PRESS RELEASE

Geneva, 31 July 2017

- H1 2017 financial results:

  - **Economic operating income: CHF 249.3 million, compared with CHF 228.3 million in H1 2016. Economic operating income in H1 2017 reflects:**

    - **The increased operating contribution from the principal shareholdings (CHF 205.6 million, compared to CHF 197.5 million in H1 2016), notably as a consequence of the increase of the dividends received from most of the non-consolidated shareholdings, which, however, was partially offset by the reduced contribution from Total and ENGIE, as a result of the disposals of shares of these companies in 2016 and Q1 2017 by GBL;**
    - **A contribution of CHF 60.1 million from private equity and other funds activities (H1 2016: CHF 25.0 million), including an amount of CHF 62.3 million corresponding to Pargesa's share of the gain recorded by Ergon Capital Partners III (Sienna Capital) from the sale of Golden Goose in Q1 2017;**
    - **The non-cash impact of the marking to market or the cancellation of the derivative financial instruments embedded in the exchangeable and convertible bonds issued by GBL, for a net amount of CHF -7.1 million (H1 2016: CHF +31.5 million). Excluding this impact, economic operating income would have stood at CHF 256.4 million in H1 2017, compared with CHF 196.8 million in H1 2016.**

  - **Non-operating income: CHF 3.2 million, compared with a non-operating loss of CHF -589.5 million in H1 2016. In 2016, Pargesa's non-operating loss included for CHF -959.5 million the impact of the impairment charge recorded by GBL on its investment in LafargeHolcim, partly offset by the CHF 401.0 million gain recorded at the level of Pargesa, resulting from the sale by GBL of 1.1% of Total's share capital in early 2016.**

  - **As a result of the above, Pargesa's net income stands at CHF 252.5 million in H1 2017, compared with a net loss of CHF -361.2 million in H1 2016.**

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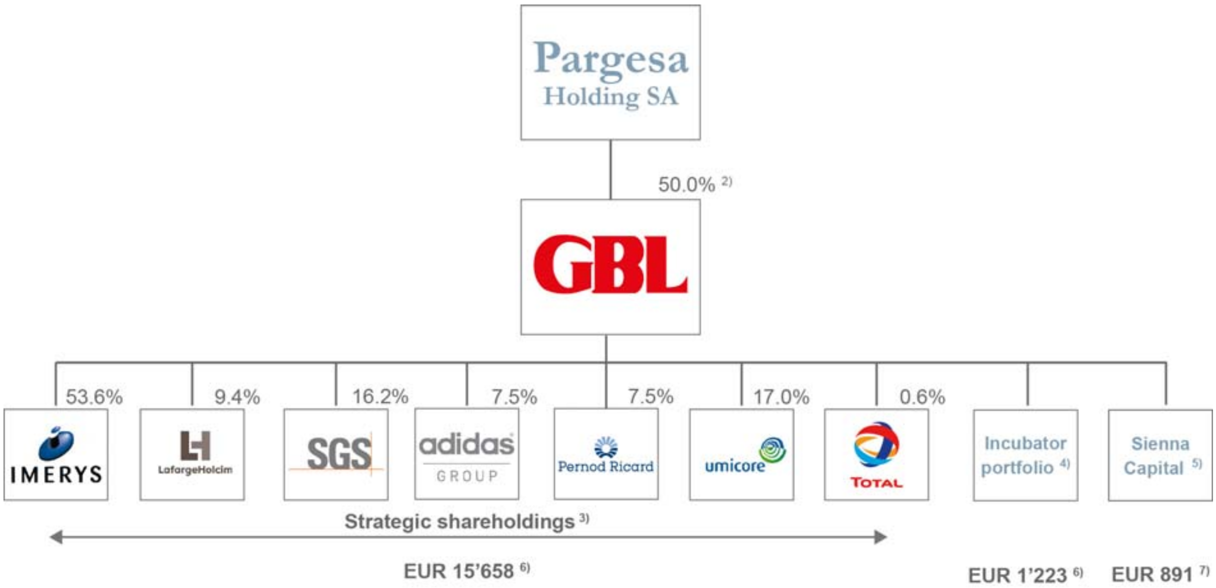
The organization chart below reflects the Group structure at 30 June 2017, with its portfolio composed primarily of seven strategic main shareholdings[1]:



1) Shareholdings are expressed as a percentage of the capital held.

2) 51.8% of voting rights, taking into account the suspended voting rights related to treasury shares.

3) Investments generally larger than EUR 1 billion in companies in which the Group can exercise clear influence on the long term. These represent the bulk of the Group's portfolio.

4) Comprising a selection of shareholdings that range in size from EUR 250 million to EUR 1 billion in companies which may be public or private, having the potential to eventually become strategic. At 30 June 2017, this portfolio includes primarily the participations in Ontex, Burberry and Parques Reunidos.

5) Comprising significant investments in private equity, debt or specific thematic funds.

6) Market value in EUR million of the investments held by GBL at 30 June 2017.

7) Estimated value in EUR million at 30 June 2017.

1. Highlights of H1 2017 and early H2

- GBL sold since the beginning of the year almost all of its remaining interest in ENGIE (0.5% of the company's share capital), for net proceeds of EUR 145 million and generating an accounting gain of EUR 1 million. GBL now holds less than 0.1% of the share capital of ENGIE, which is no longer considered a strategic investment since the end of 2016.

  As already reported, the remaining balance (EUR 306 million) of the bonds exchangeable for ENGIE shares which were issued by GBL in 2013 was redeemed in cash at maturity, on 7 February 2017.

- In May 2017, GBL successfully completed a 7-year bond issue for EUR 500 million with a coupon of 1.375%. The proceeds from this issuance are intended to cover GBL's general corporate purposes. This transaction allows GBL to extend its average debt maturity profile and to further diversify its financing sources.

- On 18 July 2017, Imerys announced that it had completed the acquisition of Kerneos, world leader in high performance calcium aluminates binders. With this operation, Imerys enhances its specialty offering in high-potential markets and improves its growth and profitability profile while creating value. This acquisition is entirely funded from Imerys' available resources.

- « Incubator » portfolio:
    - o As already reported, Burberry announced in February 2017 that GBL had crossed the 3% threshold of the voting rights of the company. As at 30 June 2017, GBL held 3.95% of Burberry's share capital, worth EUR 327 million. Burberry announced, on 24 July 2017, that GBL had crossed the 4% threshold in the voting rights of the company;
    - o In March 2017, GBL participated in the capital increase realized by Ontex, with the objective to refinance the company following the acquisition of the « hygienic consumables » activity of Hypermarcas. Following this operation, GBL's ownership in Ontex remains unchanged at 19.98%. Furthermore, the general shareholders' meeting of Ontex of 24 May 2017 approved the election of a GBL representative on the board of directors;
    - o GBL announced on 12 April 2017 the acquisition of a 15.0% interest in the capital of Parques Reunidos Servicios Centrales, S.A. (« Parques »). Parques, whose shares are listed on the Madrid Stock Exchange, is a reference operator of leisure parks across Europe, North America and Asia. The company generated EUR 584 million in sales during its financial year ended 30 September 2016. On 25 April 2017, Parques co-opted a GBL representative on its board of directors. The market value of the investment in Parques was EUR 201 million at 30 June 2017.

- Sienna Capital (GBL's « Financial pillar »):
    - o As already reported, Ergon Capital Partners III (ECP III) sold in March 2017 its majority stake in Golden Goose, an Italian designer of shoes, clothes and contemporary accessories. This transaction generated a gain of EUR 112 million for GBL, or CHF 62.3 million at the level of Pargesa;

      On 25 July 2017, ECP III sold its interest in ELITech, a manufacturer of specialty in-vitro diagnostics equipment and reagents. This transaction will generate a gain estimated at EUR 102 million for GBL (approximately CHF 57 million at the level of Pargesa, based on the H1 2017 average exchange rate), which will be recorded in Q3 2017;

    - o Also already reported was the acquisition by Sagard 3 in February 2017 of 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;
    - o It is also reminded that at the end of 2016, Kartesia launched a new investment fund, in which Sienna Capital made a commitment for EUR 150 million. As of 30 June 2017, total commitments received by the fund amounted to EUR 624 million. Kartesia's objective is to raise an aggregate amount of EUR 750 million by the end of 2017;
    - o During Q2 2017, Mérieux Participations II (MP II) acquired a minority shareholding in Xeris Phamaceuticals Inc., a biopharmaceutical company developing injectable therapeutics for multiple indications including diabetes. MP II has also acquired a minority stake in Ivantis Inc., a company dedicated to the development of new and innovative solutions for glaucoma.

  At 30 June 2017, GBL's commitments under its Financial Pillar amounted to EUR 565 million (EUR 601 million at 31 December 2016).

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2. Consolidated H1 2017 financial results (unaudited)

The Board of Directors of Pargesa Holding SA met today and reviewed the unaudited H1 2017 consolidated results.

The IFRS consolidated financial statements for H1 2017, produced in accordance with IAS 34 – *Interim Financial Reporting* – will be included in the interim report, which will be available on Pargesa's website during the month of August. The said financial statements underwent a limited review by the Auditor Deloitte.

2.1. Presentation of results in accordance with IFRS

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

CHF millions	H1 2017	H1 2016
Operating income	2'604.0	2'530.8
Operating expenses	(2'332.0)	(2'273.5)
Other income and expenses	139.5	(1'076.9)
Operating profit (loss)	**411.5**	**(819.6)**
Dividends and interest from long-term investments	302.3	276.1
Other financial income and expenses	(58.7)	12.3
Taxes	(81.7)	(80.0)
Income from associates and joint ventures	17.1	12.7
Consolidated net profit (before minority interests)	**590.5**	**(598.5)**
Attributable to minority interests	(338.0)	237.3
Attributable to Pargesa shareholders (Group share)	**252.5**	**(361.2)**
Basic earnings per share attributable to Pargesa shareholders (CHF)	*2.98*	*(4.27)*
Average number of shares in circulation (thousands)	*84'659*	*84'659*
Average EUR/CHF exchange rate	*1.077*	*1.096*

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 2017, this figure mainly comprised the gain realized on the sale by ECP III of its investment in Golden Goose (CHF 133.7 million). In H1 2016, this item included primarily the impairment charges recorded by GBL on its investments in LafargeHolcim and ENGIE for an aggregate amount of CHF -1'896 million (of which, CHF -1'848 million were related to LafargeHolcim), as well as the gain recorded by GBL on the sale of 1.1% of Total's share capital (CHF 775 million including a historical foreign exchange gain of CHF 306 million).

The *dividends and interest from long-term investments* item comprises the net dividends recorded by the Group from its non-consolidated investments.

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. These shareholdings are primarily held within Sienna Capital's portfolio (« Financial pillar ») or by Imerys.

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.

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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, 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 contribution from private equity activities and other investment funds (combined under Sienna Capital at GBL) and the impact of net financial income (or expenses) of the holding companies. 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 (with the exception of net results from disposals or impairments recorded by private equity and other investment funds, which are included in the « Contribution from private equity activities and other investment funds » item).

According to this approach, the economic results at 30 June 2017 can be analysed as follows:

CHF millions		H1 2017	H1 2016
Operating contribution of the main shareholdings			
- Consolidated:			
Imerys	share of operating income	57.2	57.1
- Non-consolidated:			
LafargeHolcim	net dividend	59.7	44.3
SGS	net dividend	45.9	41.5
adidas	net dividend	14.9	10.7
Pernod Ricard	net dividend	10.4	10.2
Total	net dividend	10.0	12.9
Umicore	net dividend	7.4	7.6
ENGIE	net dividend	0.1	13.2
Operating contribution of the main shareholdings		**205.6**	**197.5**
per share (CHF)		*2.43*	*2.33*
Contribution from private equity activities and other investment funds		60.1	25.0
Net financial income and expenses		(8.4)	16.4
Other operating income from holding company activities [(1)]		7.9	2.9
General expenses and taxes		(15.9)	(13.5)
Economic operating income		**249.3**	**228.3**
per share (CHF)		*2.94*	*2.70*
Non-operating income (loss) from consolidated shareholdings		(5.3)	(8.0)
Non-operating income (loss) from holding company activities		8.5	(581.5)
Net income (loss)		**252.5**	**(361.2)**
per share (CHF)		*2.98*	*(4.27)*
Average number of shares in circulation (thousands)		*84'659*	*84'659*
Average EUR/CHF exchange rate		*1.077*	*1.096*

[(1)] This line item represents Pargesa's share of the dividends from GBL's « Incubator » portfolio. The investment in Umicore, which was classified as part of the « Incubator » portfolio until 30 June 2016 is considered since Q3 2016 as a Strategic participation. The line item « Other operating income from holding company activities » in H1 2016 has therefore been adjusted accordingly (by CHF -7.6 million).

Most of the income comes from GBL, whose results are denominated in euros. In H1 2017, the average EUR/CHF exchange rate was 1.077, compared with 1.096 in H1 2016, a decrease of -1.8%.

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Economic operating income:

Consolidated holdings:

Pargesa's share of **Imerys'** net income from current operations, in Swiss francs terms, was CHF 57.2 million in H1 2017, compared with CHF 57.1 million in H1 2016. The quasi-stability of Imerys' contribution primarily reflects the increase of the net income from current operations, which is compensated by the decrease in the average EUR/CHF exchange rate in 2017 compared with H1 2016.

Imerys reported net income from current operations of EUR 189.7 million in H1 2017, an increase of 3.2% over the corresponding period in 2016 (EUR 183.9 million). After taking into account non-recurring items of EUR -17.5 million[1] net of taxes, net income was EUR 172.2 million in H1 2017, compared with EUR 158.1 million in H1 2016 (which included non-recurring items net of taxes for EUR -25.8 million).

Non-consolidated holdings:

The contributions from **LafargeHolcim**, **SGS, adidas**, **Pernod Ricard, Total, Umicore** (now a strategic shareholding since Q3 2016) and **ENGIE** 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 in H1 2017, amounts to CHF 59.7 million, compared to CHF 44.3 million for the same period in 2016. The variance in the contribution reflects the increase of the annual dividend paid by the company (CHF 2.00 per share in 2017, compared to CHF 1.50 in 2016, a 33% increase).

In H1 2017, Pargesa's share of **SGS'** contribution came in at CHF 45.9 million, compared with CHF 41.5 million in H1 2016. The year-over-year variance in the contribution results from the increased dividend per share paid by SGS (CHF 70, versus CHF 68 in 2016), as well as from the increase of GBL's ownership in the company.

The contribution from **adidas** amounted to CHF 14.9 million for Pargesa, versus CHF 10.7 million in H1 2016. This increase reflects primarily the increase in the dividend paid by adidas (EUR 2.00 per share, up from EUR 1.60 in 2016, an increase of +25%), as well as the increase of GBL's ownership in the company.

Pernod Ricard declared an interim dividend of EUR 0.94 per share in H1 2017, compared with EUR 0.90 in H1 2016. Pernod Ricard's contribution in H1 2017 stood at CHF 10.4 million, versus CHF 10.2 million in H1 2016.

The contribution from **Total** was CHF 10.0 million in H1 2017, versus CHF 12.9 million in H1 2016[2]. The final 2016 dividend and the first interim dividend for 2017 amounted to EUR 0.62 per share each, a 1.6% increase over the corresponding amounts in 2016 (EUR 0.61). The smaller contribution from this holding reflects the impact of the disposal of Total shares by GBL[3].

The contribution from **Umicore** amounted to CHF 7.4 million in H1 2017, compared to CHF 7.6 million in H1 2016, and represents Pargesa's share of the final dividend payment related to 2016, or EUR 0.70 per share, unchanged from last year. The slight decrease in Umicore's contribution results from a lower average exchange rate in H1 2017 compared with H1 2016.

The significant reduction in **ENGIE**'s contribution (CHF 0.1 million, compared to CHF 13.2 million in 2016) is the result of the sale of shares by GBL in Q4 2016 and Q1 2017.

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[1] In the economic presentation of results, Pargesa's share of non-recurring items recorded by Imerys appears under « non-operating income (loss) from consolidated shareholdings ».

[2] In Q2 2016, GBL sold forward Total shares, and therefore continued to receive the interim dividends paid before the maturity of the contracts in Q4 2016. Over the first six months of 2016, this represented a total amount of CHF 6.4 million at the level of Pargesa.

[3] It is also reminded that the contribution from Total was negative in Q1 2016, as explained in previous press releases.

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Contributions from holding company activities:

The contribution from **private equity activities and other investment funds** comes primarily from investment funds held by GBL through Sienna Capital, and also includes general expenses and management fees. In H1 2017, the net contribution from these activities came in at CHF 60.1 million, including Pargesa's share of the gain recorded by ECP III on the sale of its investment in Golden Goose in Q1 2017 (EUR 112 million for GBL, or CHF 62.3 million at the level of Pargesa), as well as the contributions from Kartesia (CHF 6.2 million) and Mérieux Participations II (CHF 2.3 million). Comparatively, the contribution from these activities came in at CHF 25.0 million in H1 2016, and included 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, as well as the contribution from Kartesia (CHF 3.9 million).

Net financial income and expenses includes interest income and expenses as well as other financial income and expenses. This line item amounted to CHF -8.4 million in H1 2017, compared with CHF +16.4 million in H1 2016, and includes:

- The impact of the marking to market, at the end of each period, of the derivative instruments implicitly embedded in the outstanding exchangeable and convertible bonds issued by GBL. Pargesa's share of this impact, which in H1 2017 relates only to GBL's convertible bonds, was CHF -2.8 million, reflecting in particular the evolution in the price of the underlying shares over the period. In H1 2016, the corresponding figure was CHF +41.1 million (including CHF +28.2 million related to the bonds exchangeable for ENGIE shares);
- The net CHF -4.3 million impact resulting from the cancellation of the derivatives embedded in the bonds exchangeable for ENGIE shares redeemed at maturity by GBL in February 2017. In H1 2016, the impact of the cancellation of the derivatives embedded in bonds exchangeable for ENGIE shares repurchased by GBL over the period amounted to CHF -9.6 million;
- Pargesa's share of the realized and unrealized results recorded by GBL from trading activities (including dividends) and derivatives used by GBL in managing its portfolio. Pargesa's share of results from these activities was CHF 12.8 million in H1 2017, compared with CHF 1.3 million in H1 2016.

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 2016 has been adjusted (by CHF -7.6 million), as the investment in Umicore is now considered a strategic shareholding. The increase in 2017 primarily results from the additional investments made by GBL in Ontex and from the increase of the dividend per share paid by that company (EUR 0.55 in 2017, compared to EUR 0.46 in 2016) as well as from the new investment made in Parques.

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 shareholdings represents Pargesa's share of Imerys' non-operating items.

The net **non-operating income from holding company activities** amounts to CHF 8.5 million in H1 2017, and includes in particular, the impact of the redemption at maturity of the balance of the bonds exchangeable for ENGIE shares.

In H1 2016, the net non-operating loss from holding company activities of CHF -581.5 million included primarily:

- Pargesa's CHF −959.5 million share of the impairment charges recorded by GBL on its holding in LafargeHolcim at 31 March and 30 June 2016, for an aggregate amount of EUR 1'682 million;
- 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 2016, including an historical exchange-rate gain of CHF 157.5 million for Pargesa;

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- Pargesa's share of a further impairment charge of CHF −24.7 million recognized on GBL's holding in ENGIE 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.

3. Adjusted net asset value

Pargesa's flow-through adjusted net asset value per share was CHF 114.5 at 30 June 2017 (CHF 104.9 at 31 December 2016 and CHF 93.0 at 30 June 2016). Adjusted net asset value is calculated on the basis of the current market values and exchange rates for the listed shareholdings, and on the fair value and current exchange rates for private equity and other funds. It is broken down as follows:

Adjusted net asset value of Pargesa as of 30 June 2017						
CHF millions	% of capital	% of economic interest	Share price and currency		Flow-through value	Weighting as a % of total
Imerys	53.6%	26.8%	*EUR*	*76.2*	1'783	18%
LafargeHolcim	9.4%	4.7%	*EUR*	*50.3*	1'573	16%
SGS	16.2%	8.1%	*CHF*	*2'322*	1'471	15%
adidas	7.5%	3.8%	*EUR*	*167.8*	1'439	15%
Pernod Ricard	7.5%	3.8%	*EUR*	*117.3*	1'275	13%
Umicore	17.0%	8.5%	*EUR*	*60.9*	634	7%
Total	0.6%	0.3%	*EUR*	*43.3*	383	4%
Incubator						
- Ontex	19.98%	10.0%	*EUR*	*31.1*	280	3%
- Burberry	3.95%	2.0%	*GBP*	*16.6*	179	2%
- Parques Reunidos	15.2%	7.6%	*EUR*	*16.4*	110	1%
- Others					100	1%
Financial Pillar					487	5%
Other Pargesa					28	0%
Total portfolio					**9'742**	**100%**
GBL treasury assets					260	3%
Net cash (debt) (1)					(312)	(3%)
Adjusted net asset value					**9'690**	**100%**
per Pargesa share			*CHF*	*73.0*	*114.5*	
EUR/CHF exchange rate					1.093	

(1) This item notably includes Pargesa's share in the market value of GBL's trading portfolio. At 30 June 2017, it also includes Pargesa's share of the value of the remaining stake in ENGIE (inferior to 0.1%), valued at CHF 11 million.

The flow-through adjusted net asset value is published on a weekly basis on Pargesa's website. It was CHF 119.7 per share on 28 July 2017.

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