historical exchange-rate gain of CHF 252.6 million at the level of Pargesa.
- The CHF -40.6 million impact of a further impairment charge on ENGIE shares as well as the accounting loss on the sale of shares of that company.
- Pargesa's CHF 2.7 million share of the net impact of the repurchase of around 69% of the bonds exchangeable for ENGIE shares and their subsequent cancellation.

As a reminder, 2015 non-operating income from holding company activities was CHF 479.8 million and mainly consisted of:

- Pargesa's CHF 243.7 million share of the net impact of the accounting entries related to the deconsolidation of Lafarge on 10 July 2015.
- Pargesa's CHF 225.2 million share of the gain from GBL's sale of 0.5% of Total's share capital, including an historical exchange-rate gain of CHF 68.9 million at the level of Pargesa.
- Pargesa's CHF 14.3 million share of the net gain recorded on the delivery by GBL of Suez shares to bondholders who exercised their exchange rights early or at maturity (including an historical exchange-rate gain of CHF 8.4 million at the level of Pargesa).

⁵ Share price at 30 June 2016. An impairment was recognised on the holding in LafargeHolcim at 31 March 2016, followed by an additional impairment at 30 June 2016, as the share price had dropped below the 31 March 2016 figure.

5. Adjusted net asset value

Pargesa's flow-through adjusted net asset value was CHF 104.9 per share at 31 December 2016, up 11.4% from 31 December 2015. 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 and other funds) and current exchange rates for unlisted investments. It is broken down as follows:

Pargesa's flow-through adjusted net asset value at 31 December 2016						
CHF millions	% of capital	% of economic interest	Share price and currency		Flow-through value	Weighting as a % of total
Imerys	53.9%	27.0%	EUR	72.1	1'658	19%
LafargeHolcim	9.4%	4.7%	EUR	49.9	1'534	17%
SGS	16.2%	8.1%	CHF	2'072	1'313	15%
adidas	7.5%	3.8%	EUR	150.2	1'265	14%
Pernod Ricard	7.5%	3.8%	EUR	103.0	1'100	12%
Umicore	17.0%	8.5%	EUR	54.2	554	6%
Total	0.7%	0.4%	EUR	48.7	424	5%
Incubator						
- Ontex	19.98%	10.0%	EUR	28.3	227	3%
- Burberry	2.95%	1.5%	GBP	15.0	124	1%
- Others					42	1%
Financial Pillar					513	6%
Other Pargesa					26	0%
Total portfolio					8'780	99%
GBL treasury assets					251	3%
Net cash (debt) ⁽¹⁾					(147)	(2%)
Adjusted net asset value					8'884	100%
<i>per Pargesa share</i>			CHF	66.3	104.9	
EUR/CHF exchange rate					1.074	

⁽¹⁾ This item includes Pargesa's share in the market value of GBL's trading portfolio. At 31 December 2016, it also includes Pargesa's CHF 90.8 million share of the market value of the remaining 0.6% stake in ENGIE (including the 0.2% stake corresponding to the shares sold forward at the end of 2016 and delivered in 2017)

Pargesa's flow-through adjusted net asset value is published every week on the Pargesa website. It was CHF 110.9 per share on 10 March 2017.

6. Proposals to the Annual General Meeting of 4 May 2017

6.1 Appropriation of profit

At the Annual General Meeting, the Board of Directors will propose a 2016 dividend of CHF 2.44 per bearer share and CHF 0.244 per registered share, an increase of 2.5% on the year-earlier dividend. If approved, a total of CHF 206.6 million will be paid out to shareholders on 10 May 2017.

6.2 Election of Board members, election of the Chairman of the Board and election of members of the Compensation Committee

In accordance with the company's Articles of Association, at the Annual General Meeting shareholders must each year individually elect the members of the Board of Directors (including the Chairman) and of the Compensation Committee. The Board of Directors of Pargesa Holding SA will therefore recommend that the following individuals be re-elected for a one-year term expiring at the end of the 2018 Annual General Meeting: Paul Desmarais Jr (also as Chairman of the Board), Bernard Daniel, Amaury de Sèze, Victor Delloye, André Desmarais, Paul Desmarais III, Cedric Frère, Gérald Frère, Ségolène Gallienne, Jean-Luc Herbez, Barbara Kux, Michel Pébereau, Gilles Samyn and Arnaud Vial.

As mentioned above, Michel Plessis-Bélair announced that he would not seek another term as Director at the Annual General Meeting on 4 May 2017. The Board of Directors will recommend that shareholders elect Jocelyn Lefebvre to the Board for a one-year term that will expire at the end of the 2018 Annual General Meeting. Jocelyn Lefebvre has dual citizenship, Canadian and French. He holds a degree from HEC Montréal and is a member of the Canadian Institute of Chartered Professional Accountants. He began his career at Arthur Andersen in Montréal, before moving to Europe in 1982. He joined the Canadian industrial group M.I.L. Inc. in 1986, where he served as CEO of Vickers Inc., one of the group's main production unit. In 1992, Jocelyn Lefebvre joined the Power Group and is now a partner at Sagard Equity Partners and a member of the management boards of Power Financial Europe B.V. and Parjointco N.V.

The Board of Directors will also recommend that Bernard Daniel, Barbara Kux, Amaury de Sèze and Gilles Samyn be re-elected to the Compensation Committee and that Jean-Luc Herbez be elected to replace Michel Plessis-Bélair as a member of the Committee.