



Geneva, 31 July 2019

Results at 30 June 2019

Key financial data

CHF million	30 June 2019	30 June 2018	31 December 2018	Variation * 2019/2018
Consolidated net result (Group share)	225	213	361	+12
Net debt **	114	166	175	-61
Loan To Value ***	1.1%	1.5%	1.9%	
Net asset value	10'291	10'799	8'973	+14.7%
Market capitalization	6'374	7'123	6'001	+6.2%

* Variation between June 2019 and June 2018 for the consolidated net result and between June 2019 and December 2018 for net debt, net asset value and market capitalization.

** Pargesa's net debt (including 50% of GBL's net debt, the net debt amounts to CHF 363 million at end of June 2019 against CHF 566 million at end of December 2018 - see table at Point 4. *Net asset value*).

*** The Loan To Value ratio is calculated on the basis of (i) Pargesa's direct net debt relative to (ii) Pargesa's portfolio value.

Pargesa's consolidated net result (Group share) stands in increase at CHF 225 million in H1 2019. The increase in the contribution from non-consolidated shareholdings, from private equity and other investment funds as well as the decrease from net financial expenses more than offset the decrease from Imerys' and Parques Reunidos' contribution.

During the first half of 2019, GBL took advantage of favourable market conditions to sell 0.6% of Total's capital, through forward sales, and also 1% of adidas' capital. The sale of Total shares will generate, for GBL, a capital gain of EUR 411 million and the one related to adidas amounts to EUR 333 million. The sale of Total shares completes the Group's withdrawal from the energy sector. These two capital gains totalling EUR 744 million (GBL's share) are recorded directly in equity (adidas in 2019 and Total in 2020, at maturity of the forward contracts) in compliance with IFRS 9, and therefore without any impact on consolidated net result.

Pargesa's net financial debt significantly decreased and amounts to CHF 114 million at 30 June 2019 against CHF 175 million at 31 December 2018.

Since the beginning of the year, Pargesa's net asset value rose 14.7% to CHF 10.3 billion at the end of June 2019.

In summary, the economic result is analysed as follows:

Operating income: CHF 245.7 million in H1 2019 compared with CHF 218.2 million in H1 2018. Economic operating income in H1 2019 includes a contribution from the portfolio amounting to CHF 251.8 million, compared with CHF 266.8 million in H1 2018, reflecting:

- The operating contribution from Imerys for CHF 50.0 million in H1 2019 compared with CHF 67.5 million in H1 2018;
- The increase in the dividends from non-consolidated shareholdings for CHF 203.2 million compared with CHF 172.5 million in H1 2018. The change is primarily due to the increase in the dividends per share paid by some of the portfolio companies, the monetization of LafargeHolcim's dividend in shares, additional investments made by GBL in Umicore and GEA, reimbursements notified by the French tax authorities of withholding taxes on dividends as well as to the decrease in the EUR/CHF exchange rate;
- A contribution in H1 2019 of CHF 20.8 million from private equity and other funds activities, compared with CHF 11.6 million in H1 2018;
- A contribution in H1 2019 of CHF -4.8 million from net financial income and expenses, compared with CHF -13.1 million in H1 2018.

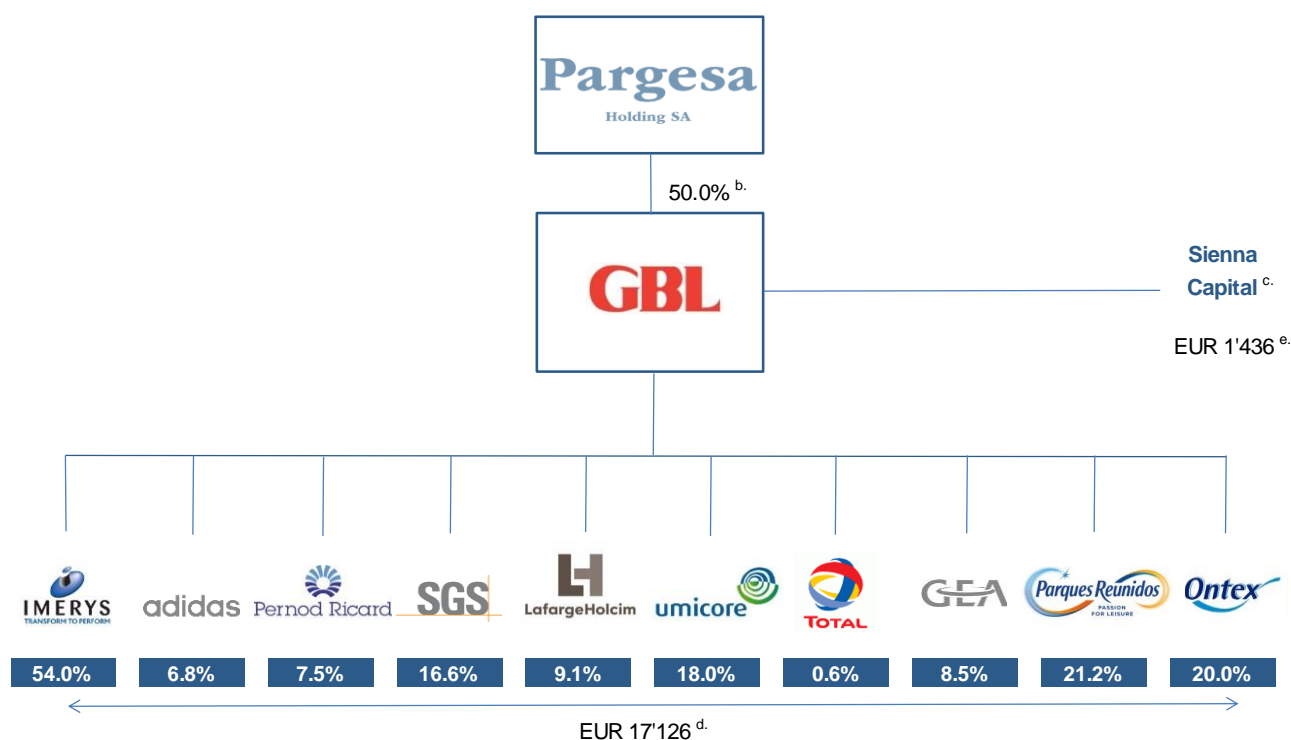
Non-operating income (loss): CHF -20.4 million in H1 2019, compared with CHF -5.6 million in H1 2018.

As previously stated, GBL sold 1% of adidas' capital, generating a gain of EUR 333 million (Pargesa's share: CHF 193 million). As per IFRS 9, this gain is recorded directly in shareholders' equity, and did not flow through income statement. The same will apply to the disposal of 0.6% of Total's capital through forward sales, which will generate a capital gain for GBL of EUR 411 million (estimated at CHF 323 million in Pargesa's share, including a foreign exchange result at Pargesa's level) and will be recorded directly in equity at maturity of the forward sale, i.e. in 2020.

As a result of the above, Pargesa's net income (Group share) stands at CHF 225.3 million in H1 2019, compared with CHF 212.6 million in H1 2018.

1. Group structure

The organisation chart below reflects the Group structure at 30 June 2019^a:



- The chart shows the main shareholdings of the portfolio. Shareholdings are expressed as a percentage of the capital held.
- 51.5% of voting rights (and of economic interest), taking into account the suspended voting rights related to GBL treasury shares.
- Comprising significant investments in private equity, debt or specific thematic funds.
- Market value in EUR millions of the main investments held by GBL at 30 June 2019.
- Estimated value in EUR millions at 30 June 2019.

2. 2019 highlights

- In a favourable market context, GBL finalized, in March and April 2019, its exit from the energy sector initiated in 2013, by selling 0.6% of **Total's** capital through forward sales maturing in January 2020. Sales were executed at an average spot price of EUR 50.52 per share and at an average forward price of EUR 48.37 per share. They have been prepaid¹ on 2 May 2019 for a total amount of EUR 771 million. The capital gain generated by these sales will amount to EUR 411 million at GBL's level and will not impact the consolidated net income in 2020, in accordance with IFRS 9. At maturity of these sales, on 24 January 2020, GBL's ownership in Total will be reduced to 0.01%. GBL continues to receive dividends on the disposed shares until this date.
- GBL has also seized this market window to monetize 1% of **adidas'** capital for a net amount of EUR 499 million and generate a capital gain of EUR 333 million which does not impact the income statement under the accounting standard IFRS 9. At the end of June 2019, the participation in adidas, being 6.8% of the capital, was valued at EUR 3'702 million.
- During the first half of 2019, GBL continued to strengthen its position in **Umicore**. At 30 June 2019, GBL holds a 18.0% stake in Umicore (17.7% at the end of 2018), representing a market value of EUR 1'250 million.
- Pursuant to **GBL's** share buyback program, as announced on 31 October 2018, 2.1 million shares for an amount of EUR 181 million have been bought during H1 2019. The economic interest of Pargesa in GBL stands at 51.5% following these purchases at 30 June 2019 against 50.8% at 31 December 2018. This share buyback program is executed up to 83% to date.

¹ The prepayment of the forward sales of Total shares will not impact GBL's net financial position until their maturity in January 2020.

- The voluntary takeover bid paid in cash for the shares of **Parques Reunidos**, announced in April and having begun on 26 July 2019, fits into GBL's objective to increase its exposure to private assets. Conducted alongside EQT AB, a leading player in the private equity sector, and Corporación Financiera Alba, another reference shareholder of the company, this transaction will enable to accelerate the implementation of the value creation strategy within the Parques Reunidos group, focused on optimising existing parks and increasing the portfolio diversification, notably through acquisitions. The result of this offer is expected before the end of 2019.
- GBL announced on 9 July 2019 that it has entered into exclusive negotiations to acquire the **Webhelp** group, a global leader in the field of customer experience and business process outsourcing. The group has doubled in size since 2015 and aims to achieve a turnover of EUR 1.5 billion in 2019. Upon completion of this transaction, GBL would take a majority shareholding alongside Webhelp's co-founding shareholders and management team. GBL's ambition is to continue, alongside them, to develop the group further and to support its transition from a European player to a global leader. Depending notably on the level of reinvestment of the co-founders and the management team, which is a key factor in the group's successful development, GBL's initial investment in Webhelp should represent 3 to 5% of GBL's net asset value. It is expected that the signing of the legal documentation occurs beginning of August 2019, for completion, after obtaining appropriate regulatory authorizations, within the course of the 4th quarter of 2019.

- At the level of **Sienna Capital**:

In December 2017, Ergon Capital Partners launched a new fund, Ergon Capital Partners IV, which successfully closed at the end of March 2019, with total commitments of EUR 580 million, beyond the fundraising objective of EUR 500 million. In 2017, Sienna Capital committed EUR 200 million in this new fund.

On 16 July 2019, Sienna Capital invested EUR 150 million in Marcho Partners LLP, a London-based fund specializing in innovation and technology.

At 30 June 2019, GBL's commitments (amount not called) with respect to Sienna Capital amounted to EUR 468 million (EUR 528 million at 31 December 2018). Sienna Capital's estimated value amounted to EUR 1'436 million at 30 June 2019.

3. Consolidated financial results at 30 June 2019 (unaudited)

The board of Pargesa Holding SA met today and reviewed the unaudited consolidated financial results for the six-month period ended 30 June 2019.

The IFRS consolidated financial statements for H1 2019, established in accordance with the accounting standard IAS 34 – *Interim Financial Reporting* – will be included in the 2019 interim report, which will be available on Pargesa's website during August. These financial statements underwent a limited review by Deloitte, the Company's auditor.

3.1. Presentation of results in accordance with IFRS

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

CHF million	H1 2019	H1 2018
Operating income	2'974.8	3'092.8
Operating expenses	(2'830.3)	(2'833.0)
Other income and expenses	9.5	0.2
Operating profit (loss)	154.0	260.0
Dividends and interest from long-term investments	395.2	336.9
Other financial income and expenses	(8.5)	(53.8)
Taxes	(58.5)	(80.5)
Income from associates and joint ventures	5.4	20.9
Net profit from continuing operations	487.6	483.5
Net profit from discontinued operations	-	38.1
Consolidated net profit (before non-controlling interests)	487.6	521.6
Attributable to non-controlling interests	(262.3)	(309.0)
Attributable to Pargesa shareholders (Group share)	225.3	212.6
<i>Basic earnings per share attributable to Pargesa shareholders (CHF)</i>	<i>2.66</i>	<i>2.51</i>
<i>Average number of shares (thousands)</i>	<i>84'699</i>	<i>84'672</i>
<i>Average EUR/CHF exchange rate</i>	<i>1.130</i>	<i>1.170</i>

The **operating profit (loss)** amounts to a CHF 154.0 million compared with CHF 260.0 million in H1 2018. This change reflects the decrease of Imerys' operating profit, which includes especially restructuring costs of CHF 59 million, related to the implementation of Imerys' group transformation program "Connect & Shape", aiming to step-up its organic growth and improve its operating profitability in the medium term.

The **dividends and interest from long-term investments** item of CHF 395.2 million in H1 2019 against CHF 336.9 million in H1 2018 comprises the net dividends recorded by the Group from its non-consolidated investments. The variation is primarily due to the increase in the dividends per share paid by some of the portfolio companies, the monetization of LafargeHolcim's dividend in shares, additional investments made by GBL in Umicore and GEA and reimbursements notified by the French tax authorities of withholding taxes which had been applied to ENGIE dividends received between 2013 and 2015. These different elements more than compensate the decrease in the EUR/CHF exchange rate.

The **other financial income and expenses** of CHF -8.5 million in H1 2019 compared with CHF -53.8 million in H1 2018 reflects especially the decrease in interest expenses and the positive variation of the fair value of private equity and other non-consolidated funds.

The **net profit from discontinued operations** of CHF 38.1 million in 2018 represents the contribution from Imerys' Roofing division, which was sold in October 2018.

The presentation of the economic result that follows makes it possible to assess differently the formation of the Group results.

3.2. Economic presentation of Pargesa's financial results

The economic result at 30 June 2019 can be analysed as follows:

CHF million	H1 2019	H1 2018
1) Contribution from the portfolio to operating income		
Consolidated shareholdings (full consolidation or equity accounting)		
Imerys *	50.0	67.5
Parques Reunidos *	<u>(7.2)</u>	<u>(3.2)</u>
	42.8	64.3
Non-consolidated shareholdings (net dividends)		
LafargeHolcim	64.4	58.0
SGS	50.4	49.6
adidas	24.9	20.7
Pernod Ricard	13.7	12.0
Total	10.4	10.4
Umicore	10.3	9.3
GEA	7.6	6.0
Ontex	3.9	5.9
Other	<u>17.6</u>	<u>0.6</u>
	203.2	172.5
Contribution from private equity and other investment funds	20.8	11.6
Contribution from the portfolio to operating income	266.8	248.4
<i>per share (CHF)</i>	3.15	2.93
2) Contribution from holding companies to operating income		
Net financial income and expenses	(4.8)	(13.1)
General expenses and taxes	<u>(16.3)</u>	<u>(17.1)</u>
	(21.1)	(30.2)
Operating income	245.7	218.2
<i>per share (CHF)</i>	2.90	2.58
Non-operating income (loss)		
Non-operating income (loss) from consolidated shareholdings **	(20.4)	(5.1)
Non-operating income (loss) from holding company activities	<u>-</u>	<u>(0.5)</u>
	(20.4)	(5.6)
Net income (Group share)	225.3	212.6
<i>per share (CHF)</i>	2.66	2.51
<i>Average number of shares (thousands)</i>	84'699	84'672
<i>Average EUR/CHF exchange rate</i>	1.130	1.170

* Pargesa's share of operating income.

** Pargesa's share of consolidated shareholdings operating income.

Most income comes from GBL, whose results are denominated in euros. In H1 2019, the average EUR/CHF exchange rate is 1.130, compared with 1.170 in H1 2018, meaning a decrease of -3.4%. Furthermore, following the acquisition of treasury shares by GBL in late 2018 and in 2019 (please refer to Point 2. *2019 Highlights* of this press release) and the conversion in 2018 of convertible bonds issued by GBL, Pargesa's share of GBL's earning (excluding the portion attributable to non-controlling shareholders) stands at 51.5% at 30 June 2019, compared with 50.8% at 31 December 2018 and 51.1% at 30 June 2018.

Operating income

1) Contribution from the portfolio to operating income

Consolidated shareholdings (full consolidation or equity accounting)

Imerys' (fully consolidated) **net income from current operations** (group share) decreases by 10% to EUR 159 million in H1 2019 compared with EUR 176 million in H1 2018. Including in H1 2018 the contribution from its Roofing division classified as discontinued operations in the IFRS presentation for EUR 33 million, Imerys' net operating income as defined by Pargesa amounted to EUR 209 million. Including the effect of the decline of the average EUR/CHF exchange rate, Pargesa's share of Imerys' net income from current operations, in Swiss francs, was CHF 50.0 million in H1 2019, compared with CHF 67.5 million in H1 2018. This lower performance is mainly due to the slowdown in the markets in which Imerys operates, causing a drop in volumes sold and which could not be offset by the improvement in the price-mix.

After taking into account "Other operating income and expenses" of EUR -63 million net of taxes², Imerys' **net income** (group share) was EUR 96 million in H1 2019. In H1 2018, Imerys' net income (group share) amounted to EUR 194 million after taking into account "Other operating income and expenses" of EUR -15 million net of taxes.

Parques Reunidos' ("Parques") contribution in H1 2019 represents only the Group's share of Parques' profit for the period from 1 January to 31 March 2019, as the company publishes its H1 results only after those of the Group. As a result, the contribution of the 2nd quarter of 2019 will be included in the 30 September 2019 results of the Group. In 2018, Parques' contribution to 30 June 2018 included the result of the first six months of the year 2018. Nevertheless, historically, given the seasonal aspect of its activity, the results achieved by Parques over the period from 1 April to 30 June are not very significant.

For the three-month period ended on 31 March 2019, Parques' **operating income** stood at EUR -58 million, being CHF -7.2 million in Pargesa's share, (CHF -3.2 million at 30 June 2018).

After taking into account non-recurring items and/or impairments³, Parques' **net income** for the first three months of the year amounted to EUR -63 million compared with EUR -28 million for the first six months of 2018.

Non-consolidated shareholdings (net dividends)

The contributions from **LafargeHolcim**, **SGS**, **adidas**, **Pernod Ricard**, **Total**, **Umicore**, **GEA** and **Ontex**, represent Pargesa's share of net dividends recorded by GBL. The contribution from non-consolidated shareholdings was CHF 203.2 million in H1 2019, compared with CHF 172.5 million in H1 2018.

The contribution from **LafargeHolcim** was CHF 64.4 million in H1 2019, compared with CHF 58.0 million in H1 2018. In 2019 the company declared a dividend of CHF 2.00 per share, the same amount as in 2018. The variance in the contribution reflects the monetization of the dividend received in shares by GBL and benefiting a premium compared to the dividend that would have been received in cash.

The contribution from **SGS** came in at CHF 50.4 million in H1 2019, compared with CHF 49.6 million for the corresponding period in 2018. The change of the contribution year-over-year results from the increase in the dividend per share paid by SGS to GBL (CHF 78 compared with CHF 75 in 2018, up 4.0%) reduced by currency effects.

The contribution from **adidas** was CHF 24.9 million in H1 2019, compared with CHF 20.7 million in H1 2018. The change in the contribution reflects mainly the increase in the dividend per share paid by the company to GBL (EUR 3.35 vs EUR 2.60 in 2018, or +29%).

Pernod Ricard declared an interim dividend of EUR 1.18 per share in H1 2019, compared with EUR 1.01 in H1 2018, an increase of 17%. Including the currency effects, Pernod Ricard's contribution for the six-month period ended 30 June 2019 came in at CHF 13.7 million, compared with CHF 12.0 million in H1 2018.

The contribution from **Total** was CHF 10.4 million in H1 2019, same amount as in H1 2018. The final dividend related to 2018 and the first interim dividend for 2019 amounted to EUR 0.64 and EUR 0.66 per share, respectively

² Pargesa's share of "Other operating income and expenses" recorded by Imerys appears under "Non-operating income (loss)" hereafter.

³ Pargesa's share of Parques Reunidos' non-recurring items and/or impairments also appears under "Non-operating income (loss)".

(the corresponding amounts in 2018 were EUR 0.62 and EUR 0.64 per share). The increase in the unit dividend is offset in the opposite direction by exchange rate effects. It is reminded that GBL continues to receive dividends until the maturity of the forward sales maturing in January 2020 (see Point 2. 2019 Highlights).

The contribution from **Umicore** came in at CHF 10.3 million in H1 2019 (compared with CHF 9.3 million in H1 2018), and represents Pargesa's share of the final dividend payment related to 2018, or EUR 0.40 per share, up 6.7% from the corresponding amount in 2018 (EUR 0.375 per share).

The contribution from **GEA** was CHF 7.6 million in H1 2019, compared with CHF 6.0 million in H1 2018. In 2019 the company paid a dividend of EUR 0.85 per share, the same amount as in 2018. The increase of the contribution reflects the additional investments in GEA made by GBL in the 2nd half of 2018, raising GBL's economic interest to 8.5% at 30 June 2019.

The contribution from **Ontex** was CHF 3.9 million in H1 2019, compared with CHF 5.9 million in H1 2018. The change reflects mainly the decrease of the annual dividend paid by Ontex to GBL (EUR 0.41 per share in 2019, compared with EUR 0.60 in the previous year, or -32%).

The item **Other** mainly includes reimbursements notified of CHF 15.0 million (Pargesa's share) by the French tax authorities of withholding taxes which had been applied to ENGIE dividends received between 2013 and 2015.

Contribution from private equity and other investment funds

The **contribution from private equity and other investment funds** comes primarily from the funds held by GBL through its subsidiary Sienna Capital, and also includes general expenses and management fees. In H1 2019, the net contribution from these activities came in at CHF 20.8 million compared with CHF 11.6 million in H1 2018 and includes changes in fair value during the period of the funds that are not fully consolidated for CHF +22.7 million (CHF +9.2 million in H1 2018).

2) 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 -4.8 million in H1 2019 compared with CHF -13.1 million in H1 2018. Interest income and expenses recorded by Pargesa as well as its share in those recorded by GBL represented CHF -0.7 million in H1 2019, compared with CHF -7.0 million in H1 2018. Other financial income and expenses include in particular 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 -4.6 million in H1 2019, compared with CHF -0.5 million in H1 2018.

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 of CHF -20.4 million (CHF -5.1 million in H1 2018) includes Pargesa's share of Imerys' "Other operating income and expenses", which, as indicated above, amounts to EUR -63 million in H1 2019 against EUR -15 million in H1 2018 and which includes, in 2019, an amount of EUR 50 million of restructuring costs incurred as part of the "Connect & Shape" strategic plan as well as an amount of EUR 5 million relating to the temporary shutdown of the Willsboro plant in the United States. It also includes Pargesa's share of non-recurring items and/or impairments recorded by Parques Reunidos during the period (EUR -5 million for the first three months of 2019 against EUR -3 million in H1 2018).

The net **non-operating income (loss) from holding company activities** is nil in H1 2019 against CHF -0.5 million in H1 2018.

It should be noted that, pursuant to IFRS 9, the gain resulting from the sale by GBL of 1% of adidas' capital during H1 2019 amounting to CHF 193 million (Pargesa's share) has not been recorded in the income statement, but directly in shareholders' equity.

The same will apply to the capital gain to be realized by GBL in 2020 on the forward sale of 0.6% of Total's share capital, which will generate an estimated profit of CHF 323 million in Pargesa's share (including a foreign exchange gain on disposal at Pargesa's level) and which will so not impact the income statement.

4. Net asset value

The table hereafter offers a detailed view of Pargesa's net asset value (on a flow-through basis) at 30 June 2019. 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 121.5 at 30 June 2019, an increase of +14.7% compared with the level at the end of 2018 (CHF 105.9). It was CHF 121.1 per share on 26 July 2019.

Pargesa's share price stood at CHF 75.3 on 30 June 2019, compared with CHF 70.9 at the end of 2018, an increase of +6.2%. As at 26 July 2019, the share price closed at CHF 74.7.

Pargesa's net asset value at 30 June 2019 is broken down as follows:

CHF million	30 June 2019					31 December 2018	
	% of capital a.	Flow-through % of interest a.	Share price and currency		Flow-through value	Weighting as a % of total	Flow-through value
Listed companies:							
adidas	6.8%	3.4%	EUR	271.5	2'056	20%	1'613
Pernod Ricard	7.5%	3.8%	EUR	162.1	1'790	18%	1'606
SGS	16.6%	8.3%	CHF	2'487	1'576	15%	1'400
LafargeHolcim	9.1%	4.6%	EUR	42.9	1'365	13%	1'156
Imerys	54.0%	27.0%	EUR	46.6	1'111	11%	1'014
Umicore	18.0%	9.0%	EUR	28.2	694	7%	856
Total b.	0.6%	0.3%	EUR	49.3	443	4%	422
GEA	8.5%	4.3%	EUR	25.0	213	2%	195
Parques Reunidos	21.2%	10.6%	EUR	13.9	132	1%	104
Ontex	20.0%	10.0%	EUR	14.2	130	1%	166
Other					102	1%	96
Other investments:							
Sienna Capital					797	8%	774
Other Pargesa					21	1%	24
Total portfolio					10'430	102%	9'426
GBL treasury shares					224	2%	113
Net cash (debt) c.					(363)	(4%)	(566)
Net asset value					10'291	100%	8'973
Net asset value per share					121.5		105.9
Share price Pargesa					75.3		70.9
EUR/CHF exchange rate					1.111		1.127

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

b. The ownership percentage as well as the market value of the investment do not take into account yet the forward sales of Total shares which will mature in January 2020. The fair value of these contracts is included in the item Net cash (debt) for CHF 4 million.

c. 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.

About Pargesa Holding

Pargesa Holding SA ("Pargesa") is the parent company of the Pargesa Group ("the Group"). Benefiting from the support and stability of the partnership created in 1990 between its two controlling shareholders (the Power Corporation group in Canada and the Frère group in Belgium), the Pargesa Group aims to create value over long-term for the benefit of all its shareholders, by building a portfolio of shareholdings in companies that are market leaders in various industry and services sectors, and acting as a professional shareholder.

Today, the Group's portfolio is held through Pargesa's subsidiary Groupe Bruxelles Lambert (GBL), which is listed on Euronext Brussels. At 30 June 2019, Pargesa held 50.0% of the share capital and 51.5% of the voting rights of GBL, taking into account the suspended voting rights related to GBL treasury shares.

Pargesa is listed at the SIX Swiss Exchange (Ticker: PARG SW; ISIN code: CH0021783391) and is included in the SPI and EURO STOXX 600 index.