



Geneva, 31 July 2018

- **H1 2018 financial results:**

- **Preliminary remark:** It is reminded that accounting standard IFRS 9, which became effective on 1 January 2018, significantly changes the accounting treatment of non-consolidated¹ portfolio investments². Pursuant to this new standard:
 - unrealized gains (or losses) recorded until 31 December 2017 in shareholders' equity will never be recorded in the income statement;
 - according to the accounting option retained by the Group (please refer to Section 2.2, Remark 1 further in this report), changes in fair values from 1 January 2018 onwards are recorded directly in shareholder's equity and will never be recorded in the income statement, except for changes in the fair value of those of the private equity and other investment funds that are not consolidated, which are recorded through income statement.

Therefore, the comparison between H1 2018 and H1 2017 economic operating income and net income must be analyzed in light of these accounting changes (for more details, please see Section 2.2 below).

- In H1 2018, the average EUR/CHF exchange rate was 1.170, compared with 1.077 in H1 2017, an increase of +8.6%.
- **Economic operating income**³: CHF 218.2 million compared with CHF 249.3 million in H1 2017. Economic operating income in H1 2018 includes:
 - a contribution from the portfolio amounting to CHF 248.4 million, compared with CHF 273.6 million in H1 2017, reflecting:
 - the increase in the operating contribution from Imerys (CHF 67.5 million compared with CHF 57.2 million in H1 2017);
 - the contribution from Parques Reunidos, which is accounted for using the equity method since the end of 2017, for CHF -3.2 million;
 - the increase in the dividends from non-consolidated shareholdings (CHF 172.5 million compared with CHF 156.3 million in H1 2017), primarily due to the increase in the dividends per share paid by most of the portfolio companies, additional investments made by GBL in Umicore and GEA, as well as to the increase in the average EUR/CHF exchange rate;

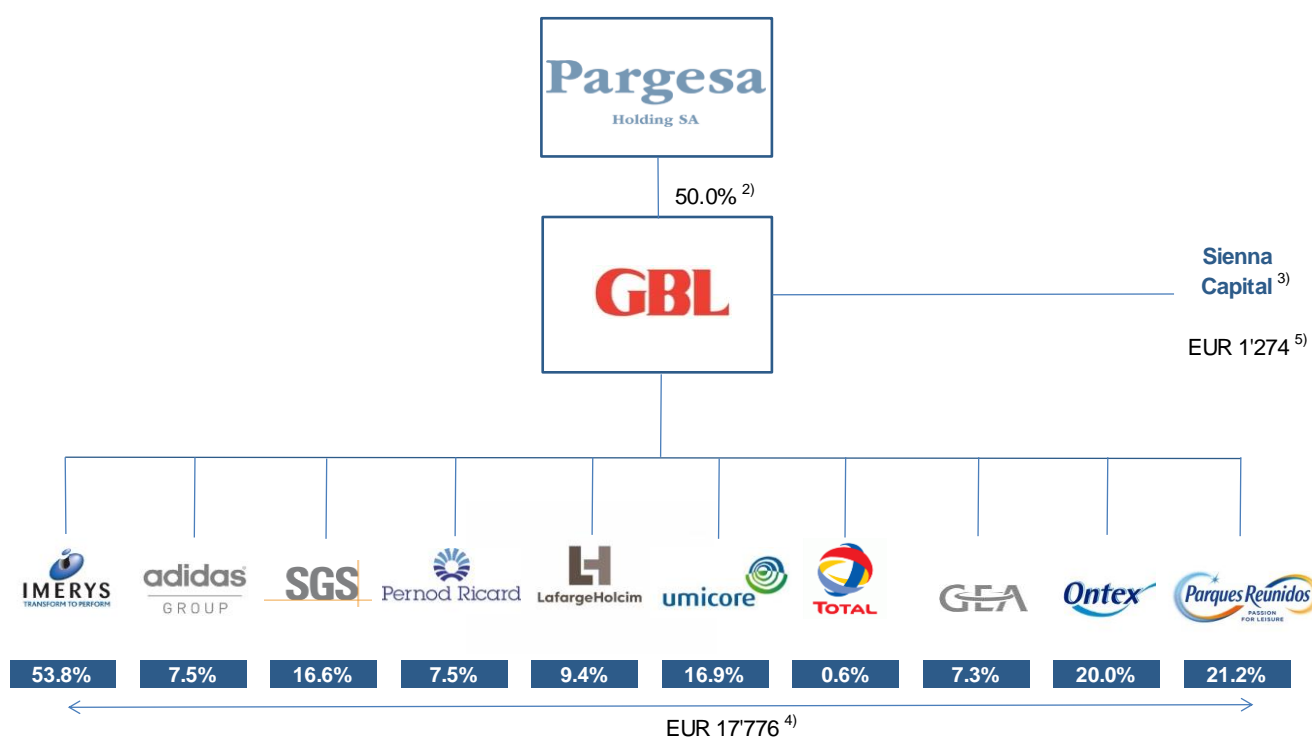
¹ In this press release, the term "consolidated" means full consolidation or equity accounting.

² The term "portfolio" includes the shareholdings and Sienna Capital.

³ See definition on page 5.

- a contribution of CHF 11.6 million from private equity and other funds activities, compared with CHF 60.1 million in H1 2017. It is reminded that in Q1 2018, Sagard II and Sagard 3 (non-consolidated funds) completed the sale of their investment in Kiloutou and Alvest, respectively. The revaluation reserve in Pargesa's shareholders' equity included at the end of 2017 an aggregate unrealized gain of CHF 57 million (Pargesa's share), as a result of the revaluation of these two investments. Pursuant to new accounting standard IFRS 9, this amount has not been recorded in the income statement at the time Kiloutou and Alvest were sold in Q1 2018, and remains recorded in shareholders' equity. In H1 2017, the contribution from this activity included in particular Pargesa's share of the gain recorded by Ergon Capital Partners III from the sale of its investment in Golden Goose, for CHF 62.3 million⁴.
- the non-cash impact related to the derivative financial instruments embedded in the convertible and exchangeable⁵ bonds issued by GBL, for a net amount CHF 5.4 million (CHF -7.1 million in H1 2017).
- **Non-operating income:** CHF -5.6 million in H1 2018, compared with CHF 3.2 million in H1 2017. It is worth noting that GBL sold in Q2 2018 its participation in Burberry, generating a gain of EUR 67 million (Pargesa's share: CHF 40 million). As per IFRS 9, this gain is recorded directly in shareholders' equity, and did not flow through income statement.
- As a result of the above, Pargesa's **net income** stands at CHF 212.6 million in H1 2018, compared with CHF 252.5 million in H1 2017.

The organization chart below reflects the Group structure at 30 June 2018¹⁾:



¹⁾ Shareholdings are expressed as a percentage of the capital held. The graph shows the main shareholdings of the portfolio.

²⁾ 51.1% of voting rights, taking into account the suspended voting rights related to GBL treasury shares.

³⁾ Comprising significant investments in private equity, debt or specific thematic funds.

⁴⁾ Market value in EUR million of the main investments held by GBL at 30 June 2018.

⁵⁾ Estimated value in EUR million at 30 June 2018.

⁴⁾ Note: had this transaction been achieved in 2018, the capital gain would have been recorded in the income statement, since the fund Ergon Capital Partners III is consolidated, as was the investment in Golden Goose.

⁵⁾ In 2017 only, with respect to exchangeable bonds.

1. 2018 highlights

- On 8 February 2018, **Umicore** raised EUR 892 million through a capital increase subscribed by institutional investors and other investors. 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 had the effect of slightly diluting its shareholding to 16.9% of Umicore's capital, compared with 17.0% prior to the transaction. As at 30 June 2018, the value of GBL's investment in Umicore was EUR 2'051 million.
- On 3 April 2018, GEA Group ("**GEA**") announced that GBL had crossed on 23 March 2018 the 5.0% threshold of the voting rights of the company. As at 30 June 2018, GBL held 7.3% of GEA's share capital, worth EUR 380 million.
- Between April and July 2018, certain holders of bonds convertible into **GBL** shares requested an early conversion of their bonds. These bonds, which represented 81% of all bonds issued on 27 September 2013 and due on 9 October 2018, were for the most part (92%) redeemed by the delivery of GBL treasury shares, and the balance in cash. At 30 June 2018, based on the number of bonds converted at that date, Pargesa's economic interest in GBL, stood at 51.1% compared to 51.8% at 31 December 2017.
- GBL and its wholly-owned subsidiary GBL Energy announced on 9 May 2018 the sale of 6.6% of the capital of Burberry Group PLC ("**Burberry**"), corresponding to 27.6 million shares. Proceeds from the disposal amounted to EUR 566 million, and will be redeployed in other investments. This transaction allowed GBL to realize a capital gain of EUR 67 million (with Pargesa's share being CHF 40 million), which however has not been recorded in the income statement as a consequence of IFRS 9, which became effective on 1 January 2018⁶.
- On 12 June 2018, **GBL** announced the completion of a 7-year bond issue for EUR 500 million, with a coupon of 1.875%. The proceeds from this issuance will be used by GBL for general corporate purposes. The transaction allows GBL to lengthen its debt maturity profile, and to further diversify its financing sources.
- **Imerys** announced on 17 May 2018 that it had entered into an exclusivity agreement for the purpose of the sale of its roofing division Imerys Toiture for an enterprise value of EUR 1 billion. The offer from the acquirer is firm binding and fully financed. Imerys Toiture, which mainly serves the French construction market, generated revenue of EUR 300 million in 2017 with around 1'000 employees and 14 plants located in France. This agreement follows the strategic review conducted by Imerys' Board of directors on the prospects of the Roofing division with a view to optimize the group's business portfolio and growth profile. The disposal would strengthen Imerys' balance sheet position, supporting its transition into a specialty materials group. The transaction is expected to be completed by the fourth quarter of 2018, following the customary relevant workers' councils consultations and subject to regulatory authorities' approval.
- At the level of **Sienna Capital**:
 - In November 2017, Ergon Capital Partners III ("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, svt signed an agreement to acquire Rolf Kuhn GmbH. Through this transaction, which was completed in April, svt becomes a major European actor in fire protection.
 - In September 2017, a group of investors announced that they had entered into exclusive negotiations with Sagard 3 and Alvest's management team, to acquire a significant stake in this company, the global leader in the production and distribution of airport ground support equipment. As at 31 December 2017, the unrealized gain on this investment then recorded in the revaluation reserve in shareholders' equity, amounted to CHF 34 million (Pargesa's share). The transaction was finalized in January 2018, and Sagard 3 reinvested in the capital of the company. Sagard 3 is a non-consolidated fund, thus as per new accounting standard IFRS 9, the CHF 34 million gain was not recorded in the income statement, and remains recorded in shareholders' equity.

⁶ The shareholding in Burberry was not consolidated.

In November 2017, the shareholders (including Sagard II) 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. As at 31 December 2017, the unrealized gain on this investment then recorded in shareholders' equity (in the revaluation reserve), amounted to CHF 23 million (Pargesa's share). The transaction was finalized in February 2018. Sagard II is a non-consolidated fund, thus for the same reasons as mentioned above, the CHF 23 million gain was not recorded in the income statement, and remains recorded in shareholders' equity.

In January 2018, Sagard 3 completed the acquisition of a majority stake in Climater, one of the French leading firms in climatic engineering (installation and maintenance of air conditioning, heating and ventilation systems in buildings).

- On 8 March 2018, GBL, through Sienna Capital, committed to invest EUR 250 million alongside funds affiliated with the investment firm KKR in Upfield (previously named Flora Food Group), the Spreads division of Unilever. Upfield 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. The transaction closed in July 2018.

At 30 June 2018, GBL's commitments with respect to Sienna Capital amounted to EUR 602 million (EUR 733 million at 31 December 2017).

2. Consolidated financial results at 30 June 2018 (unaudited)

The Board of directors of Pargesa Holding SA met today and reviewed the unaudited consolidated financial results for the six-month period ended 30 June 2018.

The IFRS consolidated financial statements for H1 2018, established in accordance with IAS 34 – *Interim Financial Reporting* – will be included in the 2018 interim report, which will be available on Pargesa's website during the month of August. These financial statements underwent a limited review by Deloitte, the Company's auditor.

2.1. Presentation of results in accordance with IFRS

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

CHF million	H1 2018	H1 2017
Operating income	3'092.8	2'432.4
Operating expenses	(2'833.0)	(2'212.5)
Other income and expenses	0.2	139.5
Operating profit (loss)	260.0	359.4
Dividends and interest from long-term investments	336.9	302.3
Other financial income and expenses	(53.8)	(58.3)
Taxes	(80.5)	(66.5)
Income from associates and joint ventures	20.9	17.2
Net profit from continuing operations	483.5	554.1
Net profit from discontinued operations	38.1	36.4
Consolidated net profit (before non-controlling interests)	521.6	590.5
Attributable to non-controlling interests	(309.0)	(338.0)
Attributable to Pargesa shareholders (Group share)	212.6	252.5
<i>Basic earnings per share attributable to Pargesa shareholders (CHF)</i>	<i>2.51</i>	<i>2.98</i>
<i>Average number of shares (thousands)</i>	<i>84'672</i>	<i>84'659</i>
<i>Average EUR/CHF exchange rate</i>	<i>1.170</i>	<i>1.077</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 certain Group shareholdings⁷ and operations. As mentioned earlier in this press release, pursuant to new accounting standard IFRS 9 the gains resulting from the sale in Q1 2018 of the investments in Kiloutou and Alvest held by the non-consolidated funds Sagard II and Sagard 3, respectively, which amounted to CHF 102 million in aggregate (including the portion attributable to non-controlling interests), as well as from the sale by GBL in Q2 2018 of its investment in Burberry (CHF 79 million, including the portion attributable to non-controlling interests), have not been recorded in the income statement and remain recorded in shareholders' equity. In H1 2017, this item included the gain realized by ECP III from the sale of its investment in Golden Goose (CHF 134 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 include 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 by GBL (Parques Reunidos, starting in 2018), Sienna Capital or Imerys.

The **net profit from discontinued operations** represents the contribution from Imerys' Roofing division.

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.

2.2. 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 the shareholdings within the portfolio on one hand, of the holding activities on the other hand, to its results (Group share). Since IFRS require different accounting treatments depending on the Group's percentage holding in each of its investments (full integration of GBL, Imerys and certain funds, equity accounting method for Parques Reunidos since the end of 2017, as well as for certain other funds, notably), the analysis of the evolution of these contributions from the consolidated accounts presented in accordance with IFRS may sometimes be difficult to achieve.

The economic presentation is intended to illustrate in an analytical approach the origin of the formation of Pargesa's consolidated result (Group share), 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. However:

- As explained in the section "Remarks" below, net capital gains or losses resulting from the sale of non-consolidated shareholdings within the portfolio are, from 1 January 2018, recorded directly in shareholders' equity, without flowing through the income statement;
- Net results from disposals or impairments recorded by private equity and other investment funds which are consolidated, as well as changes in fair value since 1 January 2018 for those of the funds which are not consolidated (see Section 2.2, Remark 1 below), are included in operating income due to the business model of this asset class.

⁷ With respect to non-consolidated portfolio investments and the application of IFRS 9, please refer to the comments in Section 2.2, Remark 1 below.

Per this presentation:

- The economic operating income highlights⁸:
 - the contribution of the portfolio's shareholdings to Pargesa's economic operating income, which is constituted of Pargesa's share in the operating income of such shareholdings which are fully consolidated (Imerys) or consolidated using the equity method (Parques Reunidos, from 2018), as well as in the dividends paid by the non-consolidated shareholdings. Imerys' operating income corresponds to the sum of Imerys' "Net income from current operations, group share" as presented by the company in its financial communication, and the contribution from its Roofing division, which is presented as discontinued operations in 2018. With respect to Parques Reunidos, operating income corresponds to net income before non-recurring items and impairments, as identified by the company;
 - the net contribution from private equity and other investment funds activities (combined under Sienna Capital at GBL). As per new accounting standard IFRS 9, from 1 January 2018 onward the contribution from those of the funds which are not consolidated includes changes in their fair value during the period (instead of net results from disposals or impairments or reversals of previous impairments, until 31 December 2017);
 - 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, for which non-operating income corresponds to "Other operating income and expenses", as presented by the company in its financial communication) or consolidated using the equity method (Parques Reunidos, from 2018, for which non-operating income corresponds to non-recurring items and/or impairments, as identified by the company); 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). It must be noted, however, that pursuant to IFRS 9, from 2018 onwards, in case of a disposal of shares of a non-consolidated portfolio shareholding, no gain or loss will impact the income statement, and that the income statement will no longer record any impairment charge with respect to non-consolidated portfolio shareholdings (see "Remarks" below).
- The sum of economic operating income and non-operating income corresponds to the net income (Group share), as per the consolidated financial statements.

Remarks:

- 1) As explained in the press release dated 3 May 2018, accounting standard IFRS 9, which came into effect on 1 January 2018, notably modifies the accounting treatment of changes in the fair value of the shareholdings which are not fully consolidated or equity accounted for (which currently constitute the majority of the Group's portfolio), and of changes in the fair value of the non-consolidated funds.

It is reminded that these investments are valued in the balance sheet at their fair value (being the market value for listed securities), the variations of which until 31 December 2017 were recorded in the revaluation reserve, which forms part of the shareholder's equity. As a result, these changes in value did not impact 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 in the income statement, or

⁸ Note: at the level of the economic operating income, the contributions of the shareholdings as well as from the private equity and other investment funds activities are all set on the same level since the end of 2017 ("Contribution of the portfolio to operating income").

- 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 from 1 January 2018, these investments will continue to be recorded at fair value in the balance sheet. However, changes in fair value recorded until 31 December 2017 in the revaluation reserve in shareholders' equity will never flow through income. Changes in fair value from 1 January 2018 are recorded, at the option of the company:

- either systematically through income statement: every positive or negative change during the period in the market value of listed non-consolidated shareholdings (or in the fair value in the case of non-consolidated unlisted investments) therefore directly impacts the income statement;
- or in shareholder's equity: every positive or negative change in the market value of listed non-consolidated shareholdings (or in the fair value in the case of non-consolidated unlisted investments) impacts the consolidated reserves, the corresponding amounts never being recycled in the income statement, even in the case of a disposal. Moreover, non-consolidated investments 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 the non-consolidated investments or (ii) individually.

The Group has opted for the method of recording changes in fair value of the main non-consolidated shareholdings within the portfolio⁹ via shareholder's equity, while changes in the fair value of those of the funds that are not consolidated are recorded in the income statement. Therefore, non-operating income should no longer record, as from the 2018 financial year, any gain or loss on disposal nor impairment charge on non-consolidated shareholdings for which the option for the method of recording changes in fair value through shareholder's equity has been retained.

In addition, the contribution from non-consolidated shareholdings to the economic operating income will continue to be constituted by the dividends.

- 2) As mentioned in the press releases issued on 15 March and 3 May 2018, it was decided to no longer make a distinction between "Strategic" investments and "Incubator" investments in the economic presentation of Pargesa's results. Furthermore, 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 H1 2017 has therefore been restated accordingly¹⁰.

⁹ This option currently involves the following shareholdings: LafargeHolcim, SGS, adidas, Pernod Ricard, Total, Umicore, GEA and Ontex (the shareholding in Burberry was sold in May 2018). Parques Reunidos is accounted for using the equity method since end of 2017.

¹⁰ The contribution (dividends) from shareholdings previously included in the "Incubator" portfolio appeared under the heading "Other operating income from holding company activities".

According to this approach, the economic results at 30 June 2018 can be analyzed as follows:

CHF million	H1 2018	H1 2017
Contribution from the portfolio to operating income		
- Consolidated shareholdings (full consolidation or equity accounting):		
Imerys share of operating income	67.5	57.2
Parques Reunidos share of operating income	(3.2)	-
- Non-consolidated shareholdings:		
LafargeHolcim net dividend	58.0	59.7
SGS net dividend	49.6	45.9
adidas net dividend	20.7	14.9
Pernod Ricard net dividend	12.0	10.4
Total net dividend	10.4	10.0
Umicore net dividend	9.3	7.4
GEA net dividend	6.0	1.2
Ontex net dividend	5.9	5.0
Parques Reunidos net dividend	-	1.7
Other net dividend	0.6	0.1
- Contribution from private equity and other funds	11.6	60.1
Contribution from the portfolio to operating income	248.4	273.6
<i>per share (CHF)</i>	2.93	3.23
Net financial income and expenses	(13.1)	(8.4)
General expenses and taxes	(17.1)	(15.9)
Economic operating income	218.2	249.3
<i>per share (CHF)</i>	2.58	2.94
Non-operating income (loss) from consolidated shareholdings	(5.1)	(5.3)
Non-operating income (loss) from holding company activities	(0.5)	8.5
Net income	212.6	252.5
<i>per share (CHF)</i>	2.51	2.98
<i>Average number of shares (thousands)</i>	84'672	84'659
<i>Average EUR/CHF exchange rate</i>	1.170	1.077

Most income comes from GBL, whose results are denominated in euros. In H1 2018, the average EUR/CHF exchange rate was 1.170, compared with 1.077 in H1 2017, an increase of +8.6%. Furthermore, following the early conversion in H1 2018 of convertible bonds issued by GBL (please refer to page 3 of this press release), Pargesa's share of GBL's earning (excluding the portion attributable to non-controlling shareholders) stands at 51.1% in H1 2018, compared with 51.8% in H1 2017.

Economic operating income:

Contribution from the portfolio to operating income

Consolidated shareholdings (full consolidation or equity accounting):

Imerys (which is fully consolidated) reported **net income from current operations** (group share) of EUR 176 million in H1 2018, excluding the contribution from its Roofing division presented as discontinued operations. Including this contribution (EUR 33 million). Imerys' net operating income as defined by Pargesa amounts to EUR 209 million, compared with EUR 189 million in H1 2017 (+10%). Including the effect of the strengthening of the average EUR/CHF exchange rate, Pargesa's share of Imerys' net income from current operations, in Swiss francs terms, was CHF 67.5 million in H1 2018, compared with CHF 57.2 million in H1 2017, an increase of 18.0%. After taking into account "Other operating income and expenses" of EUR -15 million net of

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taxes¹¹, Imerys' **net income** was EUR 194 million in H1 2018 (in H1 2017, Imerys' net income amounted to EUR 172 million after taking into account "Other operating income and expenses" of EUR -17 million net of taxes).

Parques Reunidos was acquired in 2017 and is accounted for using the equity method since the end of 2017. The company's financial year ends on 30 September. For the six-month period ended 30 June 2018, Parques Reunidos' **operating income** (see definition earlier in this report) stood at EUR -25 million reflecting in particular the seasonal nature of the company's activities. Pargesa's share of Parques Reunidos operating income thus came in at CHF -3.2 million. After taking into consideration non-recurring items and/or impairments¹², Parques Reunidos' **net income** came in at EUR -28 million for the period. For information purposes, Parques Reunidos' net income was EUR -35 million, for the six-month period ended 30 June 2017.

Non-consolidated shareholdings:

The contributions from **LafargeHolcim**, **SGS**, **adidas**, **Pernod Ricard**, **Total**, **Umicore**, **GEA**, **Ontex** and **Parques Reunidos** (in H1 2017, when this investment was not yet accounted for using the equity method) represent Pargesa's share of net dividends recorded by GBL. The contribution from non-consolidated shareholdings was CHF 172.5 million in H1 2018, compared with CHF 156.3 million in H1 2017.

The contribution from **LafargeHolcim** was CHF 58.0 million in H1 2018, compared with CHF 59.7 million in H1 2017. The company paid in 2018 a dividend of CHF 2.00 per share, the same amount as in 2017. The variance in the contribution reflects notably the impact of the evolution of the CHF/EUR exchange rate between 2017 and 2018, at the time when GBL recorded the dividend from LafargeHolcim.

The contribution from **SGS** came in at CHF 49.6 million in H1 2018, compared with CHF 45.9 million for the corresponding period in 2017. The increase in the contribution year-over-year primarily results from the increase in the dividend per share paid by SGS (CHF 75 compared with CHF 70 in 2017, up 7.1%).

The contribution from **adidas** was CHF 20.7 million in H1 2018, compared with CHF 14.9 in H1 2017. The increase in the contribution reflects the increase in the dividend per share paid by the company (EUR 2.60 vs EUR 2.00 in 2017, or +30%), as well as the increase in the average EUR/CHF exchange rate.

Pernod Ricard declared an interim dividend of EUR 1.01 per share in H1 2018, compared with EUR 0.94 per share in H1 2017, an increase of 7.4%. Including the impact of a stronger EUR/CHF exchange rate, Pernod Ricard's contribution for the six-month period ended 30 June 2018 came in at CHF 12.0 million, compared with CHF 10.4 million in H1 2017.

The contribution from **Total** was CHF 10.4 million in H1 2018, compared with CHF 10.0 million in H1 2017. The final dividend related to 2017 and the first interim dividend for 2018 amounted to EUR 0.62 per share and EUR 0.64 per share, respectively (the corresponding amounts in 2017 were EUR 0.62 per share each).

The contribution from **Umicore** came in at CHF 9.3 million in H1 2018 (compared with CHF 7.4 million in H1 2017), and represents Pargesa's share of the final dividend payment related to 2017, or EUR 0.375 per share, up 7.1% from the corresponding amount in H1 2017 (EUR 0.35 per share). The increase in Umicore's contribution also reflects the stronger EUR/CHF average exchange rate, as well as the higher number of shares held by GBL resulting from its participation in the capital increase launched by Umicore in February 2018.

The contribution from **GEA** was CHF 6.0 million in H1 2018, compared with CHF 1.2 million in H1 2017, reflecting the increase in the dividend per share paid by the company (EUR 0.85 in 2018, compared with EUR 0.80 per share in 2017, an increase of 6.3%), the strengthening of the EUR/CHF exchange rate, and the additional investments in GEA made by GBL in the 2nd half of 2017 and in 2018.

The contribution from **Ontex** was CHF 5.9 million in H1 2018, compared with CHF 5.0 million in H1 2017. Ontex paid an annual dividend of EUR 0.60 per share in 2018, compared with EUR 0.55 per share in the previous year (+9.1%). The increase in the contribution also reflects the positive evolution of the EUR/CHF exchange rate.

¹¹ As explained earlier in this report, in the economic presentation of results, Pargesa's share of "Other operating income and expenses" recorded by Imerys appears under "Non-operating income (loss) from consolidated shareholdings".

¹² Pargesa's share of Parques Reunidos' non-recurring items and/or impairments also appears under "Non-operating income (loss) from consolidated shareholdings".

As mentioned earlier in this report, the contribution to economic operating income from **Parques Reunidos**, which is accounted for using the equity method since the end of 2017, now represents Pargesa's share of the company's operating income, whereas in 2017 the contribution represented Pargesa's share of the dividend paid by the company (in H1 2017, Pargesa's share of the dividend from Parques Reunidos amounted to CHF 1.7 million).

Contribution from private equity and other funds:

The **contribution from private equity and other investment funds activities** comes primarily from the funds held by GBL through its subsidiary Sienna Capital, and also includes general expenses and management fees. In H1 2018, the net contribution from these activities came in at CHF 11.6 million, including a contribution from consolidated funds for CHF 8.3 million as well as, from 1 January 2018, changes in the fair value during the period for the funds that are not fully consolidated or equity accounted for, which amounted to CHF +9.2 million (application of IFRS 9 – see above). It is reminded that, also pursuant to IFRS 9, the unrealized gains recorded in shareholders' equity at 31 December 2017 with respect to the investments in Kiloutou and Alvest held by Sagard II and Sagard 3, respectively (Pargesa's share: CHF 57 million in aggregate), was not recorded in the income statement at the time of the disposal of these two investments in Q1 2018, and remain recorded in shareholders' equity.

In H1 2017, the contribution from these activities came in at CHF 60.1 million, and included Pargesa's share of the gain recorded by ECP III from the sale of its investment in Golden Goose (EUR 112 million at the level of GBL, with Pargesa's share being CHF 62.3 million), as well as the contributions from Kartesia (CHF 6.2 million) and Mérieux Participations II (CHF 2.3 million).

Contribution from holding companies to operating income

Net financial income and expenses, which include interest income and expenses, as well as other financial income and expenses, amounted to CHF -13.1 million in H1 2018 compared with CHF -8.4 million in H1 2017. Interest income and expenses recorded by Pargesa as well as its share in those recorded by GBL represented CHF -7.0 million in H1 2018, compared with CHF -9.5 million in H1 2017. 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 convertible bonds issued by GBL. Pargesa's share of this impact was CHF +5.4 million in H1 2018, compared with CHF -2.8 million in H1 2017;
- Pargesa's share of the realized and unrealized results recorded by GBL from trading activities (including dividends) and from derivatives used in managing its portfolio. Pargesa's share of results from these activities was CHF -0.5 million in H1 2018, compared with CHF 12.8 million in H1 2017.

Net financial income and expenses also included in H1 2017 the net CHF -4.3 million impact resulting from the cancellation of the derivatives embedded in the balance of the bonds exchangeable for ENGIE shares redeemed at maturity by GBL in February 2017.

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** includes Pargesa's share of Imerys' "Other operating income and expenses", which, as indicated above, amounted to EUR -15 million in H1 2018 (EUR -17 million in H1 2017). It also includes Pargesa's share of non-recurring items and/or impairments recorded by Parques Reunidos during the period (EUR -3 million).
- The net **non-operating income from holding company activities** amounted to CHF -0.5 million in H1 2018. It is reminded that, pursuant to IFRS 9 (please refer to Section 2.2, Remark 1 above), the gain resulting from the sale by GBL of its investment in Burberry in May 2018 (Pargesa's share: CHF 40 million) has not been recorded in the income statement, but directly in shareholders' equity.

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

3. Net asset value

- The table here below offers a detailed view of Pargesa's net asset value (on a flow-through basis) at 30 June 2018. 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 127.5 at 30 June 2018, a slight decrease (-0.5%) compared with the level at the end of 2017 (CHF 128.2). It is broken down as follows:

Net asset value of Pargesa as of 30 June 2018						
CHF million	% 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 69.3	1'717	16%	
adidas	7.5%	3.8%	EUR 187.0	1'697	16%	
SGS	16.6%	8.3%	CHF 2'642	1'674	15%	
Pernod Ricard	7.5%	3.8%	EUR 139.9	1'610	15%	
LafargeHolcim	9.4%	4.7%	EUR 41.5	1'375	13%	
Umicore	16.9%	8.5%	EUR 49.2	1'186	11%	
Total	0.6%	0.3%	EUR 52.2	490	5%	
GEA	7.3%	3.7%	EUR 28.9	220	2%	
Ontex	20.0%	10.0%	EUR 18.8	179	2%	
Parques Reunidos	21.2%	10.6%	EUR 13.7	135	1%	
Other				80	1%	
Other investments:						
Sienna Capital				737	6%	
Other Pargesa				24	0%	
Total portfolio				11'124	103%	
GBL treasury shares				177	2%	
Net cash (debt) ^{b)}				(502)	(5%)	
Net asset value				10'799	100%	
Net asset value per share				127.5		
Share price Pargesa				84.1		
EUR/CHF exchange rate				1.157		

^(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 130.4 per share on 27 July 2018.

- Pargesa's share price stood at CHF 84.1 on 30 June 2018, compared with CHF 84.5 at the end of 2017, a slight decline of -0.5% in line with the evolution of the net asset value. As at 27 July 2018, the share price closed at CHF 82.9.