



Geneva, 15 March 2018

Financial results 2017:

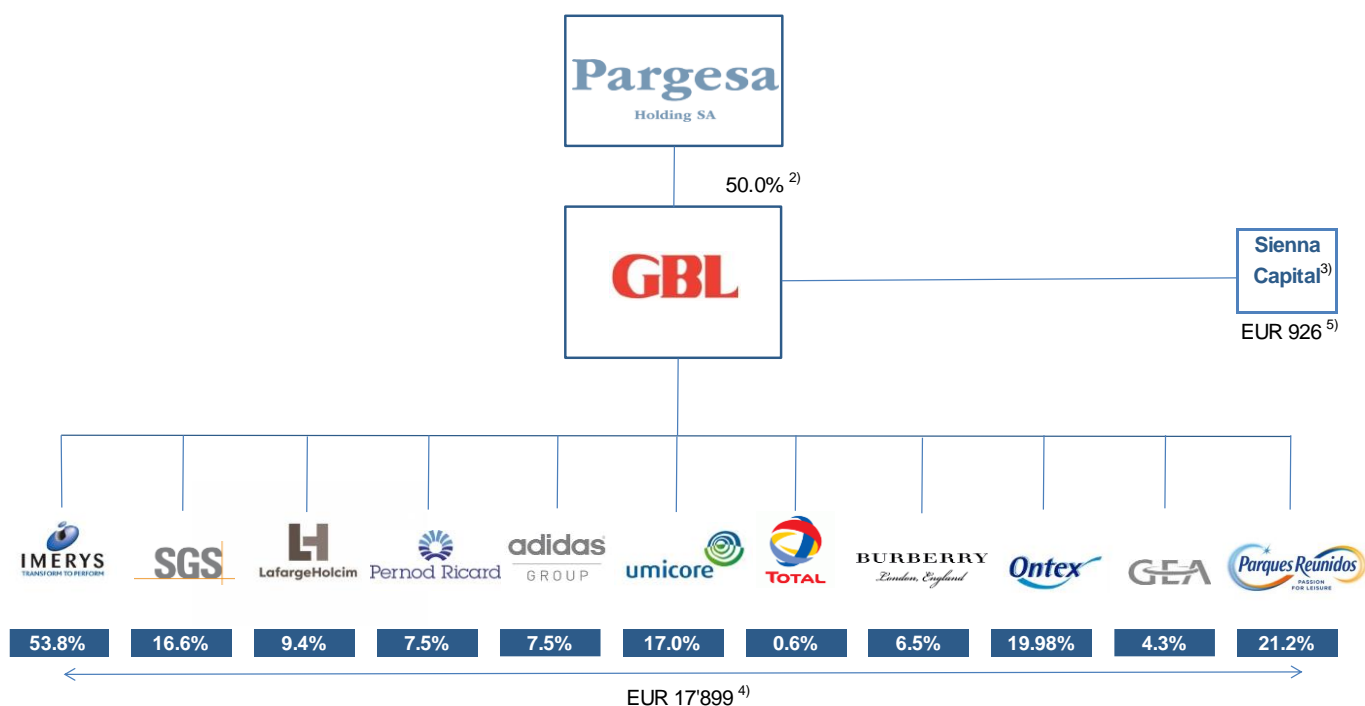
- **Economic operating income**¹: CHF 384.2 million, compared with CHF 320.9 million in 2016. Economic operating income in 2017 reflects:
 - a contribution from the portfolio² amounting to CHF 439.8 million, compared with CHF 342.3 million in 2016, including:
 - the increase in the operating contribution from Imerys, which stood at CHF 126.1 million (CHF 111.7 million in 2016);
 - dividends received from non-consolidated investments, or CHF 190.6 million in 2017 compared to CHF 192.4 million in 2016. The increase in dividends per share paid by most of the shareholdings, combined with the increase in the ownership in some of the existing positions and the addition of new investments in the portfolio almost completely offset the impact of the expected reduction in the contributions from Total and ENGIE, as a result of disposals made in 2016 and in the first quarter of 2017 by GBL;
 - a contribution of CHF 123.1 million from private equity and other funds activities, including Pargesa's share of the gains realized by Ergon Capital Partners III (Sienna Capital) from the sale of its investments in Golden Goose in Q1 (CHF 64.3 million) and ELITech in Q3 (CHF 60.1 million);
 - 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 -10.6 million (2016: CHF +31.0 million). Excluding this impact, economic operating income would have stood at CHF 394.8 million, compared with CHF 289.9 million in 2016.
- **Non-operating loss**: CHF -2.2 million, compared with a non-operating loss of CHF -352.9 million in 2016. In 2016, Pargesa's non-operating loss included for CHF -959.4 million the impact of the impairment charge recorded by GBL on its investment in LafargeHolcim, partly offset by the CHF 666.8 million gain recorded at the level of Pargesa, resulting from the sale by GBL of 1.8% of Total's share capital.
- As a result of the above, **Pargesa's net income** stands at CHF 382.0 million in 2017, compared with a net loss of CHF -32.0 million in 2016.

¹ See definition on page 6

² The term «portfolio» includes the shareholdings and Sienna Capital.

- In 2017, the average EUR/CHF exchange rate was 1.112, compared to 1.090 in 2016, which represents an increase of 2.0%.
- Dividend proposal: The Board of Directors will recommend a distribution of a dividend of CHF 2.50 per bearer share for the 2017 financial year, which represents an increase of 2.5% on the previous year (CHF 2.44 per bearer share).

The organization chart below reflects the Group structure at 31 December 2017¹⁾:



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

4) Market value in EUR million of the investments held by GBL at 31 December 2017.

5) Estimated value in EUR million at 31 December 2017.

During the past years a distinction was made in the presentation of the Group portfolio, which was made up of:

- o « Strategic shareholdings », defined as investments with a value usually superior to EUR 1 billion, mostly in listed companies;
- o the « Incubator » portfolio, comprising investments of a smaller size (ranging from EUR 250 million to EUR 1 billion), with the potential of becoming strategic shareholdings over time.

In any case, the Group aims at becoming a core shareholder with influence. Moreover, the total number of shareholdings is to stay limited. Thus, it was decided to no longer make a distinction between “Strategic” shareholdings and “Incubator” investments when presenting the portfolio, the economic results and the net asset value of Pargesa.

1. 2017 and early 2018 highlights

- As a reminder, GBL sold at the beginning of 2017 0.5% of ENGIE's share capital, representing almost all of its remaining interest in that company, for net proceeds of EUR 145 million and generating an accounting gain of EUR 1 million.

Furthermore, 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 allowed GBL to extend its average debt maturity profile and to further diversify its financing sources.

In December 2017, GBL repaid at maturity the EUR 350 million 2010-2017 bond with a 4% coupon.

- Burberry Group plc ("Burberry") announced in February 2017 that GBL had crossed upwards the 3.0% threshold of the voting rights of the company, in July 2017, the 4.0% threshold and later, in November 2017, the 6.0% threshold. As at 31 December 2017, GBL held 6.5% of Burberry's share capital, worth EUR 557 million.
- 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. At 31 December 2017, the market value of the investment in Ontex amounted to EUR 454 million.
- 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 regional leisure parks. With a presence in 14 countries, Parques operates more than 60 parks, primarily in Europe and the USA. On 25 April 2017, Parques co-opted a GBL representative on its board of directors. At the end of 2017, GBL crossed the 20% threshold in Parques' capital and held, at 31 December 2017, 21.2% of the share capital of the company, worth EUR 254 million.
- On 18 July 2017, Imerys announced that it had completed the acquisition of Kerneos, the world leader in high performance calcium aluminates binders for the building chemical markets. This operation enables Imerys to strengthen its innovation capability with a world-class technology platform and to step up its presence in China with 3 new plants.
- GEA Group (« GEA ») announced on 3 August 2017 that GBL had crossed the 3.0% threshold of the voting rights of the company. GEA is a worldwide leader in the supply of equipment and project management for a wide range of processing industries, primarily in the Food & Beverage sectors. At 31 December 2017, GBL held 4.3% of the share capital of GEA, representing a market value of EUR 328 million.
- On 8 February 2018, Umicore announced that it had raised EUR 892 million from institutional investors and other investors through an accelerated bookbuild. The new shares, which represent 10% of the number of outstanding shares prior to the transaction, were issued at a price of EUR 39.80 per share. GBL participated in the capital increase by investing EUR 144 million, which slightly diluted GBL's shareholding to 16.9% of Umicore's capital, compared with 17% prior to the transaction.
- At the level of Sienna Capital:
 - 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 consolidated gain of EUR 112 million for GBL, or CHF 64.3 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 generated a gain of EUR 104 million for GBL

(CHF 60.1 million at the level of Pargesa);

In September 2017, ECP III acquired a majority stake in Keesing Media Group, the leading European publisher of games and puzzle magazines;

In November 2017, ECP III announced the signature of an agreement for the acquisition of svt Holding GmbH (« svt »). This German company is one of the leaders in preventive passive fire protection. The acquisition was finalized in January 2018. In February 2018, an agreement to acquire Rolf Kuhn GmbH was signed. The merger of these two players of the fire protection sector is subject to customary antitrust approvals;

In December 2017, Ergon Capital Partners launched a new fund (ECP IV), with a first closing expected in 2018 and a targeted fundraising of EUR 500 million. Sienna Capital committed EUR 200 million to this new fund;

In February 2018, Ergon Capital Partners II entered into exclusive negotiations with Regal Beloit in order to sell its stake in Nicotra Gebhardt. The completion of the transaction is subject to customary antitrust approvals.

- In February 2017, Sagard 3 acquired 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;

In September 2017, a group of investors announced they had entered into exclusive negotiations with Sagard 3 and Alvest's management team, to acquire a significant stake in Alvest, the global leader in the production and distribution of airport ground support equipment. The transaction was finalized in January 2018, and Sagard 3 reinvested in the capital of the company;

In November 2017, the shareholders (including Sagard) of Kiloutou, one of the European leaders of rental construction equipment entered into exclusive negotiations for the sale of a majority shareholding position in the company. The transaction was finalized in February 2018;

In December 2017, Sagard entered into exclusive negotiations for the acquisition of a majority shareholding in Climater, one of the French leading firms in climatic engineering (installation and maintenance of air conditioning, heating and ventilation systems in buildings). The investment was completed in January 2018.

- 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. In 2017, the fund raising was closed with total commitments of EUR 870 million.
- During Q2 2017, Mérieux Participations II (MP II) acquired a minority shareholding in Xeris Pharmaceuticals 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.
- On 29 September 2017, Sienna Capital, committed EUR 25 million in Backed 1 LP (« Backed »), a venture capital fund established in London and specialized in the sector of new digital technologies;

On 8 March 2018, Sienna Capital committed to invest EUR 250 million alongside funds affiliated with the investment firm KKR in Flora Food Group (« FFG »), the Spreads division of Unilever. FFG is the world leader in margarine and plant-based cooking products, present in 69 countries and generating pro forma sales of around EUR 3.0 billion in 2017. FFG's portfolio is made up of consumer brands such as Becel, Flora, Country Crock, Blue Band, Rama and ProActiv. The completion of the transaction is expected in mid-2018, subject to regulatory approvals and employee consultations in certain jurisdictions.

At 31 December 2017, GBL's commitments with respect to Sienna Capital amounted to EUR 733 million (EUR 601 million at 31 December 2016).

2. Main shareholdings of the Group

The financial results of the Group's main shareholdings are available on their respective websites:

www.imerys.com, www.sgs.com, www.lafargeholcim.com, www.bernat-lafont.com,
www.adidas-group.com, www.umicore.com, www.total.com, www.burberryplc.com,
www.ontexglobal.com, www.gea.com, www.parquesreunidos.com⁵.

3. Consolidated results for 2017

The board of Pargesa Holding SA met today, and reviewed the audited consolidated financial results for 2017, which will be submitted to the Annual General Meeting on 3 May 2018 in Geneva.

3.1 Presentation of results in accordance with IFRS

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

CHF millions	2017	2016
Operating income	5'546.7	5'011.1
Operating expenses	(4'970.5)	(4'500.4)
Other income and expenses	281.3	(579.4)
Operating profit (loss)	857.5	(68.7)
Dividends and interest from long-term investments	378.8	368.9
Other financial income and expenses	(141.0)	(48.8)
Taxes	(165.3)	(163.2)
Income from associates and joint ventures	36.4	31.2
Consolidated net profit (before non-controlling interests)	966.4	119.4
Attributable to non-controlling interests	(584.4)	(151.4)
Attributable to Pargesa shareholders (Group share)	382.0	(32.0)
<i>Basic earnings per share attributable to Pargesa shareholders (CHF)</i>	<i>4.51</i>	<i>(0.38)</i>
<i>Average number of shares (thousands)</i>	<i>84'661</i>	<i>84'659</i>
<i>Average EUR/CHF exchange rate</i>	<i>1.112</i>	<i>1.090</i>

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

Other income and expenses include net capital gains and losses as well as impairments and reversals of previous impairments on Group shareholdings and operations. In 2017, this figure mainly comprises the gains realized by ECP III on the sale of its investments in Golden Goose and ELITech for a total amount of CHF 267.1 million. For 2016, this item included primarily the impairment charges recorded by GBL on its investments in LafargeHolcim and ENGIE for a net aggregate amount of CHF -1'914 million (of which, CHF -1'848 million were related to LafargeHolcim), as well as the impact of the gain recorded by GBL on the sale of 1.8% of Total's share capital (CHF 1'288 million, including a historical foreign exchange gain of CHF 490 million at the level of Pargesa) as well as the accounting loss incurred from the sale of ENGIE shares (CHF -12.2 million).

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

³ Financial year from 1 July to 30 June.

⁴ Financial year from 1 April to 31 March.

⁵ Financial year from 1 October to 30 September.

The **other financial income and expenses and taxes** items includes Pargesa's, GBL's and Imerys' figures.

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 or by Imerys⁶.

The item **non-controlling interests** mainly relates to the share of income attributable to the minority shareholders of GBL and Imerys, these two companies being fully consolidated into Pargesa's financial statements.

3.2. Economic presentation of Pargesa's financial results

In addition to the accounts drawn up in accordance with IFRS, Pargesa publishes 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 on one hand, of the holding activities on the other hand, to its results (Group share). IFRS require different accounting treatments depending on the Group's percentage holding in each of its investments (full integration of GBL and Imerys, equity method for Parques Reunidos as of 31 December 2017 -GBL having crossed the threshold of 20% of capital in the company at the end of the year-, with other Group shareholdings being classified as Available for sale financial assets, notably), the analysis of the evolution of these contributions from the consolidated accounts may sometimes be difficult to achieve.

The economic presentation is intended to illustrate in an analytical approach the origin of the formation of the consolidated result (Group's share) of Pargesa, and more specifically, on one hand, the contribution of the various components of the portfolio (Pargesa's share), and, on the other hand, the contribution from holding companies activities (Pargesa and its share of GBL's holding activities). The analysis also draws a distinction between the operating and non-operating items in the income, the non-operating part including in particular net capital gains and losses in connection with disposals as well as any restructuring charges and impairments or reversals of previous impairments (with the exception of GBL's results from trading activities, as well as net results from disposals or impairments recorded by private equity and other investment funds, which, due to the business model of this asset class, are included in operating income).

Per this presentation:

- the economic operating income highlights⁷:
 - the contribution of the portfolio's shareholdings, which is constituted of Pargesa's share in the operating result (as defined above) of such shareholdings which are fully consolidated (Imerys) or consolidated using the equity method (none in 2016 and 2017), as well as in the dividends paid by the non-consolidated shareholdings;
 - the net contribution from private equity and other investment funds activities (combined under Sienna Capital at GBL);
 - and the impact of net financial income (or expenses) and general expenses and income taxes of the holding companies.
- non-operating income includes, on one hand, Pargesa's share of non-operating items from shareholdings that are fully consolidated (Imerys) or consolidated using the equity method (none in 2016 and 2017), and, on the other hand, non-operating income generated at the level of the holding companies (Pargesa and its share of the non-operating income of GBL).

⁶ As mentioned in point 3.2 the Groups' participation in Parques Reunidos is accounted for using the equity method since end of 2017. The Group will therefore account its share in the results of the company from 1 January 2018.

⁷ Note: at the level of the economic operating results, the contributions of all the shareholdings as well as from the private equity and other investment funds activities are all set on the same level (« Contribution of the portfolio to operating income »).

- the sum of economic operating income and non-operating income corresponds to the net income (Groups' share), as reported in the consolidated financial statements.

Remarks:

1. IFRS 9, which came into effect on 1 January 2018, notably changes the treatment of variations in the fair value of Available-for-sale financial assets (AFS), which currently constitute the majority of the Group's portfolio.

It is reminded that the AFS are valued in the balance sheet at their fair value (being the market value for listed securities), the variations of which until now were recorded via shareholder's equity. These changes in value did not influence the profit and loss account except in the following cases:

- in case of a disposal: changes in fair value previously recorded in shareholder's equity since the time of acquisition were then recorded through income statement, or
- in the event of an impairment: the (negative) change in fair value since the acquisition was recorded through income statement (the same treatment applied to any additional negative variation) without the possibility of reversal (except in the case of a disposal).

As of 1 January 2018, the AFS will continue to be recorded at fair value, with changes in fair value to be recorded at the option of the company:

- either systematically through income statement: all positive or negative changes in the market value of listed AFSs (or the fair value in the case of unlisted AFS) will therefore directly impact the income statement (the change in fair value that will be recorded in the income statement in Q1 2018 will represent the difference between the fair value at 31 March 2018 and the fair value at 1 January 2018⁸);
- either in shareholder's equity: all positive or negative changes in the market value of listed AFSs (or fair value in the case of unlisted AFS) will impact the consolidated reserves, the corresponding amounts never being recycled in the income statement, even in the case of a disposal. Moreover, AFSs will no longer be subject to impairments recorded through income statement.

It should be noted that this choice can be made (i) globally for all AFSs or (ii) individually.

The Group has opted for the method of recording changes in fair value of the main AFSs⁹ via shareholder's equity (excluding those of Sienna Capital funds that meet the AFS classification criterion, for which changes in fair value will be recorded through income). Therefore, non-operating income should no longer record, as from the 2018 financial year, any gain or loss on disposal nor impairment charge on AFSs for which the option for the method of recording changes in fair value through shareholder's equity has been retained.

In addition, AFS contributions to the economic operating income will continue to be constituted by the dividends.

2. As mentioned on page 2, it was decided to no longer make a distinction between « Strategic » investments and « Incubator » investments in the economic presentation of Pargesa's results. For the sake of consistency, it was also decided to present in the operating income the contributions from the participations and the contribution from private equity and other funds activities under the same heading entitled « Contribution from the portfolio to operating income ». In the table below, the presentation of the economic results for the year 2016 has therefore been restated accordingly¹⁰.

⁸ As a result, changes in fair value previously recorded in shareholder's equity until 31 December 2017 will never be recorded through income statement.

⁹ This option currently involves the following AFSs: SGS, LafargeHolcim, Pernod Ricard, adidas, Umicore, Total, Burberry, Ontex, and GEA. Parques Reunidos is accounted for using the equity method since end of 2017.

¹⁰ In the press release dated 17 March 2017 announcing the results for the 2016 financial year, the contribution (dividends) from the investments then classified in the « Incubator » portfolio appeared under the heading « Other operating income from holding company activities ».

According to this approach, the economic results at 31 December 2017 can be analyzed as follows:

CHF millions	2017	2016
Contribution from the portfolio to operating income		
- Consolidated:		
Imerys share of operating income	126.1	111.7
- Non-consolidated:		
LafargeHolcim net dividend	59.7	44.3
SGS net dividend	45.9	41.5
Pernod Ricard net dividend	22.8	21.2
Total net dividend	19.8	28.0
adidas net dividend	14.9	10.7
Umicore net dividend	14.4	14.1
Ontex net dividend	5.0	2.9
Burberry net dividend	5.1	3.3
Parques Reunidos net dividend	1.7	
GEA net dividend	1.2	
ENGIE net dividend	0.1	26.4
Contribution of private equity and other funds	123.1	38.2
Contribution from the portfolio to operating income	439.8	342.3
<i>per share (CHF)</i>	<i>5.19</i>	<i>4.04</i>
Net financial income and expenses	(20.3)	8.1
General expenses and taxes	(35.3)	(29.5)
Economic operating income	384.2	320.9
<i>per share (CHF)</i>	<i>4.54</i>	<i>3.79</i>
Non-operating income (loss) from consolidated shareholdings	(11.0)	(21.4)
Non-operating income (loss) from holding company activities	8.8	(331.5)
Net income (loss)	382.0	(32.0)
<i>per share (CHF)</i>	<i>4.51</i>	<i>(0.38)</i>
<i>Average number of shares (thousands)</i>	<i>84'661</i>	<i>84'659</i>
<i>Average EUR/CHF exchange rate</i>	<i>1.112</i>	<i>1.090</i>

Most of the income comes from GBL, whose results are denominated in euros. The average EUR/CHF exchange rate in 2017 was 1.112, compared with 1.090 in 2016, which represents an increase of +2.0%.

Economic operating income:

Contribution from the portfolio to operating income

Consolidated shareholdings (Imerys):

Imerys reported net income from current operations of EUR 403.4 million in 2017, an increase of 11.4% compared with 2016 (EUR 362.1 million). Pargesa's share of **Imerys'** net income from current operations, in Swiss francs terms, was CHF 126.1 million in 2017, compared with CHF 111.7 million in 2016. After taking into account non-operating items of EUR -35.2 million¹¹ net of taxes (which include transaction costs in particular), Imerys' net income was EUR 368.2 million in 2017 (in 2016, Imerys' net income amounted to EUR 292.8 million after taking into account non-operating items of EUR -69.3 million net of taxes).

¹¹ In the economic presentation of results, Pargesa's share of non-operating items recorded by Imerys appears under « Non-operating income (loss) from consolidated shareholdings ».

Non-consolidated shareholdings:

The contributions from **LafargeHolcim**, **SGS**, **Pernod Ricard**, **Total**, **adidas**, **Umicore**, **Ontex**, **Burberry**, **Parques Reunidos**, **GEA** and **ENGIE** represent Pargesa's share of net dividends recorded by GBL. The contribution of the non-consolidated shareholdings amounts to CHF 190.6 million in 2017, compared with CHF 192.4 million in 2016. It is reminded that in 2016, the forward sales of Total and ENGIE shares initiated by GBL had allowed the Group to continue to receive interim dividends on the underlying shares until the maturity of the forward sales contracts¹².

The contribution from **LafargeHolcim** amounts to CHF 59.7 million in 2017, compared with CHF 44.3 million for the same period in 2016. The variance in the contribution reflects primarily the increase of the annual dividend paid by the company (CHF 2.00 per share in 2017, compared with CHF 1.50 in 2016, a 33% increase).

SGS' contribution came in at CHF 45.9 million for 2017, compared with CHF 41.5 million for 2016. The year-over-year variance in the contribution results primarily from the increased dividend per share paid by SGS (CHF 70, versus CHF 68 in 2016, up +2.9%), as well as from the increase of GBL's ownership in the company.

Pernod Ricard's dividend for the 2016-2017 financial year amounted to EUR 2.02 per share (consisting of an interim dividend of EUR 0.94 and a final dividend of EUR 1.08), against EUR 1.88 for the previous financial year (consisting of an interim dividend of EUR 0.90 and a final dividend of EUR 0.98), an increase of 7.4%. Pernod Ricard's contribution in 2017 amounted to CHF 22.8 million compared with CHF 21.2 million in 2016.

The contribution from **Total** was CHF 19.8 million in 2017, compared with CHF 28.0 million in 2016. The final 2016 dividend and the three interim dividends 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 in 2016¹³.

The contribution from **adidas** in 2017 amounted to CHF 14.9 million, compared with CHF 10.7 million in 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.

The contribution from **Umicore** amounted to CHF 14.4 million in 2017, compared with CHF 14.1 million in 2016, and represents Pargesa's share of the final dividend related to 2016, or EUR 0.35 per share (unchanged from the previous year), as well as the interim dividend related to 2017 financial year of EUR 0.325 per share (EUR 0.30 per share in 2016)¹⁴.

Ontex's contribution in 2017 amounts to CHF 5.0 million, compared with CHF 2.9 million in 2016. This increase is mainly due to the increase in the annual dividend paid by Ontex in 2017 (EUR 0.55 per share against EUR 0.46 in 2016, or + 19.6%), as well as from additional investments made by GBL.

Burberry's contribution in 2017 amounts to CHF 5.1 million, compared with CHF 3.3 million in 2016. The increase results partly from the increase in the Burberry's dividend per share as well as from the increase of GBL's interest in the company. Burberry paid in 2017 the final dividend related to the 2016-17 fiscal year (GBP 0.284 per share compared with GBP 0.268 in 2016) and declared an interim dividend for the 2017-2018 fiscal year of GBP 0.110 per share (GBP 0.105 in the previous year).

The contributions from **Parques Reunidos** for CHF 1.7 million and **GEA** for CHF 1.2 million reflect the new investments made in 2017 by GBL in these companies. It should be noted that with respect to Parques Reunidos, which is accounted for using the equity method as of the end of 2017, the contribution from 2018 onwards will be constituted by Pargesa's share of the company's income instead of its share of the dividend.

The significant reduction in **ENGIE's** contribution (CHF 0.1 million, compared with CHF 26.4 million in 2016)¹¹ is the consequence of the sale of shares by GBL in Q4 2016 and Q1 2017.

¹² In 2016, the corresponding aggregate amount of interim dividends amounted to CHF 21.7 million at the level of Pargesa.

¹³ It is also reminded that the contribution from Total was negative in Q1 2016, as explained in previous press releases.

¹⁴ The dividend per share is indicated post-2 for 1 split of the Umicore shares, effective 16 October 2017.

Contribution from private equity and other funds:

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 2017, the net contribution from these activities came in at CHF 123.1 million, including Pargesa's share of the gains recorded by ECP III on the sale of its investments in Golden Goose (EUR 112 million for GBL, or CHF 64.3 million at the level of Pargesa) and ELITech (EUR 104 million for GBL, or CHF 60.1 million for Pargesa), as well as the contributions from Kartesia (CHF 13.9 million) and Mérieux Participations II (CHF 4.3 million). Comparatively, the contribution from these activities came in at CHF 38.2 million in 2016, and included Pargesa's share of the gains recorded by ECP III from the sale of its interest in De Boeck group (CHF 29.1 million) and by Sagard II from the sale of its stake in FläktWoods (CHF 9.1 million), as well as the contribution from Kartesia (CHF 12.6 million).

Contribution from holding companies to operating results

Net financial income and expenses, which includes interest income and expenses, as well as other financial income and expenses, amounted to CHF -20.3 million in 2017 compared with CHF +8.1 million in 2016. Interest income and expenses recorded by Pargesa as well as that its share in those recorded by GBL represented CHF -21.7 million in 2017, compared with CHF -22.2 million in 2016. Other financial income and expenses include in particular:

- 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 2017 relates only to GBL's convertible bonds, was CHF -6.2 million. In 2016, the corresponding figure was CHF +40.8 million (including CHF +28.6 million related to the bonds exchangeable for ENGIE shares);
- the net CHF -4.4 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 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 -9.8 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 16.2 million in 2017, compared with CHF 3.1 million 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:

Non-operating income from consolidated shareholdings represents Pargesa's share of Imerys' non-operating items, which, as indicated above, amounts to EUR -35.2 million in 2017 (EUR -69.3 million in 2016).

The net **non-operating income from holding company activities** amounts to CHF 8.8 million in 2017, and includes in particular, the impact of the redemption at maturity of the balance of the bonds exchangeable for ENGIE shares (extinction of the balance of the debt).

In 2016, the net non-operating loss from holding company activities of CHF -331.5 million included primarily:

- Pargesa's CHF -959.4 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 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 for Pargesa;
- the impact of an additional impairment charge on the investment in ENGIE as well as the accounting loss recorded on the disposal of shares of that company, for an aggregate amount of CHF -40.6 million;
- the impact of the repurchase and cancellation (extinction of the corresponding debt) of around 69% of the bonds exchangeable for ENGIE shares, for a net amount of CHF +2.7 million for Pargesa.

4. Net asset value¹⁵

- The table here below offers a detailed view of Pargesa's net asset value (from a transitive point of view) at 31 December 2017. The net asset value is calculated by taking, on one hand, the assets and liabilities of Pargesa (excluding Pargesa's participation in GBL) and, on the other hand, Pargesa's share in the value of the portfolio, the net cash or net debt position and the other assets and liabilities of GBL. The net asset value is calculated based on current market values and exchange rates for the listed shareholdings, and on the fair value and current exchange rates for private equity and other investment funds (Sienna Capital).

Pargesa's net asset value per share was CHF 128.2 at 31 December 2017 (CHF 104.9 at 31 December 2016), up 22.1% year-on-year (including 7.9% attributable to the strengthening of the EUR vs. CHF in 2017). It is broken down as follows:

Net asset value of Pargesa as of 31 December 2017							
CHF millions	% of capital ^{a)}	% of economic interest ^{a)}	Share price and currency	Flow-through value	Weighting as a % of total		
Listed companies:							
Imerys	53.8%	26.9%	EUR	78.5	1'969	18%	
SGS	16.6%	8.3%	CHF	2'541	1'610	15%	
LafargeHolcim	9.4%	4.7%	EUR	47.0	1'575	15%	
Pernod Ricard	7.5%	3.8%	EUR	132.0	1'536	14%	
adidas	7.5%	3.8%	EUR	167.2	1'535	14%	
Umicore	17.0%	8.5%	EUR	39.5	880	8%	
Total	0.6%	0.3%	EUR	46.0	436	4%	
Burberry	6.5%	3.3%	GBP	17.9	326	3%	
Ontex	19.98%	10.0%	EUR	27.6	265	2%	
GEA	4.3%	2.2%	EUR	40.0	192	2%	
Parques Reunidos	21.2%	10.6%	EUR	14.9	149	2%	
Other investments:							
Sienna Capital					542	5%	
Other Pargesa					37	0%	
Total portfolio					11'052	102%	
GBL treasury shares					296	3%	
Net cash (debt) ^{b)}					(497)	(5%)	
Net asset value					10'851	100%	
<i>per Pargesa share</i>			CHF	84.5	128.2		
EUR/CHF exchange rate					1.170		

a) The % of capital represents the % of capital held by GBL in the shareholdings; the % of economic interest represents Pargesa's share (50%) of the % of capital held by GBL.

b) This item includes also Pargesa's share in the market value of GBL's trading portfolio.

The net asset value is published on a weekly basis on Pargesa's website. It was CHF 129.1 per share on 9 March 2018.

- Pargesa's share price increased by 27.5% in 2017, standing at CHF 84.5 at year-end. As at 9 March 2018, the share price closed at CHF 83.4.

5. Proposals to the Annual General Meeting of 3 May 2018

5.1. Appropriation of profit

At the Annual General Meeting, the Board of Directors will propose the payment for fiscal year 2017 of a dividend of CHF 2.50 per bearer share (compared with CHF 2.44 in the previous year, an increase of 2.5%) and CHF 0.250 per registered share, representing a total distribution of CHF 211.7 million which will take place on 15 May 2018.

¹⁵ This terminology replaces the one previously used « Adjusted Net Assets », the calculation method remaining the same.

5.2. 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, the Annual General Meeting must elect, individually, each year, the members of the Board of Directors and its Chairman, as well as the members of the Compensation Committee.

The Board of Directors of Pargesa Holding SA will recommend to re-elect as board members Paul Desmarais Jr (also as Chairman of the Board of Directors), Bernard Daniel, Victor Delloye, André Desmarais, Paul Desmarais III, Cedric Frère, Gérald Frère, Ségolène Gallienne, Jean-Luc Herbez, Barbara Kux, Jocelyn Lefebvre, Michel Pébereau, Gilles Samyn, Amaury de Sèze and Arnaud Vial for a term of one year which will expire at the end of the 2019 Annual General Meeting.

The Board of Directors will also recommend re-electing to the Compensation Committee Bernard Daniel, Jean-Luc Herbez, Barbara Kux, Gilles Samyn and Amaury de Sèze for a one-year term which will expire at the end of the 2019 Annual General Meeting.

5.3. Renewal of the authorized capital: amendments to article 5^{bis} of the articles of association

The Board of Directors will recommend to the Annual General Meeting to renew the authorized capital for a new period of two years, and consequently to amend Article 5^{bis} ch.1 of the Articles of Association, the content of which will be as follows (the amendments appear in bold type below):

The Board of Directors is authorised to increase, until **3 May 2020**, the share capital by up to two hundred and fifty-three million Swiss francs (CHF 253'000'000) through the issuance of a maximum of 11'500'000 bearer shares with a nominal value of CHF 20 each and a maximum of 11'500'000 registered shares with a nominal value of CHF 2 each. The new shares are required to be fully paid-in. The Board of Directors may increase the share capital in one or several portions.